

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE

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

NOTE 23 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

23.1 Due from Related Parties

As at 30 June 2019 and 31 December 2018, trade receivables from and payables to related parties comprise the following:

23.1.1 Due from associates

	<u>30 June 2019</u>	<u>31 December 2018</u>
Yüce Auto	1,612	2,495
VDF	179	1,920
Other	-	2
Total	<u>1,791</u>	<u>4,417</u>

23.1.2 Due from joint ventures

	<u>30 June 2019</u>	<u>31 December 2018</u>
TÜVTURK	-	1
Total	<u>-</u>	<u>1</u>

23.1.3 Due from other related parties

	<u>30 June 2019</u>	<u>31 December 2018</u>
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	498,724	380,746
VDF Sigorta Aracılık Hizmetleri A.Ş.	929	1,459
VDF Filo Kiralama A.Ş.	165	135
Other	79	114
Total	<u>499,897</u>	<u>382,454</u>

23.1.4 Due from shareholders

	<u>30 June 2019</u>	<u>31 December 2018</u>
Doğuş Holding	3	387
Total	<u>3</u>	<u>387</u>
Grand total	<u>501,691</u>	<u>387,259</u>

As at 30 June 2019, the Group charges monthly 1% overdue interest to related parties (31 December 2018: 1% per month).

23.1.5 Other receivables due from related parties

	<u>30 June 2019</u>	<u>31 December 2018</u>
Doğuş Teknoloji	5,038	-
Total	<u>5,038</u>	<u>-</u>
Subtotal	<u>5,038</u>	<u>-</u>

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NOTE 23 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

23.2 Current prepayments due from related parties

23.2.1 Current prepaid expenses

	<u>30 June 2019</u>	<u>31 December 2018</u>
Pozitif Arena Salon İşletmeleri A.Ş.	2,305	5,032
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	1,459	467
Pozitif Müzik	83	-
Other	440	1,470
Total	<u>4,287</u>	<u>6,969</u>

23.2.2 Advances given to other related parties

	<u>30 June 2019</u>	<u>31 December 2018</u>
Antur Turizm A.Ş	-	92
Total	<u>-</u>	<u>92</u>
Grand total	<u>4,287</u>	<u>7,061</u>

23.3 Non-current prepayments due from related parties

23.3.1 Non-current prepaid expenses

	<u>30 June 2019</u>	<u>31 December 2018</u>
Pozitif Müzik	53	-
Doğuş Teknoloji	9	18
Pozitif Arena Salon İşletmeleri A.Ş.	-	94
Total	<u>62</u>	<u>112</u>
Grand total	<u>62</u>	<u>112</u>

23.4 Trade payables due to Related Parties

23.4.1 Trade payables due to associates

	<u>30 June 2019</u>	<u>31 December 2018</u>
Yüce Auto	70,522	46,947
VDF	13,976	65,642
Doğuş Teknoloji	3,607	3,072
Total	<u>88,105</u>	<u>115,661</u>

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NOTE 23 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

23.4 Trade payables due to Related Parties (Continued)

23.4.2 Trade payables due to other related parties

	<u>30 June 2019</u>	<u>31 December 2018</u>
Antur Turizm A.Ş.	1,709	724
VDF Filo Kiralama A.Ş.	33	110
Doğuş Yayın Grubu A.Ş.	-	184
VDF Sigorta Aracılık Hizmetleri A.Ş.	-	13
Other	695	1,748
Total	2,437	2,779

23.4.3 Trade payables due to shareholders

	<u>30 June 2019</u>	<u>31 December 2018</u>
Doğuş Holding	1,378	1,147
Total	1,378	1,147
Grand total	91,920	119,587

23.5 Related Party Transactions

Related party transactions for the six and three month periods ended 30 June are as follows:

23.5.1 Associates

	<u>For the six month period ended 30 June 2019</u>	<u>For the six month period ended 30 June 2018</u>	<u>For the three month period ended 30 June 2019</u>	<u>For the three month period ended 30 June 2018</u>
Sales and other income generating transactions:				
Other income	9,472	14,605	7,069	7,252
Sale of products and returns, net	8,047	6,282	3,747	4,097
Sale of services, net	272	207	121	91
Total	17,791	21,094	10,937	11,440
Purchases and expense incurring transactions:				
Inventory purchases	179,890	196,436	111,867	111,482
Incentives for consumer loans	27,262	26,922	16,975	17,814
Other purchases	21,330	17,481	10,300	9,555
Fixed asset purchases	9,226	12,429	4,507	6,409
Services rendered	8,741	6,192	4,472	3,050
Other expenses	231	129	151	64
Total	246,680	259,589	148,272	148,374

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NOTE 23 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

23.5 Related Party Transactions (Continued)

23.5.2 Joint ventures

	For the six month period ended 30 June 2019	For the six month period ended 30 June 2018	For the three month period ended 30 June 2019	For the three month period ended 30 June 2018
Sales and other income generating transactions:				
Sale of products and returns, net	615	45	14	34
Sale of services, net	15	25	3	16
Other incomes	-	-	2	-
Total	630	70	19	50
Purchases and expense incurring transactions:				
Services rendered	18	11	10	6
Total	18	11	10	6

