

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 consolidated 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

As at 31 March 2020 and 31 December 2019, Group’s cash balances at related party banks are as follows:

22.1.1 Due from associates

	<u>31 March 2020</u>	<u>31 December 2019</u>
Yüce Auto	1,704	2,919
VDF	45	420
Total	1,749	3,339

22.1.2 Due from joint ventures

	<u>31 March 2020</u>	<u>31 December 2019</u>
TÜVTURK	5	8
Total	5	8

22.1.3 Due from other related parties

	<u>31 March 2020</u>	<u>31 December 2019</u>
VDF Faktoring Hizmetleri A.Ş. (“VDF Faktoring”)	538,828	536,259
VDF Sigorta Aracılık Hizmetleri A.Ş.	798	1,046
VDF Filo Kiralama A.Ş.	387	429
Other	1,218	1,227
Total	541,231	538,961

22.1.4 Due from shareholders

	<u>31 March 2020</u>	<u>31 December 2019</u>
Doğuş Holding	1	3
Total	1	3
Grand Total	542,986	542,311

As of 31 March 2020, the Group imposes 1% interest charge on the receivables from related parties (31 December 2019: 1% per month).

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 consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

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

22.2 Other Receivables due from Related Parties

22.2.1 Other current receivables due from subsidiaries

	31 March 2020	31 December 2019
Doğuş Teknoloji	3,360	3,174
Total	3,360	3,174

22.2.2 Other current receivables due from related parties

	31 March 2020	31 December 2019
VDF Filo Kiralama A.Ş. (sublease receivables)	1,782	2,286
Total	1,782	2,286
Grand total	5,142	5,460

22.2.3 Other non-current receivables due from related parties

	31 March 2020	31 December 2019
VDF Filo Kiralama A.Ş. (sublease receivables)	1,174	1,335
Total	1,174	1,335

22.3 Current prepayments due from related parties

22.3.1 Current prepaid expenses

	31 March 2020	31 December 2019
Pozitif Arena Salon İşletmeleri A.Ş.	4,070	5,587
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	148	582
Other	237	631
Total	4,455	6,800

22.4 Current deferred income from related parties

22.4.1 Current deferred income from associates

	31 March 2020	31 December 2019
VDF	3	-
Total	3	-

22.4.2 Current deferred income from joint ventures

	31 March 2020	31 December 2019
TÜVTURK	398	-
Total	398	-
Grand total	401	-

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

22.5 Trade Payables to Related Parties

22.5.1 Trade payables to associates

	<u>31 March 2020</u>	<u>31 December 2019</u>
Yüce Auto	12,992	22,213
Doğuş Teknoloji	6,466	5,224
VDF	498	523
Total	<u>19,956</u>	<u>27,960</u>

22.5.2 Trade payables to joint ventures

	<u>31 March 2020</u>	<u>31 December 2019</u>
TÜVTÜRK	10	-
Total	<u>10</u>	<u>-</u>

22.5.3 Trade payables to other related parties

	<u>31 March 2020</u>	<u>31 December 2019</u>
VDF Filo Kiralama A.Ş.	1,046	19
VDF Faktoring A.Ş.	484	205
Antur Turizm A.Ş.	466	3,382
VDF Sigorta Aracılık Hizmetleri A.Ş.	1	1
Pozitif Arena Konser Salon İşletmeleri A.Ş.	-	7,203
Other	605	739
Total	<u>2,602</u>	<u>11,549</u>

22.5.4 Trade payables to shareholders

	<u>31 March 2020</u>	<u>31 December 2019</u>
Doğuş Holding	1,620	8,064
Total	<u>1,620</u>	<u>8,064</u>
Grand total	<u>24,188</u>	<u>47,573</u>

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

22.6 Related Party Transactions

22.6.1 Associates

Sales and other income generating transactions:

	<u>31 March 2020</u>	<u>31 March 2019</u>
Other income	5,901	4,300
Sale of products and returns, net	4,336	2,403
Sale of services, net	132	151
Total	<u>10,369</u>	<u>6,854</u>

