

**DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THE THREE MONTH PERIOD ENDED 31 MARCH**

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

**NOTE 22 – EARNINGS PER SHARE**

Earnings per share is calculated by dividing net income attributable to equity holders of the Company for the period by the weighted average number of shares of the Company available during the period. For the period ended 31 March, earnings per share are calculated as follows:

	<b>31 March 2019</b>	<b>31 March 2018</b>
Net profit attributable to the equity holders of the Company	(69,476)	81,275
Number of basic shares	198.000.000	198.000.000
<b>Basic/diluted earnings per share (in full TL)</b>	<b>(0.3509)</b>	<b>0.4105</b>

**NOTE 23 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

**23.1 Due from Related Parties**

As at 31 March 2019 and 31 December 2018, Group’s cash balances at related party banks are as follows:

<b>23.1.1 Due from associates</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
VDF	1	2,495
Yüce Auto	963	1,920
Other	-	2
<b>Total</b>	<b>964</b>	<b>4,417</b>

**23.1.2 Due from joint ventures**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Tüvtürk	5	1
<b>Total</b>	<b>5</b>	<b>1</b>

**23.1.3 Due from other related parties**

	<b>31 March 2019</b>	<b>31 December 2018</b>
VDF Faktoring Hizmetleri A.Ş. (“VDF Faktoring”)	411,168	380,746
VDF Sigorta Aracılık Hizmetleri A.Ş.	610	1,459
VDF Filo Kiralama A.Ş.	194	135
Other	234	114
<b>Total</b>	<b>412,206</b>	<b>382,454</b>

**23.1.4 Due from shareholders**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Doğuş Holding	-	387
<b>Total</b>	<b>-</b>	<b>387</b>
<b>Grand Total</b>	<b>413,175</b>	<b>387,259</b>

As of 31 March 2019, the Group imposes 1% interest charge on the receivables from related parties (31 December 2018: 1% per month).

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**NOTE 23 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)****23.2 Other Receivables from Related Parties****23.2.1 Due from subsidiaries**

	<u>31 March 2019</u>	<u>31 December 2018</u>
Doğuş Teknoloji	3,000	-
<b>Total</b>	<b>3,000</b>	<b>-</b>

**23.3.1 Current prepayments due from related parties**

	<u>31 March 2019</u>	<u>31 December 2018</u>
Pozitif Arena Salon İşletmeleri A.Ş.	3,676	5,032
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	120	467
Other	243	1,470
<b>Total</b>	<b>4,039</b>	<b>6,969</b>

**23.3.2 Advances given to other related parties**

	<u>31 March 2019</u>	<u>31 December 2018</u>
Antur Turizm A.Ş.	-	92
<b>Total</b>	<b>-</b>	<b>92</b>
<b>Grand Total</b>	<b>4,039</b>	<b>7,061</b>

**23.4 Long-term prepaid expenses to related parties****23.4.1 Non current prepayments due from related parties**

	<u>31 March 2019</u>	<u>31 December 2018</u>
Pozitif Arena Salon İşletmeleri A.Ş.	73	94
Doğuş Teknoloji	13	18
<b>Total</b>	<b>86</b>	<b>112</b>
<b>Grand Total</b>	<b>86</b>	<b>112</b>

**23.5 Trade Payables to Related Parties****23.5.1 Trade payables to associates**

	<u>31 March 2019</u>	<u>31 December 2018</u>
Yüce Auto	55,983	46,947
Volkswagen Doğuş Finansman	4,672	65,642
Doğuş Teknoloji	3,086	3,072
<b>Total</b>	<b>63,741</b>	<b>115,661</b>

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**NOTE 23 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)****23.5.2 Trade payables to other related parties**

	<u>31 March 2019</u>	<u>31 December 2018</u>
Antur Turizm A.Ş.	1,663	724
Doğuş Yayın Grubu A.Ş.	59	184
VDF Filo Kiralama A.Ş.	48	110
VDF Sigorta Aracılık Hizmetleri A.Ş.	3	13
Other	881	1,748
<b>Total</b>	<b><u>2,654</u></b>	<b><u>2,779</u></b>

**23.5.3 Trade payables to shareholders**

	<u>31 March 2019</u>	<u>31 December 2018</u>
Doğuş Holding	1,064	1,147
<b>Total</b>	<b><u>1,064</u></b>	<b><u>1,147</u></b>
<b>Grand Total</b>	<b><u>67,459</u></b>	<b><u>119,587</u></b>

**23.6 Current deferred income from related parties**

	<u>31 March 2019</u>	<u>31 December 2018</u>
Pozitif Arena Konser Salon İşletmeleri A.Ş.	83	83
<b>Total</b>	<b><u>83</u></b>	<b><u>83</u></b>

**23.7 Non-current deferred income from related parties**

	<u>31 March 2019</u>	<u>31 December 2018</u>
Pozitif Arena Konser Salon İşletmeleri A.Ş.	-	94
<b>Total</b>	<b><u>-</u></b>	<b><u>94</u></b>

