

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	2019	2018
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	648,342	365,892
Trade receivables			
<i>Trade receivables due from related parties</i>	28.1	542,311	387,259
<i>Trade receivables due from third parties</i>	8.1	203,035	256,279
Other receivables			
<i>Other receivables due from related parties</i>	28.1	5,460	-
<i>Other receivables due from third parties</i>	9	130,050	322,976
Inventories	10	935,907	1,365,896
Prepayments	17.1	33,844	25,953
Current income tax assets	26	9,004	35,178
Other current assets	17.4	6,672	57,710
Total current assets		2,514,625	2,817,143
NON-CURRENT ASSETS			
Financial investments		561,463	567,259
<i>Financial assets measured at fair value through other comprehensive income</i>	6	561,463	567,259
Other receivables			
<i>Other receivables due from related parties</i>	28.1	1,335	-
<i>Other receivables due from third parties</i>		5,436	679
Investments accounted for using equity method	11	452,264	374,659
Investment property	14	107,658	20,853
Property, plant and equipment	12	847,759	982,378
Right of use assets	30	111,005	-
Intangible assets	13	34,394	35,354
Prepayments	17.2	2,607	337
Deferred tax assets	26	26,398	-
Total non-current assets		2,150,319	1,981,519
TOTAL ASSETS		4,664,944	4,798,662

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

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	2019	2018
LIABILITIES			
CURRENT LIABILITIES			
Current borrowings	7	2,138,073	2,650,665
Short-term portion of long-term borrowings	7	63,860	-
Trade payables		713,263	554,172
<i>Trade payables to related parties</i>	28.4	47,573	119,587
<i>Trade payables to third parties</i>	8.2	665,690	434,585
Employee benefit obligations		18,648	18,760
Deferred income	17.3	24,098	18,325
Current tax liabilities	26	6,440	3,235
Current provisions		42,350	44,104
<i>Other current provisions</i>	15.1	42,350	44,104
Other current liabilities	18	86,438	73,884
Total current liabilities		3,093,170	3,363,145
NON-CURRENT LIABILITIES			
Long-term borrowings	7	236,119	60,000
Deferred income		6,087	2,489
Non-current provisions		77,027	63,158
<i>Non-current provisions for employee benefits</i>	16	50,280	39,152
<i>Other long-term provisions</i>		26,747	24,006
Deferred tax liabilities	26	-	1,998
Total non-current liabilities		319,233	127,645
TOTAL LIABILITIES		3,412,403	3,490,790
EQUITY			
Equity attributable to equity holders of the Company		1,245,251	1,301,564
Issued capital	19	220,000	220,000
Inflation adjustment on capital	19	23,115	23,115
Treasury shares (-)	19	(220,310)	(220,288)
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(24,322)	(20,519)
<i>Gains (losses) on revaluation and remeasurement</i>		(24,322)	(20,519)
<i>Gains (losses) on remeasurements of defined benefit plans</i>		(24,322)	(20,519)
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		481,376	488,163
<i>Exchange differences on translation</i>	19	2,047	1,473
<i>Gains (losses) on revaluation and reclassification</i>		479,329	486,690
<i>Gains (losses) from financial assets measured at fair value through other comprehensive income</i>	19	479,329	486,690
Restricted reserves appropriated from profits	19	397,068	460,402
<i>Legal reserves</i>		127,493	170,419
<i>Treasury share reserves</i>		220,310	220,288
<i>Other restricted profit reserves</i>		49,265	69,695
Prior years' profit or losses	19	292,547	217,534
Profit (loss) for the period		75,777	133,157
Non-controlling interests	19	7,290	6,308
TOTAL EQUITY		1,252,541	1,307,872
TOTAL EQUITY AND LIABILITIES		4,664,944	4,798,662

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.)

