

Filing of 2017 Annual Report & Accounts

Amsterdam, the Netherlands – April 27, 2018

Trader Media East Limited (the “Company” or “TME” or “Group”) announces that it has sent its Annual Report 2017, and Audited Consolidated Financial Statements for the year ending December 31, 2017.

A copy of the Company’s Annual Report 2017 containing audited financial statements is available on the Company’s website at www.tmeast.com.

CHAIRWOMAN’S STATEMENT

2018 Overview & 2017 Financial Results

During the first two quarters of 2017, we have continued our pure digital operations under our brands “JOB.ru” and “IRR.ru” offering our clients an optimized usage experience in all segments. In the meantime, our restructuring process in CIS and the Russian Federation kept going and we have closed down our printing business in Kazakhstan.

In the last two quarters of 2017, we started negotiations with strategic partners and potential investors for our digital brands and as of November 2017 our main operating subsidiary PMH had ceased its digital operations in Russian Federation, which was followed by the termination of PMH’s branch in Tambov. By way of this, the re-organizational process within TME-PMH Group was complete.

Negotiations with possible partners were carried forward, resulting in the sale of JOB.ru’s digital assets to the company HeadHunter on 27 December 2017 and the closing took place successfully on 25 January 2018 with a smooth transition of our users who are offered to join HeadHunter. We still continue negotiations for the remaining digital assets within our Group and we are committed to minimizing and covering our costs.

Dividend

TME Board of Directors is not recommending a distribution.

Vuslat Sabancı
Chairwoman

27 April 2018

MESSAGE FROM THE CEO OF PMH

In 2017, we continued the re-organization plan to reduce our costs and our headcount from 546 to 163 which was mostly achieved through cessation of our digital activities in November 2017, as well as by means of the successful acquisition of our brand JOB.ru by the company HeadHunter. It is our goal to finalize ongoing negotiations with potential investors for our remaining assets in order to create cash inflow and minimize losses.

On behalf of Top Management, I would like to thank the Shareholders and Board of Directors of the Group for their belief and support in our initiatives throughout the year 2017.

Anna Ushakova

Chief Executive Officer of PMH, CEO

27 April 2018

REPORT OF THE BOARD OF DIRECTORS

The Directors of the Group present their report and the audited consolidated financial statements for the year ended 31 December 2017.

Incorporation

The Company was incorporated in Jersey, Channel Islands in November 2005 and it was re-registered on 6 February 2006.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with any applicable law and regulations.

Under Article 105(11) of the Companies (Jersey) Law 1991 the directors of a holding company need not prepare separate financial statements (i.e. Company only financial statements) if consolidated accounts for the Company are prepared, unless required to do so by the members of the Company by ordinary resolution. The members of the Company had not passed a resolution requiring separate financial statements and, in the Directors' opinion, the Company meets the definition of a holding company. As permitted by law, the Directors have elected not to prepare separate financial statements.

The Companies (Jersey) Law 1991 requires the Directors to prepare the financial statements for each financial year. Under that law, the Directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The consolidated financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

International Accounting Standard 1 requires that the consolidated financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually, all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, the Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The Directors confirm they have complied with all the above requirements in preparing the consolidated financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The maintenance and integrity of the website is the responsibility of the Directors, the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the consolidated financial statements since they were initially presented on the website.

The Directors are also required by the Disclosure and Transparency Rules (DTR) of the United Kingdom Listing Authority (UKLA) to include a Management Report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

Directors' Statement pursuant to the Disclosure and Transparency Rules (DTR)

Each of the Directors, whose names and functions are listed on pages 7 and 8 confirm that, to the best of each person's knowledge and belief:

- the Consolidated Financial Statements, prepared in accordance with IFRS as adopted by EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole;
- the Directors' Report contained in the Annual Report includes a review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and the Consolidated Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for the shareholders to assess the Group's performance, business model and strategy.

