

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 1 JANUARY TO 30 JUNE 2020  
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 30 JUNE 2020**

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**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AT  
30 JUNE 2020 AND 31 DECEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Reviewed 30 June 2020	Audited 31 December 2019
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	274,266,620	207,946,450
Financial Investments	5	30,417,289	-
Derivative Instruments		2,617,483	1,222,607
Trade Receivables		339,369,624	363,501,144
- Trade Receivables From Related Parties	3	53,655,623	40,576,094
- Trade Receivables From Third Parties	8	285,714,001	322,925,050
Other Receivables		52,453,414	45,180,927
- Other Receivables From Related Parties	3	50,598,626	43,984,454
- Other Receivables From Third Parties		1,854,788	1,196,473
Inventories	6	180,436,503	134,484,055
Prepaid Expenses	7	5,872,462	3,062,487
Current Income Tax Assets	18	5,304,572	7,689,397
Other Current Assets		2,909,146	3,265,200
<b>SUBTOTAL</b>		<b>893,647,113</b>	<b>766,352,267</b>
Non-Current Assets Held For Sale		4,165,115	5,320,001
<b>TOTAL CURRENT ASSETS</b>		<b>897,812,228</b>	<b>771,672,268</b>
<b>NON - CURRENT ASSETS</b>			
Other Receivables		1,355,808	1,210,681
- Other Receivables From Third Parties		1,355,808	1,210,681
Property, Plant and Equipment	10	393,128,766	401,171,711
Right of Use Assets	11	51,795,948	44,778,937
Intangible Assets Except for Goodwill		5,676,883	5,717,871
Goodwill		655,882	655,882
Prepaid Expenses	7	4,727,238	4,962,067
Other Non - Current Assets		534,643	-
Deferred Tax Assets	18	5,515,691	-
<b>TOTAL NON - CURRENT ASSETS</b>		<b>463,390,859</b>	<b>458,497,149</b>
<b>TOTAL ASSETS</b>		<b>1,361,203,087</b>	<b>1,230,169,417</b>

These condensed consolidated interim financial statements were approved by the Board of Directors on 19 August 2020.

The accompanying notes are integral part of these financial statements.

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AT  
30 JUNE 2020 AND 31 DECEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Reviewed 30 June 2020	Audited 31 December 2019
<b>LIABILITIES</b>			
<b>SHORT-TERM LIABILITIES</b>			
Short-Term Borrowings	9	129,281,147	114,031,771
Short-Term Portion of Long-Term Borrowings	9	76,310,136	91,424,537
Leasing Liabilities	9	39,093,058	13,622,056
Trade Payables		295,335,608	296,609,533
- Trade Payables to Related Parties	3	21,565,776	25,589,908
- Trade Payables to Third Parties	8	273,769,832	271,019,625
Payables Due to Employee Benefits	12	4,353,078	4,328,829
Other Payables		-	78,882
- Other Payables to Third Parties		-	78,882
Deferred Income (Except for Contract Liabilities)	13	147,775,580	96,089,155
Short-Term Provisions		6,860,032	6,741,354
- Other Short-Term Provisions		6,860,032	6,741,354
Other Short-Term Provisions		11,236,175	3,861,824
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>710,244,814</b>	<b>626,787,941</b>
<b>LONG-TERM LIABILITIES</b>			
Long-Term Borrowings	9	159,952,661	117,110,613
Leasing Liabilities	9	25,198,728	37,085,244
Long-Term Provisions		21,605,338	19,226,400
- Long-Term Provisions for Employee Benefits	12	21,605,338	19,226,400
Deferred Tax Liabilities		-	4,371,310
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>206,756,727</b>	<b>177,793,567</b>
<b>TOTAL LIABILITIES</b>		<b>917,001,541</b>	<b>804,581,508</b>

The accompanying notes are integral part of these financial statements.

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AT  
30 JUNE 2020 AND 31 DECEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Reviewed 30 June 2020	Audited 31 December 2019
<b>EQUITY</b>			
<b>Equity Attributable to Owners of the Parent Company</b>		<b>444,079,348</b>	<b>425,475,311</b>
Paid in capital	14	80,980,793	80,980,793
Adjustments to Share Capital	14	7,840,703	7,840,703
Treasure Shares (-)	14	(6,372,750)	(8,024,832)
Share Premium		91,952	91,952
The impact of business combinations of the entities under common control	14	(5,972,570)	(5,972,570)
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss		83,181,346	82,104,603
- Revaluation of Property, Plant and Equipment		90,735,591	90,907,689
- Actuarial Losses Arising from Defined Benefit Plans		(7,554,245)	(8,803,086)
Other Comprehensive Income/(Loss) to be Reclassified to Profit or Losses		230,524	3,131,067
- Foreign Currency Translation Differences		230,524	3,131,067
Restricted Reserves	14	32,379,717	32,379,717
Retained Earnings		237,585,240	195,957,918
Net Profit for the Year		14,134,393	36,985,960
<b>Non-Controlling Interest</b>		<b>122,198</b>	<b>112,598</b>
<b>TOTAL EQUITY</b>		<b>444,201,546</b>	<b>425,587,909</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,361,203,087</b>	<b>1,230,169,417</b>

The accompanying notes are integral part of these financial statements.

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME AT  
30 JUNE 2020 AND 31 DECEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2020	1 April - 30 June 2020	Reviewed 1 January - 30 June 2019	1 April - 30 June 2019
<b>PROFIT OR LOSS</b>					
Revenue	15	500,172,593	239,045,011	474,164,734	258,998,209
Cost of Sales (-)	15	(344,542,159)	(163,950,210)	(341,430,666)	(182,772,687)
<b>GROSS PROFIT</b>		<b>155,630,434</b>	<b>75,094,801</b>	<b>132,734,068</b>	<b>76,225,522</b>
General Administrative Expenses (-)		(39,742,761)	(26,838,145)	(36,008,714)	(17,322,298)
Marketing Expenses (-)		(56,974,817)	(27,150,675)	(58,160,317)	(28,259,483)
Research and Development Expenses (-)		(982,196)	(346,372)	(1,008,243)	(481,900)
Other Operating Income	16	32,969,743	20,024,869	34,433,592	17,980,565
Other Operating Expenses (-)	16	(53,893,661)	(36,218,644)	(39,939,896)	(20,395,376)
<b>OPERATING PROFIT</b>		<b>37,006,742</b>	<b>4,565,834</b>	<b>32,050,490</b>	<b>27,747,030</b>
Income from Investment Activities		8,493,049	4,637,881	17,351,432	6,563,385
Expenses from Investment Activities (-)		(187,090)	(49,059)	(40,726)	(18,938)
<b>OPERATING PROFIT/(LOSS) BEFORE FINANCIAL (EXPENSE)/ INCOME</b>		<b>45,312,701</b>	<b>9,154,656</b>	<b>49,361,196</b>	<b>34,291,477</b>
Financial Income	17	38,500,476	19,446,315	23,657,104	14,447,687
Financial Expenses (-)	17	(73,250,907)	(35,051,378)	(71,286,843)	(38,348,460)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>10,562,270</b>	<b>(6,450,407)</b>	<b>1,731,457</b>	<b>10,390,704</b>
Tax Expense from Continuing Operations		3,651,760	3,759,517	(2,546,063)	(4,767,212)
- Tax Expense for the Period	18	(6,547,451)	(5,132,717)	(297,554)	(65,913)
- Deferred Tax (Expense)/Income	18	10,199,211	8,892,234	(2,248,509)	(4,701,299)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>14,214,030</b>	<b>(2,690,890)</b>	<b>(814,606)</b>	<b>5,623,492</b>
<b>PROFIT FOR THE YEAR</b>		<b>14,214,030</b>	<b>(2,690,890)</b>	<b>(814,606)</b>	<b>5,623,492</b>
<b>Profit for the Period Attributable to</b>					
- Parent Company Shares		14,134,393	(2,770,527)	(810,133)	5,627,965
- Non-Controlling Interest		79,637	79,637	(4,473)	(4,473)
<b>Earnings per Share</b>		<b>0,1755</b>	<b>(0,0332)</b>	<b>(0,0101)</b>	<b>0,0694</b>
- Earnings per share (Profit per 100 shares with a face value of 1 Kr)	20	0,1755	(0,0332)	(0,0101)	0,0694
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Not to be Reclassified to Profit or Loss</b>		<b>1,248,841</b>	<b>1,248,841</b>	<b>(1,760,587)</b>	<b>130,155</b>
Actuarial Gain/(Loss) Arising from Remeasurement of Defined Benefit Plans		1,561,051	1,561,051	(2,200,734)	162,694
Actuarial Gain/(Loss) Arising from Remeasurement of Defined Benefit Plans, Tax Effect		(312,210)	(312,210)	440,147	(32,539)
<b>To be Reclassified to Profit or Loss</b>		<b>805,831</b>	<b>102,714</b>	<b>2,506,550</b>	<b>(1,541,719)</b>
Losses from Currency Translation Differences		805,831	102,714	2,506,550	(1,541,719)
<b>OTHER COMPREHENSIVE INCOME</b>		<b>2,054,672</b>	<b>1,351,555</b>	<b>745,963</b>	<b>(1,411,564)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>16,268,702</b>	<b>(1,339,335)</b>	<b>(68,643)</b>	<b>4,211,928</b>
<b>Total Comprehensive Income Attributable to:</b>					
Parent Company Shares		16,189,065	(1,418,972)	(64,170)	4,216,401
Non-Controlling Interest		79,637	79,637	(4,473)	(4,473)

