

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To Board of Directors of Ege Profil Sanayi ve Ticaret Anonim Sirketi

1) Remark

We have audited the annual activity report of Ege Profil Ticaret ve Sanayi Anonim Şirketi ("Company") and its subsidiaries ("Group ") for the accounting period of 1/1/2018 - 31/12/2018.

In our remarks, the consolidated financial information included in the annual report of the Board of Directors and the Board of Directors' inspections on the status of the Group are consistent with all important aspects of the audited full set consolidated financial statements and the information obtained during the independent audit and reflect the truth.

2) Basis of Remark

The audit has been carried out in accordance with independent auditing standards issued by the Capital Markets Board and Independent Auditing Standards which is part of Auditing Standards of Turkey issued by Public Oversight Accounting and Auditing Standards Authority (KGK). Our responsibilities under these Standards are explained in detail in the section of *Independent Auditor's Responsibilities Regarding the Independent Audit of the Annual Report* in our report. We declare that we are independent of the Group in accordance with *the Ethical Rules for Independent Auditors* (Ethical Rules) issued by the KGK and the ethical provisions of the legislation on independent auditing. Ethical Rules and other responsibilities regarding ethics within the scope of legislation have been fulfilled by us. We believe that the independent audit evidences we have obtained during the independent audit are sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor's Remark on Full Set Consolidated Financial Statements

We have expressed a positive remark in our auditor's report dated 20/02/2019 on the full set consolidated financial statements of the Group for the accounting period 1/1/2018- 31/12/2018.

4) Responsibility of the Board of Directors regarding the Annual Report

The Group management is responsible for the following within the scope of the annual activity report in accordance with Articles 514 and 516 of Turkish Commercial Code (TCC) and Edict no. II-14.1 "Edict on Principles Regarding Financial Reporting in Capital Markets" ("Edict") of Capital Markets Board ("SPK"):

- a) The annual report is prepared within the first three months following the balance sheet date and submits it to the general assembly.
- b) The annual report is prepared in a manner that reflects the flow of the activities of the Group and its financial position in all aspects in a correct, complete, straightforward, fair and honest manner. In this report, the financial position is evaluated in accordance with the consolidated financial statements. Reference to the development of the community is made clear and the risks may be faced in the report. The evaluation of the board of directors on these issues is also included in the

c) The annual report also includes:

- Events of special importance in the community after the end of the year of activity,
- Research and development activities of the Group,
- Financial benefits such as wages, premiums, bonuses, allowances, travel, accommodation and representation expenses, in-kind and cash benefits, insurance and similar guarantees paid to the members of the board of directors and senior executives.

In preparing the annual report, the Board of Directors shall also take into account the secondary legislation made by the Ministry of Customs and Trade and related institutions.

5) Independent Auditor's Responsibilities Regarding the Independent Audit of the Annual Report

Our aim is to express remarks on whether the consolidated financial information included in the annual report within the framework of the provisions of TTC and Edict and the inspections performed by the Board of Directors are consistent with the audited financial statements of the Group and the information obtained during the independent audit, express remarks as to whether the report reflects the facts and to prepare a report includes our remarks.

We conducted our audit in accordance with the Independent Auditing Standards and the independent auditing standards published by the Capital Markets Board. These standards require compliance with ethical provisions and whether they are consistent with the information obtained during the independent audit, the financial information and financial statements included in the annual report, the Board of Directors' inspections of the consolidated financial statements and whether they reflect the facts and are planned and carried out to obtain reasonable assurance.

Ethem Kutucular is responsible for conducting and finalizing this independent audit.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Ethem Kutucular, Independent Accountant and Financial Advisor, Responsible Auditor

February 20, 2019 in Istanbul, Turkey

SECTION 1 - GENERAL INFORMATION

Title : Ege Profil Ticaret ve Sanayi A.Ş.

Report Period : 01.01.2018 - 31.12.2018

Registered Capital Ceiling : 120.000.000,00 TRY

Issued Capital : 80.980.793 TRY

Registration Date : January13, 1981, Turkey

Company Headquarters : Atatürk Plastik OSB Mahallesi, 5. Cadde
No: 4 Menemen/İZMİR

Tax Office and Number : Menemen 325 005 4933

Trade Registry Number : 5065

Trade Registry Directorate : Menemen

Central Registration System No. : 0325005493300015

Corporate Website : www.egeprofil.com.tr

Production location

İZMİR FACTORY

Atatürk Plastik OSB Mahallesi, 5. Cadde

No: 4 Menemen/İZMİR

Tel 0 232 398 98 98 / Fax 0 232 376 98 99

Production location

: İZMİT (KOCAELİ) FACTORY

Sarımeşe Mah.Suadiye Cad.Winsa İdari Bina

Apt.No:5 Kartepe / Kocaeli

Tel 0 262 371 57 27 / Fax 0 262 371 57 28

India Branch: Building no 09, Casa Grande Distripark, Satharai
Village , Trivallur Taluk, Trivallur District, Tamil
Nadu- 631 203 ,INDIA

Tel/Fax No:+919600111788

Chile (Subsidiary): Centro Industrial Lo Boza 3G-3H Volcan Lascar 801
Pudahel Santiago / CHILI

Tel/Fax No: +56951498754

India (Subsidiary): Building no 09, Casa Grande Distripark, Satharai
Village , Trivallur Taluk, Trivallur District, Tamil
Nadu- 631 203 ,INDIA

Tel / Fax No:+919600111788

Independent Auditing Company and Joint Chief Auditor in ChargeGüney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Joint Chief Auditor in Charge: Ethem Kutucular

FIELD OF ACTIVITY AND ABOUT EGE PROFIL

Ege Profil Ticaret ve Sanayi A.Ş. (Ege Profil) is a registered company in Izmir. The main activity of Ege Profil is manufacturing and selling all kinds of plastic pipes and spare parts, all kinds of profiles and plastic goods.

Ege Profil was established in 1981 with title of Namık Mazhar Zorlu ve Oğulları Plastik Profil Sanayii Kollektif Şirketi. In 1982, the title has changed to the present one. In 1993, the company's shares went to public and started to be traded on BIST. In 2000, 47% of Ege Profil shares were sold by Mazhar Zorlu Group to the Belgian Deceuninck Group, one of the world's largest PVC Profile producers. In 2001, the Mazhar Zorlu Group sold additional 30% of the company's shares to Deceuninck Group, and Deceuninck Group acquired 21% of the company from BIST and acquired 97.54% of the company. In December 2017, Pimaş Plastik İnşaat Malzemeleri AŞ was merged with Ege Profil. Deceuninck Group's share is 95,88% after the exercise of the rights of separation.

With the agreement signed between the company and Pilsa AŞ in 2004, all activities carried out under the name of Winsa trademark were transferred to Ege Profil. The production under the Winsa brand has been started in Kartepe / Kocaeli facilities, which were built with high technology since the beginning of 2008.

