

VAKKO TEKSTİL VE HAZIR GİYİM SANAYİ İŞLETMELERİ A.Ş.

Financial Report

Consolidated

2019 - 2. 3 Monthly Notification

General Information About Financial Statements

Independent Audit Comment

| | |
|---------------------------|---|
| Independent Audit Company | PwC BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. |
| Audit Type | Limited |
| Audit Result | Positive |

ARA DÖNEM ÖZET KONSOLİDE FİNANSAL BİLGİLERE İLİŞKİN

SINIRLI DENETİM RAPORU

Vakko Tekstil ve Hazır Giyim Sanayi İşletmeleri A.Ş.

Genel Kurulu'na

Giriş

1. Vakko Tekstil ve Hazır Giyim Sanayi İşletmeleri A.Ş.'nin ("Şirket") ve bağlı ortaklığının (hep birlikte "Grup" olarak anılacaktır) 30 Haziran 2019 tarihli ilişikteki özet konsolide bilançosunun, aynı tarihte sona eren altı aylık döneme ait özet konsolide kar veya zarar tablosunun, özet konsolide diğer kapsamlı gelir tablosunun, özet konsolide özkaynaklar değişim tablosunun, özet konsolide nakit akış tablosunun ve diğer açıklayıcı dipnotlarının ("ara dönem özet konsolide finansal bilgiler") sınırlı denetimini yürütmüş bulunuyoruz. Grup yönetimi, söz konusu ara dönem özet konsolide finansal bilgilerin Türkiye Muhasebe Standardı 34'e ("TMS 34") "Ara Dönem Finansal Raporlama" uygun olarak hazırlanmasından ve gerçeğe uygun bir biçimde sunumundan sorumludur. Sorumluluğumuz, yaptığımız sınırlı denetime dayanarak söz konusu ara dönem özet konsolide finansal bilgilere ilişkin bir sonuç bildirmektir.

Sınırlı Denetimin Kapsamı

2. Yaptığımız sınırlı denetim, Sınırlı Bağımsız Denetim Standardı ("SBDS") 2410'a "Ara Dönem Finansal Bilgilerin, İşletmenin Yıllık Finansal Tablolarının Bağımsız Denetimini Yürüten Denetçi Tarafından Sınırlı Bağımsız Denetimi" uygun olarak yürütülmüştür. Ara dönem özet konsolide finansal bilgilere ilişkin sınırlı denetim, başta finans ve muhasebe konularından sorumlu kişiler olmak üzere ilgili kişilerin sorgulanması ve analitik prosedürler ile diğer sınırlı denetim prosedürlerinin uygulanmasından oluşur. Ara dönem özet konsolide finansal bilgilerin sınırlı denetiminin kapsamı; Bağımsız Denetim Standartlarına uygun olarak yapılan ve amacı konsolide finansal tablolar hakkında bir görüş bildirmek olan bağımsız denetimin kapsamına kıyasla önemli ölçüde dardır. Sonuç olarak ara dönem özet konsolide finansal bilgilerin sınırlı denetimi, denetim şirketinin, bir bağımsız denetimde belirlenebilecek tüm önemli hususlara vakıf olabileceğine ilişkin

bir güvence sağlamamaktadır. Bu sebeple, bir bağımsız denetim görüşü bildirmemekteyiz.

Sonuç

3. Sınırlı denetimimize göre, ilişikteki ara dönem özet konsolide finansal bilgilerin, tüm önemli yönleriyle, TMS 34'e uygun olarak hazırlanmadığı kanaatine varmamıza sebep olacak herhangi bir husus dikkatimizi çekmemiştir.

PwC Bağımsız Denetim ve

Serbest Muhasebeci Mali Müşavirlik A.Ş.

Adnan Akan, SMMM

Sorumlu Denetçi

İstanbul, 8 Ağustos 2019

Statement of Financial Position (Balance Sheet)

| | |
|--------------------------------|--------------|
| Presentation Currency | TL |
| Nature of Financial Statements | Consolidated |