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**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT  
30 JUNE 2020 AND 31 DECEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Paid in Capital	Capital Adjustment Differences	Treasury Shares	Not to be Reclassified Profit or Loss		To be Reclassified Profit or Loss					Equity Attributable to Owners of the Parent Company	Non-Controlling Interest	Total Equity	
				The effect of business combination of the entities under common control	Actuarial Losses Arising from Defined Benefit Plans	Revaluation of Property, Plant and Equipment	Foreign Currency Translation Differences	Share Premium	Restricted Reserves	Net Profit for the Year				Retained Earnings
<b>1 January 2019</b>	<b>80,980,793</b>	<b>7,840,703</b>	<b>(5,193,952)</b>	<b>(5,972,570)</b>	<b>(4,133,992)</b>	<b>91,251,885</b>	<b>(801,709)</b>	<b>91,952</b>	<b>28,761,185</b>	<b>106,049,351</b>	<b>132,057,817</b>	<b>430,931,463</b>	<b>17,211</b>	<b>430,948,674</b>
Transfers	-	-	-	-	-	(172,098)	-	-	3,618,532	(106,049,351)	102,602,917	-	-	-
Total Comprehensive Income	-	-	-	-	(1,760,587)	-	2,506,550	-	-	(814,606)	-	(68,643)	-	(68,643)
-Other Comprehensive Income	-	-	-	-	(1,760,587)	-	2,506,550	-	-	-	-	745,963	-	745,963
-Net Profit for the Period	-	-	-	-	-	-	-	-	-	(814,606)	-	(814,606)	-	(814,606)
Dividends Paid	-	-	-	-	-	-	-	-	-	-	(40,234,200)	(40,234,200)	-	(40,234,200)
Increase / (Decrease) due to share repurchase	-	-	443,373	-	-	-	-	-	-	-	649,025	1,092,398	- 1,092,398	-
Increase / (Decrease) Due to other changes	-	-	-	-	-	-	728,498	-	-	-	(1,253,580)	(525,082)	105,611	(419,471)
<b>30 June 2019</b>	<b>80,980,793</b>	<b>7,840,703</b>	<b>(4,750,579)</b>	<b>(5,972,570)</b>	<b>(5,894,579)</b>	<b>91,079,787</b>	<b>2,433,339</b>	<b>91,952</b>	<b>32,379,717</b>	<b>(814,606)</b>	<b>193,821,979</b>	<b>391,195,936</b>	<b>122,822</b>	<b>391,318,758</b>
<b>1 January 2020 (Before Correction)</b>	<b>80,980,793</b>	<b>7,840,703</b>	<b>(8,024,832)</b>	<b>(5,972,570)</b>	<b>(8,803,086)</b>	<b>90,907,689</b>	<b>3,131,067</b>	<b>91,952</b>	<b>32,379,717</b>	<b>36,985,960</b>	<b>195,957,918</b>	<b>425,475,311</b>	<b>112,598</b>	<b>425,587,909</b>
Corrections Regarding Errors (Note 2.6)	-	-	-	-	-	-	(3,706,374)	-	-	-	3,706,374	-	-	-
<b>1 January 2020 (After Correction)</b>	<b>80,980,793</b>	<b>7,840,703</b>	<b>(8,024,832)</b>	<b>(5,972,570)</b>	<b>(8,803,086)</b>	<b>90,907,689</b>	<b>(575,307)</b>	<b>91,952</b>	<b>32,379,717</b>	<b>36,985,960</b>	<b>199,664,292</b>	<b>425,475,311</b>	<b>112,598</b>	<b>425,587,909</b>
Transfers	-	-	-	-	-	(172,098)	-	-	-	(36,985,960)	37,158,058	-	-	-
Total Comprehensive Income	-	-	-	-	1,248,841	-	805,831	-	-	14,134,393	-	16,189,065	79,637	16,268,702
-Other Comprehensive Income	-	-	-	-	1,248,841	-	805,831	-	-	-	-	2,054,672	-	2,054,672
-Net Profit for the Period	-	-	-	-	-	-	-	-	-	14,134,393	-	14,134,393	79,637	14,214,030
Increase / (Decrease) due to share repurchase	-	-	1,652,082	-	-	-	-	-	-	-	-	1,652,082	-	1,652,082
Increase / (Decrease) Due to other changes	-	-	-	-	-	-	-	-	-	-	762,890	762,890	(70,037)	692,853
<b>30 June 2020</b>	<b>80,980,793</b>	<b>7,840,703</b>	<b>(6,372,750)</b>	<b>(5,972,570)</b>	<b>(7,554,245)</b>	<b>90,735,591</b>	<b>230,524</b>	<b>91,952</b>	<b>32,379,717</b>	<b>14,134,393</b>	<b>237,585,240</b>	<b>444,079,348</b>	<b>122,198</b>	<b>444,201,546</b>

The accompanying notes are integral part of these financial statements.

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW AT  
30 JUNE 2020 AND 31 DECEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

		Reviewed 1 January - 30 June 2020	Reviewed 1 January - 30 June 2019
<b>A. Cash Flows from Operating Activities</b>			
		<b>62,124,977</b>	<b>43,283,969</b>
Net Profit For the Period (I)		14,214,030	(814,606)
<b>Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities (II)</b>			
		<b>42,313,485</b>	<b>32,619,281</b>
Adjustments Related to Depreciation and Amortization Expense	10	25,047,804	22,873,475
Adjustments Related to Impairment Loss			
- Adjustments Related to Impairment for Receivables Provisions	16	13,796,216	519,487
- Adjustments Related to Impairment for Inventories Provisions	6	3,931,669	283,143
Adjustments Related to Provisions			
- Adjustments Related to Provisions for Employment Termination Benefit	12	4,457,856	3,336,642
- Adjustments Related to Provisions for Litigation		182,565	(310,500)
- Adjustments Related to Provisions for Guarantees		(63,887)	759,891
Adjustments Related to Interest Income/(Expense)			
- Adjustments Related to Interest Income		(6,348,903)	(16,939,608)
- Adjustments Related to Interest Expense	17	13,105,002	21,367,507
Adjustments Related Fair Value Gain / (Loss)		1,408,248	1,621,800
Adjustments Related to Tax Income/(Expense)	18	(3,651,760)	2,546,063
Adjustments Related to (Gains)/Losses Arised from Sale of Tangible and Intangible Assets		(2,171,245)	(371,097)
Unearned Financial Income / Expense Due to Future Purchases		(2,500,728)	(3,067,522)
Adjustments Related to Unrealized Foreign Currency Translation Differences		(4,879,352)	-
<b>Changes in Working Capital (III)</b>			
		<b>12,372,615</b>	<b>13,859,129</b>
Adjustments Related to Increase in Trade Receivables	8	12,464,068	62,950,107
Adjustments Related to Increase/(Decrease) in Other Operating Receivables		(7,417,614)	2,684,969
Adjustments Related to Decrease/(Increase) in Prepaid Expenses	7	(715,315)	(2,733,189)
Adjustments Related to Decrease/(Increase) in Inventories	6	(49,884,117)	(19,806,231)
Adjustments Related to Increase (Decrease) in Trade Payables	8	(901,961)	(43,985,109)
Adjustments for increase/(decrease) in Deferred Revenue		9,819,642	51,686,425
Adjustments for Other Increase/(Decrease) in Working Capital			
- Decrease/(Increase) in Other Assets Related with Operations		(178,589)	2,994,488
- Increase/(Decrease) in Other Payables Related with Operations		7,319,718	1,934,452
<b>Cash Flows from Operating Activities (I+II+III)</b>			
		<b>68,900,130</b>	<b>45,663,804</b>
Payments Related with Provisions for Employee Benefits	12	(517,867)	(2,379,835)
Taxes Paid	18	(6,257,286)	-
<b>B. Cash Flows from Investing Activities</b>			
		<b>2,210,398</b>	<b>4,699,211</b>
Cash Inflow from Sales of Property, Plant and Equipment and Intangible Assets	10	(7,914,251)	(10,529,084)
Cash Outflow from Purchase of Property, Plant, Equipment and Intangible Assets	10	2,386,031	143,902
Cash Inflow / (Outflow) From Sale of Asset Held for Sale		1,154,886	(1,517,549)
Other Advances and Payables		234,829	(337,666)
Interest Received		6,348,903	16,939,608
<b>C. Cash Flows From Financing Activities</b>			
		<b>(10,881,167)</b>	<b>(145,754,014)</b>
Cash Outflows Due to Acquisition of Treasury Shares		1,652,082	1,092,398
Cash Outflows Related to The Purchase of Equity Instruments Other Than Shares	5	(30,417,289)	-
Cash Inflow From Proceeds from Borrowings	9	55,165,281	209,857,993
Cash Outflow From Payments of Borrowings	9	(10,887,896)	(293,951,151)
Cash Outflow From Derivative Instruments		(2,803,124)	(14,762,427)
Cash outflows Related to Debt Payments Arising From Lease Agreements	9	(12,011,847)	(7,303,073)
Interest Paid		(11,578,374)	(20,570,654)
Dividends Paid		-	(20,117,100)
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents Before Foreign Currency Translation Differences (A+B+C)</b>			
		<b>53,454,208</b>	<b>(97,770,834)</b>
<b>E. Effect of Currency Translation Differences on Cash and Cash Equivalents</b>			
		<b>12,865,962</b>	<b>2,699,324</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (D+E)</b>			
		<b>66,320,170</b>	<b>(95,071,510)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>			
	4	<b>207,946,450</b>	<b>276,072,429</b>
<b>Cash and Cash Equivalents at the End of the Period</b>			
	4	<b>274,266,620</b>	<b>181,000,919</b>

The accompanying notes are integral part of these financial statements.



# EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT AS OF 1 JANUARY - 30 JUNE 2020

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Ege Profil Ticaret ve Sanayi Anonim Şirketi (the "Company" or "Ege Profil") was established in 1981 with the title Namık Mazhar Zorlu and Oğulları Plastik Profil Sanayi Kollektif Şirketi. It took its current form with a change of title in 1982. The main activity of the company is the production and sales of all kinds of plastic pipes and spare parts, and all kinds of profiles and plastic goods.

June 30, 2020 4,18% of the Company share trading on the Istanbul Stock Exchange ("BIST") (December 31, 2019: 4,12%). Deceuninck NV, which has 95.82% (31 December 2019: 95.88%) shares of the company as of June 30, 2020, is the main shareholder of the Company (Footnote 14).

With the contract signed between the Company and Pilsa A.Ş. in 2004, all activities carried out under the name of Winsa trademark were transferred to Ege Profil.

In June 2017, Deceuninck NV's 87.60% share in Pimaş A.Ş. was purchased for TL 2,7081 for each share, for a total price of TL 85,400,364 The process regarding the merger decision taken by taking over as a whole with all assets and liabilities was completed on 25 December 2017.

The company carries out sales with Egepen Deceuninck, Pimapen and Winsa brands produced in its facilities located in Menemen Plastik Specialized Organized Industrial Zone. In addition to operations in Turkey company sells through its subsidiaries and branches located in India and Chile. The company's ultimate customers are predominantly in the construction industry.

The details of the company's subsidiaries are given below:

<b>Subsidiaries</b>	<b>Stock Exchange Transactions</b>	<b>Types of Activitiy</b>	<b>Main Operations</b>
Deceuninck Importadora Limitada (Şili)	Not traded.	Profile Sale	Plastic Pipes, profile, marketing/distribution, lamination
Deceuninck Profiles India Pvt Limited (Hindistan)	Not Traded.	Profile Sale	Plastic Pipes, profile, marketing/distribution

As of 30 June 2020 and 31 December 2019, the number of personnel by category is as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Administrative	282	277
Manufacture	703	712
	<b>985</b>	<b>989</b>

# EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT AS OF 1 JANUARY - 30 JUNE 2020

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

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### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

The Company is registered in Turkey registered office address is as follows:

Atatürk Plastik OSB Mh. 5 Cd. No:4 35660 Menemen/İzmir

### NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

#### 2.1 Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“IFRIC”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) Turkish Accounting Standards Boards. The consolidated financial statements of the Group are prepared as per the CMB announcement of 15 April 2019 relating to financial statements presentations.

The Company prepared its condensed interim consolidated financial statements for the period ended 30 June 2020 in accordance with (‘TAS’) 34 ‘Interim Financial Reporting’ in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. The condensed interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information. In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Group preferred to present its interim financial statements in condensed.

The Company’s condensed interim consolidated financial statements do not include all disclosure and notes that should be included at year end financial statements. Therefore the condensed interim financial statements should be read in conjunction with the Company’s annual consolidated financial statements dated 31 December 2019 and group’s public announcements during the financial year.

The Group maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (‘TCC’), tax legislation and the uniform chart of account issued by the Ministry of finance. Subsidiaries registered and consolidated in Chile and India have prepared their statutory financial statements in accordance with the laws and regulations applicable in the countries they operate, and have prepared the legal records by reflecting the necessary corrections and classifications in order to make correct presentation in accordance with TFRS.

Consolidated financial statements have been prepared on the basis of historical cost, excluding land and plots and buildings from the tangible fixed assets group shown at their fair values, and financial assets and liabilities carried at their fair values, on the basis of historical cost, reflecting the necessary adjustments and classifications to the legal records in order to make an accurate presentation in accordance with TFRS.

According to CMB Communiqué No:14 and announcements made by the CMB, it is obligatory for the foreign exchange position table of the companies preparing the summary financial statements in interim periods to present the hedging ratio of the total foreign exchange liability and the total export and total import amounts in the footnotes of the financial statements. (Note 21).

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED  
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AS OF 1 JANUARY - 30 JUNE 2020**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENT (Continued)**

**2.1 Basis of Presentation (Continued)**

***Correction of Consolidated Financial Statements in High Inflation Periods***

In accordance with CMB's 17 March 2005 and 11/367 decision, companies operating in Turkey and Companies that are prepared its consolidated financial statements in accordance with CMB provisions are not subject to inflation accounting since 1 January 2005. Accordingly, on January 1, 2005, the Standard No. 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") published by the POA was not applied.

**2.2 Summary of Significant Accounting Policies**

Significant accounting policies applied in the preparation of the financial statements in the interim condensed consolidated statements are consistent with the explanations in the financial statements for the period 1 January - 31 December 2019 except for the following:

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

1 January - 30 June 2020 interim condensed consolidated statements should be evaluate with annual consolidated financial statements as of 31 December 2019.

Expenses, which are not evenly distributed through the year, are recognized in the condensed consolidated interim financial statements only when they can be estimated or deferred appropriately.

**2.3 Consolidation Principles**

The consolidated financial statements include the accounts of the parent company, Ege Profil Ticaret ve Sanayi A.Ş., its Subsidiaries, and its Branches on the basis set out as below. The consolidated financial statements of the Companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements with adjustments and reclassifications for the purpose of fair presentation in accordance with "TAS/IFRS" and the application of uniform accounting policies and presentation.

The Group's interim condensed consolidated financial statements do not have any effect on the seasonality of the Group's operations.

**a) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

# EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT AS OF 1 JANUARY - 30 JUNE 2020

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (Continued)

#### 2.3 Consolidation Principles (Continued)

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The portion of non-controlling shares in the subsidiary's net assets and current period comprehensive income or expense is included in the previous years' losses in the consolidated statement of financial position (balance sheet) within the scope of the materiality principle of accounting.

In order to be consistent with the accounting policies adopted by the Group, the accounting policies of subsidiaries have been changed when necessary.

As of 30 June 2020 and 31 December 2019 the Group's proportion of ownership interests of subsidiaries has been shown in the following table:

Subsidiaries	Company's direct and indirect controlling shares (%)	
	30 June 2020	31 December 2019
Deceuninck Importadora Limitada (Chile)	99.9%	99,9%
Deceuninck Profiles India Private Limited (India)	99%	99%

#### *Accounting for Business Combinations Subject to Common Control*

TFRS 3 is not applied in the purchase / sale transactions between the company and Deceuninck NV partnerships and therefore between enterprises under common control, because the provisions in "Business Combinations" are not covered by TFRS 3 or another TFRS. Therefore, no goodwill or negative goodwill is calculated in such transactions. These transactions are reflected in the financial statements retrospectively in accordance with the accounting practices regarding the transactions under common control, TAS 8 and legal requirements published by the POA. The difference between the purchase amount and the net assets of the purchased company is accounted for in a separate item in equity.

#### b) Segment Reporting

The operations of the Group are considered to be a single business segment because of the uniqueness of the Group's main field of activity and the nature of the products in the Group's field of activity, the production processes, the classes of the product customers and the economic characteristics of the methods used in the distribution of the products. Therefore, the Group management evaluates the decisions regarding the resources to be allocated and the performance evaluation as a single operating segment rather than separate segments.

#### c) Foreign Currency Transaction

##### i) Functional and Presentation Currency

The financial statements of each company of the Group are measured in the currency in which the entity is located and in which the operations are maintained ('functional currency'). In the interim condensed consolidated financial statements, the financial statements have been prepared and presented in Turkish lira ('TL') which is the parent company's functional and presentation currency of the Group.

# EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT AS OF 1 JANUARY - 30 JUNE 2020

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (Continued)

#### 2.3 Consolidation Principles (Continued)

##### ii) *Transactions and Balances*

Transactions in foreign currencies have been translated into functional currency at the exchange rates prevailing at the date of the transaction. Exchange gain or losses arising from the settlement translation of monetary assets and liabilities denominated in foreign currency at the exchange rates prevailing at the balance sheet dates are included in consolidated comprehensive income, except for the effective portion of foreign currency hedge of cash flow which are included under shareholder's equity.

##### iii) *Translation of Financial Statements of Foreign Subsidiaries*

The assets and liabilities of foreign subsidiaries are translated into TRY from the foreign exchange rate at the date of that balance sheet date. The income and expenses of foreign subsidiary are translated into TRY at the average foreign exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Exchange differences arising from the translation into TRY at closing and average foreign exchange rates are recognised in the 'currency translation difference' under the use of equity.

The average exchange rates in the balance sheet dates and in the relevant periods used for profit or loss and other comprehensive income statement items are as follows:

<b>Year End:</b>	<b>30 June 2020</b>	<b>31 December 2019</b>
TRY/INR	10,6	10,3
TRY/CLP	118,8	107,0
<b>Average:</b>	<b>1 January - 30 June 2020</b>	<b>1 January - 30 June 2019</b>
TRY/INR	10,9	12,33
TRY/CLP	116,1	118,47

#### 2.4 Amendments in Turkish Financial Reporting Standards

##### a) **Standards, Amendments and Interpretations Applicable as at 30 June 2020:**

- **Amendments to IAS 1 and IAS 8 on the Definition of Material;** Effective from Annual periods beginning on or after 1 January 2020. These amendments to IAS 1, 'Presentation of financial statements'; and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs:

- i) Use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting,
- ii) Clarify the explanation of the definition of material and
- iii) Incorporate some of the guidance in IAS 1 about immaterial information.

# EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT AS OF 1 JANUARY - 30 JUNE 2020

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### NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (Continued)

#### 2.4 Amendments in Turkish Financial Reporting Standards (Continued)

- **Amendments to IFRS 3, ‘Definition of a Business’;** Effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
  - **Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest Rate Benchmark Reform’;** Effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.
  - **Amendment to IFRS 16, ‘Leases’ - Covid-19 Related Rent Concessions;** Effective from Annual periods beginning on or after 1 June 2020. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- b) Standards, amendments and interpretations that are issued but not effective as at 30 June 2020:**
- **Amendments to IAS 1, ‘Presentation of Financial Statements on Classification of Liabilities’;** Effective from 1 January 2022. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.
  - **A Number of Narrow-Scope Amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** Effective from Annual periods beginning on or after 1 January 2022.
    - **Amendments to IFRS 3, ‘Business Combinations’;** Update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

# EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT AS OF 1 JANUARY - 30 JUNE 2020

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (Continued)

#### 2.5 Amendments in Turkish Financial Reporting Standards (Continued)

- **Amendments to IAS 16, ‘Property, Plant and Equipment’;** Prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37, ‘Provisions, Contingent Liabilities and Contingent Assets’;** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

The Group will apply these amendments starting from their effective dates by assessing their effects on its operations.

It is expected that the implementation of the above standards and comments will not have a significant impact on the Group's consolidated financial statements in the future. Standards and changes that were published but not yet effective as of 30 June 2020 and not related to the Group's activities are not given above.

#### 2.6 Comparative Informations

Financial statements of the Company are prepared in comparison with prior financial period in order to enable determination of the financial situation and performance trends. The Company has prepared its balance sheet as of 30 June 2020 in comparison with the balance sheet as of 31 December 2019 and its statement of comprehensive income, cash flow and changes in equity in 1 January - 30 June 2020 financial period in comparison with 1 January - 30 June 2019 financial period. Comparative information is reclassified when necessary in order to comply with the presentation of the current period financial statements.

#### 2.7 Accounting Policies, Errors and Change in Accounting Estimates

The significant changes that were made on accounting policies applied retrospectively and the consolidated financial statements of preceding period are restated. If changes in accounting estimates are only for a period, changes are applied to the current year but if the changes in the estimates are for the following period changes are applied both to the current and future years prospectively. Changes without any transition requirement, optional significant changes in accounting policies or detected accounting errors are applied retrospectively and the financial statements of the previous period are restated. Changes in accounting estimates are applied in the current period if the change is related to only one period, and if it is related to future periods, it is applied both in the period of change and prospectively.

The Group management has detected a calculation error amounting to TL 3,706,374 arising from the functional currency conversion of foreign affiliates in the “Foreign currency translation differences” account in the current period's equity table. This adjustment was adjusted in the consolidated financial statements as of January 1, 2020, in line with the materiality principle of accounting. The error in question has no effect on the net profit for the period or total equity of the Company.

# EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT AS OF 1 JANUARY - 30 JUNE 2020

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### NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT (Continued)

#### 2.8 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of offsetting. As a result of the transactions in the normal course of business, revenue except for the revenue identified are presented as net if the nature of the transaction or the event qualify for offsetting.

#### 2.9 Important Changes Regarding the Current Period

Necessary actions have been taken by the Group management to minimize the possible effects of COVID-19, which affects the whole world, on the Group's activities and financial status. Due to the COVID-19 pandemic, the Group's activities were generally positively affected as a result of the developments in both the Group's sector and the general economic activity. However, some actions were still taken by the Group management.

While preparing the interim condensed financial statements dated June 30, 2020, the Group evaluated the possible effects of the COVID-19 pandemic on the financial statements and reviewed the estimates and assumptions used in the preparation of the financial statements. In this context, the Group has tested the possible impairment of financial assets, stocks and tangible fixed assets included in the interim condensed financial statements dated June 30, 2020 and no impairment was detected.

#### 2.10 Declaration of conformity with the policy decisions published by TFRS and KGK

Group management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with TFRS published by KGK. As the Group management, we declare that the consolidated financial statements for the current and previous periods, the summary of the important accounting policies and the footnotes are prepared and presented in accordance with TFRS.



**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED  
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**NOTE 3 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

A summary of receivables and payables to related parties as of 30 June 2020 and 31 December 2019, and a summary of significant transactions with related parties for the period ended as of 30 June 2020 and 2019 are presented below:

*i) Balances with Related Parties:*

**a) Short-Term Trade Receivables from Related Parties:**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Deceuninck Group Companies	49,440,265	39,414,540
Deceuninck (Main Partner)	4,215,358	1,161,554
	<b>53,655,623</b>	<b>40,576,094</b>

Short-term trade receivables from related parties are related to product sales.

**b) Short-Term Other Receivables to Related Parties:**

Deceuninck (Main Partner)	50,598,626	43,984,454
	<b>50,598,626</b>	<b>43,984,454</b>

In accordance with the loan assignment agreement made with Deceuninck NV, EUR1,756,590, USD4,411,860 and AUD1,463,517 (31 December 2019: EUR1,756,590, USD4,411,860 and AUD1, Trade receivables amounting to 470,988) have been assigned to Deceuninck NV from the Group's other Deceuninck Group companies and the maturity of these receivables is as of 31 December 2020.

The carrying value of short-term trade receivables from related parties is closer to fair values.

As of 30 June 2020 and 31 December 2019, the maturity of trade and other receivables from related parties are as follows:

	<b>30 June 2020</b>
Overdue Receivables	12,120,101
0-30 days due	13,704,325
30-120 days due	18,624,330
121-180 days due	59,805,493
	<b>104,254,249</b>

Considering the Group's past experience in collecting trade receivables from related parties, the Group management believes that there is no doubtful receivable risk involved.

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**NOTE 3 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

**c) Short-Term Trade Payables from Related Parties:**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Deceuninck Group Companies	12,829,116	5,851,983
Deceuninck (Main Partner)	8,736,660	19,737,925
	<b>21,565,776</b>	<b>25,589,908</b>

A significant portion of short-term debts to related parties arises from raw material purchases and consultancy and consultation services received from Deceuninck NV.

**ii) Transactions with Related Parties:**

**a) Product Sales to Related Parties:**

	<b>1 January - 30 June 2020</b>	<b>1 January - 30 June 2019</b>
Deceuninck Group Companies	37,941,827	23,234,749
Deceuninck (Main Partner)	2,950,849	2,943,307
	<b>40,849,222</b>	<b>26,178,056</b>

**b) Service and Product Purchases from Related Parties:**

Deceuninck (Main Partner)	12,082,032	21,183,564
Deceuninck Group Companies	766,054	1,434,386
	<b>12,848,086</b>	<b>22,617,950</b>

**c) Other Income from Related Parties:**

Deceuninck (Main Partner)	7,451,272	74,203
Deceuninck Group Companies	6,717,320	6,094,294
	<b>14,168,592</b>	<b>6,168,497</b>

Income from related parties generally includes foreign exchange differences arising from purchases and sales made during the period and revenues from fixed asset sales.

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
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**NOTE 3 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

**d) Financial Income/(Expenses) from Related Parties:**

	<b>1 January - 30 June 2020</b>	<b>1 January - 30 June 2019</b>
Deceuninck (Main Partner)	(24,606,003)	(13,706,987)
Deceuninck Group Companies	1,031,813	1,519,229
	<b>(23,574,190)</b>	<b>(12,602,825)</b>

**e) Key Management Benefits:**

Key management consists of senior managers, board members, general manager and directors, and the benefits provided to these managers are as follows:

	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>
Total Short-Term Benefits	5,237,950	1,989,212	5,667,621	1,652,405
Redundancy benefits	564,088	60,749	520,797	15,426
	<b>5,802,038</b>	<b>2,049,961</b>	<b>6,188,418</b>	<b>1,667,831</b>

**NOTE 4 - CASH AND CASH EQUIVALENTS**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Cash	6,111	2,984
Banks	262,271,654	196,239,859
- Time Deposits		
- TRY denominated time deposits	200,450,736	119,816,913
- Foreign currency denominated time deposits	53,743,050	67,893,444
- Demand Deposits		
- TRY demand denominated deposits	5,859,994	3,233,049
- Foreign currency denominated demand deposits	2,217,874	5,296,453
Checks in Collection	11,980,884	6,933,243
Other	7,971	4,770,364
	<b>274,266,620</b>	<b>207,946,450</b>

Time deposits are denominated in TRY and all mature in one month (31 December 2019: one month) with the effective weighted average interest rates of 10.66% per annum ("pa") for TRY, 0.10% per annum ("pa") for EUR and 1.56% per annum ("pa") for USD (31 December 2019: 11,5% pa for TRY and %0,6 pa for USD denominated time deposits). The credit risks of the banks where the Group has deposits are evaluated by taking into account independent data and no significant credit risk is expected.

As of 30 June 2020 and 31 December 2019, the Group has no blocked deposits.

Checks in collection refer to checks with maturity within 3 days and those kept in banks for collection.

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED  
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**NOTE 5 - FINANCIAL INVESTMENTS**

As of 30 June 2020, the financial investments amounting to TRY30,417,289 consist of the bond with 8 July 2020 maturity and 9.15% interest rate purchased by the Group on 5 May 2020. As of 30 June 2020, the interest accrued on the subject bond amounted to TRY421,097.

It is assumed that the carrying values of these financial investments will converge to their fair values.

**NOTE 6 - INVENTORIES**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Raw Materials	39,133,078	35,874,516
Work in Progress	17,664,503	10,884,619
Finished Goods	75,973,480	45,695,703
Trade Goods	56,242,580	46,674,686
Provision for Impairment of Inventory (-)	(8,577,138)	(4,645,469)
	<b>180,436,503</b>	<b>134,484,055</b>

Raw materials mainly consist of PVC, lamination materials and adhesives used in profile production. As of 30 June 2020 and 31 December 2019, inventories are valued at cost. As of 30 June 2020, TRY2,109,804 of the provision for inventory impairment consists of impairment on raw materials, TRY6,402,497 on finished goods and TRY64,837 on commercial goods.