The trust and market knowledge of Egepen Deceuninck and Winsa brand is merged with Deceuninck Group's customer-oriented approach, high technology and quality understanding. Deceuninck NV, an integrated community around the world; specializes in compounding, design, development, extrusion, finishing and recycling. The Group sums up its goals with its passion for quality, service and excellence.

Ege Profil has shown a high performance since 2001 and achieved continuous growth. Behind this success, the market experience and the motivation of the personnel is important. In the company, where the horizontal organization model is dominant, all levels of staff are supported by the management in terms of using initiative, sharing authority and responsibility.

The young and dynamic staff of Ege Profil continues to create the world leader in trend-setting market in Turkey in accordance with Deceuninck's mission. The training opportunities offered to the employees, the importance given to R&D activities, applied quality policy and the great information sharing created by the community make the success indispensable.

Ege Profil operates in the PVC profile sector with three main brands: Egepen Deceuninck, Winsa and Pimapen. All brands' products and sales and marketing channels are created separately.

The investment in Menemen Plastic Specialized Industrial Zone, which started in 2015 with an environmentally sensitive process without sacrificing world-class production quality, was completed in 2017 and became fully operational. The investment has a total closed area of **86.258 m2**, including 54.968 m2 production facility, 8.995 m2 administrative building and 22.295 m2 logistics center on a total area of 110.000 m2. The facility has a capacity of 60,000 tons in the first stage and has the infrastructure to reach a capacity of 100,000 tons. The Company's production in Kartepe / Kocaeli is carried out in its own facility on a 40.667,96 m2 area with a closed area of **34.591 m2** and a capacity of 41.490 tons. The logistics services related to the products produced in these facilities are carried out by a company providing logistics services in a logistics center on a **21.515 m2** closed area in Kartepe, leased for 10 years .

In addition, all three brands have Regional Directorates in Izmir, Istanbul, Ankara and Adana.

Winsa brand has up to 250 manufacturer dealers and close to 570 stores, Egepen brand has up to 450 manufacturer dealers and close to 1850 stores and Pimapen brand has up to 300 manufacturer dealers and close to 600 stores.

Countries in Europe, Americas, Asia, Africa and Australia are those which imports and exports are done.

As Ege Profil, our place in the world market is increasing day by day. Ege Profil, which started to operate as a branch with a warehouse in India in 2012, participated in the company named Deceuninck Importadora Limitada in Chile with a share of 99.9% in 2013. Also in 2014, Deceuninck has continued in developing markets as Deceuninck Brasil as a distributor in Brazil. With the decision of the Board of Directors dated 21 June 2017, subsidiary established in Brazil was sold. With the decision of the Board of Directors dated 22 June 2018, the acquisition of Deceuninck Profiles India Private Limited (India) subsidiary with 99% share was completed.

Ege Profil also participated in the aluminum sector in 2013.

In June 2017, 87.60 percent share of Deceuninck NV in Pimaş with a nominal value of 31.535.339,898 TRY was purchased for 2,7081 TRY per share and TRY 85.400.364 in total. On the other hand, shares of Deceuninck do Brasil Limitada in Brazil worth of 2.127.845 Brazilian Real shares were sold to Deceuninck NV for EUR 1,000 over the liquidation value due to the loss. The merger decision process was completed on 25 December 2017 by the acquisition of Pimaş with all its assets and liabilities started in August 2017.

Customer expectations are met at the highest level through new products and technological developments, dealer training seminars, practical business trainings and technical publications. Today, the company has the widest range of products in the industry, producing with more than three hundred self-developed molds. Increasing sales with the effort to meet customer expectations at the highest level and our dealers' confidence in our brands make our supremacy felt by our competitors.

MISSION, VISION AND STRATEGIC GOALS OF THE COMPANY

For a sustainable future,

Why? Our main objective;

Innovative and Leading

Our main objective is to transfer our knowledge and experience with the support of our expert staff to produce quality and innovative products in your places and to increase your living comfort. We work intensively to protect your places and loved ones from negative external conditions, we follow our technology closely and present our new products to you. As our systems are extremely easy to manufacture, install and maintain, all our products are manufactured with the aim of providing maximum customer satisfaction to meet your needs at the highest level.

Ecology

Our aim is to support all our customers in order to use energy efficiently in the construction of buildings. Therefore, all of our products provide high insulation, long life expectancy and low maintenance. Our products are produced with a minimum of energy and recyclable structure, leaving minimum ecological traces in order not to disturb the form of nature.

Design

Our objective is to help your spaces become more beautiful with our different designs and reflect your own style in your architecture. Our products have a independent design with a wide range of colors, natural textures and unmatched surface quality to meet your expectations.

Our Employees and Customers

We create an open, honest and sincere working environment with our employees and all our customers. Thus, we create long-term business partnerships and keep employee and customer satisfaction at the highest level. We work with team spirit by giving importance to quality, safety, environment and people.

How? Our Core Values

Honesty

We always tell all the facts as they are, and we are open and sincere in the whole communication process. In our relations with our collaborators, we provide feedback directly and positively.

We act in team spirit with our employees and business partners. When we take corrective and preventive measures, we openly state mistakes and defend the truths with the reality.

What we think and what we say cannot be different. This is our originality.

High performance

Our performance is regularly measured by our employees, customers, society and shareholders. With our passion for excellence, we strive for continuous improvement in all of our business processes, and continue our journey without compromising from our basic goals, values and vision. We do what we say, we share what we do, that is our understanding of responsibility and discipline. When targeting high performance, our priority is: Human, Environment, Quality, Service and Profit. Profit is essential for a sustained business. At every stage of our business, we work to improve our performance every day in all our processes from production to after sales.

Entrepreneurship

We are open to the world and all ideas. We see and evaluate opportunities. We create an atmosphere of trust in the name of exercising authority, anticipating risks, and managing all processes successfully using initiative. We take our business as our own. We respect the decisions of all our employees, encourage them to take responsibility and then appreciate them.

What? Our passion

Our culture

As a result of our corporate culture we structured, all our employees and business partners are proud to be working together. They continue their work according to the principles of honesty, high performance and entrepreneurship.

Long Life, Eco-Friendly Products

We work to produce highly insulated, long lasting, high quality, durable and recyclable products.

Industry Leadership

Our company is one of the leading companies in the sector. It is among the top three companies with a wide market share. Behind this success, there is customer relations based on mutual trust and high performance in quality and service.

Strong Financial Structure

Our Company has a sustainable and strong financial structure. We transform all our activities into financial goals and achieve our goals successfully.

SECTION 2 - BENEFITS PROVIDED TO THE BOARD OF DIRECTORS AND THE EXECUTIVES

QUALIFICATIONS OF BOARD MEMBERS AND AUTHORITIES AND RESPONSIBILITIES OF EXECUTIVES

Although there is no regulation in the Articles of Association of the Company regarding the selection criteria of the members of the Board of Directors, our existing members of the Board of Directors are composed of persons who have the qualifications specified in the Corporate Governance Principles. There are provisions regarding the duties and powers of the Board of Directors. Although the powers and responsibilities of other executives are not included in the articles of association, job descriptions for all employees, including senior executives, have been established throughout the company.