Purchases and expenses incurring transactions:

	<u>31 March 2020</u>	<u>31 March 2019</u>
Inventory purchase	66,344	68,023
Other purchases	11,584	11,030
Fixed asset purchases	7,356	4,719
Services rendered	4,972	4,269
Incentives for consumer loans	2,280	10,287
Other expenses	16	80
Total	<u>92,552</u>	<u>98,408</u>

22.6.2 Joint ventures

Sales and other income generating transactions:

	<u>31 March 2020</u>	<u>31 March 2019</u>
Sale of products and returns, net	39	601
Sale of service, net	20	10
Total	<u>59</u>	<u>611</u>

Purchases and expense creating transactions:

	<u>31 March 2020</u>	<u>31 March 2019</u>
Services purchases	13	8
Other purchases	1	-
Total	<u>14</u>	<u>8</u>

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

22.6 Related Party Transactions (Continued)

22.6.3 Other related parties

a) Income generated from other related parties

	31 March 2020			Total
	Sale of products	Sale of Services	Other income from operating activities	
VDF Filo	41,759	1,011	30	42,800
VDF Sigorta	3	-	1,346	1,349
VDF Faktoring	1	-	-	1
Other	52	16	45	113
	41,815	1,027	1,421	44,263

	31 March 2019			Total
	Sale of products	Sale of Services	Other income from operating activities	
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
	14,278	594	1,611	16,483

b) Expenses arising from transactions with other related parties

	31 March 2020					Other expenses from operating activities	Total
	Services Rendered	Purchase of fixed assets	Purchase of Inventory	Finance expenses	Other purchases		
VDF Filo	2,715	-	11,588	-	-	-	14,303
Doğuş Gayrimenkul Yatırım Ortaklığı	1,020	-	-	-	-	4,512	5,532
Antur Turizm	3,040	-	-	-	65	659	3,764
VDF Faktoring	-	-	113	1,391	-	-	1,504
VDF Sigorta	3	-	238	-	1	1	243
Other	1,371	-	-	-	-	1,966	3,337
	8,149	-	11,939	1,391	66	7,138	28,683

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

22.6.3 Related Party Transactions (Continued)

b) Expenses arising from transactions with other related parties (Continued)

	31 March 2019						
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
VDF Filo	1,550	-	2,476	-	488	-	4,514
Antur Turizm	2,452	-	-	-	126	279	2,857
Doğuş Gayrimenkul Yatırım Ortaklığı	6,586	-	-	-	-	-	6,586
VDF Faktoring	-	-	-	1,555	-	-	1,555
VDF Sigorta	45	-	-	-	-	53	98
Other	1,345	-	13	-	-	2,761	4,119
	<u>11,978</u>	<u>-</u>	<u>2,489</u>	<u>1,555</u>	<u>614</u>	<u>3,093</u>	<u>19,729</u>

22.6.4 Transactions with shareholders

a) Income generated from shareholders

	31 March 2020					
	Sale of product	Sale of services	Income from investing activities	Other Income from operating activities		Total
Doğuş Holding	1	-	-	-		1
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>1</u>

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

22.6 Related Party Transactions (Continued)

22.6.4 Transactions with shareholders (Continued)

b) Expenses arising from transactions with shareholders

31 March 2020					
	Services rendered	Purchase of fixes asset	Others purchases	Other expense from operating activities	Total
Doğuş Holding	2,213	-	-	-	2,213
	<u>2,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,213</u>
31 March 2019					
	Services rendered	Purchase of fixes asset	Others purchases	Other expense from operating activities	Total
Doğuş Holding	1,801	6	-	-	1,807
	<u>1,801</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>1,807</u>

22.7 Key Management Personnel Compensation

	31 March 2020	31 March 2019
Salaries and other short-term employee benefits	5,954	4,637
Total	<u>5,954</u>	<u>4,637</u>

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 2020 and 2019 includes salaries, health insurance and employer shares of Social Security Institution.