The movement of inventory impairment for the periods ended 30 June 2020 and 2019 is as follows:

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>4,645,469</b>	<b>4,757,162</b>
Increase/(Decrease) in the Period, Net	3,931,669	283,143
<b>30 June</b>	<b>8,577,138</b>	<b>5,040,305</b>

The total amount of raw materials, semi-finished products, finished goods and commercial goods that are expensed in the current period and associated with the cost of sales is TRY3,931,669 (1 January - 30 June 2019: TRY283,143).

**NOTE 7 - PREPAID EXPENSES**

**a) Short-Term Prepaid Expenses**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Order Advances Given	4,759,097	376,228
Other	1,113,365	2,686,259
	<b>5,872,462</b>	<b>3,062,487</b>

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**NOTE 7 - PREPAID EXPENSES (Continued)**

**b) Long-Term Prepaid Expenses**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Advances Given for the Purchase of Fixed Assets	4,677,723	4,939,521
Other	49,515	22,546
	<b>4,727,238</b>	<b>4,962,067</b>

**NOTE 8 - TRADE RECEIVABLES AND PAYABLES**

**a) Short-Term Trade Receivables to Third Parties:**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Cheques and Notes Receivable	265,790,033	240,607,863
Customer Current Accounts	72,592,639	123,318,406
	<b>338,382,672</b>	<b>363,926,269</b>
Less: Trade Receivable Rediscount	(3,404,243)	(5,533,007)
Provision for Doubtful Receivables	(49,264,428)	(35,468,212)
	<b>285,714,001</b>	<b>322,925,050</b>

Average maturity of trade receivables is 79 days (31 December 2019: 72 days).

As of 30 June 2020 and 2019, the movement table for doubtful trade receivables is as follows:

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>35,468,212</b>	<b>37,765,661</b>
Current Year Provision Expense/(Income)	19,077,202	10,409,350
Provisions No Longer Required	(5,280,986)	(8,842,285)
Current Year Collections	-	(1,047,578)
<b>30 June</b>	<b>49,264,428</b>	<b>38,285,148</b>

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**NOTE 8 – TRADE RECEIVABLES AND PAYABLES (Continued)**

As of 30 June 2020, the details of trade receivables from third parties that are overdue but for which no provision for impairment has been made is as follows:

	<b>30 June 2020</b>
Up to 30 Days	1,048,614
30-60 Days	954,464
60-90 Days	199,058
90-180 Days	429,608
Up to 180 Days	5,024,562
	<b>7,656,306</b>

Trade receivables amounting to TRY7,656,306 over which no provision for impairment was provided, have been secured with guarantees received amounting to TRY4,412,394 as of 30 June 2020.

Due to the wide and dispersed customer base of the Group, which includes production, distribution and various sales points, the risk of collection of trade receivables is limited. The experience of the Group in the collection of trade receivables in the past years shows that the provisions allocated are sufficient. Therefore, the Group management believes that there is no additional trade receivable risk other than the provision for possible collection losses.

**b) Short-Term Trade Payables:**

	<b>30 June 2020</b>	<b>30 December 2019</b>
Supplier Current Accounts	243,651,803	263,823,069
Notes Payable	31,195,144	7,901,707
	<b>274,846,947</b>	<b>271,724,776</b>
Less: Trade Payables Rediscount	(1,077,115)	(705,151)
	<b>273,769,832</b>	<b>271,019,625</b>

Average maturity of trade payables is 180 days (31 December 2019: 130 days).

**NOTE 9 - BORROWINGS AND BORROWING COSTS**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Short-Term Borrowings	129,281,147	114,031,771
Short-Term Portion of Long-Term Borrowings	76,310,136	91,424,537
Leasing Liabilities	39,093,058	13,622,056
<b>Short - Term Borrowings</b>	<b>244,684,341</b>	<b>219,078,364</b>
Long-Term Borrowings	159,952,661	117,110,613
Leasing Liabilities	25,198,728	37,085,244
<b>Long-Term Borrowings</b>	<b>185,151,389</b>	<b>154,195,857</b>
<b>Total Financial Borrowings</b>	<b>429,835,730</b>	<b>373,274,221</b>

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**NOTE 9 - BORROWINGS AND BORROWING COSTS (Continued)**

	Effective Weighted Average Interest Rate p.a. %		Original Amount		TRY Equivalent	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<b>Short-Term Borrowings:</b>						
TRY (Free of Interest)	-	-	-	1,041,146	-	1,041,146
TRY (*)	10.00	23.60	70,332,485	60,000,000	70,332,485	60,000,000
EUR (**)	0.75	0.68	7,500,000	7,500,000	57,811,500	49,879,500
Interest Accrual		-	1,137,162	3,111,125	1,137,162	3,111,125
					<b>129,281,147</b>	<b>114,031,771</b>
<b>Short-Term Portion of Long - Term Borrowings:</b>						
TRY (*)	10.00	13.88	116,724	6,000,000	116,724	6,000,000
TRY (***)	-	15.25	-	20,000,000	-	20,000,000
EUR (*)	3.17	3.17	4,545,454	4,545,454	35,037,269	30,229,996
EUR (***)	4.50	4.50	5,000,000	5,000,000	38,541,000	33,253,000
Interest Accrual		-	2,615,143	1,941,541	2,615,143	1,941,541
					<b>76,310,136</b>	<b>91,424,537</b>
<b>Total Short-Term Bank Borrowings</b>					<b>205,591,283</b>	<b>205,456,308</b>
<b>Long - Term Borrowings:</b>						
TRY (***)	10.00	12.30	82,169,901	50,000,000	82,169,901	50,000,000
EUR (*)	3.17	3.17	10,090,911	10,090,911	77,782,760	67,110,613
<b>Total Long-Term Bank Borrowings</b>					<b>159,952,661</b>	<b>117,110,613</b>

(\*) Interest payable every six months, fixed interest rate, no guarantee.

(\*\*) Interest payable at the end of the period, fixed interest rate, no guarantee.

(\*\*\*) Interest payable every three months, fixed interest rate, no guarantee.

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**NOTE 9 - BORROWINGS AND BORROWING COSTS (Continued)**

As of 30 June 2020 and 31 December 2019, the repayment schedule of the Group's long-term borrowings is as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
Within 1-2 years	17,761,400	80,229,996
Within 2-3 years	133,081,072	30,230,017
Within 3-4 years	531,861	6,650,600
Within 4-5 years	8,578,328	-
	<b>159,952,661</b>	<b>117,110,613</b>

There is no guarantee given by the Group for the short and long bank borrowings given as of 30 June 2020 and 31 December 2019.

According to the loan agreement signed by the Group with a financial institution, there are certain conditions that must be met for the 17 November 2022 term loan of EUR14,636,365 equivalent to TRY112,819,258, and as a result of the evaluations made by the Group management, there are no conditions that cannot be fulfilled as of 30 June 2020.

As of 30 June 2020 and 31 December 2019, the Group has no loans with variable interest rates.

The movement table of net borrowings between 1 January - 30 June 2020 is as follows:

	<b>2020</b>
<b>1 January</b>	<b>165,327,771</b>
Cash Inflow from Proceeds from Borrowings	55,165,281
Cash Outflow from Payments of Borrowings	(10,887,896)
Changes in Interest Accruals	(1,300,361)
Leasing Payments	25,596,332
Cash Outflows from Lease Agreements	(12,011,847)
Change in Cash and Cash Equivalents	(66,320,170)
<b>30 June</b>	<b>155,569,110</b>



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**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT**

	<b>1 January 2020</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>Foreign Currency Translation Differences</b>	<b>30 June 2020</b>
<b><u>Cost or Revaluation:</u></b>						
Lands	108,654,488	-	-	-	-	108,654,488
Land Improvements	7,755,717	-	-	-	-	7,755,717
Buildings	141,192,938	127,246	-	-	19,997	141,340,181
Machinery and Equipment	299,831,573	4,153,921	7,522,700	(886,413)	539,520	311,161,301
Motor Vehicles	1,215,397	-	323,810	-	39,125	1,578,332
Furniture and Fixtures	17,715,051	48,740	-	(1,733)	54,835	17,816,893
Construction in Progress	20,365,757	3,584,344	(7,945,635)	-	40,866	16,045,332
	<b>596,730,921</b>	<b>7,914,251</b>	<b>(99,125)</b>	<b>(888,146)</b>	<b>694,343</b>	<b>604,352,244</b>
<b><u>Accumulated Depreciation (-):</u></b>						
Land Improvements	(2,335,662)	(155,312)	-	-	-	(2,490,974)
Buildings	(18,901,272)	(1,865,068)	-	-	(4,767)	(20,771,107)
Machinery and Equipment	(161,290,956)	(12,564,811)	-	671,627	(610,839)	(173,794,979)
Motor Vehicles	(642,879)	(106,964)	-	-	(31,872)	(781,715)
Furniture and Fixtures	(12,388,441)	(971,951)	-	1,733	(26,044)	(13,384,703)
	<b>(195,559,210)</b>	<b>(15,664,106)</b>	<b>-</b>	<b>673,360</b>	<b>(673,522)</b>	<b>(211,223,478)</b>
<b>Net Book Value</b>	<b>401,171,711</b>					<b>393,128,766</b>

Most of the additions to machinery, facilities and devices in the period of 1 January - 30 June 2020 are related to laser cutting tools.

Most of the transfers from the investments made in the period of 1 January - 30 June 2020 are related to the transfer of the mold production project, which is ready for use, to machinery, facilities and devices.

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**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

As of 30 June 2019, tangible fixed asset purchases amounting to TRY12,764,980 (31 December 2018: TRY57,601,577). Depreciation amount for the period is TRY14,523,490 (31 December 2018: TRY24,909,828).