Principal Activities

The Group is one of the leading marketplace for communities of generalist, real estate, auto, goods and services, with strong local brands, serving local markets in the Russian Federation and Belarus. The Group transferred its activities to the web site IRR.ru, with more than 2 million monthly visitors who left the advertisements. The Group is one of the largest companies in the region operating with websites, primarily in the real estate, automotive and goods and services categories.

Results and Dividends

The profit and loss account of the Group for the year ended 31 December 2017 is set out in the audited consolidated financial statements. No dividends were paid during the year 2017.

Directors

The composition of the Board of Directors as at 31 December 2017 is as follows:

- Mrs. Vuslat Sabancı as Chairwoman, Senior Director;
- Mr. Turhan Cemal Beriker as Vice-Chairman & Senior Director;
- Mrs. Özlem Mertoğlu-Munanoğlu as Senior Director.

Directors' Interests

No options were granted to or exercised by any director of TME in the period between 31 December 2017 and the signing date of these audited consolidated financial statements. None of the directors had a material interest in any contract of significance to which the Group was a party during the year.

Policy on Payment of Creditors

It is Group policy, in respect of all of its suppliers, to settle the terms of payment when agreeing each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by those terms. The average number of creditor days in relation to trade creditors outstanding depends on each country where we generally apply local practices.

Financial Risk Management

The Group finances its operations through the generation of cash from operating activities and bank borrowings. Moreover, the parent company management is able to provide financial support to Trader Media East Limited and its subsidiaries. Liquidity risk is managed through forecasting the future cash flow requirements of the business and maintaining sufficient cash at bank balances

Principal Risks and Uncertainties

The following risks and uncertainties could have an effect on the Group's performance. As at the date of this report, the Board considers the risks described below as the principal risks facing the Group. The Group has a risk management structure in place that is designed to identify, manage, and mitigate business risks. This forms part of the Group's system of internal control that is described in detail in Corporate Governance. The key risks identified through this risk management process, and how they are managed is detailed below.

General

The Group's activities expose it to a variety of operational and financial risks; these risks are market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk, and cash flow interest rate risk, credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets as well as changeable parameters of the Russian economy and seeks to minimize potential adverse effects on the financial performance of the Group. As the Group operates in different regions and countries, TME headquarters deal effectively with the coordination of management of different entities.

Risks relating to the Group's Business and Industry

According to Federal Statistics Service' report, Russia's economy grew by 1.5% in 2017 while it was dipped by 0.2% in 2016. The Russian economy shrank by 0.2% in 2016 and 2.8% in 2015, in a recession caused by the fall in energy prices and the impact of US and EU sanctions triggered by Russia's annexation of Crimea. Published data suggests that Russia's agriculture and mining industries grew last year, the data showed, helped by reciprocal sanctions imposed by Moscow that ban many food imports from the EU. A rise in oil prices to around \$70 a barrel has also helped fuel Russia's recovery from recession.

Kazakhstan's gross domestic product grew 4% in 2017. The outcome was determined by the following factors: two-thirds of the growth was provided by non-extractive industries, almost all sub-industries showed growth, manufacturing reached a five-year maximum, the "desired" industries showed a significant increase (e.g., pharmaceuticals) and non-primary exports and deeply processed goods also grew.

In Belarus, the economy returned to growth in 2017, expanding at a six-year high, following two years of recession. In 2017, GDP in Belarus increase by 2.4% (2016: decreased by 2.6%), according to the National Statistical Committee (Belstat).

Risks relating to the Group's Financial Condition

The Group is exposed to variety of financial risks due to its operations. These risks include liquidity risk, funding risk, credit risk and foreign currency risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group finances its operations through loan facilities provided by its controlling shareholder, Hürriyet Group, as well as bank loans. Liquidity risk is managed through forecasting the future cash flow requirements of the business.

