

Tofaş Türk Otomobil Fabrikası A.Ş.

2019 FORECAST RELATED PARTY TRANSACTIONS REPORT

General Information

This report is issued as per Article 10 of Corporate Governance Communiqué II-17.1 (the Communiqué) by Capital Markets Board (CMB). As per the referenced clause, in cases where it has been foreseen that the rate of the amount of common and continuous transactions between the corporations and subsidiaries thereof with their related parties within an account period, compared to

a) For purchases, the cost of sales in the latest annual financial statements disclosed to public,

b) For sales, the revenues in the latest annual financial statements disclosed to public,

exceed 10%, the board of directors of the corporation shall, in addition to its resolution, issue a report regarding the conditions of the transactions and comparison thereof with the market conditions and the entire report or its result only shall be disclosed at the PDP.

The purpose of this report is to disclose the terms of forecasted transactions between Tofaş Türk Otomobil Fabrikası A.Ş. (Company) and its subsidiaries with the related parties as defined by Turkish Accounting Standards (TAS 24) within the scope of CMB regulations in 2019 and estimated to exceed the amount set forth by the Communiqué, to the extent that they are not commercial secrets and show that any such transaction does not have a negative effect on the Company as compared to the market conditions.

Detailed information on the Company's related party transactions in 2018 are given in footnote 27 of publicly disclosed financial tables on 2018 and this Report includes the terms of the transactions which are estimated to exceed 10% in 2019 accounting period.

Information on Tofaş Türk Otomobil Fabrikası A.Ş.

The Company being established in 1968 as a Turkish-Italian partnership has operations of manufacturing, importing and sale of passenger cars, light commercial vehicles and their spare parts under the license of FCA Italy S.p.A jointly managed by Koç Holding A.Ş. and FCA Italy S.p.A, the Company is run in cooperation based on the Joint Venture Agreement. Tofaş is a Koç Holding and Fiat Chrysler Automobiles (FCA) partnership in which each controls an equal stake. With 24.3% of its capital publicly-traded, Tofaş's shares are included in both the Borsa İstanbul BIST 30 and the BIST 100 indexes as well as in that exchange's Corporate Governance Index and Sustainability indexes. The Head Office of the Company is at Büyükdere Cad. No:145 Zincirlikuyu Şişli-İstanbul. Manufacturing facilities are located in Bursa.

The capital of the Company is TL 500,000,000 and the table on the shareholding structure is as follows.

Shareholder	Amount of Shares (TL)	Capital Ratio (%)	Voting Right	Voting Right Ratio
Koç Holding A.Ş.	187,938,121.26	37.5876	18,793,812,126	37.5876
Other Koç Group Shareholders	1,341,735.61	0.2684	134,173,561	0.2684
Koç Group Total	189,279,856.87	37.8560	18,927,985,687	37.8560
FCA Italy S.p.A.	189,279,856.87	37.8560	18,927,985,687	37.8560
Other Shareholders	121,440,286.26	24.2880	12,144,028,626	24.2880
Total	500,000,000.00	100.00	50,000,000,000	100.00

Summary financial data of the Company in 2016-2018 are as follows. (/1000 TL)

(000 TL)	12.31.2016	12.31.2017	12.31.2018
Total Assets	11,848,173	13,875,148	13,001,799
Shareholder's Equity	2,957,451	3,583,037	3,706,555

(000 TL)	1.1.2016-12.31.2016	1.1.2017-12.31.2017	1.1.2018-12.31.2018
Revenues	14,235,951	17,467,806	18,603,331
Cost of Sales	12,888,429	15,551,677	16,190,143
Net Profit	970,228	1,282,818	1,330,423

Based on above data, a board report is required in 2019 for purchases estimated to exceed TL 1,619,014 thousand (2018 SMM*10%) and sales estimated to exceed TL 1,860,333 thousand (2018 Revenues*10%).

Information on FCA Italy S.P.A.

FCA Italy S.p.A. The Company was incorporated in 1899 by Giovanni Agnelli in Turin. It is among the largest automotive and industry groups of the world. Automotive industry operations are organized as passenger and commercial car, spare part divisions. FCA Italy S.p.A. owns 37.8560% of the Company with a capital of € 800 million. Common shares are listed and traded on both the New York Stock Exchange ("NYSE") and the Mercato Telematico Azionario ("MTA") operated by Borsa Italiana.

Information on Otokoç Otomotiv Ticaret ve Sanayi A.Ş.

The Company, headquartered from Istanbul, has been registered as Otokoç Otomotiv Ticaret ve Sanayi A.Ş. on June 21, 2001 following a number of changes and operates in retail, fleet and 2nd hand sales of Ford-Fiat-Alfa-Volvo-Jeep etc. vehicles and also provides maintenance

services, short- and long-term vehicle leasing services, wholesales of spare parts and financing services for vehicles.

Otokoç Otomotiv Ticaret ve Sanayi A.Ş. is the authorized dealer and service of the Company and purchases vehicles and spare parts from the company within the scope of a dealership agreement. The company has a capital of TL 21,000,000 and is not publicly-traded.