The distribution of depreciation and amortization expenses of the Group for the accounting periods 1 January - 30 June 2020 and 2019 are as follows:

	<b>1 January - 30 June 2020</b>	<b>1 January - 30 June 2019</b>
Cost of Sales	16,581,384	14,717,840
Marketing Expenses	7,410,803	6,542,992
General Administrative Expenses	746,895	920,335
Inventory Cost	294,567	674,487
Research and Development Expenses	14,155	17,821
	<b>25,047,804</b>	<b>22,873,475</b>

**NOTE 11 - RIGHT OF USE ASSETS**

The movement of right-of-use assets and their accumulated depreciation for the interim period between 1 January - 30 June 2020 is as follows:

<b>Cost:</b>	<b>1 January 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>30 June 2020</b>
Buildings	41,380,424	11,000,890	-	52,381,314
Machinery and Equipment	15,269,593	5,257,538	-	20,527,131
Motor Vehicles	4,899,867	-	-	4,899,867
	<b>61,549,884</b>	<b>16,258,428</b>	<b>-</b>	<b>77,808,312</b>
<b>Accumulated Depreciation (-):</b>				
Buildings	(7,783,786)	(4,653,269)	-	(12,437,055)
Machinery and Equipment	(7,247,685)	(3,362,591)	-	(10,610,276)
Motor Vehicles	(1,739,476)	(1,225,557)	-	(2,965,033)
	<b>(16,770,947)</b>	<b>(9,241,417)</b>	<b>-</b>	<b>(26,012,364)</b>
<b>Net Book Value</b>	<b>44,778,937</b>			<b>51,795,948</b>

Additions to right-of-use assets between 1 January and 30 June 2020 are mainly due to warehouse leases and forklift leases.

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**NOTE 12 - EMPLOYEE BENEFITS**

**a) Short-Term Provisions Due to Employee Benefits:**

	<b>30 June 2020</b>	<b>31 December 2019</b>
Personnel Salaries to be Paid	2,351,809	2,330,410
Social Security Premiums Payable	1,150,987	1,038,401
Taxes and Funds Payable	850,282	960,018
	<b>4,353,078</b>	<b>4,328,829</b>

**b) Long-Term Provisions Due to Employee Benefits:**

Provision for Employment Termination Benefits	19,115,082	17,163,473
Provision for Unused Vacations	2,490,256	2,062,927
	<b>21,605,338</b>	<b>19,226,400</b>

**i) Provision for Unused Vacation:**

The movements of the provision for unused vacation during the period are as follows:

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>2,062,927</b>	<b>1,797,424</b>
Provision for During the Year	427,329	839,697
<b>30 June</b>	<b>2,490,256</b>	<b>2,637,121</b>

**ii) Employment Termination Benefit:**

Under Turkish Labor Law, the companies incorporated in Turkey are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

As of 30 June 2020 the amount payable consists of one month’s salary limited to a maximum of TRY7,117.17 (31 December 2019: TRY6,379.86) for each year of service. The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees with certain actuarial assumptions.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TRY7,117.17 (1 January 2019: TRY6,379.86) which is effective from 1 January 2020 has been taken into consideration in calculating the provision for employment termination benefits of the Company which is calculated once in every six months.

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**NOTE 12 - EMPLOYEE BENEFITS (Continued)**

The movements of the provision for employee termination benefit during the period are as follows:

	2020	2019
<b>1 January</b>	<b>17,163,473</b>	<b>11,121,404</b>
Interest Cost	1,024,442	820,551
Service Cost	3,006,085	1,676,394
Actuarial Loss	(1,561,051)	2,200,734
Payments During the Period	(517,867)	(2,379,835)
<b>30 June</b>	<b>19,115,082</b>	<b>13,439,248</b>

**NOTE 13 - DEFERRED INCOME**

**a) Short-Term Deferred Revenues**

	30 June 2020	31 December 2019
Advances Received	147,775,580	96,089,155
	<b>147,775,580</b>	<b>96,089,155</b>

The advances received include the payments received by the Group from its dealers and customers for the sales to be made in the following periods, and it is anticipated that the said advances will be closed within one year (31 December 2019: It is predicted to be closed within a year) It is estimated that the fair value of the advances received approached their carried values.

**NOTE 14 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS**

As of 30 June 2020 and 31 December 2019, the Company's paid-in capital and shareholding structure are as follows:

Shareholder:	30 June 2020		31 December 2019	
	Amount (TRY)	Share (%)	Amount (TRY)	Share (%)
Deceuninck NV	77,595,796	95.82	77,644,384	95.88
Publicly traded	3,384,997	4.18	3,336,409	4.12
<b>Paid in Share Capital</b>	<b>80,980,793</b>	<b>100</b>	<b>80,980,793</b>	<b>100</b>
Adjustments to Share Capital	7,840,703		7,840,703	
<b>Total Equity</b>	<b>88,821,496</b>		<b>88,821,496</b>	

The upper limit of registered share capital of the Group as of 30 June 2020 and 31 December 2019 is TRY120,000,000. As of 30 June 2020 and 31 December 2019, the historic value of the Group's paid-in capital is TRY80,980,793 and the capital of the Group consists of 8,980,793,000 shares and the nominal value of the shares is equal to Kr 1 per share.

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**NOTE 14 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)**

**a) Treasury Shares**

It consists of the shares that the company has bought back within the scope of liquidity provision transactions carried out within the framework of the CMB legislation. The Company's repurchased shares are realized on the Borsa Istanbul at the market prices formed on the date of the transaction; Including the parts of repurchased shares exceeding their nominal value, they are accounted in "Repurchased shares" accounts.

**b) Restricted Reserves**

The Turkish Commercial Code ('TCC') stipulates that the legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders.

**c) Other Comprehensive Income/Expenses not to be Reclassified to Profit or Loss**

- *Revaluation of Property, Plant and Equipment*

The Group has adopted revaluation model for land and buildings and applied in accordance with TAS 16. The amount of fund that correspond to depreciation of current period of the amount of the tangible assets that has been recognized in revaluation fund is annually transferred to retained earnings accordance with their economic useful lives. At the disposal of revalued land or building, the amount that had been previously recognized in revaluation fund is directly recognized in retained earnings.

- *Actuarial Losses Arising from Defined Benefit Plans*

The amendment in TAS 19, 'Employee Benefits' does not permit the actuarial gain/loss considered in the calculation of provision for employee termination benefits to be accounted in the statement of profit or loss. The gain and loss arising from the changes in the actuarial assumption are accounted for by "Funds for actuarial gain/loss on employee termination benefits" under the equity accounts. The funds for actuarial gain/(loss) arising from employee termination benefits is other comprehensive income/(loss) not to be reclassified under profit or loss in subsequent periods.

**d) Other Comprehensive Income/Expenses to be Reclassified to Profit or Loss**

- *Foreign Currency Translation Differences*

It arises from exchange differences arising from the translation of consolidated financial statements of foreign subsidiaries of the Group to reporting currency of TRY and accounted for under equity.

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**NOTE 14 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)**

**e) Retained Earnings:**

*- Dividends Distribution*

Dividends are distributed according to Communiqué Serial: II-19.1 on “Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law”. Principles on corporate articles and dividend distribution policy which is declared by Companies. In addition to the CMB it is stipulated that companies which have the obligation to prepare consolidated financial statements. Calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II-14.1 that sufficient reserves exists in the unconsolidated statutory books.

In publicly held companies, dividends are distributed equally to all existing shares as of the date of distribution, regardless of their date of issue and acquisition.

*f) Non-Controlling Interest*

Shares of third parties including the issued and paid-in capital of the subsidiaries in consolidation separately presented for as “Non-controlling Interests” in the consolidated financial statements reduction of related equity components. Shares of third parties in the net profit or loss for the subsidiaries in consolidation separately accounted for as non-controlling interests in the distribution period profit/(loss) section of the consolidated statement of profit and loss.

**NOTE 15 - REVENUE AND COST OF SALES**

	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>
Domestic Sales	399,366,247	188,387,822	399,404,685	220,719,821
Export Sales	100,806,346	50,657,189	74,760,049	38,278,388
<b>Net Sales</b>	<b>500,172,593</b>	<b>239,045,011</b>	<b>474,164,734</b>	<b>258,998,209</b>
Cost of Sales	(344,542,159)	(163,950,210)	(341,430,666)	(182,772,687)
<b>Gross Profit</b>	<b>155,630,434</b>	<b>75,094,801</b>	<b>132,734,068</b>	<b>76,225,522</b>

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**NOTE 16 - OTHER OPERATING INCOME AND EXPENSES**

**a) Other Operating Income**

	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>
Foreign Exchange Gains	23,023,135	11,471,058	18,225,633	7,172,335
Income From Doubtful Trade				
Receivable Provisions	5,280,986	5,213,089	-	(532,793)
Derivative Transaction Income	-	-	7,604,764	6,017,954
Interest Income	1,318,407	846,594	4,208,825	2,094,265
Scrap Sales	857,349	260,686	504,436	272,989
Other Income	2,489,866	2,233,442	3,889,934	2,955,815
	<b>32,969,743</b>	<b>20,024,869</b>	<b>34,433,592</b>	<b>17,980,565</b>

**b) Other Operating Expenses**

Foreign Exchange Expense	31,467,455	13,840,999	27,405,770	9,288,974
Provisions Expense	19,077,202	21,946,490	1,567,065	1,567,065
Derivative Transaction Expense	-	-	10,812,582	9,442,805
Other Expenses	3,349,004	431,155	154,479	96,532
	<b>53,893,661</b>	<b>36,218,644</b>	<b>39,939,896</b>	<b>20,395,376</b>

**NOTE 17 - FINANCIAL INCOME AND EXPENSES**

**a) Financial Income**

	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>	<b>1 January - 30 June 2019</b>	<b>1 April - 30 June 2019</b>
Foreign Exchange Gains	24,779,674	11,084,713	11,452,096	5,288,156
Derivative Transaction Incomes	13,720,802	8,361,602	12,190,892	9,147,358
Other Incomes	-	-	14,116	12,173
	<b>38,500,476</b>	<b>19,446,315</b>	<b>23,657,104</b>	<b>14,447,687</b>

**b) Financial Expenses**

Foreign Exchange Losses	38,594,304	16,619,290	15,805,966	7,854,521
Bank and Commission Expenses	12,399,949	5,266,090	16,591,067	8,824,965
Interest Expense	13,105,002	6,726,831	17,764,181	8,270,360
Derivative Transaction Expense	7,698,198	5,495,198	16,376,233	11,274,732
Other Losses	1,453,454	943,969	4,749,396	2,123,882
	<b>73,250,907</b>	<b>35,051,378</b>	<b>71,286,843</b>	<b>38,348,460</b>

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**NOTE 18 - TAX ASSETS AND LIABILITIES**

**a) Corporate Tax**

The Company and its subsidiaries, associates and joint ventures established in Turkey and other countries in scope of consolidation that are subject to taxation in accordance with the tax procedures and the legislation effective in force in the countries where they are operating.