MEMBERS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE DURING THE ACTIVITY YEAR

The members of the Board of Directors have been appointed at the Ordinary Meeting of General Assembly held on April 24, 2018. The term of the Board of Directors is one year. The members of the Board of Directors and the distribution of duties are as follows:

Board of Directors

Francis Jozef Willem Antoon Van Eeckhout	Chairman of the Board
Ergün Çiçekçi	General Manager and Vice Chairman
Ann Bataillie	Board Member
Pınar Balcı Güventürk	Board Member (Independent Member)
Yasemin Ünlü Romano	Board Member (Independent Member)

Audit Committee

Pınar Balcı Güventürk	Chairman
Yasemin Ünlü Romano	Member

Early Risk Detection Committee

Pınar Balcı Güventürk	Chairman
Yasemin Ünlü Romano	Member
Gülşah Karan	-

Corporate Governance Committee

Pınar Balcı Güventürk	Chairman
Francis Van Eeckhout	Member
Gülşah Karan	-

PERSONAL BACKGROUND OF THE BOARD MEMBERS**Francis Van Eeckhout (Board Member and Chairman)**

In 1990, he received his Master's degree in Communication Engineering from Leuven Catholic University.

In 1991, he received his Bachelor of Applied Marketing in Aix en Provence.

In 1992, he received his Accounting License from Koblenz WHU.

He worked in the marketing department of Hannover Bahlsen Keksfabrik between 1992-1993.

In 1994-2011 he was the director of Van Eeckhout (concrete), VVM NV (cement), Diamut NV (grout) and Nivelles Beton NV (concrete). Since 2012, he has been the Gramo BVBA (holding) manager.

Ergün ÇİÇEKÇİ (General Manager and Vice Chairman)

He was born in Ödemiş in 1954.

He graduated from Istanbul Technical University Mechanical Engineering Department in 1975.

In 1979, he completed his master's degree at Aston University in Birmingham.

After his military service, he started to work in plastic sector in 1981 and continued his career in Mazhar Zorlu Group by taking different duties and responsibilities.

He has been working at Ege Profil A.S. since 1994 as General Manager.

2001 He has been a member of the Board of Directors since 2001

Ann Batallie (Member of the Board)

Since 2013, he has been the Legal Advisor of Deceuninck Group and the Human Resources Group Director.

2002 He has been working as a Financial Advisor in Deceuninck Group since 2002.

1987 she worked as Legal Counsel for Barco Group for 15 years.

1982 she completed her Masters in European Law at the University of Nancy II, France.

1981 she received her Master of Laws from Catholic University of Leuven and completed her studies in European Law with the education she received from the European Commission (General Directorate of Internal Market).

Yasemin Ünlü Romano (Independent Member)

Yasemin Ünlü Romano was born in 1970 in Istanbul. After graduating from Boğaziçi University Sociology Department with BA degree in 1994, Yasemin Ünlü Romano completed her MBA degree in 1996 at the University of San Diego, USA. Romano worked in Nestle SA between 1996-2000 as Product Manager, between 2000 - 2006 in Unilever as Brand Manager and Strategic Marketing in Algida Turkey, and as Brand Development Manager responsible for Communication and Innovation and as a member of Algida Europe team. In 2006, she joined Ülker Group where she served as the Marketing Director in charge of the Milk and Dairy products category. She joined to Süttaş group in 2012, she served as Vice President of Marketing Department responsible with Category in Turkey and Marketing in Balkans. Yasemin Ünlü Romano is married and has two children.

Declaration of Independence - Yasemin Ünlü Romano (Independent Member)

I declare that I am a candidate to serve as an independent member in the Board of Directors of Ege Profil Ticaret ve Sanayi Anonim Şirketi (Company) within the framework of the legislation, articles of association and the criteria set forth in the Corporate Governance Principles announced by the Capital Markets Board. In this context;

- a) I declare that there is no employment relationship in the executive position to undertake important duties and responsibilities in the last five years, that I do not own more than 5 percent of capital, voting rights or privileged shares together, that no significant commercial relationship has been established between Company, Company management, partnerships with has significant influence, shareholders who have the company control, significant influence over the company, or legal entities that these shareholders have control over management and myself, my spouse and my second generation relatives.
- b) During the last five years, the company's audit (including tax audit, statutory audit, internal audit), grading and consultancy, in particular; I declare that I am not a partner (5% or more), a manager or a member of the board of directors who undertakes important duties and responsibilities in the period in which the company purchases or sells services or products, in which the company purchases or sells services or products to a significant extent under the agreements concluded.
- c) That I have professional training, knowledge and experience to fulfill the duties I undertake due to being an independent board member,
- ç) That I do not work full time in public institutions and organizations after being elected as a member, except as a faculty member, provided that it is in compliance with the legislation to which they are affiliated,
- d) That I have strong ethical standards, professional reputation and experience that can contribute positively to the company's activities, maintain impartiality in the conflicts of interest between the company and the shareholders, and make decisions freely considering the rights of the stakeholders.
- e) That I have strong ethical standards, professional reputation and experience that can contribute positively to the company's activities, maintain impartiality in the conflicts of interest between the company and the shareholders, and make decisions freely considering the rights of the stakeholders.
- f) That I am able to devote time to company affairs to the extent that I can follow the operation of the company's activities and fully fulfill the requirements of the duties I undertake

,
g) That I have not served on the Board of Directors of the Company for more than six years in the last ten years,

G) That I declare that I do not serve as an independent board member in more than three of the companies in which the same person, the company or the shareholders taking the management control of the company have management control and more than five of the companies listed on the stock exchange in total.

Pinar Güventürk (Independent Member)

Pinar Güventürk was born in 1968 in Istanbul.

Bogazici University Istanbul, TURKIYE 1986 - 1990

July 1990 - September 1991 Treasury Analyst

Procter & Gamble Tuketim Mallari San. A.S. (Istanbul, Turkey) September 1991 - September 1993
Financial Analysis Manager- Laundry & Home Care

Eczacibasi Procter & Gamble AS (Istanbul, Turkey) September 1993 - September 1997 Sales Finance
Director Assistant

September 1997 - September 1999 Accounting and Control Finance Director Assistant

Procter & Gamble Tuketim Mallari San. A.S. (Istanbul, Turkey), September 1999 - February 2002 Deputy
Director of Budget and Financial Planning

The Procter & Gamble Company (Cincinnati, OH, USA) February 2002 - January 2004 Deputy Director of
Finance for the Global Women's Ties Category

March 2005 - March 2006 Eastern Mediterranean Region Financial Budget and Planning Director

April 2006 - December 2008 Eastern Mediterranean Region Finance Director

January 2009 - July 2012 Vice President of Southeast Europe Finance

July 2012 - April 2017 Vice President of Business Transformation Turkey

SEV (Health Education Foundation) Board Member and Trustee

2013 - Board Member

2016 - Trustee

Declaration of Independence - Pınar Güventürk

(Independent Member)