Competitive Forces

The markets in which the Group operates are highly dynamic and competitive. The majority of its co-operation is long term in nature and access to the key platforms is critical to the success of the business. This requires sustained investment in technology, capability and infrastructure, which presents a high barrier to entry. However, these factors alone do not protect the Group from competition, such that price competition and technical advances made by competitors could adversely affect the Group's results. The Group has developed a balanced business portfolio and maintained a steady improvement in operational performance, which together with the establishment of long-term customer relationships and sustained investment in technology acquisition, allow the Group to respond to competitive pressure.

Foreign Currency

A high proportion of the Group's revenues from continuing operations (62%) and operating loss arise in the Russian Federation. As a result, the Group's reported results in 2017 have been negatively affected by the weakening of the Russian Rouble (RUB) against the US Dollar (US\$) versus 2016.

Legal Risks

The Group operates internationally and is subject to applicable laws and regulations in a large number of jurisdictions. Combined with this, the large numbers of customers and suppliers to the Group result in a complex set of contractual obligations and a risk of non-compliance with the applicable laws and regulations.

The Group addresses this risk in a number of ways:

- through reviews, advice and opinions provided by the in-house legal department;
- monitoring and reporting of issues by the Internal Audit function;
- internal control processes requiring local and Group's Executive Management to report on areas of potential non-compliance; and
- controls on the levels of the Management required to approve proposed contractual arrangements.

Charitable and Political Donations

The Group did not make any material charitable or political donations during the year.

Intangible Assets

Historically, the Group has attributed value to its main tradenames and goodwill in allocating a part of the purchase price paid for its subsidiaries to these intangible assets. These values attributed to intangible assets are referred to in Note 12 to the consolidated financial statements.

Purchase of Own Shares

The Group did not purchase any of its shares for cancellation during the year.

Secretary

E. Ekin Çayhan has been the Company Secretary since 13 May 2016.

Independent Auditors

AO PricewaterhouseCoopers Audit was appointed as External Auditor to the Group at the Annual General Assembly on 29 June 2017.

A resolution to appoint the auditors and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting (AGM), which will be held during 29 June 2018 at the Company's headquarter in Amsterdam, The Netherlands.

By order of the Board

Registered office:

SANNE Corporate Service Limited
13 Castle Street
St. Helier Jersey JE4 5UT
Channels Islands

E. Ekin Çayhan
General Secretary & Counsel

27 April 2018

RESPONSIBILITY STATEMENT

TME Annual Report & Consolidated Financial Statements of 2017 contain a “Responsibility Statement” in compliance with paragraph 4.1.12 of the DTR signed by order of the Board by Mrs. Vuslat Sabancı as Chairwoman of the Board & Senior Director, Mr. Turhan Cemal Beriker as Vice-Chairman & Senior Director, and Mrs. Özlem Mertoğlu-Munanoğlu as Senior Director of the Company.

This statement is set out below in full and unedited text. This states that on **27 April 2018**, the date of approval of the 2017 Annual Report & Consolidated Financial Statements (Accounts).

Each of the Directors hereby confirm:

“To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group”.

Amsterdam, The Netherlands
27 April 2018

TRADER MEDIA EAST LIMITED

Vuslat Sabancı
Chairwoman

Turhan Cemal Beriker
Vice-Chairman, Director



Independent Auditor's Report

To the Members of Trader Media East Limited:

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Trader Media East Limited (the “Company”) and its subsidiaries (together – the “Group”) as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited:

The Group’s consolidated financial statements, included within the annual report, comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2017;
- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Auditor’s Professional Ethics Code and Auditor’s Independence Rules that are relevant to our audit of the consolidated financial statements in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview



Materiality

Overall group materiality: United States Dollars (“USD”) 321 thousand, which represents 5% of the loss before tax and before one-off items (further explained below).

Audit scope

- We conducted our audit work on 6 Group entities in 3 countries.
- Because of the centralised structure of the Group, the audit was performed entirely in Russia.
- Our audit scope addressed 97% of the Group’s revenues and 99% of Group’s absolute value of underlying loss before tax.