| | Footnote Reference | Current Period 30.06.2019 | Previous Period 31.12.2018 |
|--|--------------------|------------------------------|-------------------------------|
| Statement of Financial Position (Balance Sheet) | | | |
| Assets [abstract] | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 22.068.087 | 47.989.131 |
| Trade Receivables | | 91.730.549 | 84.974.773 |
| Trade Receivables Due From Related Parties | 6,18 | 12.322.243 | 10.064.320 |
| Trade Receivables Due From Unrelated Parties | 6 | 79.408.306 | 74.910.453 |
| Other Receivables | | 89.525 | 89.525 |
| Other Receivables Due From Unrelated Parties | | 89.525 | 89.525 |
| Inventories | 7 | 328.580.894 | 346.582.991 |
| Prepayments | | 43.232.148 | 26.110.453 |
| Prepayments to Unrelated Parties | | 43.232.148 | 26.110.453 |
| Other current assets | | 15.178.386 | 19.234.088 |
| Other Current Assets Due From Unrelated Parties | | 15.178.386 | 19.234.088 |
| SUB-TOTAL | | 500.879.589 | 524.980.961 |
| Total current assets | | 500.879.589 | 524.980.961 |
| NON-CURRENT ASSETS | | | |
| Other Receivables | | 126.746 | 121.898 |
| Other Receivables Due From Unrelated Parties | | 126.746 | 121.898 |
| Property, plant and equipment | 8 | 253.913.126 | 253.590.908 |
| Land and Premises | | 91.500.000 | 91.500.000 |
| Land Improvements | | 4.111.295 | 4.285.909 |
| Buildings | | 41.529.291 | 41.349.595 |
| Machinery And Equipments | | 3.834.315 | 4.103.958 |
| Vehicles | | | 823.541 |
| Fixtures and fittings | | 41.542.764 | 39.487.030 |
| Leasehold Improvements | | 68.447.004 | 68.516.357 |
| Construction in Progress | | 1.560.442 | 2.118.910 |
| Other property, plant and equipment | | 1.388.015 | 1.405.608 |
| Right of Use Assets | 9 | 201.691.620 | |
| Intangible assets and goodwill | | 6.071.526 | 5.470.398 |
| Other Rights | 10 | 6.071.526 | 5.470.398 |
| Total non-current assets | | 461.803.018 | 259.183.204 |
| Total assets | | 962.682.607 | 784.164.165 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Current Borrowings | | 127.153.831 | 72.929.745 |
| Current Borrowings From Unrelated Parties | 4 | 127.153.831 | 72.929.745 |
| Bank Loans | 4 | 127.153.831 | 72.929.745 |
| Current Portion of Non-current Borrowings | | 78.949.848 | 73.820.962 |
| Current Portion of Non-current Borrowings from Related Parties | | 78.949.848 | 73.820.962 |
| Bank Loans | | 55.602.631 | 73.820.962 |
| Lease Liabilities | 5 | 23.347.217 | |
| Trade Payables | 5 | 147.247.767 | 178.528.726 |
| Trade Payables to Related Parties | 6,18 | 3.582.198 | 6.570.263 |
| Trade Payables to Unrelated Parties | 6 | 143.665.569 | 171.958.463 |
| Employee Benefit Obligations | | 10.305.172 | 4.804.419 |
| Other Payables | | 2.010.131 | 1.553.988 |
| Other Payables to Related Parties | 18 | 853.706 | 487.304 |
| Other Payables to Unrelated Parties | | 1.156.425 | 1.066.684 |
| Deferred Income Other Than Contract Liabilities | | 30.500.753 | 93.187.540 |
| Deferred Income Other Than Contract Liabilities from Unrelated Parties | | 30.500.753 | 93.187.540 |
| Current tax liabilities, current | 17 | 9.121.816 | 6.398.301 |
| Current provisions | 11 | 5.860.042 | 3.991.905 |
| Current provisions for employee benefits | 11 | 4.959.638 | 3.439.370 |
| Other current provisions | | 900.404 | 552.535 |
| Other Current Liabilities | | 4.466.161 | 4.414.028 |
| Other Current Liabilities to Unrelated Parties | | 4.466.161 | 4.414.028 |
| SUB-TOTAL | | 415.615.521 | 439.629.614 |