Ege Profil Ticaret ve Sanayi A.Ş. I declare that I am a candidate to serve as an independent member within the framework of the legislation, articles of association and the criteria set forth in the Corporate Governance Principles announced by the Capital Markets Board. In this context;

- a) I declare that there is no employment relationship in the executive position to undertake important duties and responsibilities in the last five years, that I do not own more than 5 percent of capital, voting rights or privileged shares together, that no significant commercial relationship has been established between Company, Company management, partnerships with has significant influence, shareholders who have the company control, significant influence over the company, or legal entities that these shareholders have control over management and myself, my spouse and my second generation relatives.
- b) During the last five years, the company's audit (including tax audit, statutory audit, internal audit), grading and consultancy, in particular; I declare that I am not a partner (5% or more), a manager or a member of the board of directors who undertakes important duties and responsibilities in the period in which the company purchases or sells services or products, in which the company purchases or sells services or products to a significant extent under the agreements concluded.
- c) That I have professional training, knowledge and experience to fulfill the duties I undertake due to being an independent board member,
That I will not work full time in public institutions and organizations after being elected as a member, except as a faculty member, provided that it is in compliance with the legislation to which they are affiliated,
- d) That I reside in Turkey in accordance with Income Tax Law (ITL) no. 193 and dated 31/12/1960.
- e) That I have strong ethical standards, professional reputation and experience that can contribute positively to the company's activities, maintain impartiality in the conflicts of interest between the company and the shareholders, and make decisions freely considering the rights of the stakeholders.
- f) That I am able to devote time to company affairs to the extent that I can follow the operation of the company's activities and fully fulfill the requirements of the duties I undertake
- g) That I have not served on the Board of Directors of the Company for more than six years in the last ten years, g) That I declare that I do not serve as an independent board member in more than three of the companies in which the same person, the company or the shareholders taking the management control of the company have management control and more than five of the companies listed on the stock exchange in total.

BOARD OF DIRECTORS MEETINGS DURING THE YEAR

17 meetings were held.

BENEFITS PROVIDED TO BOARD MEMBERS AND TOP EXECUTIVES

As of December 31, 2018, the total amount of remuneration and similar benefits provided to the chairman and members of the Board of Directors, senior managers such as general manager, general coordinator and assistant general managers is worth **7.711.634 TRY**.

(December 31, 2017 — 7.638.927 TRY)

The personnel and distribution of duties in the senior management team of our company are as follows:

Ergün Çiçekci	General Manager
Nurcan Güngör	Financial Affairs Group Manager
Tamer Özen	Product Marketing and Sales Group Manager
Vehbi Cem Korkmaz	Marketing and Sales Group Manager
Etem Gökmen	Operations and Investments Group Manager
Nuri Aslan	Kartepe Business Group Manager
Hakan Nurhan	Aluminum Joinery Systems Marketing and Sales Department Manager

RIGHTS AND BENEFITS PROVIDED TO STAFF AND WORKERS

The average number of personnel during the period by category is as follows:

	December 31, 2018	December 31,
Administrative	311	315
Production	702	815
Total	1.013	1.130

The advantages and benefits provided to employees are detailed in article 17 of the explanatory notes to the consolidated financial statements as of December 31, 2018 viii. .

Within the framework of the permission granted by the General Assembly of the Company, there are no transactions within the scope of the compete prohibition with the transactions performed by the

SECTION 3 - RESEARCH AND DEVELOPMENT

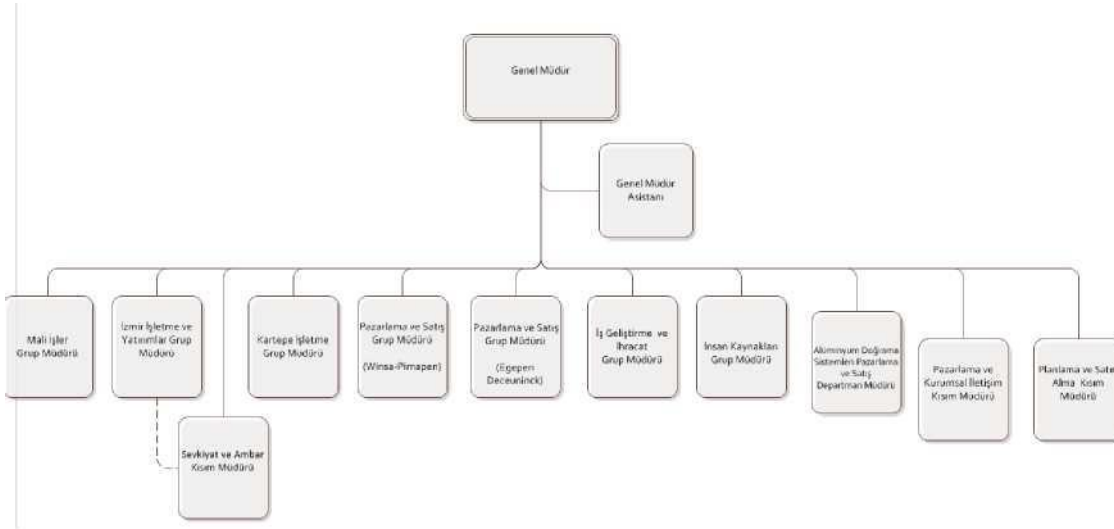
Taking into account their energy policies implemented in Turkey and the world, our sensitivity to environmental requirements, as well as a part of our productivity efforts; our company has R & D projects in order to develop products that consume less energy.

The audits related to the application made by our company to obtain the R & D Center Certificate within the scope of Law No. 5746 have been carried out on-site by the observers assigned within the framework of the Implementing and Auditing Regulation of the relevant Law; In July 2017, R & D Center Certificate was approved to be granted to our company and to benefit from the incentives and exemptions provided by Law no 5746 by the Republic of Turkey Ministry of Science, Industry and

As of December 31, 2018, our R&D expenditures are worth of **1,378,870 TRY**. (December 31, 2017 1.445.883 TRY)

SECTION 4 - COMPANY'S ACTIVITIES AND MAJOR DEVELOPMENTS RELATED TO OPERATIONS

ORGANIZATION STRUCTURE



SHAREHOLDER STRUCTURE

The shareholder structure as of December 31, 2018 is as follows:

Title of Partners	Share Amount (TRY)	Ratio (%)
Deceuninck NV	77.641.840	95.88
Public Shares	3.338.953	4.12
Total	80.980.793	100.00

There is one voting right for each share in the General Assembly and there is no privilege regarding the voting.

INVESTMENT ACTIVITIES

As of December 31, 2018, the Company has purchased fixed assets worth of TRY 57.905.039 (EUR 9.463.445).

1000 EURO & TRY	31.12.2018	31.12.2017	CHANGE %
EURO	9.463	8.797	8%
TRY	57.905	39.049	48%

INTERNAL CONTROL AND AUDIT SYSTEM

System conducts audits within the framework of the annual audit plan determined annually and reports the findings obtained from the audits. The related audits are performed to ensure that the transactions and activities are in compliance with both the legislation and company policies.

