

(Convenience translation to English of Consolidated Financial Statements Originally Issued in Turkish)

İhlas Holding A.Ş. and its Subsidiaries

Consolidated Balance Sheet at September 30, 2019

(All amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Current Period	Previous Period
	30-09-19	31-12-18
ASSETS		
CURRENT ASSETS	1,933,194,033	1,608,984,747
Cash and Cash Equivalents	23,459,708	38,017,127
Financial Investments	-	-
Trade Receivables	882,883,263	764,959,966
- Related parties	1,752,473	1,351,928
- Non-related parties	881,130,790	763,608,038
Receivables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Receivables	12,423,224	7,409,488
- Related parties	3,200,000	26,831
- Non-related parties	9,223,224	7,382,657
Derivative Financial Instruments	-	-
Inventories	755,149,523	587,748,895
Biological Assets	-	-
Prepaid Expenses	205,906,653	146,677,751
Assets related with Current Tax	1,299,437	378,432
Other Current Assets	52,072,225	63,793,088
SUBTOTAL	1,933,194,033	1,608,984,747
Assets Held for Sale	-	-
NON-CURRENT ASSETS	996,514,206	867,013,818
Financial Investments	108,067	914,306
Trade Receivables	109,378,141	166,574,308
- Related parties	-	-
- Non-related parties	109,378,141	166,574,308
Receivables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Receivables	4,347,598	3,820,048
- Related parties	-	-
- Non-related parties	4,347,598	3,820,048
Derivative Financial Instruments	-	-
Invesments Accounted with Equity Method	(13,040)	22,486,685
Biological Assets	36,771,975	-
Investment Properties	238,691,383	215,543,853
Property, Plant and Equipment	256,711,947	252,502,692
Intangible Assets	31,437,568	16,223,300
- Goodwill	12,897,997	6,975,245
- Other Intangible Assets	18,539,571	9,248,055
Prepaid Expenses	247,535,241	118,338,188
Deferred Tax Asset	71,545,326	70,610,438
Other Non-Current Assets	-	-
TOTAL ASSETS	2,929,708,239	2,475,998,565

LIABILITIES AND SHAREHOLDERS' EQUITY

SHORT TERM LIABILITIES	1,018,004,859	979,948,395
Short-Term Liabilities	94,694,707	82,378,081
Short-Term Portion of Long-Term Liabilities	127,790,266	64,591,990
Other Financial Liabilities	-	-
Trade Payables	288,889,708	281,276,024
- Related parties	676,145	9,614,951
- Non-related parties	288,213,563	271,661,073
Liabilities for employee benefits	25,917,924	26,103,107
Payables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Payables	10,552,259	10,402,624
- Related parties	1,512,225	1,129,136
- Non-related parties	9,040,034	9,273,488
Derivative Financial Instruments	-	-
Government Grants and Incentives	-	-
Deferred Income	419,710,722	450,731,435
Current Income Tax Liabilities	3,791,143	6,864,430
Short-Term Provisions	15,013,117	12,131,547
- Short-Term Provisions for employee benefits	5,644,047	2,934,207
- Other Short-Term Provisions	9,369,070	9,197,340
Other Current Liabilities	31,645,013	45,469,157
SUBTOTAL	1,018,004,859	979,948,395
Liabilities From Assets Held for Sale	-	-
LONG TERM LIABILITIES	781,389,694	682,441,614
Long-Term Liabilities	236,990,764	249,666,903
Other Financial Liabilities	-	-
Trade Payables	-	-
- Related parties	-	-
- Non-related parties	-	-
Payables from Financial Sector Operations	-	-
- Related parties	-	-
- Non-related parties	-	-
Other Payables	2,722,768	30,594
- Related parties	-	-
- Non-related parties	2,722,768	30,594
Derivative Financial Instruments	-	-
Government Grants and Incentives	-	-
Deferred Income	429,302,602	324,603,190
Long-Term Provisions	55,611,610	49,463,069
- Long-Term Provisions for employee benefits	54,462,793	48,432,196
- Other Long-Term Provisions	1,148,817	1,030,873
Current Tax Liability	-	-
Deferred Tax Liability	49,204,164	44,624,039
Other Long Term Liabilities	7,557,786	14,053,819
EQUITY	1,130,313,686	813,608,556
PARENT COMPANY EQUITY	467,544,761	520,005,741
Paid-in Capital	790,400,000	790,400,000
Adjustment to Paid-in Capital	-	-
Share Buyback (-)	-	-
Capital Adjustments due to Cross-Ownership	-	-
Equity Share Premiums	7,693,765	7,260,265
Other Comprehensive Income not to be Reclassified as Profit or Loss	85,339,621	86,004,462
Change in Revaluation of Property, Plant and Equipment	93,630,191	92,827,143
Gains/Losses on Remeasurement of Defined Benefit Plans	(8,290,570)	(6,754,993)
Non-Classifiable Other Comprehensive Income of Investment Accounted with Equity Method	-	(67,688)
Other Reserves	(44,250,529)	(44,598,745)
Other Comprehensive Income to be Reclassified as Profit or Loss	-	-
- Foreign Currency Translation Differences	-	-
- Profit/Loss on Revaluation Funds	-	-
- Other Profit/Loss	-	-
Restricted Reserves	19,319,598	21,196,531
Prior Years' Earnings/Loss	(369,160,255)	(301,665,632)
Profit/Loss for the period	(21,797,439)	(38,591,140)
Non-controlling Interests	662,768,925	293,602,815
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,929,708,239	2,475,998,565