In accordance with the addition of temporary 10th article to the Corporate Tax Law, 22% corporate tax rate will be applied to the profits of the entities related to their to 2018, 2019 and 2020 tax periods (for the entities with special accounting period, tax periods commenced in the related year) rather than 20%. This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the Companies with respect to the tax legislation. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid by the end of the fourth month.

The tax legislation provides for a temporary tax of 22% to be calculated based on earnings generated for each quarter. Temporary tax is declared by the 14th day of the second month following each quarter and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

10% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and nonresident corporations exempted from income and corporation tax.

Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. As of 31 December 2019 and 31 December 2018, current incometax payables have been offset against the prepaid taxes in entity basis but such offset amounts have been classified in gross basis in the consolidated financial statements.

	<b>30 June 2020</b>	<b>31 December 2019</b>
Current Corporate Tax Expense	6,547,451	(1,263,332)
Taxes Prepaid During the Period (-)	(11,852,023)	(4,331,405)
<b>Corporate Taxes Assets</b>	<b>(5,304,572)</b>	<b>(5,594,737)</b>



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**NOTE 18 - TAX ASSETS AND LIABILITIES (Continued)**

Tax expenses included in the condensed consolidated income statements for the interim periods ended 30 June 2020 and 2019 are summarized below:

	<b>1 January - 30 June 2020</b>	<b>1 January - 30 June 2019</b>
Current Corporate Tax Expense	(6,547,451)	(297,554)
Deferred Tax Income/(Loss)	10,199,211	(2,248,509)
<b>Total Tax Income/(Loss)</b>	<b>3,651,760</b>	<b>(2,546,063)</b>

Reconciliation of tax expense is as follows:

	<b>1 January - 30 June 2020</b>
<b>Profit Before Tax</b>	<b>10,562,270</b>
Tax Calculated at Tax Rates Applicable to the Profit	(2,323,699)
Tax incentive within the scope of research and development	271,047
Investment Incentive Exception Effect Under Article KVK 32/A	7,198,591
Nondeductible Expenses	59,563
Other	(1,553,742)
<b>Total Tax Expense</b>	<b>3,651,760</b>

**b) Deferred Taxes**

The Group calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences arising from different evaluations between the balance sheet items between the CMB Financial Reporting Standards and the Tax Procedure Law.

The corporate tax rate for 2018, 2019 and 2020 has been increased from 22% to 22% within the scope of the Law Amending Some Tax Laws and Other Certain Laws numbered 7061, which came into effect after being published in the Official Gazette dated 5 December 2017.

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**NOTE 18 - TAX ASSETS AND LIABILITIES (Continued)**

The effects of deferred tax assets and liabilities as of 30 June 2020 and 31 December 2019 are summarized below, using the applicable tax rates as of the balance sheet date:

	Cumulative Temporary Differences		Deferred Income Tax Asset/(Liability)	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Effect of Investment Incentives	-	-	20,390,034	16,499,722
Adjustment Related to Property, Plant and Equipment and Intangible Assets	190,881,032	191,964,991	(27,396,074)	(27,597,330)
Adjustments related to Leases Standard	(12,495,838)	(5,928,363)	2,499,168	1,185,673
Provisions for Employee Termination Benefits	(21,605,338)	(22,056,306)	4,321,068	4,411,261
Provisions for Doubtful Receivables	(22,031,461)	(18,594,747)	4,846,921	4,796,289
Provisions for Litigation and Guarantee	(6,860,032)	(6,205,094)	1,509,207	1,365,121
Adjustment Related to Inventories	7,863,604	(5,824,123)	(1,729,993)	1,281,307
Provisions for Unused Vacation	(2,300,711)	(1,964,763)	506,157	432,248
Adjustment Related to Trade Receivables	-	18,076,187	-	(3,976,761)
Other Temporary Differences	(2,587,286)	12,585,636	569,203	(2,768,840)
<b>Deferred Tax Assets/(Liabilities), Net</b>		<b>5,515,691</b>		<b>(4,371,310)</b>

Deferred tax assets and liabilities recognized in statement of financial position is as follows: **2020**

**1 January** **(4,371,310)**

Recognized in Statement of Profit or Loss 10,199,211

Recognized in Other Comprehensive Income/(Expenses) (312,210)

**30 June** **5,515,691**

The Group has tax incentives for its investments in Menemen facilities. The Group management has benefited from the tax advantage of TRY3,308,279 in the current period by deducting the temporary tax calculated in accordance with the said investment incentives, and the additional tax advantage earned in the current period is TRY7,198,591. The total tax advantage that can be used as of 30 June 2020 is TRY20,390,034.

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**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**a) Guarantees Received:**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>TRY Equivalent</b>	<b>Original Amount</b>	<b>TRY Equivalent</b>	<b>Original Amount</b>
<b>Letters of Guarantees Received</b>				
EUR	3,737,940	484,930	3,158,349	474,897
USD	424,216	62,000	4,169,664	701,940
TRY	205,570,467	205,570,467	127,113,495	127,113,495
<b>Guarantee Notes Received</b>				
EUR	1,651,096	214,200	1,424,559	214,200
TRY	5,583,025	5,583,025	8,718,525	8,718,525
<b>Mortgages Received</b>				
EUR	1,114,937	144,643	961,963	144,643
TRY	259,917,160	259,917,160	260,097,160	260,097,160
	<b>477,998,841</b>		<b>405,643,715</b>	

It consists of bank letters of guarantee and real estate mortgages received from customers within the scope of credit risk management of receivables arising from commercial activities.

**b) Verilen teminatlar:**

	<b>30 June 2020</b>		<b>31 December 2019</b>	
	<b>TRY Equivalent</b>	<b>Original Amount</b>	<b>TRY Equivalent</b>	<b>Original Amount</b>
EUR	57,811,500	7,500,000	49,879,500	7,500,000
TRY	14,364,782	14,364,782	13,575,482	13,575,482
	<b>72,176,282</b>		<b>63,454,982</b>	

The guarantees given as of June 30, 2020 mainly consist of the guarantees provided by the Group to the central bank for rediscount credits.

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**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**The Collaterals/Pledges/Mortgages (“CPM”) Position of the Company:**

	30 June 2020	31 December 2019
A. Total Amount of CPM Given for the Group’s Own Legal Personality	72,176,282	63,454,982
B. Total Amount of CPM Given on Behalf of Fully Consolidated Companies	-	-
C. Total Amount of CPM Given for Continuity of Its Economic Activities on Behalf of Third Parties	-	-
D. Total Amount of Other CPM	-	-
i. Total Amount of CPM Given on Behalf of the Majority Shareholder	-	-
ii. Total Amount of CPM Given to on Behalf of Other	-	-
iii. Total Amount of CPM Given on Behalf of Third Parties Which are not in Scope of C	-	-
	<b>72,176,282</b>	<b>63,454,982</b>

As of 30 June 2020 and 31 December 2019, the Company and its Subsidiaries have no guarantees, pledges or mortgages received from or given to its related parties. As of 30 June, 2020, percentage of tether guarantees, pledges or mortgages given by the Company and its Subsidiaries to the Group’s equity is 0% (31 December 2019: 0%).

The Group has export commitments amounting to EUR16,187,354 and USD12,939,410 arising from export contracted loans as of 30 June 2020. The Group management anticipates that the said export commitments will be realized.

As of 30 June 2020, the Group has a forward foreign currency sales commitment of TRY148,489.80, TRY6,906,200 and EUR6,000,000, respectively, against the purchase commitment of EUR19,250,000, USD1,000,000 and CLP5,682,934,200 arising from derivative transactions. The fair value of the mentioned derivative transactions as of 30 June 2020 is TRY2,617,483.

**NOTE 20 - EARNINGS PER SHARE**

The calculation of earnings per share is based on net profit attributable to equity holders of the parent divided by weighted average number of ordinary shares outstanding during the period.

In Turkey, companies can raise their share capital by distributing “Bonus Shares” to shareholders from retained earnings. In computing earnings per share, such “Bonus Share” distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

		1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Net Profit/(Loss) for the Period	A	14,214,030	(2,690,890)	(814,606)	5,623,492
Weighted Number of Common Shares with a TRY1 Face Value	B	8,098,079,300	8,098,079,300	8,098,079,300	8,098,079,300
<b>Earnings Per Share of 100 Shares with a TRY1 of Face Value</b>	<b>A/B</b>	<b>0,1755</b>	<b>(0,0332)</b>	<b>(0,0101)</b>	<b>0,0694</b>

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**NOTE 21 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL  
INSTRUMENTS (Continued)**

**Currency Risk**

The Group is exposed to variety of financial risks including the effects of changes in debt and equity market prices due to its operations. These risks include credit risk, market risk (foreign exchange risk and interest rate risk) and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

*i. Foreign Currency Risk*

The Group’s foreign currencies primarily EUR and USD denominated assets and liabilities are exposed to exchange rate risk as a result of exchange rate fluctuations.

