

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

		Audited	
	Notes	2018	2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	365,892	106,385
Trade receivables		643,538	1,425,215
Trade receivables due from related parties	28.1	387,259	1,111,575
Trade receivables due from third parties	8.1	256,279	313,640
Other receivables		322,976	189,901
Other receivables due from third parties	9	322,976	189,901
Inventories	10	1,365,896	1,425,344
Prepayments	17.1	25,953	28,548
Current income tax assets	26	35,178	445
Other current assets	17,4	57,710	18,429
Total current assets		2,817,143	3,194,267
NON-CURRENT ASSETS			
Financial investments		567,259	579,277
Financial assets measured at fair value through other comprehensive income	6	567,259	579,277
Other receivables		679	524
Other receivables due from third parties		679	524
Investments accounted for using equity method	11	374,659	352,323
Investment property	14	20,853	21,266
Property, plant and equipment	12	982,378	975,348
Intangible assets	13	35,354	31,731
Prepayments	17.2	337	10,608
Deferred tax asset	26	-	1,538
Total non-current assets		1,981,519	1,972,615
TOTAL ASSETS		4,798,662	5,166,882

Accompanying notes are an integral part of these consolidated financial statements.

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LIABILITIES	Notes	Audited	
		2018	2017
CURRENT LIABILITIES			
Current borrowings	7	2,650,665	2,959,896
Current portion of non-current borrowings	7	-	3,836
Trade payables		554,172	633,545
Trade payables to related parties	28.4	119,587	44,618
Trade payables to third parties	8.2	434,585	588,927
Employee benefit obligations		18,760	24,602
Deferred income	17.3	18,325	32,644
Current tax liabilities	26	3,235	5,827
Current provisions		44,104	45,539
Other current provisions	15.1	44,104	45,539
Other current liabilities	18	73,884	63,115
Total current liabilities		3,363,145	3,769,004
NON-CURRENT LIABILITIES			
Long-term borrowings	7	60,000	11,106
Deferred income		2,489	1,178
Non-current provisions		63,158	58,149
Non-current provisions for employee benefits	16	39,152	35,091
Other long-term provisions		24,006	23,058
Deferred tax liabilities	26	1,998	-
Total non-current liabilities		127,645	70,433
TOTAL LIABILITIES		3,490,790	3,839,437
EQUITY			
Equity attributable to equity holders of the Company		1,301,564	1,322,336
Issued capital	19	220,000	220,000
Inflation adjustment on capital	19	23,115	23,115
Treasury shares (-)	19	(220,288)	(220,288)
<i>Other Accumulated comprehensive income (loss) that will not be reclassified in profit or loss</i>		(20,519)	(18,014)
Gains (losses) on revaluation and remeasurement		(20,519)	(18,014)
Gains (losses) on remeasurements of defined benefit plans		(20,519)	(18,014)
<i>Other Accumulated comprehensive income (loss) that will be reclassified in profit or loss</i>		488,163	510,877
Exchange differences on translation	19	1,473	12,085
Gains (losses) on revaluation and reclassification		486,690	498,792
Gains (losses) from financial assets measured at fair value through other comprehensive income	19	486,690	498,792
Restricted reserves appropriated from profits	19	460,402	446,297
Legal reserves		170,419	156,314
Treasury share reserves		220,288	220,288
Other restricted profit reserves		69,695	69,695
Prior years' profit or losses	19	217,534	177,117
Profit (loss) for the period		133,157	183,232
Non-controlling interests	19	6,308	5,109
TOTAL EQUITY		1,307,872	1,327,445
TOTAL EQUITY AND LIABILITIES		4,798,662	5,166,882

Accompanying notes are an integral part of these consolidated financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONSOLIDATED PROFIT OR LOSS STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