Information on Future Terms of the Transactions with Related Parties and Comparisons with Market Conditions

The Company's related party transactions estimated to exceed 10% limitation in 1.1.2019-12.31.2019 accounting period will be with FCA Italy S.p.A and Otokoç Otomotiv Ticaret ve Sanayi A.Ş. and brief information on these transactions are listed in the table below.

Transactions with FCA Italy S.P.A.

Related Company (Name/Title)	Type of Transaction	Amount of Transaction (000 TL) (2018)	Rate of Transaction Amount to Revenues/SMM (2018)	Pricing/Profit Distribution Method
FCA Italy S.p.A.	Purchase of Vehicles	476,253	2,94%	Profit/Loss Distribution Method
	Spare Part Purchase	136,320	0,84%	Cost Plus Method
	Purchase of Manufacturing Materials	6,980,722	43,12%	Cost Plus Method
	Purchase of R&D	67,752	0,42%	Cost Plus Method
	Purchase of Fixed Assets	20,653	0,13%	Cost Plus Method
	Services and Other Purchases	19,715	0,12%	Cost Plus Method
FCA Italy S.p.A. Total Purchases		7,701,415	%47,57	

FCA Italy S.p.A.	Vehicle Sales	14.212.664	76,40%	Cost Plus Method
	Spare Part Sales	207.304	1,11%	Cost Plus Method
	R&D Sales	42.023	0,23%	Cost Plus Method
	Service Sales	5.203	0,03%	Cost Plus Method
FCA Italy S.p.A. Total Sales		14,467,193	77,77%	

The Company's general manufacturing and supply cooperation with the related party FCA Italy S.p.A. are based on the agreements MCV (Mini Cargo) dated December 18, 2015, Doblo 263 (New Doblo) dated October 15, 2007, 356 Sedan dated 6.17.2015 and 357 HB-SW dated 12.23.2015.

Imports and Exports are as follows:

2018 Vehicle Imports (Pcs)

Model	Total
Fiat 500	66
YENİ PANDA	80
Giulietta	336
Alfa Romeo GIULIA	2
Alfa Romeo Stelvio	33
Yeni Punto	2
YENİ DUCATO	1195
FIAT 500 L	562
FIAT 500 L Living	81
FIAT 500 X	366
FIAT 124	0
Full Back	177
Jeep Grand Cherokee	31
Jeep Wrangler	3
Jeep Compass	1109
Total	5.581

2018 Vehicle Exports (Pcs)

Model	Total
Doblo Panorama	8.386
Fiorino Cargo/Combi	24.881
Ram Fiorino (V700) City	1.131
Doblo Cargo/Combi	56.691
Fiorino Panorama	10.799
Tipo Sedan	23.211
Tipo Hb	48.759
Tipo Sw	39.481
Tipo Van	1.338
Ram Promaster City	15.173
Ram Doblo	601
Opel Doblo Cargo/Combi	11.956
Dodge Neon	1.389
Ducato Van	3
Transit	34
Total	243.833

Transactions with Otokoç Otomotiv Ticaret ve Sanayi A.Ş.

Related Company (Name/Title)	Type of Transaction	Amount of Transaction (000 TL) (2018)	Rate of Transaction Amount to Revenues/SMM (2018)	Pricing/Profit Distribution Method
Otokoç Oto Tic. San. AŞ.	Vehicle Sales	1,262,130	6,78%	Comparable Price Method
Otokoç Oto Tic. San. AŞ.	Spare Part Sales	256,104	1,38%	Comparable Price Method
Otokoç Oto Tic. San. AŞ.	Services and Other Sales	33,185	0,18%	Comparable Price Method
Otokoç Oto Tic. San. AŞ. Total Sales		1,551,419	8,34%	Comparable Price Method

The Company has a dealership agreement dated January 1, 2007 with the related party Otokoç Otomotiv Ticaret ve Sanayi A.Ş. and the commercial relations are handled in line with this agreement and additional protocols. The due date extension protocol was applied on 7/25/2016 for the due date specified in this agreement and a delay interest in accordance with the market conditions is applicable for the extended due date.

Sales prices are based on the market, inventory level, competitors and general economic conditions and they have exactly the same properties as the ones done with other dealers who are not related parties.

The Company has made a net sales of TL 1,551,419 to Otokoç Otomotiv Ticaret ve Sanayi A.Ş. in 2017. The Company has made net purchases of TL 170,924 from Otokoç Otomotiv Ticaret ve Sanayi A.Ş. in 2017.

Result

As per Article 10 of the Capital Markets Board's (CMB) II-17.1 Corporate Governance Communiqué (the Communiqué), the amount of the Company's continuous transactions with FCA Italy S.P.A and Otokoç Otomotiv Ticaret ve Sanayi A.Ş. in the form of product purchases and sales as well as raw material purchases within 2019 accounting period is estimated to exceed 10% of the revenues/goods sold as per 2018 financial tables, which are the last financial tables to be publicly disclosed, and this reports provides information on transactions made with FCA Italy S.P.A. and Otokoç Otomotiv Ticaret ve Sanayi A.Ş. and estimated to continue with similar terms in 2018, pricing methods and reasons for choosing such methods and evaluates the compatibility of them as per the market conditions.