Key Audit Matters

- Going concern assessment
- Accounting for discontinued operations of LLC Pronto Media Holding (“LLC PMH”)

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.



| | |
|--|---|
| Overall group materiality | USD 321 thousand |
| How we determined it | Based on 5% of the Group’s loss before tax and before one-off items for the year ended 31 December 2017. |
| Rationale for the materiality benchmark applied | We have applied this benchmark based on our analysis of the information needs of the stakeholders and other users of the consolidated financial statements. In accordance with the restructuring of the Group in recent years and approved forecasts, the Group is expected to incur operating losses at least for another year. Impairment of goodwill, other intangible assets and tangible assets amounting to USD 33,712 thousand and USD 29,164 thousand, respectively, and expenses on severance payments to employees dismissed as a result of business restructuring amounting to USD 1,134 thousand, were excluded from loss before tax calculation as they are significant one-off items. |

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the Key audit matter |
|------------------|--|
|------------------|--|

Going concern assessment

Refer to note 4.1 in the consolidated financial statements for the related disclosures.

The Group incurred a net loss of USD 65,675 thousand, a negative operating cash flow of USD 7,575 thousand during the year ended 31 December 2017 and at the reporting date, the Group’s current liabilities exceed its current assets by USD 7,479 thousand. Furthermore, the digital operations of LLC PMH, the largest subsidiary of the Group, have been ceased during the year.

The above factors necessitated further assessment of whether it is appropriate for the Group to continue preparing the consolidated financial statements on a going concern basis.

We considered this to be a key audit matter because management’s assessment involves significant assumptions and judgements which are based on their best estimates, analysis of

Our audit procedures included discussion with management of Hurriyet Gazetecilik ve Matbaacilik A.S. (“Hurriyet”), the Group’s parent company, and obtaining and examining management’s business plan for the next five-year period for continuing operations.

Furthermore, we obtained a copy of the letter of support from Hurriyet, confirming that Hurriyet will continue to provide financial support to the Group to enable it to continue in operation and to meet its obligations as and when they fall due, for the foreseeable future. In addition, we obtained sufficient audit evidence to satisfy ourselves that Hurriyet would be able to meet the undertakings which were set out in the letter of support, in the context of our audit of the Group.

No material exceptions were identified based on our procedures performed. We also compared the going concern disclosures in note 4.1 to the consolidated financial statements to the relevant



| Key audit matter | How our audit addressed the Key audit matter |
|---|---|
| <p>the current market conditions and the Group’s performance.</p> | <p>requirements of IFRS and found no material exceptions.</p> |
| <p><i>Accounting for discontinued operations of LLC PMH</i></p> <p><i>Refer to note 17, 19 in the consolidated financial statements for the related disclosures.</i></p> <p>As described in note 19 in the consolidated financial statements, on 22 November 2017 the Board of Directors of LLC PMH, the biggest subsidiary of the Group, has decided to cease its digital operations.</p> <p>As at 31 December 2017 and at the date of our auditor’s report the legal liquidation process has not yet been initiated; however, management has classified LLC PMH’s operations as discontinued based on their conclusion that the operation meets the criteria set out in IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations” (“IFRS 5”).</p> <p>As at 31 December 2017 LLC PMH had outstanding borrowings in the amount of USD 7,639 thousand, which were classified as long-term liabilities in the consolidated statement of financial position notwithstanding the operations of LLC PMH overall being classified as discontinued operations.</p> <p>We focused on this area due to the size of the operations of LLC PMH: accounting for 62% of the Group’s revenues and 99% of the Group’s absolute value of underlying loss before tax for the year ended 31 December 2017. Accounting for parts of an entity as discontinued operations has a significant impact on presentation and disclosure in the consolidated financial statements. This also requires application of judgements to be made by management in their analysis of the criteria for recognising LLC PMH as discontinued operations.</p> | <p>We analysed management’s judgements underlying the classification of LLC PMH’s operations as discontinued in accordance with the provisions of IFRS 5.</p> <p>We considered the terms of the loan agreements with the banks and related guarantees to assess whether the classification of the borrowings in the amount of USD 7,639 thousand as long-term liabilities in the consolidated statement of financial position is appropriate.</p> <p>We considered the presentation of LLC PMH as discontinued operations in the consolidated statement of comprehensive income and the related disclosures in note 19 in the consolidated financial statements and assessed the presentation and disclosures against the requirements of IFRS 5.</p> <p>Following the procedures performed, we concluded that the judgements used by the management for accounting LLC PMH as discontinued operations are reasonable and require no adjustments in the consolidated financial statements. We also found no features that would require any changes in the long-term classification of the borrowings in amount of USD 7,639 thousand.</p> <p>The related disclosures in the consolidated financial statements were found to be compliant with IFRS in all material respects.</p> |