The internal audit unit reported the findings in the audit and identified the areas of development. Action related to these areas of development has been created urgently. Articles related to the follow-up of the findings were added to the audit plans the following year.

In addition, TS EN ISO 9001: 2015 Quality, TS EN ISO 14001: 2015 Environment, OHSAS TS 18001 Occupational Health and Safety, TS EN ISO 50001 Energy and TS ISO/IEC 27001 Information Security Management System requirements are controlled whether they are fulfilled or not. Corrective and improvement activities are initiated when deemed necessary. During the audits and controls performed during the relevant accounting period, no findings were found that had a negative impact on the operation of the Company.

In addition to this, our company aims to improve continuously by using simple production techniques and controls the internal layout and layout level on a team basis with its 5S audits.

Our company aims to provide a healthier and safer working environment to the employees, branches, visitors and suppliers in the company or on behalf of the company while protecting its environment. In this respect, the company works with the philosophy of continuous improvement, which complies with the legal requirements related to occupational health, safety, energy and environment. In addition to the service received from the consultancy company in the field of Occupational Safety, Occupational Safety Specialist is employed in our company's staff.

INFORMATION ON DIRECT AND INDIRECT SUBSIDIARIES AND SHARE RATES

Chile (Subsidiary)

Centro Industrial Lo Boza 3G-3H Volcan Lascar 801
Pudahel Santiago / CHILI

Tel Fax No: +56.951.498.754

Our company is a partner of Deceuninck Importadora Company with a rate of 99.9%.

India (Subsidiary) :

Building no 09, Casa Grande Distripark, Satharai
Village , Trivallur Taluk, Trivallur District, Tamil
Nadu- 631 203 ,INDIA

Tel/Fax No:+919600111788

Our company is a partner of Deceuninck Profiles India Private Limited Company with a rate of 99.9%

INFORMATION ABOUT THE COMPANY'S OWN SHARES

The nominal amount of the shares acquired by the Company is **TRY 585.564** as of December 31, 2018 .

INFORMATION ON PRIVATE AND PUBLIC AUDITING DURING THE YEAR OF OPERATION

There is no audit performed during the activity period.

INFORMATION ABOUT THE CASES AGAINST THE COMPANY AND THEIR POTENTIAL CONSEQUENCES

Continuation of the responsibility for the lawsuits filed by the workers who were fired as a result of closure of the factory in Gebze and the relocation of the head office of Pimaş AŞ which merged with our company.

INFORMATION REGARDING THE IMPORTANT QUALIFIED ADMINISTRATIVE SANCTIONS AND PENALTIES PROVIDED ABOUT THE COMPANY AND THE BOARD MEMBERS DUE TO

Pursuant to the reports prepared by the Ministry of Finance Revenue Administration in 2011 as a result of the tax inspection of the transactions related to 2007, the Company has filed a lawsuit in April 2012 against total of TRY 3,605,914 on 2 April 2012 against tax levies and tax penalties. After the trial, TRY 2.358.150 of the total tax levies and penalties notified to our Company has been abolished by court decision and the case of the remaining part is currently under review by the Council of State. It is foreseen that the result of the lawsuit shall be in favor of our Company according to the current legal situation and evidence. As a precautionary measure, the Company has provided TRY 536.260 provision in its consolidated financial statements.

LEGAL AND ENVIRONMENTAL RISKS

Our Group is subject to different regulations in many different countries in which it operates. As a group, we continue to develop our own environmental policies and procedures in order to comply with environmental and local laws.

As management, we conduct regular reviews to identify these environmental risks and continue to establish various systems to control these risks.

In accordance with Group's sensitivity to compliance with legal and environmental regulations, which is one of the most important policies of our Group, no administrative or judicial sanctions have been faced against the management body or our company due to any contrary practices. As of 31.12.2018, there were no negative developments in this direction during the 2018 operating year.

TARGETS DETERMINED IN THE PREVIOUS TERMS, INFORMATION AND EVALUATIONS ON RESOLUTIONS OF THE GENERAL ASSEMBLY

In 2018, we have achieved our targets by fulfilling all of our ordinary general assembly resolutions and processing in line with sustainable growth and high value-added investments.

EXTRAORDINARY GENERAL ASSEMBLY MEETINGS DURING THE OPERATING PERIOD

N/A

AMENDMENTS TO THE ARTICLES OF ASSOCIATION DURING THE OPERATING PERIOD

N/A

EXPENDITURES UNDER THE ACTIVITY PERIOD UNDER THE DONATION, HELP AND SOCIAL RESPONSIBILITY PROJECTS

Our Company may make donations and grants to foundations, associations, educational institutions and public institutions and organizations operating for social, cultural, educational, sports, etc. purposes in accordance with the principles set forth in the Capital Markets Board and Turkish Commercial Code with the approval of the Board.

While making donations and aids, the regulations of the Ministry of Finance are taken into

Compliance with social responsibility criteria is taken into consideration in the selection of the type, amount and the institution, organization or Non-Governmental Organization to be donated. In addition, donations and assistance can be made to foundations, associations, etc. that are established to operate in relation to the field of activity of the company.

In the Ordinary General Assembly Meeting of the relevant year, detailed information is given to the

Donations and grants made in December 2018 and 2017:

DONATIONS	31.12.2018	31.12.2017
TRY	131.895	79.220

RELATIONS WITH THE PARENT COMPANY AND A COMPANY ASSOCIATED WITH THE PARENT COMPANY,

Transactions has been carried out without an appropriate provision in accordance with the initiative or interest of Ege Profil Ticaret ve Sanayi AŞ. All legal transactions mentioned are made as if transactions were made between third parties.

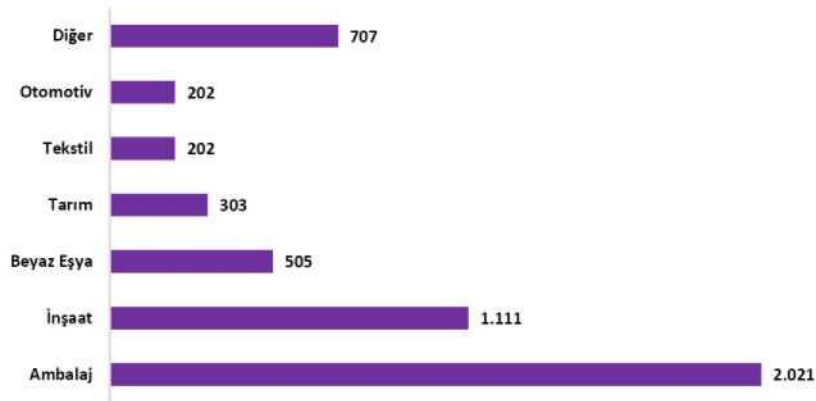
There are no measures taken or avoided in the interest of Deceuninck NV or a company affiliated with it.

The advantages and benefits provided to employees are detailed in article 29 of the explanatory notes to the consolidated financial statements as of December 31, 2018

PLASTICS PRODUCT SECTOR IN TURKEY

SECTORAL DISTRIBUTION OF PLASTIC PRODUCT PRODUCTION

In the first 6 months of 2018, it is seen that plastic packaging materials lead with 2 million 21 thousand tons in total production of 5.1 million tons and plastic construction materials production is followed by plastic packaging materials with 1.1 million tons.