	<u>Notes</u>	Audited	
		2019	2018
Revenue	20	9,844,133	10,688,489
Cost of sales	20	(8,574,429)	(9,387,395)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		1,269,704	1,301,094
GROSS PROFIT (LOSS)		1,269,704	1,301,094
General administrative expenses	21	(438,833)	(390,634)
Marketing expenses	21	(361,554)	(401,687)
Other income from operating activities	23.1	108,966	111,201
Other expenses from operating activities	23.2	(92,180)	(93,306)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		486,103	526,668
Investment activity income	24.1	43,385	55,103
Share of profit (loss) from investments accounted for using equity method	11	142,570	60,768
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		672,058	642,539
Finance income		73,385	14,417
Finance costs	25	(688,209)	(508,158)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		57,234	148,798
Tax (expense) income, continuing operations		19,525	(14,442)
Current period tax (expense) income	26	(9,665)	(9,679)
Deferred tax (expense) income	26	29,190	(4,763)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		76,759	134,356
PROFIT (LOSS)		76,759	134,356
Profit (loss), attributable to			
Non-controlling interests		982	1,199
Owners of parent		75,777	133,157
Basic earnings per share			
Basic earnings(loss) per share from continuing operations	27	0.3827	0.6725
Diluted earnings per share			
Diluted earnings(loss) per share from continuing operations	27	0.3827	0.6725

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.)

		Audited	
	Notes	2019	2018
PROFIT (LOSS)		76,759	134,356
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss		(3,803)	(2,505)
Gains (losses) on remeasurements of defined benefit plans	16	(4,876)	(3,131)
Taxes related to components of other comprehensive income that will not be reclassified to profit or loss		1,073	626
<i>Taxes relating to measurements of defined benefit plans</i>	26	1,073	626
Other comprehensive income that will be reclassified to profit or loss		(6,787)	(22,714)
Exchange differences on translation		574	(10,612)
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income		(5,796)	(12,018)
<i>Gains (losses) on financial assets measured at fair value through other comprehensive income</i>	6	(5,796)	(12,018)
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss		302	(685)
Taxes relating to components of other comprehensive income that will be reclassified to profit or loss		(1,867)	601
<i>Taxes relating to financial assets measured at fair value through other comprehensive income</i>	26	(1,867)	601
OTHER COMPREHENSIVE INCOME (LOSS)		(10,590)	(25,219)
TOTAL COMPREHENSIVE INCOME (LOSS)		66,169	109,137
Total comprehensive income attributable to			
Non-controlling interests		982	1,199
Owners of parent		65,187	107,938

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

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.)

	Issued capital (Note 19)	Inflation adjustments on capital (Note 19)	Treasury Shares (Note 19)	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	
					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 2018	220,000	23,115	(220,288)	(18,014)	12,085	498,792	446,297	177,117	183,232
Transfers	-	-	-	-	-	-	-	-	14,105	14,105	169,127	(183,232)	-
Total comprehensive income (loss)	-	-	-	(2,505)	-	(10,612)	-	(12,102)	-	-	-	133,157	107,938
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	133,157	133,157	1,199
Other comprehensive income (loss)	-	-	-	(2,505)	(10,612)	-	(12,102)	-	-	-	-	(25,219)	(25,219)
Profit Shares	-	-	-	-	-	-	-	-	(143,000)	(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	
Balance at 1 January 2019	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	
Transfers	-	-	-	-	-	-	-	1,429	1,429	131,728	(133,157)	-	-
Total comprehensive income (loss)	-	-	-	(3,803)	574	(7,361)	-	-	-	75,777	65,187	982	66,169
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	75,777	75,777	982	76,759
Other comprehensive income (loss)	-	-	-	(3,803)	574	(7,361)	-	-	-	-	(10,590)	-	(10,590)
Profit Shares	-	-	-	-	-	-	-	(64,785)	(70,215)	(70,215)	(135,000)	-	(135,000)
Increase (decrease) through treasury shares transactions	-	-	(22)	-	-	-	-	22	13,500	-	13,500	-	13,500
Balance at 31 December 2019	220,000	23,115	(220,310)	(24,322)	2,047	479,329	397,068	292,547	75,777	1,245,251	7,290	1,252,541	

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOW 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.)

