

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 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

22.1 Due from related parties

22.1.1 Due from associates

	<u>30 June 2023</u>	<u>31 December 2022</u>
Yüce Auto	27,380	13,800
VDF Servis	-	89
Total	<u>27,380</u>	<u>13,889</u>

22.1.2 Due from joint ventures

	<u>30 June 2023</u>	<u>31 December 2022</u>
TÜVTURK	21	5,489
Total	<u>21</u>	<u>5,489</u>

22.1.3 Due from other related parties

	<u>30 June 2023</u>	<u>31 December 2022</u>
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	4,692,137	2,520,259
VDF Sigorta Aracılık Hizmetleri A.Ş.	4,953	4,178
VDF Filo Kiralama A.Ş.	3,912	2,347
VDF	117	139
Other	676	579
Total	<u>4,701,795</u>	<u>2,527,502</u>

22.1.4 Due from shareholders

	<u>30 June 2023</u>	<u>31 December 2022</u>
Doğuş Holding	1,249	1,539
Total	<u>1,249</u>	<u>1,539</u>
Grand total	<u>4,730,445</u>	<u>2,548,419</u>

As of 30 June 2023, the Group imposes 1.70% interest charge on the receivables from related parties (31 December 2022: 1.91% per month).

22.2 Other receivables due from related parties

22.2.1 Other current receivables due from associates

	<u>30 June 2023</u>	<u>31 December 2022</u>
Doğuş Teknoloji	3,049	2,705
Total	<u>3,049</u>	<u>2,705</u>

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.2 Other receivables due from related parties (Continued)

22.2.2 Other current receivables due from other related parties

	<u>30 June 2023</u>	<u>31 December 2022</u>
VDF Filo Kiralama A.Ş. (sublease receivables)	4,061	4,917
Total	4,061	4,917
Grand total	7,110	7,622

22.2.3 Other non-current receivables due from related parties

	<u>30 June 2023</u>	<u>31 December 2022</u>
VDF Filo Kiralama A.Ş. (sublease receivables)	912	339
Total	912	339

22.3 Current prepayments due from related parties

22.3.1 Current prepaid expenses to related parties

22.3.1.1 Current prepaid expenses to associates

	<u>30 June 2023</u>	<u>31 December 2022</u>
Doğuş Teknoloji	5,384	7,214
Total	5,384	7,214

22.3.1.2 Current prepaid expenses to other related parties

	<u>30 June 2023</u>	<u>31 December 2022</u>
Pozitif Arena Salon İşletmeleri A.Ş.	7,452	16,268
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	3,277	-
Antur Turizm A.Ş.	1,292	669
Pozitif Müzik A.Ş.	193	262
Other	910	39
Total	13,124	17,238

22.3.1.3 Current prepaid expenses to shareholders

	<u>30 June 2023</u>	<u>31 December 2022</u>
Doğuş Holding	724	1,655
Total	724	1,655
Grand total	19,232	26,107

22.3.2 Long-term non-current prepaid expenses to related parties

22.3.2.1 Long-term non-current prepaid expenses to associates

	<u>30 June 2023</u>	<u>31 December 2022</u>
Doğuş Teknoloji	1,793	2,633
Total	1,793	2,633

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.2 Other receivables due from related parties (Continued)

22.3.2 Long-term non-current prepaid expenses to related parties (Continued)

22.3.2.2 Long-term non-current prepaid expenses to other related parties

	<u>30 June 2023</u>	<u>31 December 2022</u>
Pozitif Arena Salon İşletmeleri A.Ş.	3,052	3,052
Pozitif Müzik A.Ş.	-	61
Total	3,052	3,113
Grand total	4,845	5,746

22.3.3 Advances given

22.3.3.1 Advances given to other related parties

	<u>30 June 2023</u>	<u>31 December 2022</u>
Doğuş Yayın Grubu A.Ş.	-	-
Total	-	-

22.4 Deferred Income

22.4.1 Deferred income from other related parties

	<u>30 June 2023</u>	<u>31 December 2022</u>
TDB Kalibrasyon Hizmetleri A.Ş.	-	-
Other	-	-
Total	-	-

22.5 Trade payables due to related parties

22.5.1 Trade payables due to associates

	<u>30 June 2023</u>	<u>31 December 2022</u>
Yüce Auto	417,214	124,130
Doğuş Teknoloji	33,226	45,013
Total	450,440	169,143