Graphic: Cumulative Production by Sub-Sectors - 2018/06 (1000 Tons)

Source: TÜİK ve ITC Trade Statistics

Building and construction, which has a volume of 20-25% among all application areas of plastics, is the second most important area after packaging applications. Plastic products such as pipes, which are manufactured on a large scale and used in the building industry, have been used for more than 60 years. In the upcoming years, high growth rates are expected for plastic construction materials in construction applications.

- **Production**

In the first six months of 2017, the production of plastic products was 4 million 712 thousand tons and 17 billion 773 million dollars, and reached 5 million 52 thousand tons and 19 billion 375 million dollars. Production increased by 9.3% in quantity terms and 7.2 in value terms compared to the same period of 2017. Production of plastic products is estimated to increase by 5% in 2018 to 10 million 104 thousand tons in 2018 and to increase by 5.3% in value basis to 38 billion 750 million dollars.

	2017/6	2.017	2018/6	2018 /T	% Increase in 2018/2017 (6 Months)	% Increase Estimated 2018/2017
1000 Ton	4.712	9.624	5.052	10.104	7.2	5.0
\$ Million	17.733	36.793	19.375	38.750	9.3	5.3

2017/11 2017/T%

Tablo_ Plastic Product Production

Source: TÜİK ve ITC Trade Statistics

- **Capacity Usage**

In the plastics industry, capacity utilization was 76.4% on average in January - June period of 2018 and increased by 1.3 points compared to the same period of 2017. In this period, it is observed that the average capacity utilization of the plastics industry is 1.5 points behind the average of the general manufacturing industry.

- **Sectoral Distribution of Production**

In the first 6 months of 2018, it is seen that plastic packaging materials lead with 2 million 21 thousand tons in total production of 5.1 million tons and plastic construction materials production is followed by plastic packaging materials with 1.1 million tons.

• **Foreign Trade Import**

In the first 6 months of 2018, 317 thousand tons of plastic products worth 1 billion 559 million dollars were imported. Imports of plastic products increased by 5.6% in quantity terms and 5.8% in value terms compared to the same period of 2017. If it continues with the same trend, imports of plastic products are expected to increase by 1.8% in quantity terms and 0.46% in value terms to 634 thousand tons and 3 billion 119 million dollars by the end of 2018.

CTSP NO	CTSP DESCRIPTION	1000 Ton	Quantity % share	Million \$	Value -% share
3.916	Plastic Monofilament, rod, profiles, cross-section made of plastic	6	2	29	2
3.917	Plastic tubes, pipes, hoses of plastics; gasket, elbow, connector etc.	18	6	141	9
3.918	Plastic floor coverings, including wall and ceiling coverings	10	3	33	2
3.919	Flat sheet of plastic adhesive sheets, foils, strips, lam, etc.	31	10	173	11
3.920	Other plastic sheets, foils, strips, lams	134	42	467	30
3.921	Other plates, sheets, sheets, foils and slides of plastics	38	12	147	9
3.922	Bathtub, shower, washbasin, toilet bath and equipment made of plastic	2	1	15	1
3.923	Plastic products for the transport of goods, stoppers, caps, capsules	32	10	151	10
3.924	Tableware, kitchenware and other houseware of plastic, toilet articles	5	1	31	2
3.925	Building materials made of plastic	5	2 20		1
3.926	Other items of plastics	36	11	353	23
	Total plastic products	317	100	1,559	100

Table: Imports of Plastic Products Based on CTSP (2018/6)

Source: TÜİK ve ITC Trade Statistics

Turkey has imports plastic products from over 100 countries, and exports to more than 200 countries. In the first 6 months of 2018, imports from 10 countries generated 71% of total imports and 75% of value imports.

In this period, China accounted for 28% of total plastic imports and 19% of value imports. Apart from China, Germany, Italy, France and South Korea are the countries with the largest import of plastic products.

In the first 6 months of 2018, imports from 10 countries generated 71% of total imports and 75% of value imports. During this period, Iraq, Germany, England, Israel and France formed our biggest export markets for plastic products.

Import				
Country	1000 Ton	\$ Million	Ton -%	\$ -%
China	89	296	28.0	19.0
Germany	46	296	14.6	19.0
Italy	24	133	7.6	8.5
France	15	103	4.6	6.6
S.Korea	18	101	5.7	6.5
USA	5	62	1.6	4.0
England	8	54	2.4	3.5
Belgium	9	45	2.8	2.9
Spain	8	40	2.5	2.6
Japan	2	33	0.7	2.1
10 countries	223	1.164	70.5	74.6
Others	93	396	29.5	25.4
TOTAL	317	1.559	100.0	100.0

Table: Top 10 Countries in Import of Plastic Products (2018/6)

Source: TÜİK ve ITC Trade Statistics

Export

In the first six months of 2018, plastic exports were 856 thousand tons and 2 billion 353 million dollars. Compared to the same period of 2017, it has increased by 7.3% in quantity and 12.8% in value basis. If it continues with the same trend, the export of plastic products is expected to increase to 1 million 712 thousand tons and 4 billion 705 million dollars at the end of 2018 and increase by 4.8% in quantity and 8.4% in value terms compared to 2017.

CTSP NO	CTSP DESCRIPTION	1000 Ton	Amount % share	\$ Million	
3.916	Plastic Monofilament, rod, profiles, cross-section made of plastic	81	9	139	6
3.917	Plastic tubes, pipes, hoses of plastics; gasket, elbow, connector etc.	98	11	274	12
3.918	Plastic floor coverings, including wall and ceiling coverings	7	1	14	1
3919	Flat sheet of plastic adhesive sheets, foils, strips, lam, etc.	10	1	52	2
3920	Other plastic sheets, foils, strips, lams	210	25	545	23
3921	Other plates, sheets, sheets, foils and slides of plastics	74	9	218	9
3922	Bathtub, shower, washbasin, toilet bath and equipment made of	14	2	58	2
3923	Plastic products for the transport of goods, stoppers, caps, capsules	200	23	502	21
3924	Tableware, kitchenware and other houseware of plastic, toilet articles	79	9	223	9
3925	Building materials made of plastic	41	5	112	5
3926	Other items of plastics	43	5	215	9
	Total plastic products	856	100	2,353	100

Table: Exports of Plastic Products Based on CTSP (2018/6)

Source: TÜİK ve ITC Trade Statistics

Turkey has been exporting plastic products to the country close to about 200. In the first 6 months of 2018, imports from 10 countries generated 71% of total imports and 75% of value imports. During this period, Iraq, Germany, England, Israel and France formed our biggest export markets for plastic products.