How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the geographic and management structure of the Group, the accounting processes and controls and the industry in which the Group operates.

The Group is headquartered in Jersey with two significant components located in Moscow, Russian Federation where management functions are also carried out. Therefore we identified the following significant components where we performed full scope audit procedures: LLC PMH and LLC ID Impress Media. In addition, we performed specified audit procedures over selected financial information of several non-significant components located in the Russian Federation, Belarus and Jersey. We also performed audit procedures over the consolidation of the Group's components and significant consolidation adjustments.

Other information

The directors are responsible for the other information. The other information comprises the annual report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors and those charged with governance for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), the requirements of the Companies (Jersey) Law 1991 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

The certified auditor responsible for the audit resulting in this independent auditor's report is Tatiana Sirotinskaya.

27 April 2018

Moscow, Russian Federation

Tatiana Sirotinskaya, certified auditor (license no. 01-000527), AO PricewaterhouseCoopers Audit

Audited entity: Trader Media East Limited

Certificate of incorporation issued on 6 February 2006 under registration № 91704
13 Castle Street, St. Helier Jersey JE4 5UT, Channel Islands

Independent auditor: AO PricewaterhouseCoopers Audit

State registration certificate № 008.890, issued by the Moscow Registration Chamber on 28 February 1992

Certificate of inclusion in the Unified State Register of Legal Entities issued on 22 August 2002 under registration № 1027700148431

Member of Self-regulated organization of auditors «Russian Union of auditors» (Association)

ORNZ 11603050547 in the register of auditors and audit organizations

The maintenance and integrity of the website of Trader Media East Limited is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TRADER MEDIA EAST LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Amounts expressed in thousands of US Dollars ("USD") unless otherwise indicated)

| | Notes | For the years ended | |
|--|-------|---------------------|------------------------------|
| | | 31 December 2017 | restated 31 December 2016 |
| Continuing operations | | | |
| Revenue | 6 | 2,748 | 3,249 |
| Cost of sales | 7 | (1,822) | (2,318) |
| Gross profit | | 926 | 931 |
| Marketing, selling and distribution expenses | 7 | (72) | (92) |
| General administrative expenses | 7 | (2,106) | (1,880) |
| Other operating expenses | 7 | 5 | (110) |
| Other operating income | | 34 | - |
| Operating loss | | (1,213) | (1,151) |
| Interest expenses | | (17) | (2,003) |
| Foreign exchange gain/ (loss), net | | 231 | (99) |
| Impairment loss on goodwill | 13 | - | (824) |
| Loss on disposal of subsidiaries | 25 | - | (238) |
| (Loss)/ gain on sale of property, plant and equipment | | (16) | 37 |
| Other income | | - | 3 |
| Loss before tax | | (1,015) | (4,275) |
| Income tax expense | 8 | (115) | (119) |
| Net loss for the year from continuing operations | | (1,130) | (4,394) |
| Loss from discontinued operations | 19 | (64,545) | (10,922) |
| Net loss for the year | | (65,675) | (15,316) |
| Attributable to: | | | |
| Equity holders of the Company | | (65,553) | (15,244) |
| Non-controlling interests | | (122) | (72) |
| | | (65,675) | (15,316) |
| Other comprehensive income / (loss) | | | |
| Items that may be reclassified subsequently to profit or loss | | | |
| - Exchange differences on translating foreign operations | | 1,856 | 11,033 |
| Total comprehensive loss for the year | | (63,819) | (4,283) |
| Attributable to: | | | |
| Equity holders of the Company | | (63,823) | (4,403) |
| Non-controlling interests | | 4 | 120 |
| | | (63,819) | (4,283) |
| Arises from: | | | |
| Continued operations | | (1,163) | (817) |
| Discontinued operations | | (62,660) | (3,586) |
| | | (63,823) | (4,403) |
| Loss per share from continuing operations attributable to the ordinary equity holders of the company: | | | |
| Weighted average number of ordinary shares in issue (thousands) | 24 | 480,000 | 200,000 |
| Basic and diluted loss per share (US Dollar per share) | 24 | (0.0021) | (0.0216) |
| Loss per share attributable to the ordinary equity holders of the company: | | | |
| Basic and diluted loss per share (US Dollar per share) | 24 | (0.1366) | (0.0762) |

