

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(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 September 2019 and 31 December 2018, trade receivables from and payables to related parties comprise the following:

23.1.1 Due from associates

	<u>30 September 2019</u>	<u>31 December 2018</u>
Yüce Auto	1,516	1,920
VDF	304	2,495
Other	-	2
Total	<u>1,820</u>	<u>4,417</u>

23.1.2 Due from joint ventures

	<u>30 September 2019</u>	<u>31 December 2018</u>
TÜVTURK	11	1
Total	<u>11</u>	<u>1</u>

23.1.3 Due from other related parties

	<u>30 September 2019</u>	<u>31 December 2018</u>
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	424,277	380,746
VDF Sigorta Aracılık Hizmetleri A.Ş.	835	1,459
VDF Filo Kiralama A.Ş.	194	135
Other	82	114
Total	<u>425,388</u>	<u>382,454</u>

23.1.4 Due from shareholders

	<u>30 September 2019</u>	<u>31 December 2018</u>
Doğuş Holding	-	387
Total	<u>-</u>	<u>387</u>
Grand total	<u>427,219</u>	<u>387,259</u>

As at 30 September 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 September 2019</u>	<u>31 December 2018</u>
Doğuş Teknoloji	5,438	-
VDF Filo Kiralama A.Ş.	564	-
Total	<u>6,002</u>	<u>-</u>
Subtotal	<u>6,002</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 September 2019</u>	<u>31 December 2018</u>
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	1,020	467
Pozitif Arena Salon İşletmeleri A.Ş.	919	5,032
Other	280	1,470
Total	2,219	6,969

23.2.2 Advances given to other related parties

	<u>30 September 2019</u>	<u>31 December 2018</u>
Antur Turizm A.Ş	-	92
Total	-	92
Grand total	2,219	7,061

23.3 Non-current prepayments due from related parties

23.3.1 Non-current prepaid expenses

	<u>30 September 2019</u>	<u>31 December 2018</u>
Pozitif Müzik	32	-
Doğuş Teknoloji	4	18
Pozitif Arena Salon İşletmeleri A.Ş.	-	94
Total	36	112
Grand total	36	112

23.4 Trade payables due to Related Parties

23.4.1 Trade payables due to associates

	<u>30 September 2019</u>	<u>31 December 2018</u>
Yüce Auto	34,809	46,947
VDF	11,998	65,642
Doğuş Teknoloji	4,052	3,072
Total	50,859	115,661

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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 September 2019</u>	<u>31 December 2018</u>
Antur Turizm A.Ş.	4,954	724
VDF Filo Kiralama A.Ş.	182	110
Doğuş Yayın Grubu A.Ş.	-	184
VDF Sigorta Aracılık Hizmetleri A.Ş.	-	13
Other	1,882	1,748
Total	<u>7,018</u>	<u>2,779</u>

23.4.3 Trade payables due to shareholders

	<u>30 September 2019</u>	<u>31 December 2018</u>
Doğuş Holding	1,301	1,147
Total	<u>1,301</u>	<u>1,147</u>
Grand total	<u>59,178</u>	<u>119,587</u>

23.5 Related Party Transactions

Related party transactions for the nine and three month periods ended 30 September are as follows:

23.5.1 Associates

	<u>For the nine month period ended 30 September 2019</u>	<u>For the nine month period ended 30 September 2018</u>	<u>For the three month period ended 30 September 2019</u>	<u>For the three month period ended 30 September 2018</u>
Sales and other income generating transactions:				
Sale of products and returns, net	11,212	9,914	3,165	3,632
Other income	15,819	19,981	6,347	5,376
Sale of services, net	417	312	145	105
Total	<u>27,448</u>	<u>30,207</u>	<u>9,657</u>	<u>9,113</u>
Purchases and expense incurring transactions:				
Inventory purchases	282,754	279,516	102,864	83,080
Incentives for consumer loans	55,215	28,669	27,953	1,747
Fixed asset purchases	14,900	18,300	5,674	5,871
Other purchases	35,475	29,389	14,145	11,908
Services rendered	12,969	9,365	4,228	3,173
Other expenses	291	216	60	87
Total	<u>401,604</u>	<u>365,455</u>	<u>154,924</u>	<u>105,866</u>

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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 nine month period ended 30 September 2019	For the nine month period ended 30 September 2018	For the three month period ended 30 September 2019	For the three month period ended 30 September 2018
Sales and other income generating transactions:				
Sale of products and returns, net	893	869	278	824
Sale of services, net	28	31	13	6
Other incomes	2	3	2	3
Total	923	903	293	833
Purchases and expense incurring transactions:				
Services rendered	21	27	3	16
Other purchases	1	-	1	-
Total	22	27	4	16