Import

Country	1000 Ton	Export		
		\$ Million	Ton -%	\$ -%
Iraq	97	184	11.3	7.8
Germany	46	174	5.3	7.4
England	46	122	5.4	5.2
Israel	50	112	5.8	4.8
France	30	104	3.5	4.4
Italy	31	85	3.6	3.6
Romania	29	81	3.4	3.5
Spain	28	68	3.2	2.9
Bulgaria	23	66	2.7	2.8
USA	21	60	2.5	2.6
10 countries	400	1,056	46.7	44.9
Others	456	1,297	53.3	55.1
TOTAL	856	2,353	100.0	100.0

Table: Top 10 Countries in Import of Plastic Products (2018/6)

Source: TUİK ve ITC Trade Statistics

Import and Export Prices

Unit import prices in plastic products always follow the unit export prices.



Graphic: Average Foreign Trade Prices of Plastic Products

Source: TUIK ve ITC Trade Statistics

In the first six months of 2018, the average import prices of plastic products were \$ 4.92 / Kg and the average export prices were \$ 2.75 / Kg. Compared to 2017, the average import price decreased by 1.4%, while the average export price increased by 3.5%.

CTSP	CTSP DESCRIPTION	Import Price			Export Price		
		2017	2018/6	% Increase	2017	2018/6	% Increase
3916	Plastic Monofilament, rod, profiles, crosssection made of plastic exceeding 1	4,46	4,71	5,5	1,67	1,72	3,1
3917	Plastic tubes, pipes, hoses of plastics; gasket, elbow, connector etc.	8,60	8,06	-6,3	2,48	2,81	13,3
3918	Plastic floor coverings, including wall and ceiling coverings	3,62	3,16	-12,8	2,15	2,13	-0,7
3919	Flat sheet of plastic adhesive sheets, foils, strips, lam, etc.	5,57	5,63	1,1	5,01	5,27	5,1
3920	Other plastic sheets, foils, strips, lams	3,68	3,47	-5,6	2,54	2,59	2,0
3921	Other plates, sheets, sheets, foils and slides of plastics	3,85	3,91	1,4	2,85	2,94	3,2
3922	Bathtub, shower, washbasin, toilet bath and equipment made of plastic	9,33	7,19	-23,0	4,05	4,20	3,6
3923	Plastic products for the transport of goods, stoppers, caps, capsules	4,48	4,75	6,0	2,43	2,51	3,1
3924	Tableware, kitchenware and other houseware of plastic, toilet articles	6,62	6,70	1,2	2,82	2,83	0,5
3925	Building materials made of plastic	4,39	3,74	14,7	2,55	2,70	6,2
3926	Other items of plastics	10,00	9,76	-2,4	5,21	5,05	-3,1
	Average	4,99	4,92	1,4	2,66	2,75	3,5

Table: Average Unit Foreign Trade Prices of Plastic Products (\$ / Ton)

Source: TÜİK ve ITC Trade Statistics

- **Domestic Market Consumption**

In the first six months of 2018, domestic consumption of plastic products was 4 million 512 thousand tons and 18 billion 581 million dollars. Imports of plastic products increased by 5.6% in quantity terms and 5.8% in value terms compared to the same period of 2017.

- **Supply and demand**

The share of exports in total production is 17% in the first 6 months of 2018 in the same period of 2017. The share of imports in domestic consumption was 7%. In the first six months of 2018, the share of exports in production in value-based production continued to be 12%. the share of imports in domestic consumption was 8%.

SECTION 5 - FINANCIAL STATUS

For the term ended December 31, 2018, the unaudited consolidated financial statements and the related notes to them are attached.

MAIN FINANCIAL AND OPERATIONAL INDICATORS

Some of the comparative information of the Company's consolidated financial statements as of December 31, 2018 is presented below.

Revenues

1.000 TRY	December 31st 2018	December 31st 2017	CHANGE%
Net Sales	1,105,843	910,322	21%

Import & Export

1000 EURO	31.12.2018	31.12.2017	CHANGE%
Export	25,159	27,203	(8%)
Import	67,605	72,758	(7%)

FINANCIAL RATIOS

LIQUIDITY RATIOS	31.12.2018	31.12.2017
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Current rate	1.28	1.23
Acid Test Ratio	1.08	1.03

PROFITABILITY RATIOS	31.12.2018	31.12.2017
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Gross Profit Margin	0.32	0.27
Return on equity	0.25	0.19

LIFT RATIOS	31.12.2018	31.12.2017
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Total Liabilities / Equity	1.97	1.96
Top Debts / Top Assets	0.66	0.66
Equity Ratio	0.34	0.34
Short Term Debt / Top Assets	0.53	0.52
Long Term Debt / Top Assets	0.13	0.14

EVENT RATIOS	31.12.2018	31.12.2017
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Receivable Turnover Rate	2.40	2.20
Inventory Turnover Rate	6.14	6.88

Active Turnover Rate	0.86	0.87
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PROFIT DISTRIBUTION:

There is no privilege for participation in the company profit.

According to the articles of association of our company, the general expenses and the amounts that are required to be paid and separated by the company such as various depreciation and the taxes to be paid by the legal entity of the company, after deducting from the income determined at the end of the accounting year, the remaining profit in the annual balance sheet, if any, is distributed in the

The profit distribution proposals submitted by the Board of Directors to the approval of the General Assembly are prepared with a distribution policy that takes into consideration the profitability of our company, the expectations of the shareholders and the growth strategies of our company and the provisions of the legislation to be distributed for the relevant year.

At the Ordinary General Assembly held on 24/04/2018, it was decided that the profit of the period of 2017 financial year shall be paid in 2 equal installments with the gross portion of EUR 5,000.0000 and the first installment shall be paid on 11/07/2018 and the second installment on 14/11/2018.

FINANCIAL RISK MANAGEMENT

The financial risk management of the Company is disclosed in Article 30 of the unaudited consolidated financial statements for the year ended December 31, 2018, annexed to our annual report.

SECTION 6 - OTHER ISSUES

Insurance

Total insurance amounts of assets are as follows (TRY);

	December 31, 2018 (Amount	Sunday, December 31,
Total insurance amounts of assets	1,059,400,402	836,605,087

SECTION 7 - ACTIVITY REPORTS OF THE PARENT COMPANY IN THE GROUP OF COMPANIES

Annual reports of the parent company Deceuninck NV are published on the website www.deceuninck.com.

RESPONSIBILITY REPORT ISSUED IN ACCORDANCE WITH TCC ARTICLE 199

REPORT PERIOD

Operating Period January 01, 2018 and December 31, 2018

SCOPE OF THE REPORT AND PRELIMINARY INFORMATION,

This loyalty report is prepared in accordance with the obligation stipulated in Article 199 of the Turkish Commercial Code for the Board of Directors of the affiliated company. Our company is registered to İzmir Trade Registry Directorate with the registration number of Karşıyaka 10289-K-2159. Ege Profil Ticaret ve Sanayi A.Ş. is directly affiliated to Deceuninck NV, which operates in Belgium.

This loyalty report covers all legal actions and other measures that have been or avoided be realized in the period of 01.01.2018 - 31.12.2018 between Deceuninck NV, the parent company and the other subsidiaries of the parent company.