22.5.2 Trade payables due to joint ventures

	<u>30 June 2023</u>	<u>31 December 2022</u>
TÜVTURK	4	4
Total	4	4

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.5.3 Trade payables due to other related parties

	<u>30 June 2023</u>	<u>31 December 2022</u>
Antur Turizm A.Ş.	24,531	11,590
VDF Filo Kiralama A.Ş.	2,831	15,766
VDF Faktoring	1,579	877
Doğuş Verimlilik ve Merkezi Satın Alma Hizm. Tic. A.Ş.	1,466	6,812
TDB Kalibrasyon Hizmetleri A.Ş.	1,032	1,039
Doğuş İnşaat ve Ticaret A.Ş.	861	2,177
Semanticum Bilişim Sanayi ve Ticaret A.Ş.	562	408
Nahita Restaurant İşletmeciliği ve Yatırım A.Ş.	20	2,686
VDF	17	22
Other	1,106	1,302
Total	34,005	42,679

22.5.4 Trade payables due to shareholders

	<u>30 June 2023</u>	<u>31 December 2022</u>
Doğuş Holding	3,999	1,222
Total	3,999	1,222
Grand total	488,448	213,048

22.6 Other payables due to related parties

22.6.1 Other payables due to shareholders

	<u>30 June 2023</u>	<u>31 December 2022</u>
Dividend payable	-	-
Total	-	-

22.7 Related party transactions

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

22.7.1 Associates

	<u>1 January - 30 June 2023</u>	<u>1 January - 30 June 2022</u>	<u>1 April - 30 June 2023</u>	<u>1 April - 30 June 2022</u>
Sales and other income generating transactions:				
Other income	139,034	40,380	64,135	22,776
Sale of products and returns, net	66,252	25,008	50,914	19,621
Sale of services, net	1,080	543	593	253
Financial income	291	533	147	278
Total	206,657	66,464	115,789	42,928
Purchases and expense incurring transactions:				
Inventory purchases	2,392,985	632,347	1,451,056	332,873
Other purchases	120,645	71,122	65,596	36,214
Fixed asset purchases	121,705	50,849	58,920	26,060
Services rendered	51,497	21,213	25,817	10,913
Other expenses	5,984	434	3,564	220
Total	2,692,816	775,965	1,604,953	406,280

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.7 Related party transactions (Continued)

22.7.2 Joint ventures

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Sales and other income generating transactions:				
Sale of products and returns, net	1,366	2,707	301	732
Sale of services, net	79	47	52	19
Other incomes	-	4	-	2
Total	1,445	2,758	353	753
Purchases and expense creating transactions:				
Inventory purchases	5,594	-	1,144	-
Services rendered	159	19	84	5
Other purchases	1	1	1	1
Total	5,754	20	1,229	6

22.7.3 Other related parties

a) Income generated from other related parties

1 January – 30 June 2023						
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	378,202	9,780	-	2,330	-	390,312
VDF Sigorta	3	2	-	21,969	-	21,974
VDF Faktoring	-	-	-	-	-	-
Other	4,817	423	8	739	-	5,987
	383,022	10,205	8	25,038	-	418,273
1 January – 30 June 2022						
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	214,286	5,047	-	545	-	219,878
VDF Sigorta	-	2	-	9,949	-	9,951
VDF Faktoring	-	-	-	-	-	-
Other	4,384	384	-	1,113	147	6,028
	218,670	5,433	-	11,607	147	235,857
1 April – 30 June 2023						
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	210,734	5,521	-	1,568	-	217,823
VDF Sigorta	-	2	-	12,126	-	12,128
VDF Faktoring	-	-	-	-	-	-
Other	2,035	187	1	412	-	2,635
	212,769	5,710	1	14,106	-	232,586

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.7 Related party transactions (Continued)

22.7.3 Other related parties (Continued)

	1 April – 30 June 2022					
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	120,803	2,746	-	310	-	123,859
VDF Sigorta	-	2	-	6,382	-	6,384
VDF Faktoring	-	-	-	-	-	-
Other	1,052	275	-	912	147	2,386
	121,855	3,023	-	7,604	147	132,629

b) Expenses arising from transactions with other related parties

	1 January – 30 June 2023						
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
VDF Filo	15,542	-	71,034	-	1	-	86,577
Doğuş Gayrimenkul Yatırım Ortaklığı	30,048	-	-	-	-	-	30,048
Antur Turizm	51,027	-	3,240	-	5	6,760	61,032
VDF Faktoring	-	-	-	9,728	-	-	9,728
VDF Sigorta	449	-	-	-	-	-	449
Other	12,418	1,483	465	-	12	16,858	31,236
	109,484	1,483	74,739	9,728	18	23,618	219,070