INCOME STATEMENT

	01.01.2019- 30.09.2019	01.01.2018- 31.12.2018
CONTINUING OPERATIONS		
Revenue	508,671,623	1,273,608,432
Cost of Sales	(403,139,509)	(1,029,319,771)
Gross Profit (Loss) from Commercial Operations	105,532,114	244,288,661
Revenue from Financial Operations	-	-
Cost of Financial Operations (-)	-	-
Gross Profit (Loss) from Financial Sector Operations	-	-
GROSS PROFIT/LOSS	105,532,114	244,288,661
General Administrative Expenses (-)	(86,451,558)	(119,263,425)
Marketing Expenses (-)	(18,533,443)	(29,514,584)
Research and Development Expenses (-)	(926,142)	(504,537)
Other Operating Income	114,286,920	74,568,509
Other Operating Expenses (-)	(35,820,958)	(114,413,914)
OPERATING PROFIT/LOSS	78,086,933	55,160,710
Revenue from Investing Activities	755,635	47,278,812
Expenses of Investing Activities (-)	(98,835)	(14,205,926)
Shares in Profit/Loss of Investments Accounted with Equity Method	1,972,152	(398,427)
PROFIT/LOSS BEFORE FINANCIAL EXPENSES	80,715,885	87,835,169
Financial Income	15,630,258	34,293,628
Financial Expenses (-)	(84,949,946)	(136,979,706)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS	11,396,197	(14,850,909)
Tax Income/Expense from Continuing Operations	(15,068,707)	(17,751,376)
- Current Tax Income/Expense	(4,743,025)	(9,292,029)
- Deferred Tax Income/Expense	(10,325,682)	(8,459,347)
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(3,672,510)	(32,602,285)
DISCONTINUED OPERATIONS		
PROFIT/LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-
CURRENT YEAR PROFIT / LOSS	(3,672,510)	(32,602,285)
Profit/Loss of the Period Attributable to:		
- Non-controlling Interests	18,124,929	5,988,855
- Equityholders of the Parent	(21,797,439)	(38,591,140)
Earnings Per Share	(0.0046)	(0.0412)
- Earnings Per Share from Continuing Operations	(0.0046)	(0.0412)
- Earnings Per Share from Discontinued Operations	-	-
Diluted Earnings Per Share		
- Diluted Earnings Per Share from Continuing Operations	-	-
- Diluted Earnings Per Share from Discontinued Operations	-	-
Weighted Average of Share Amount	790,400,000	790,400,000
COMPREHENSIVE INCOME STATEMENT		
(IFRS CONSOLIDATED)		
CURRENT YEAR PROFIT / LOSS	(3,672,510)	(32,602,285)
Non-Classifiable Items to Profit/ (Loss)		
Change in Revaluation of Property, Plant and Equipment	651,479	13,980,437
Change in Revaluation of Intangible Assets	-	-
Gains/Losses on Remeasurement of Defined Benefit Plans	(2,246,260)	(2,408,271)
Non-Classifiable Other Comprehensive Income of Investment Accounted with Equity Method	71,191	(125,528)
Non-Classifiable Items of Other Comprehensive Income as Other Profit/(Loss)	-	-
Tax due to Non-Classifiable Items of Other Comprehensive Income as Profit/(Loss)	-	-
Classifiable Items to Profit/ (Loss)		
Foreign Currency Translation Differences	-	-
Gain/(Loss) on Revaluation or Reclassification of Available for Sale Financial Assets	-	-
Gain/(Loss) on Cash Flow Hedges	-	-
Gain/(Loss) on Hedge of Net Investment in a Foreign Operation	-	-
Classifiable Other Comprehensive Income of Investment Accounted with Equity Method	-	-
Classifiable Items of Other Comprehensive Income as Other Profit/(Loss)	-	-
OTHER COMPREHENSIVE INCOME (AFTER TAXES)	(1,523,590)	11,446,638
TOTAL COMPREHENSIVE INCOME	(5,196,100)	(21,155,647)
Total Comprehensive Income Attributable to:		
- Non-controlling Interests	17,446,531	7,758,997
- Equityholders of the Parent	(22,642,631)	(28,914,644)