Ege Profil Ticaret ve Sanayi AŞ and its domestic and foreign subsidiaries have been rendered legal transactions in the form of services, goods and transactions have been carried out as both goods/service provider and goods/service buyer.

None of these legal transactions has been carried out without an appropriate provision in accordance with the initiative or interest of Ege Profil Ticaret ve Sanayi AŞ. All legal transactions mentioned are made as if transactions were made between third parties. No measures have been taken to the detriment of the company pursuant to the initiative or interest of Ege Profil Ticaret ve Sanayi AŞ.

INFORMATION ABOUT THE COMPANIES IN THE SCOPE OF THE REPORT

The reason that Deceuninck NV has a share of 95.88% in our capital with TRY 77.641.840.

TRANSACTIONS WITH THE DOMINANT COMPANY

A- Capital and Shareholding Structure,

Paid-in capital:

As of December 31, 2018, and 2017, the Company's paid-in capital and shareholding structure are as follows:

	31.Ara.18		31.Ara.17	
	TRY Share (%)		TRY Share (%)	
Deceuninck NV	77,641,840	95.88	77,641,840	95.88
Public Shares	3,338,953	4.12	3,338,953	4.12
Paid-in capital in legal records	80,980,793	100	80,980,793	100
Inflation adjustment difference	7,840,703		7,840,703	
Total	88,821,496		88,821,496	

As of December 31, 2018, and December 31, 2017, the Company's registered capital ceiling is TL 120.000.000. As of December 31, 2018, the Company's paid-in capital amounted to TL 80.980.793 (December 31, 2017 - TL 80.980.793), it is formed amounting to 8.980.793.000 shares (December 31, 2017 - 8.980.793.000), each of which amounts to 1 Kuruş.

Extraordinary General Assembly Meeting was held on 7 December 2017 to discuss the merger of the Company and Pimaş. The merger of all assets and liabilities of Pimaş, which is a subsidiary of the Company, with the Company as a whole; 134 and related articles of the Turkish Commercial Code; Articles 19 and 20 of the Corporate Tax Law; Communiqué on Mergers and Divisions (II-23.2)

and Communiqué on Common Principles and Right to Separation of Significant Transactions (II-23.1); and conducted within the provisions of other relevant legislation was adopted by a majority vote at the extraordinary general meeting and was registered on December 25, 2017.

The application made regarding the merger to the CMB on 26 December 2017 to increase the Company's capital from TRY 79,600,000 (seventy-nine million six hundred thousand) to TRY 80,980,793 (eighty million nine hundred eighty thousand seven hundred and ninety-three) was approved by CMB and was registered on December 28, 2017.

(b) Repurchased shares and exercise of right of departure:

It consists of the shares that the Company has bought back within the scope of liquidity provision transactions carried out within the framework of CMB legislation. The Company's repurchased shares are processed at the market prices of Borsa Istanbul on the date of the transaction. Repurchased shares are included in the accounts, including any portion exceeding the nominal value of the repurchased shares.

As accepted in Extraordinary General Assembly Meeting of the Company held on 7 December 2017, Payments amounting to TL 7.690.383 related to Pimaş shares amounting to TL 1.665.378 with the nominal value repurchased in relation to the exercise of the right of departure arising from the merger of the Company and Pimaş were from the fund of the effect of business combinations of which nominal value is subject to common control under equity, the portion in excess of the nominal value of TL 6,025,005 retained earnings (losses) are recognized in the accounts.

B- Related party disclosures

I. Trade receivables from related parties are as follows:

	31.12.2018	31.12.2017
Deceuninck Group companies	76,455,567	37,358,630
Deceuninck (main partner)	5,026,680	1,425,220
Total	81,482,247	38,783,850

Related party disclosures (continued)

ii. Other short-term receivables from related parties are as follows:

	31.12.2018	31.12.2017
Deceuninck Group companies	3,042,045	2,257,750
Total	3,042,045	2,257,750

iii. Other short-term receivables from related parties are as follows:

	31.12.2018	31.12.2017
Deceuninck (main partner) (*)	-	41,232,359
Total	-	41,232,359

Represents the other payables to be paid in 10 equal installments within 1 year due to the acquisition of Pimas from Deceuninck NV.

iv. Trade receivables from related parties are as follows:

	31.12.2018	31.12.2017
Deceuninck Group companies	9,731,512	1,290,546
Deceuninck (main partner)	6,975,373	2,704,233
Total (Note 7)	16,706,885	3,994,779

v. The purchases of goods and services from related parties for the periods ended December 31, 2018 and 2017 are as follows:

	January 1, 2018	December 31, 2018	January 1, 2017
			December 31,
Deceuninck (main partner)	7,153,158		6,282,009
Deceuninck Group companies	2,729,294		1,706,334
Total	9,882,452		7,988,343

Related party disclosures (continued)

vi. The sales to related parties for the periods ended December 31, 2018 and 2017 are as follows:

	January 1, 2018	December 31, 2018	Sunday, January 1, 2017
			31.12.2017
Deceuninck Group companies	60,127,445		36,496,408
Deceuninck (main partner)	3,343,286		3,212,932
Total	63,470,731		39,709,340

vii. The purchases of fixed assets from related parties for the periods ended December 31, 2018 and 2017 are as follows:

	January 1, 2018- December 31, 2018	Sunday, January 1, December 31, 2017
Deceuninck (main partner)	869,361	1,846,364
Other Deceuninck subsidiaries	726,182	300,361

Total	1,595,543	2,146,725
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The purchases of goods and services from related parties for the periods ended December 31, 2018 and 2017 are as follows:

	January 1, 2018-	Sunday,
	31.12.2018	31.12.2017
Deceuninck (main partner) (*)	24,342,098	11,259,779
Deceuninck Group companies	3,502,145	2,246,874
Total	27,844,243	13,506,653

(*) As of December 31, 2018, the portion worth of TRY 11.395.925 (December 31, 2017 - TL 9.288.020) of this amount is management services, the portion worth of TRY 12.946.173 (December 31, 2017 - 1.971.759) of this amount is the information technology systems services and costs.

RESULT

In the past year of activity, there is no legal action done for the benefit of the parent company, a company affiliated to the parent company, or the company under the direction of the parent

In the same activity period, there are no transactions or measures taken or avoided for the benefit of the parent company or a company affiliated to it, no loss adjustment has been made.

Since no legal transactions were carried out with our company and the parent company and indirectly related companies, there were no measures taken or avoided in accordance with the conditions and circumstances known to us, thus there was no need to provide an appropriate counter-performance in each legal transaction and no company loss occurred.

Our obligation to prepare a subsidiary report within the framework of the following principles;

- a) Reporting any transactions made in favor of the parent company against the affiliated company,
- b) Equalization in case of loss,
- c) Eliminating the negative consequences of the risk of giving up the interest of the subsidiary for the benefit of the group in favor of the subsidiary,
- d) Within this scope, we hereby declare that we have prepared this report for the protection of minority

PREPARED BY

Ege Profil Ticaret ve Sanayi A.Ş. Board of Directors

REPORT DATE

20 February