	Notes	Audited	
		2018	2017
Revenue	20	10,688,489	13,220,361
Cost of sales	20	(9,387,395)	(11,919,377)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		1,301,094	1,300,984
GROSS PROFIT (LOSS)		1,301,094	1,300,984
General administrative expenses	21	(390,634)	(414,673)
Marketing expenses	21	(401,687)	(433,374)
Other income from operating activities	23.1	111,201	90,078
Other expenses from operating activities	23.2	(93,306)	(68,981)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		526,668	474,034
Investment activity income	24.1	55,103	25,602
Investment activity expense	24.2	-	(5,288)
Share of profit (loss) from investments accounted for using equity method	11	60,768	80,940
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		642,539	575,288
Finance income		14,417	4,106
Finance costs	25	(508,158)	(353,265)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		148,798	226,129
Tax (expense) income, continuing operations		(14,442)	(42,410)
Current period tax (expense) income	26	(9,679)	(38,188)
Deferred tax (expense) income	26	(4,763)	(4,222)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		134,356	183,719
PROFIT (LOSS)		134,356	183,719
Profit (loss), attributable to			
Non-controlling interests		1,199	487
Owners of parent		133,157	183,232
Basic earnings per share			
Basic earnings(loss) per share from continuing operations	27	0.6725	0.9254
Diluted earnings per share			
Diluted earnings(loss) per share from continuing operations	27	0.6725	0.9254

Accompanying notes are an integral part of these consolidated financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

	Notes	Audited	
		2018	2017
PROFIT (LOSS)		134,356	183,719
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss		(2,505)	(10,378)
Gains (losses) on remeasurements of defined benefit plans	16	(3,131)	(12,972)
<i>Taxes related to components of other comprehensive income that will not be reclassified to profit or loss</i>		626	2,594
Taxes relating to measurements of defined benefit plans	26	626	2,594
Other comprehensive income that will be reclassified to profit or loss		(22,714)	35,405
Exchange differences on translation		(10,612)	6,277
<i>Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income</i>		(12,018)	28,927
Gains (losses) on financial assets measured at fair value through other comprehensive income	6	(12,018)	28,927
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss	11	(685)	1,648
<i>Taxes relating to components of other comprehensive income that will be reclassified to profit or loss</i>		601	(1,447)
Taxes relating to financial assets measured at fair value through other comprehensive income	26	601	(1,447)
OTHER COMPREHENSIVE INCOME (LOSS)		(25,219)	25,027
TOTAL COMPREHENSIVE INCOME (LOSS)		109,137	208,746
Total comprehensive income attributable to			
Non-controlling interests		1,199	487
Owners of parent		107,938	208,259

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DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

	Inflation			Accumulated other comprehensive income and expense that will not be reclassified through profit or loss	Accumulated other comprehensive income and expense that will be reclassified through profit or loss		Restricted Reserve (Note 19)	Accumulated earnings		Equity attributable to equity holders of the Company	Non-controlling interests (Note 19)	Total Equity
	Issued capital (Note 19)	adjustments on capital (Note 19)	Treasury Shares (Note 19)	Gains / losses on remeasurements of defined benefit plans	Foreign currency translation difference (Note 19)	Gains/ Losses on remeasuring of financial assets measured at fair value through other comprehensive income (Note 19)		Retained earnings/ (Accumulated losses)	Net profit/ loss for the period			
Balance at 1 January 2017	220,000	23,115	(220,274)	(7,636)	5,808	469,664	446,283	(60,557)	237,688	1,114,091	4,622	1,118,713
Transfers	-	-	-	-	-	-	-	237,688	(237,688)	-	-	-
Total comprehensive income (loss)	-	-	-	(10,378)	6,277	29,128	-	-	183,232	208,259	487	208,746
Profit (loss) for the period	-	-	-	-	-	-	-	-	183,232	183,232	487	183,719
Other comprehensive income (loss)	-	-	-	(10,378)	6,277	29,128	-	-	-	25,027	-	25,027
Increase (decrease) through treasury shares transactions	-	-	(14)	-	-	-	14	(14)	-	(14)	-	(14)
Balance at 31 December 2017	220,000	23,115	(220,288)	(18,014)	12,085	498,792	446,297	177,117	183,232	1,322,336	5,109	1,327,445
Balance at 1 January 2018	220,000	23,115	(220,288)	(18,014)	12,085	498,792	446,297	177,117	183,232	1,322,336	5,109	1,327,445
Transfers	-	-	-	-	-	-	14,105	169,127	(183,232)	-	-	-
Total comprehensive income (loss)	-	-	-	(2,505)	(10,612)	(12,102)	-	-	133,152	124,974	1,204	126,178
Profit (loss) for the period	-	-	-	-	-	-	-	-	133,152	133,152	1,204	134,356
Other comprehensive income (loss)	-	-	-	(2,505)	(10,612)	(12,102)	-	-	-	(8,178)	-	(8,178)
Profit Shares	-	-	-	-	-	-	-	(143,000)	-	(143,000)	-	(143,000)
Increase (decrease) through treasury shares transactions	-	-	-	-	-	-	-	14,290	-	14,290	-	14,290
Balance at 31 December 2018	220,000	23,115	(220,288)	(20,519)	1,473	486,690	460,402	217,534	133,157	1,301,564	6,308	1,307,872

Accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

	Notes	Audited	
		2018	2017
A. CASH FLOWS FROM OPERATING ACTIVITIES:		1,131,595	349,668
Profit (loss) for the period		134,356	183,719
<i>Adjustments to for profit (loss) for the period reconciliation:</i>		584,919	466,968
Adjustments for depreciation and amortization expense	12, 13, 14, 21.2, 22	83,157	82,249
Adjustments for impairment loss (reversal of impairment loss)		(75)	6,932
Adjustments for impairment loss (reversal of impairment loss) of receivables	8.1	261	249
Adjustments for impairment loss (reversal of impairment loss) of inventories	10	(336)	518
Adjustments for impairment loss (reversal of impairment loss) of property, plant and equipment	12	-	6,165
Adjustments for provisions		139,920	109,556
Adjustments for (reversal of) provisions related with employee benefits	16	12,153	7,003
Adjustments for (reversal of) lawsuit and/or penalty provision expenses	15.1	10,503	4,541
Adjustments for (reversal of) warranty provisions	15.1	117,264	98,012
Adjustments for dividend (income) expenses	24	-	(8,927)
Adjustments for interest (income) and expense		452,160	332,363
Adjustments for interest income	25	(14,417)	(4,106)
Adjustments for interest expense	25	466,577	336,469
Adjustments for unrealized foreign exchange losses (gains) equity method		11,186	-
Adjustments for undistributed profits of investments accounted for using equity method	11	(60,768)	(80,940)
Adjustments for tax (income) expenses	26	14,442	42,410
Adjustments for losses (gains) on disposal of non-current assets		(26,015)	(16,675)
Adjustments for losses (gains) arisen from sale of tangible assets	24	(26,015)	(16,675)
Adjustments for losses (gains) on disposal of subsidiaries or joint operations		(29,088)	-
Changes in working capital		598,769	(163,728)
Adjustments for decrease (increase) in trade receivables		781,384	(211,898)
Decrease (increase) in due from related parties		724,316	(312,204)
Decrease (increase) in due from third parties		57,068	100,306
Adjustments for decrease (increase) in inventories		59,784	225,098
Adjustments for increase (decrease) in trade payables		(74,673)	(142,352)
Increase (decrease) in due to related parties		74,969	5,431
Increase (decrease) in due to third parties		(149,642)	(147,783)
Increase (decrease) in deferred income		(13,008)	2,588
Adjustments for other increase (decrease) in working capital		(154,718)	(37,164)
Cash flows from operations		1,318,044	486,959
Payments related with provisions for employee benefits	16	(11,223)	(5,906)
Payments related with other provisions	15.1	(128,254)	(95,766)
Income taxes refund (paid)		(47,004)	(35,839)
Other cash inflows (outflows)	8	32	220
B. CASH FLOWS FROM INVESTING ACTIVITIES		(72,735)	(207,751)
Cash Inflows from losing control of subsidiaries or other businesses	11	1,223	5,880
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	11	-	(4,255)e
Proceeds from sales of property, plant, equipment and intangible assets		57,600	75,417
Proceeds from sales of property, plant and equipment		57,600	75,417
Purchase of property, plant, equipment and intangible assets		(209,521)	(328,346)
Purchase of property, plant and equipment	12	(183,981)	(305,351)
Purchase of intangible assets	13	(25,540)	(22,995)
Dividends received		50,814	43,553
Cash inflows from sale of subsidiary		27,149	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		(811,044)	(128,268)
Payments to acquire entity's shares or other equity instruments	19	-	(14)
Proceeds from borrowings		2,563,678	2,745,850
Repayments of borrowings		(2,734,859)	(2,615,506)
Dividends paid	19	(143,000)	-
Interest paid		(511,280)	(262,704)
Interest received		14,417	4,106
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		247,816	13,649
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		11,691	3,638
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		259,507	17,287
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	106,385	89,098
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	365,892	106,385

Accompanying notes are an integral part of these consolidated financial statements.