| | | | |
|---|----|-------------|-------------|
| Total current liabilities | | 415.615.521 | 439.629.614 |
| NON-CURRENT LIABILITIES | | | |
| Long Term Borrowings | | 196.818.433 | 1.679.964 |
| Long Term Borrowings From Related Parties | | 0 | 0 |
| Long Term Borrowings From Unrelated Parties | | 196.818.433 | 1.679.964 |
| Bank Loans | | 10.591.855 | 1.679.964 |
| Lease Liabilities | | 186.226.578 | |
| Deferred Income Other Than Contract Liabilities | | 55.722.409 | 53.226.971 |
| Deferred Income Other Than Contract Liabilities from Unrelated Parties | | 55.722.409 | 53.226.971 |
| Non-current provisions | | 20.167.915 | 15.716.904 |
| Non-current provisions for employee benefits | | 20.167.915 | 15.716.904 |
| Deferred Tax Liabilities | 17 | 1.818.314 | 6.196.096 |
| Total non-current liabilities | | 274.527.071 | 76.819.935 |
| Total liabilities | | 690.142.592 | 516.449.549 |
| EQUITY | | | |
| Equity attributable to owners of parent | | 272.526.482 | 267.701.436 |
| Issued capital | 12 | 160.000.000 | 160.000.000 |
| Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss | | 67.581.366 | 71.564.275 |
| Gains (Losses) on Revaluation and Remeasurement | | 67.581.366 | 71.564.275 |
| Increases (Decreases) on Revaluation of Property, Plant and Equipment | | 72.969.892 | 73.146.224 |
| Gains (Losses) on Remeasurements of Defined Benefit Plans | | -5.388.526 | -1.581.949 |
| Restricted Reserves Appropriated From Profits | | 8.680.319 | 5.832.963 |
| Legal Reserves | | 8.680.319 | 5.832.963 |
| Prior Years' Profits or Losses | | 4.266.584 | -28.878.596 |
| Current Period Net Profit Or Loss | | 31.998.213 | 59.182.794 |
| Non-controlling interests | | 13.533 | 13.180 |
| Total equity | | 272.540.015 | 267.714.616 |
| Total Liabilities and Equity | | 962.682.607 | 784.164.165 |

Statement of Profit or Loss and Other Comprehensive Income

| | |
|--------------------------------|--------------|
| Presentation Currency | TL |
| Nature of Financial Statements | Consolidated |

| | Footnote Reference | Current Period 01.01.2019 - 30.06.2019 | Previous Period 01.01.2018 - 30.06.2018 | Current Period 3 Months 01.04.2019 - 30.06.2019 | Previous Period 3 Months 01.04.2018 - 30.06.2018 |
|--|--------------------|--|---|--|---|
| Statement of Profit or Loss and Other Comprehensive Income | | | | | |
| PROFIT (LOSS) | | | | | |
| Revenue | 13 | 608.162.326 | 386.675.533 | 326.624.392 | 200.578.863 |
| Cost of sales | 13 | -289.779.772 | -182.820.301 | -146.969.804 | -89.365.912 |
| GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS | | 318.382.554 | 203.855.232 | 179.654.588 | 111.212.951 |
| GROSS PROFIT (LOSS) | | 318.382.554 | 203.855.232 | 179.654.588 | 111.212.951 |
| General Administrative Expenses | 14 | -29.517.232 | -21.079.698 | -14.472.752 | -9.016.116 |
| Marketing Expenses | 14 | -204.742.318 | -153.931.968 | -103.280.030 | -76.143.668 |
| Other Income from Operating Activities | 15 | 20.587.567 | 13.301.459 | 9.704.260 | 8.664.852 |
| Other Expenses from Operating Activities | 15 | -14.988.011 | -8.311.162 | -6.382.479 | -5.017.054 |
| PROFIT (LOSS) FROM OPERATING ACTIVITIES | | 89.722.560 | 33.833.863 | 65.223.587 | 29.700.965 |
| Investment Activity Income | | | 17.064 | | 2.543 |
| Investment Activity Expenses | | -407.185 | | -418.926 | |
| PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE) | | 89.315.375 | 33.850.927 | 64.804.661 | 29.703.508 |
| Finance income | 16 | 5.315.848 | 8.063.730 | 2.173.709 | 5.456.422 |
| Finance costs | 16 | -56.121.407 | -17.282.068 | -27.702.465 | -9.653.639 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX | | 38.509.816 | 24.632.589 | 39.275.905 | 25.506.291 |
| Tax (Expense) Income, Continuing Operations | | -6.511.250 | -3.843.229 | -7.664.784 | -4.823.368 |
| Current Period Tax (Expense) Income | 17 | -9.937.388 | -5.651.530 | -8.909.142 | -5.309.078 |
| Deferred Tax (Expense) Income | 17 | 3.426.138 | 1.808.301 | 1.244.358 | 485.710 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS | | 31.998.566 | 20.789.360 | 31.611.121 | 20.682.923 |
| PROFIT (LOSS) | | 31.998.566 | 20.789.360 | 31.611.121 | 20.682.923 |
| Profit (loss), attributable to [abstract] | | | | | |
| Non-controlling Interests | | 353 | 157 | 210 | 145 |
| Owners of Parent | | 31.998.213 | 20.789.203 | 31.610.911 | 20.682.778 |
| Earnings per share [abstract] | | | | | |
| Earnings per share [line items] | | | | | |
| Basic earnings per share | | | | | |
| Diluted Earnings Per Share | | | | | |
| Diluted Earnings (Loss) per Share from Continuing Operations | | | | | |
| <i>pay başına kazanç</i> | | 0,20000000 | 0,13000000 | 0,19800000 | 0,13000000 |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Other Comprehensive Income that will not be Reclassified to Profit or Loss | | -3.806.577 | -2.320.032 | -827.339 | -958.228 |
| Gains (Losses) on Remeasurements of Defined Benefit Plans | | -4.758.221 | -2.900.040 | -1.034.174 | -3.240.491 |
| Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss | | 951.644 | 580.008 | 206.835 | 2.282.263 |
| Deferred Tax (Expense) Income | | 951.644 | 580.008 | 206.835 | 2.282.263 |
| Other Comprehensive Income That Will Be Reclassified to Profit or Loss | | 0 | | | |
| Exchange Differences on Translation | | 0 | | | |
| Gains (Losses) on Exchange Differences on Translation | | 0 | | | |
| OTHER COMPREHENSIVE INCOME (LOSS) | | -3.806.577 | -2.320.032 | -827.339 | -958.228 |
| TOTAL COMPREHENSIVE INCOME (LOSS) | | 28.191.989 | 18.469.328 | 30.783.782 | 19.724.695 |
| Total Comprehensive Income Attributable to | | | | | |
| Non-controlling Interests | | 353 | 157 | 210 | 145 |
| Owners of Parent | | 28.191.636 | 18.469.171 | 30.783.572 | 19.724.550 |