The Company and its Subsidiaries are also exposed to foreign exchange risk due to the transactions made. This foreign exchange risk arises from sales and purchases of goods and receiving bank loans denominated in currencies other than the Group’s functional currency.

The Group monitors its foreign exchange risk by maintaining the balance between its foreign currency assets and liabilities and changing its pricing policy in line with the currency fluctuations, and also by analyzing its foreign currency position.

As of 30 June 2020 and 31 December 2019, the Group’s net foreign currency position is as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
A. Assets Denominated in Foreign Currency	239,237,944	235,402,330
B. Liabilities Denominated in Foreign Currency	(390,989,411)	(363,154,267)
<b>Net Foreign Currency Position (A+B)</b>	<b>(151,751,467)</b>	<b>(127,751,937)</b>

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**NOTE 21 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**Foreign Currency Position**

	30 June 2020				31 December 2019			
	TRY Equivalent	USD	EUR	AUD	TRY Equivalent	USD	EUR	AUD
1. Trade Receivables	172,778,324	6,417,382	16,305,019	678,757	158,736,492	6,875,312	16,988,496	1,185,546
2a. Monetary Financial Assets, (Cash and Banks Included)	54,235,093	2,958,315	4,294,357	189,965	68,183,119	802,097	9,535,757	-
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	12,224,527	620,750	143,429	1,463,517	8,482,719	284,429	109,669	1,463,517
<b>4. Current Assets (1+2+3)</b>	<b>239,237,944</b>	<b>9,996,447</b>	<b>20,742,805</b>	<b>2,332,240</b>	<b>235,402,330</b>	<b>7,961,838</b>	<b>26,633,922</b>	<b>2,649,063</b>
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>239,237,944</b>	<b>9,996,447</b>	<b>20,742,805</b>	<b>2,332,240</b>	<b>235,402,330</b>	<b>7,961,838</b>	<b>26,633,922</b>	<b>2,649,063</b>
10. Trade Payables	(181,195,948)	(9,666,224)	(14,926,664)	-	(182,157,888)	(7,199,567)	(20,959,165)	-
11. Financial Liabilities	(132,010,703)	-	(17,126,009)	-	(113,885,766)	-	(17,124,134)	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>(313,206,651)</b>	<b>(9,666,224)</b>	<b>(32,052,673)</b>	<b>-</b>	<b>(296,043,654)</b>	<b>(7,199,567)</b>	<b>(38,083,299)</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(77,782,760)	-	(10,090,911)	-	(67,110,613)	-	(10,090,911)	-
16a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
<b>17. Long Term Liabilities (14+15+16)</b>	<b>(77,782,760)</b>	<b>-</b>	<b>(10,090,911)</b>	<b>-</b>	<b>(67,110,613)</b>	<b>-</b>	<b>(10,090,911)</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>(390,989,411)</b>	<b>(9,666,224)</b>	<b>(42,143,584)</b>	<b>-</b>	<b>(363,154,267)</b>	<b>(7,199,567)</b>	<b>(48,174,210)</b>	<b>-</b>
<b>19. Net Asset/(Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)</b>	<b>155,225,050</b>	<b>1,000,000</b>	<b>19,250,000</b>	<b>-</b>	<b>124,940,600</b>	<b>2,000,000</b>	<b>17,000,000</b>	<b>-</b>
19a. Total Amount of Assets Hedged	-	-	-	-	-	-	-	-
19b. Total Amount of Liabilities Hedged	155,225,050	1,000,000	19,250,000	-	124,940,600	2,000,000	17,000,000	-
<b>20. Net Foreign Currency Asset/(Liability) Position (9+18+19)</b>	<b>3,473,583</b>	<b>1,330,223</b>	<b>(2,150,779)</b>	<b>2,332,240</b>	<b>(2,811,337)</b>	<b>2,762,271</b>	<b>(4,540,289)</b>	<b>2,649,064</b>
<b>21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (TFRS7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(163,975,994)</b>	<b>(290,527)</b>	<b>(21,544,207)</b>	<b>868,722</b>	<b>(136,234,656)</b>	<b>477,842</b>	<b>(21,649,957)</b>	<b>1,185,546</b>
<b>22. Fair Value of Derivative Instruments Used in Foreign Currency Hedge</b>	<b>155,225,050</b>	<b>1,000,000</b>	<b>19,250,000</b>	<b>-</b>	<b>124,940,600</b>	<b>2,000,000</b>	<b>17,000,000</b>	<b>-</b>
23. Export (*)	81,351,208	1,847,934	8,403,508	925,354	172,601,210	4,902,670	20,824,380	2,252,689
24. Import (*)	143,803,314	8,164,854	11,502,864	-	292,187,392	14,195,762	32,240,606	95,357

(\*) Average rate of exchange is used.

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**NOTE 21 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL  
INSTRUMENTS (Continued)**

**Table of sensitivity analysis for foreign currency risk**

The Company and its Subsidiaries are exposed to foreign currency risk due to exchange rate fluctuations while translating to Turkish Lira the foreign currency payables and receivables arising from trade operations with foreign entities. Such risks are monitored and controlled by regular analysis of the foreign currency position. The Company and its Subsidiaries follow a policy of diversifying their foreign currency position in order to manage foreign currency risk that may arise from future trade operations and the related assets and liabilities recognized.

As of 30 June 2020 and 31 December 2019 the Group’s profit before tax and shareholders' equity as presented by the amounts below in case of a consequently 10% increase or decrease in the foreign rates (especially USD, EUR and AUD), with all other variables held constant.

**30 June 2020**

	Profit/(Loss)		Equity	
	Foreign Currency Appreciation	Foreign Currency Depreciation	Foreign Currency Appreciation	Foreign Currency Depreciation
<b>Change of USD Against TRY by 10%:</b>				
1- USD Net Assets/Liabilities	(198,784)	198,784	(198,784)	198,784
2- USD Hedged from Risks (-)	684,220	(684,220)	684,220	(684,220)
<b>3- USD Net Effect (1+2)</b>	<b>485,436</b>	<b>(485,436)</b>	<b>485,436</b>	<b>(485,436)</b>
<b>Change of EUR Against TRY by 10%:</b>				
4- EUR Net Assets/Liabilities	(16,606,706)	16,606,706	(16,606,706)	16,606,706
5- EUR Hedged from Risks (-)	14,838,285	(14,838,285)	14,838,285	(14,838,285)
<b>6- EUR Net Effect (4+5)</b>	<b>(1,768,421)</b>	<b>1,768,421</b>	<b>(1,768,421)</b>	<b>1,768,421</b>
<b>Change of AUD Average Against TRY by 10%:</b>				
7- AUD Net Assets/Liabilities	407,891	(407,891)	407,891	(407,891)
8- AUD Hedged from Risks (-)	-	-	-	-
<b>9- AUD Net Effect (7+8)</b>	<b>407,891</b>	<b>(407,891)</b>	<b>407,891</b>	<b>(407,891)</b>
<b>Total (3+6+9)</b>	<b>(875,094)</b>	<b>875,094</b>	<b>(875,094)</b>	<b>875,094</b>

**31 December 2019**

	Profit/(Loss)		Equity	
	Foreign Currency Appreciation	Foreign Currency Depreciation	Foreign Currency Appreciation	Foreign Currency Depreciation
<b>Change of USD Against TRY by 10%:</b>				
1- USD Net Assets/Liabilities	452,804	(452,804)	452,804	(452,804)
2- USD Hedged from Risks (-)	1,188,040	(1,188,040)	1,188,040	(1,188,040)
<b>3- USD Net Effect (1+2)</b>	<b>1,640,844</b>	<b>(1,640,844)</b>	<b>1,640,844</b>	<b>(1,640,844)</b>
<b>Change of EUR Against TRY by 10%:</b>				
4- EUR Net Assets/Liabilities	(14,325,585)	14,325,585	(14,325,585)	14,325,585
5- EUR Hedged from Risks (-)	11,306,020	(11,306,020)	11,306,020	(11,306,020)
<b>6- EUR Net Effect (4+5)</b>	<b>(3,019,565)</b>	<b>3,019,565</b>	<b>(3,019,565)</b>	<b>3,019,565</b>
<b>Change of AUD Average Against TRY by 10%:</b>				
7- AUD Net Assets/Liabilities	1,097,586	(1,097,586)	1,097,586	(1,097,586)
8- AUD Hedged from Risks (-)	-	-	-	-
<b>9- AUD Net Effect (7+8)</b>	<b>1,097,586</b>	<b>(1,097,586)</b>	<b>1,097,586</b>	<b>(1,097,586)</b>
<b>Total (3+6+9)</b>	<b>(281,135)</b>	<b>281,135</b>	<b>(281,135)</b>	<b>281,135</b>

**EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS AT  
AS OF 1 JANUARY - 30 JUNE 2020**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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**NOTE 22 - SUBSEQUENT EVENTS**

As of 30 June 2020, USD and EUR rates are 6.8422 and 7.7082 respectively. The Central Bank of the Republic of Turkey by August 19 indicators set for 2020 on USD and EUR exchange rate is 7.3477 and 8.7710 respectively.

Between 1 July 2020 - 19 August 2020, Deceuninck NV has sold 195,294,100 shares with a total nominal value of TRY1,952,941 owned by Deceuninck NV, the controlling shareholder of the Company, in the public portion of the Company's shares.

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