23.5.3 Other related parties

a) Income generated from other related parties

	For the nine month period ended 30 September 2019			
	Sale of products	Sale of services	Other income from operating activities	Total
VDF Filo	68,059	2,138	117	70,314
VDF Sigorta	15	49	4,369	4,433
VDF Faktoring	3	3	-	6
Other	542	18	1,110	1,670
	68,619	2,208	5,596	76,423
	For the nine month period ended 30 September 2018			
	Sale of products	Sale of services	Other income from operating activities	Total
VDF Filo	126,833	754	387	127,974
VDF Sigorta	10	4	4,092	4,106
VDF Faktoring	1	-	-	1
Other	870	60	1,334	2,264
	127,714	818	5,813	134,345
	For the three month period ended 30 September 2019			
	Sale of Products	Sale of services	Other income from operating activities	Total
VDF Filo	37,058	827	55	37,940
Other	410	43	2,317	2,770
	37,468	870	2,372	40,710
	For the three month period ended 30 September 2018			
	Sale of products	Sale of services	Other income from operating activities	Total
VDF Filo	38,034	316	57	38,407
VDF Sigorta	3	-	1,215	1,218
Other	376	26	584	986
	38,413	342	1,856	40,611

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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 nine month period ended 30 September 2019							
	Services Rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	11,697	-	-	-	201	474	12,372
Doğuş Gayrimenkul Yatırım Ortaklığı	13,957	-	-	-	-	5,234	19,191
VDF Sigorta	67	-	-	-	-	69	136
Other	8,157	12	3,274	4,087	1,557	2,108	19,195
	33,878	12	3,274	4,087	1,758	7,885	50,894
For the nine month period ended 30 September 2018							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	12,727	-	-	-	593	153	13,473
Doğuş Gayrimenkul Yatırım Ortaklığı	15,920	-	-	-	-	-	15,920
Doğuş Enerji Toptan Elektrik	4,635	-	-	-	-	-	4,635
VDF Sigorta	71	-	-	-	48	259	378
Other	11,666	96	10,155	22,276	1,034	7,879	53,106
	45,019	96	10,155	22,276	1,675	8,291	87,512
For the three month period ended 30 September 2019							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	6,116	-	-	-	45	474	6,635
Doğuş Gayrimenkul Yatırım Ortaklığı	693	-	-	-	-	5,234	5,927
Other	227	-	777	1,798	539	1,768	5,109
	7,036	-	777	1,798	584	7,476	17,671

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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 September 2018							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	1,540	-	-	-	383	54	1,977
Doğuş Gayrimenkul Yatırım Ortaklığı	5,934	-	-	-	-	-	5,934
Doğuş Enerji Toptan Elektrik	1,353	-	-	-	-	-	1,353
VDF Sigorta	46	-	-	-	-	148	194
Other	3,218	-	1,015	16,018	472	2,003	22,726
	12,091	-	1,015	16,018	855	2,205	32,184

23.5.4 Transactions with shareholders

a) Income generated from shareholders

For the nine month period ended 30 September 2019				
	Sale of Products	Sale of services	Income from investing activities	Total
Doğuş Holding	10	3	-	13
Doğuş ARGE	-	-	-	-
	10	3	-	13

For the nine month period ended 30 September 2018				
	Sale of products	Sale of services	Income from investing activities	Total
Doğuş Holding	74	75	-	149
Doğuş ARGE	131	-	-	131
	205	75	-	280

For the three month period ended 30 September 2019				
	Sale of Products	Sale of services	Income from investing activities	Total
Doğuş Holding	6	1	-	7
	6	1	-	7

For the three month period ended 30 September 2018				
	Sale of Products	Sale of services	Income from investing activities	Total
Doğuş Holding	3	3	-	6
	3	3	-	6

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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 nine month period ended 30 September 2019					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other purchases	Total
Doğuş Holding	5,362	6	201	4,001	9,570
	5,362	6	201	4,001	9,570
For the nine month period ended 30 September 2018					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	12,405	2	507	223	13,137
	12,405	2	507	223	13,137
For the three month period ended 30 September 2019					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other purchases	Total
Doğuş Holding	1,706	-	201	1,191	3,098
	1,706	-	201	1,191	3,098
For the three month period ended 30 September 2018					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	3,471	-	-	-	3,471
	3,471	-	-	-	3,471

23.6 Key Management Personnel Compensation

	For the nine month period ended 30 September 2019	For the nine month period ended 30 September 2018	For the three month period ended 30 September 2019	For the three month period ended 30 September 2018
Salaries and other short-term employee benefits	30,538	26,721	11,535	4,887
Total	30,538	26,721	11,535	4,887

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 nine month periods ended 30 September 2019 and 2018 includes salaries, health insurance and employer shares of Social Security Institution.