23.5.3 Other related parties

a) Income generated from other related parties

	For the six month period ended 30 June 2019			
	Sale of products	Sale of services	Other income from operating activities	Total
VDF Filo	31,001	1,311	62	32,374
VDF Sigorta	10	5	2,863	2,878
VDF Faktoring	1	2	-	3
Other	139	20	299	458
	31,151	1,338	3,224	35,713
	For the six month period ended 30 June 2018			
	Sale of products	Sale of services	Other income from operating activities	Total
VDF Filo	88,799	438	330	89,567
VDF Sigorta	7	4	2,877	2,888
VDF Faktoring	1	-	-	1
Other	494	34	750	1,278
	89,301	476	3,957	93,734
	For the three month period ended 30 June 2019			
	Sale of Products	Sale of services	Other income from operating activities	Total
VDF Filo	16,825	727	36	17,588
Other	48	17	1,577	1,642
	16,873	744	1,613	19,230
	For the three month period ended 30 June 2018			
	Sale of products	Sale of services	Other income from operating activities	Total
VDF Filo	46,862	254	284	47,400
VDF Sigorta	4	1	1,640	1,645
Other	338	11	285	634
	47,204	266	2,209	49,679

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NOTE 23 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

23.5.3 Other related parties (Continued)

b) Expenses arising from transactions with other related parties

	For the six month period ended 30 June 2019						
	Services Rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	5,581	-	-	-	156	-	5,737
Doğuş Gayrimenkul Yatırım Ortaklığı	13,264	-	-	-	-	-	13,264
Doğuş Enerji Toptan Elektrik	84	-	-	-	-	-	84
VDF Sigorta	7,913	12	2,497	2,289	1,018	409	14,138
Other	26,842	12	2,497	2,289	1,174	409	33,223
	For the six month period ended 30 June 2018						
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	11,187	-	-	-	210	99	11,496
Doğuş Gayrimenkul Yatırım Ortaklığı	9,986	-	-	-	-	-	9,986
Doğuş Enerji Toptan Elektrik	3,282	-	-	-	-	-	3,282
VDF Sigorta	25	-	-	-	48	131	204
Other	8,448	96	9,140	6,258	562	5,856	30,360
	32,928	96	9,140	6,258	820	6,086	55,328
	For the three month period ended 30 June 2019						
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	3,129	-	-	-	30	-	3,159
Doğuş Gayrimenkul Yatırım Ortaklığı	6,678	-	-	-	-	-	6,678
Other	5,107	12	8	734	530	358	6,749
	14,914	12	8	734	560	358	16,586

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NOTE 23 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

23.5.3 Other related parties (Continued)

For the three month period ended 30 June 2018							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	6,127	-	-	-	128	98	6,353
Doğuş Gayrimenkul Yatırım Ortaklığı	5,118	-	-	-	-	-	5,118
Doğuş Enerji Toptan Elektrik	1,575	-	-	-	-	-	1,575
VDF Sigorta	21	-	-	-	-	-	21
Other	5,362	-	8,791	4,917	304	2,660	22,034
	18,203	-	8,791	4,917	432	2,758	35,101

23.5.4 Transactions with shareholders

a) Income generated from shareholders

For the six month period ended 30 June 2019				
	Sale of products	Sale of services	Income from investing activities	Total
Doğuş Holding	4	2	-	6
Doğuş ARGE	-	-	-	-
	4	2	-	6

For the six month period ended 30 June 2018				
	Sale of products	Sale of services	Income from investing activities	Total
Doğuş Holding	71	72	-	143
Doğuş ARGE	131	-	-	131
	202	72	-	274

For the three month period ended 30 June 2019				
	Sale of Products	Sale of services	Income from investing activities	Total
Doğuş Holding	2	1	-	3
	2	1	-	3

For the three month period ended 30 June 2018				
	Sale of Products	Sale of services	Income from investing activities	Total
Doğuş Holding	1	40	-	41
	1	40	-	41

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NOTE 23 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

23.5 Related Party Transactions (Continued)

23.5.4 Transactions with shareholders (Continued)

b) Expenses arising from transactions with shareholders

For the six month period ended 30 June 2019					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	3,656	6	-	2,810	6,472
	3,656	6	-	2,810	6,472
For the six month period ended 30 June 2018					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	8,934	2	507	223	9,666
	8,934	2	507	223	9,666
For the three month period ended 30 June 2019					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	1,855	-	-	2,810	4,665
	1,855	-	-	2,810	4,665
For the three month period ended 30 June 2018					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	4,318	1	507	176	5,002
	4,318	1	507	176	5,002

23.6 Key Management Personnel Compensation

	For the six month period ended 30 June 2019	For the six month period ended 30 June 2018	For the three month period ended 30 June 2019	For the three month period ended 30 June 2018
Salaries and other short-term employee benefits	19,003	21,834	14,366	14,334
Total	19,003	21,834	14,366	14,334

The Group classifies members of the board of directors and senior executives who have administrative responsibilities as key management personnel, since they are responsible for the planning, management and control of the Group's operations.

Remuneration of board of directors and executive management for the six month periods ended 30 June 2019 and 2018 includes salaries, health insurance and employer shares of Social Security Institution.