Statement of cash flows (Indirect Method)

| | |
|--------------------------------|--------------|
| Presentation Currency | TL |
| Nature of Financial Statements | Consolidated |

| | Footnote Reference | Current Period 01.01.2019 - 30.06.2019 | Previous Period 01.01.2018 - 30.06.2018 |
|--|--------------------|---|--|
| Statement of cash flows (Indirect Method) | | | |
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | 53.838.589 | 60.602.946 |
| Profit (Loss) | | 31.998.566 | 20.789.360 |
| Profit (Loss) from Continuing Operations | | 31.998.566 | 20.789.360 |
| Adjustments to Reconcile Profit (Loss) | | 124.869.843 | 78.259.597 |
| Adjustments for depreciation and amortisation expense | | 43.728.644 | 13.300.080 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) | | 1.098.889 | 297.384 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables | | | 87.979 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories | | 1.098.889 | 209.405 |
| Adjustments for provisions | | 4.129.150 | 2.785.193 |
| Adjustments for (Reversal of) Provisions Related with Employee Benefits | | 3.876.505 | 2.877.411 |
| Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions | | 252.645 | -92.218 |
| Adjustments for Interest (Income) Expenses | | 43.413.164 | 13.392.327 |
| Adjustments for Interest Income | | -2.571.818 | -635.712 |
| Adjustments for interest expense | | 42.002.935 | 11.664.329 |
| Deferred Financial Expense from Credit Purchases | | 3.982.047 | 2.363.710 |
| Adjustments for Tax (Income) Expenses | | 6.511.250 | 3.843.229 |
| Adjustments for losses (gains) on disposal of non-current assets | | 407.185 | -17.064 |
| Adjustments for Losses (Gains) Arised From Sale of Tangible Assets | | 407.185 | -17.064 |
| Other adjustments to reconcile profit (loss) | | 25.581.561 | 44.658.448 |
| Changes in Working Capital | | -93.152.500 | -30.101.960 |
| Adjustments for decrease (increase) in trade accounts receivable | | 3.712.507 | 23.085.134 |
| Decrease (Increase) in Trade Accounts Receivables from Related Parties | | -851.710 | 5.547.135 |
| Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties | | 4.564.217 | 17.537.999 |
| Adjustments for Decrease (Increase) in Other Receivables Related with Operations | | -4.848 | -1.017 |
| Decrease (Increase) in Other Unrelated Party Receivables Related with Operations | | -4.848 | -1.017 |
| Adjustments for decrease (increase) in inventories | | 16.903.208 | -44.528.426 |
| Decrease (Increase) in Prepaid Expenses | | -17.905.460 | -14.362.403 |
| Adjustments for increase (decrease) in trade accounts payable | | -45.731.289 | -19.730.844 |
| Increase (Decrease) in Trade Accounts Payables to Related Parties | | -3.339.608 | -6.021.845 |
| Increase (Decrease) in Trade Accounts Payables to Unrelated Parties | | -42.391.681 | -13.708.999 |
| Increase (Decrease) in Employee Benefit Liabilities | | 5.500.753 | -744.570 |
| Adjustments for increase (decrease) in other operating payables | | 456.143 | 631.880 |
| Increase (Decrease) in Other Operating Payables to Related Parties | | 366.402 | 165.745 |
| Increase (Decrease) in Other Operating Payables to Unrelated Parties | | 89.741 | 466.135 |
| Increase (Decrease) in Deferred Income Other Than Contract Liabilities | | -60.191.349 | 26.934.164 |
| Other Adjustments for Other Increase (Decrease) in Working Capital | | 4.107.835 | -1.385.878 |
| Decrease (Increase) in Other Assets Related with Operations | | 4.055.702 | -113.643 |
| Increase (Decrease) in Other Payables Related with Operations | | 52.133 | -1.272.235 |
| Cash Flows from (used in) Operations | | 63.715.909 | 68.946.997 |
| Payments Related with Provisions for Employee Benefits | | -2.663.447 | -1.526.829 |
| Payments Related with Other Provisions | | | 107.163 |
| Income taxes refund (paid) | | -7.213.873 | -6.924.385 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | -18.953.390 | -18.125.338 |
| | | | |