	1 January – 30 June 2022						
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
VDF Filo	10,918	-	50,965	-	2	-	61,885
Doğuş Gayrimenkul Yatırım Ortaklığı	19,328	-	-	-	-	-	19,328
Antur Turizm	10,356	-	-	-	2	774	11,132
VDF Faktoring	-	-	-	4,647	-	-	4,647
VDF Sigorta	-	-	-	-	790	-	790
Other	4,030	79	325	120	27	7,514	12,095
	44,632	79	51,290	4,767	821	8,288	109,877

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.7 Related party transactions (Continued)

22.7.3 Other related parties (Continued)

1 April – 30 June 2023							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
VDF Filo	7,941	-	30,770	-	1	-	38,712
Doğuş Gayrimenkul Yatırım Ortaklığı	16,571	-	-	-	-	-	16,571
VDF Faktoring	-	-	-	5,037	-	-	5,037
Antur Turizm	39,119	-	-	-	5	3,963	43,087
VDF Sigorta	449	-	-	-	-	-	449
Other	9,079	1,479	454	-	3	8,627	19,642
	73,159	1,479	31,224	5,037	9	12,590	123,498

1 April – 30 June 2022							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
VDF Filo	5,483	-	40,113	-	1	-	45,597
Doğuş Gayrimenkul Yatırım Ortaklığı	10,190	-	-	-	-	-	10,190
VDF Faktoring	-	-	-	2,319	-	-	2,319
Antur Turizm	7,820	-	-	-	1	741	8,562
VDF Sigorta	-	-	-	-	790	-	790
Other	2,522	69	-	34	17	3,542	6,184
	26,015	69	40,113	2,353	809	4,283	73,642

22.7.4 Transactions with shareholders

a) Income generated from shareholders

1 January – 30 June 2023				
	Sale of products	Sale of services	Finance income	Total
Doğuş Holding	1,550	1,842	4,208	7,600
	1,550	1,842	4,208	7,600

1 January – 30 June 2022				
	Sale of products	Sale of services	Sale of fixed assets	Total
Doğuş Holding	28	971	228	1,227
	28	971	228	1,227

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.7 Related party transactions (Continued)

22.7.4 Transactions with shareholders (Continued)

	1 April – 30 June 2023			
	Sale of products	Sale of services	Finance income	Total
Doğuş Holding	73	713	-	786
	73	713	-	786
	1 April – 30 June 2022			
	Sale of products	Sale of services	Sale of fixed assets	Total
Doğuş Holding	13	487	228	728
	13	487	228	728

b) Expenses arising from transactions with shareholders

	1 January – 30 June 2023				
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	9,794	-	371	1,084	11,249
	9,794	-	371	1,084	11,249
	1 January – 30 June 2022				
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	5,990	-	-	580	6,570
	5,990	-	-	580	6,570
	1 April – 30 June 2023				
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	4,418	-	371	545	5,334
	4,418	-	371	545	5,334
	1 April – 30 June 2022				
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	2,529	-	-	292	2,821
	2,529	-	-	292	2,821

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.8 Key management personnel compensation

	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
Salaries and other short-term employee benefits	205,666	90,129	183,732	80,099
Total	205,666	90,129	183,732	80,099

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 senior executive who have administrative responsibilities, for the period ended 30 June 2023 and 2022 includes salaries, health insurance and employer shares of Social Security Institution.

NOTE 23 – FINANCIAL INSTRUMENTS

Financial instruments and capital risk management

Financial risk factors

The Group's objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital structure includes payables including loans and respectively cash and cash equivalents, paid-in capital, reserves and retained earnings.

The board of directors monitors the return on capital and the level of dividends to ordinary shareholders.

The Group monitors its share capital by using financial liability to equity ratio. The ratio is calculated by dividing financial liabilities deducting to cash and cash equivalents to equity. Total of financial liabilities comprises entire current and non-current financial liabilities whereas total equity comprises each equity item on the statement of financial position.

The following table sets out the Group's financial liability to equity ratio as at 30 June 2023 and 31 December 2022:

	30 June 2023	31 December 2022
Total financial liabilities	6,575,991	2,594,503
Cash and cash equivalents	(2,442,972)	(3,366,150)
Total financial liabilities, net	4,133,019	(771,647)
Total equity	19,013,536	11,706,526
Financial liabilities / equity ratio	0.22	(0.07)