		Audited	
	Notes	2019	2018
A. CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) for the period		76,759	134,356
<i>Adjustments to for profit (loss) for the period reconciliation:</i>		614,826	584,919
Adjustments for depreciation and amortization expense	12, 13, 14, 21.2, 22	126,005	83,157
Adjustments for impairment loss (reversal of impairment loss)		2,472	(75)
Adjustments for impairment loss (reversal of impairment loss) of receivables	8.1	972	261
Adjustments for impairment loss (reversal of impairment loss) of inventories	10	1,500	(336)
Adjustments for provisions		160,744	139,920
Adjustments for (reversal of) provisions related with employee benefits	16	10,994	12,153
Adjustments for (reversal of) lawsuit and/or penalty provision expenses	15.1	8,060	10,503
Adjustments for (reversal of) warranty provisions	15.1	139,024	117,264
Adjustments for (reversal of) other provisions		2,666	-
Adjustments for interest (income) and expense		474,353	452,160
Adjustments for interest income	25	(73,385)	(14,417)
Adjustments for interest expense	25	547,738	466,577
Adjustments for unrealized foreign exchange losses (gains) equity method		56,732	11,186
Adjustments for undistributed profits of investments accounted for using equity method	11	(142,570)	(60,768)
Adjustments for tax (income) expenses	26	(19,525)	14,442
Adjustments for losses (gains) on disposal of non-current assets		(21,122)	(26,015)
Adjustments for losses (gains) from sale of tangible assets	24	(21,122)	(26,015)
Adjustments for losses (gains) on disposal of associates or joint ventures	11	(22,263)	-
Adjustments for losses (gains) on disposal of subsidiaries or joint operations	11		(29,088)
Changes in working capital		751,175	598,769
Adjustments for decrease (increase) in trade receivables		(102,801)	781,384
Decrease (increase) in due from related parties		(155,052)	724,316
Decrease (increase) in due from third parties		52,251	57,068
Adjustments for decrease (increase) in inventories		428,489	59,784
Adjustments for increase (decrease) in trade payables		159,091	(74,673)
Increase (decrease) in due to related parties		(72,014)	74,969
Increase (decrease) in due to third parties		231,105	(149,642)
Increase (decrease) in deferred income		9,371	(13,008)
Adjustments for other increase (decrease) in working capital		257,025	(154,718)
Cash flows from operations		1,442,760	1,318,044
Payments related with provisions for employee benefits	16	(4,742)	(11,223)
Payments related with other provisions	15.1	(148,763)	(128,254)
Income taxes refund (paid)		19,714	(47,004)
Other cash inflows (outflows)	8	21	32
B. CASH FLOWS FROM INVESTING ACTIVITIES		82,901	(72,735)
Cash inflows caused by share sales or capital decrease of associates and/or joint ventures	11	-	1,223
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	11	(3,409)	-
Proceeds from sales of property, plant, equipment and intangible assets		49,164	57,600
Proceeds from sales of property, plant and equipment		49,164	57,600
Purchase of property, plant and intangible assets		(67,293)	(209,521)
Purchase of property, plant and equipment	12	(44,572)	(183,981)
Purchase of intangible assets	13	(22,721)	(25,540)
Dividends received		104,439	50,814
Cash Inflows from losing control of subsidiaries or other businesses		-	27,149
C. CASH FLOWS FROM FINANCING ACTIVITIES		(1,107,567)	(811,044)
Proceeds from borrowings		2,160,723	2,563,678
Repayments of borrowings		(2,531,954)	(2,734,859)
Cash outflows on debt payments from leasing agreements		(81,169)	-
Dividends paid	19	(135,000)	(143,000)
Interest paid		(593,552)	(511,280)
Interest received		73,385	14,417
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		284,324	247,816
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(1,874)	11,691
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		282,450	259,507
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	365,892	106,385
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	648,342	365,892

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