| | | | |
|---|--|--------------|--------------|
| Proceeds from sales of property, plant, equipment and intangible assets | | 1.885.320 | 24.980 |
| Proceeds from sales of property, plant and equipment | | 1.885.320 | 24.980 |
| Purchase of Property, Plant, Equipment and Intangible Assets | | -20.838.710 | -18.150.318 |
| Purchase of property, plant and equipment | | -19.305.615 | -17.302.459 |
| Purchase of intangible assets | | -1.533.095 | -847.859 |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | -60.806.243 | -39.695.164 |
| Proceeds from borrowings | | 284.973.416 | 246.576.302 |
| Proceeds from Loans | | 284.973.416 | 246.576.302 |
| Repayments of borrowings | | -240.055.770 | -199.508.836 |
| Loan Repayments | | -240.055.770 | -199.508.836 |
| Payments of Lease Liabilities | | -64.120.830 | -44.658.448 |
| Dividends Paid | | -23.366.590 | -31.004.061 |
| Interest paid | | -20.808.287 | -11.664.329 |
| Interest Received | | 2.571.818 | 564.208 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | | -25.921.044 | 2.782.444 |
| Net increase (decrease) in cash and cash equivalents | | -25.921.044 | 2.782.444 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 47.989.131 | 54.853.609 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 22.068.087 | 57.636.053 |

[illegible]

| | | | | | | | | | | | | | |
|---|--|--|-------------|--|------------|--|------------|--|-------------|-----------|-------------|-------------|--------------------|
| Current Period 01.01.2019 - 30.06.2019 | | | | | | | | | -23.366.590 | | -23.366.590 | | -23.366.590 |
| | Decrease through Other Distributions to Owners | | | | | | | | | | | | |
| | Increase (Decrease) through Treasury Share Transactions | | | | | | | | | | | | |
| | Increase (Decrease) through Share-Based Payment Transactions | | | | | | | | | | | | |
| | Acquisition or Disposal of a Subsidiary | | | | | | | | | | | | |
| | Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity | | | | | | | | | | | | |
| | Transactions with noncontrolling shareholders | | | | | | | | | | | | |
| | Increase through Other Contributions by Owners | | | | | | | | | | | | |
| | Amount Removed from Reserve of Cash Flow Hedges and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied | | | | | | | | | | | | |
| | Amount Removed from Reserve of Change in Value of Time Value of Options and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied | | | | | | | | | | | | |
| | Amount Removed from Reserve of Change in Value of Forward Elements of Forward Contracts and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied | | | | | | | | | | | | |
| | Amount Removed from Reserve of Change in Value of Foreign Currency Basis Spreads and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied | | | | | | | | | | | | |
| | Increase (decrease) through other changes, equity | | | | | | | | | | | | |
| | Equity at end of period | | 160.000.000 | | 72.969.892 | | -5.388.526 | | 8.680.319 | 4.266.584 | 31.998.213 | 272.526.482 | 13.533 272.540.015 |