The accompanying notes on pages 37-74 form an integral part of these consolidated financial statements.

TRADER MEDIA EAST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Amounts expressed in thousands of US Dollars ("USD") unless otherwise indicated)

| | Notes | 31 December 2017 | 31 December 2016 |
|---|-------|---------------------|---------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 76 | 328 |
| Investment property | 10 | 278 | 273 |
| Deferred tax assets | 8 | 1 | 125 |
| Goodwill | 11 | - | 32,353 |
| Other intangible assets | 12 | - | 27,411 |
| Investment in associate | | - | 41 |
| Total non-current assets | | 355 | 60,531 |
| Current assets | | | |
| Inventories | | 21 | 51 |
| Trade receivables | 14 | 256 | 510 |
| Current income tax asset | | 35 | 117 |
| Other current assets | 21 | 211 | 629 |
| Amounts due from shareholders | 20 | 155 | 151 |
| Cash and cash equivalents | 15 | 653 | 1,060 |
| Short-term financial investments | | 41 | - |
| Total current assets | | 1,372 | 2,518 |
| Total assets | | 1,727 | 63,049 |
| EQUITY | | | |
| Share capital | 16 | 76,800 | 76,800 |
| Additional paid-in capital | 16 | 21,022 | 21,022 |
| Translation reserve | | 18,076 | 16,224 |
| Accumulated losses | | (130,690) | (65,137) |
| Total equity attributable to equity holders of the Company | | (14,792) | 48,909 |
| Non-controlling interests | | (36) | 82 |
| Total equity | | (14,828) | 48,991 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 17 | 7,639 | - |
| Deferred tax liabilities | 8 | 65 | 4,694 |
| Total non-current liabilities | | 7,704 | 4,694 |
| Current liabilities | | | |
| Borrowings | 17 | 2,526 | 4,369 |
| Trade payables | 18 | 1,421 | 1,899 |
| Borrowings due to shareholders | 20 | 3,643 | 1,069 |
| Current income tax liabilities | 8 | 87 | 89 |
| Other current liabilities | 22 | 1,174 | 1,938 |
| Total current liabilities | | 8,851 | 9,364 |
| Total liabilities | | 16,555 | 14,058 |
| Total liabilities and equity | | 1,727 | 63,049 |

The accompanying notes on pages 37-74 form an integral part of these consolidated financial statements.

PRESS RELEASE

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of Trader Media East or its officers with respect to various matters. When used in this document, the words “expects,” “believes,” “anticipates,” “plans,” “may,” “will,” “should” and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcome to differ materially from those suggested by any such statements. Those factors include, but are not limited to, risks or uncertainties described in our publicly filed documents.

These forward-looking statements speak only as of the date of this document. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

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