**23.8 Related Party Transactions****23.8.1 Associates**

	<u>31 March 2019</u>	<u>31 March 2018</u>
<b>Sales and other income generating transactions:</b>		
Other income	4,300	7,353
Sale of products and returns, net	2,403	2,185
Sale of services, net	151	116
<b>Total</b>	<b><u>6,854</u></b>	<b><u>9,654</u></b>
<b>Purchases and expenses incurring transactions:</b>		
Inventory purchase	68,023	84,954
Incentives for consumer loans	10,287	9,108
Other purchases	11,030	7,926
Fixed asset purchases	4,719	6,020
Services rendered	4,269	3,142
Other expenses	80	65
<b>Total</b>	<b><u>98,408</u></b>	<b><u>111,215</u></b>

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**NOTE 23 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)****23.8.2 Joint ventures**

	31 March 2019	31 March 2018
<b>Sales and other income generating transactions:</b>		
Sale of products and returns, net	601	11
Sale of service, net	10	9
<b>Total</b>	<b>611</b>	<b>20</b>
<b>Purchases and expense creating transactions:</b>		
Services purchases	8	5
<b>Total</b>	<b>8</b>	<b>5</b>

**23.8.3 Other related parties****a) Income generated from other related parties**

	31 March 2019			
	Sale of products	Sale of Services	Other income from operating activities	Total
VDF Filo	14,176	584	26	14,786
VDF Sigorta	2	1	1,290	1,293
VDF Faktoring	1	-	-	1
Other	99	9	295	403
	<b>14,278</b>	<b>594</b>	<b>1,611</b>	<b>16,483</b>

  

	31 March 2018			
	Sale of products	Sale of Services	Other income from operating activities	Total
VDF Filo	41,937	184	46	42,167
VDF Sigorta	3	3	1,237	1,243
VDF Faktoring	1	-	-	1
Other	156	23	465	644
	<b>42,097</b>	<b>210</b>	<b>1,748</b>	<b>44,055</b>

**b) Expenses arising from transactions with other related parties**

	31 March 2019						
	Services render	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	2,452	-	-	-	126	279	2,857
Doğuş Gayrimenkul Yatırım Ortaklığı	6,586	-	-	-	-	-	6,586
Doğuş Enerji	-	-	-	-	-	-	-
VDF Sigorta	45	-	-	-	-	53	98
Other	2,895	-	2,489	1,555	488	2,761	10,188
	<b>11,978</b>	<b>-</b>	<b>2,489</b>	<b>1,555</b>	<b>614</b>	<b>3,093</b>	<b>19,729</b>

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**NOTE 23 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)**

**23.8 Related Party Transactions (Continued)**

	31 March 2018						Total
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	
Antur Turizm	5.060	-	-	-	82	1	5.143
Doğuş Gayrimenkul Yatırım Ortaklığı	4.868	-	-	-	-	-	4.868
Doğuş Enerji	1.707	-	-	-	-	-	1.707
VDF Sigorta	4	-	-	-	48	131	183
Diğer	3.086	96	349	1.341	258	3.196	8.326
	<b>14.725</b>	<b>96</b>	<b>349</b>	<b>1.341</b>	<b>388</b>	<b>3.328</b>	<b>20.227</b>

**23.8.4 Transactions with shareholders**

**a) Income generated from shareholders**

	31 March 2019				Total
	Sale of Product	Sale of services	Income from investing activities	Other Income from operating activities	
Doğuş Holding	2	1	-	-	3
Doğuş ARGE	-	-	-	-	-
	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>3</b>

  

	31 March 2018				Total
	Sale of Product	Sale of services	Income from investing activities	Other Income from operating activities	
Doğuş Holding	70	32	-	-	102
Doğuş ARGE	131	-	-	-	131
	<b>201</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>233</b>

**b) Expenses arising from transactions with shareholders**

	31 March 2019				Total
	Services Rendered	Purchase of fixes asset	Others purchases	Other expense from operating activities	
Doğuş Holding	1,801	6	-	-	1,807
	<b>1,801</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>1,807</b>

  

	31 March 2018				Total
	Services Rendered	Purchase of fixes asset	Other expense from operating activities		
Doğuş Holding	4.616	1	47		4.664
	<b>4.616</b>	<b>1</b>	<b>47</b>		<b>4.664</b>

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**NOTE 23 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)**

**23.9 Key Management Personnel Compensation**

	<b>2019</b>	<b>2018</b>
Salaries and other short-term employee benefits	4,637	7,500
<b>Total</b>	<b>4,637</b>	<b>7,500</b>

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 31 March 2019 and 2018 includes salaries, health insurance and employer shares of Social Security Institution.

**NOTE 24 – 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 31 March 2019 and 31 December 2018:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Total financial liabilities	2,766,311	2,710,665
Cash and cash equivalents	(412,666)	(365,892)
<b>Total financial liabilities, net</b>	<b>2,353,645</b>	<b>2,344,773</b>
Total equity	1,239,827	1,307,872
<b>Financial liabilities/equity ratio</b>	<b>1.90</b>	<b>1.79</b>