

ANNUAL
REPORT
2019

DOĞUŞ
OTOMOTİV

25
YEARS

CONTENTS

Numerous changes
took place in
Doğuş Otomotiv
within 25 years.

But what matters to us
is what
hasn't changed.

Today,
if we are a family of
2 thousand employees
who are moving
towards new targets
with the same
determination,
we owe this to some things
that do not change.

Because,
some things are innate.

**Happy 25th
anniversary**

MESSAGE FROM THE CHAIRMAN & CEO

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MESSAGE FROM THE CHAIRMAN & CEO



“

As Doğu Otomotiv, we have been pursuing sustainable success for 25 years!

”

Dear Stakeholders,

The year 2019 that we have left behind was a time when many unexpected developments on a global scale forced agenda changes. The positive political atmosphere that came as a result of improvements in the relations between the United States and North Korea was replaced during the year by serious geopolitical uncertainties and problems. Developments of a global scale such as economic volatility, major climate-related disasters, as well as migration and protest waves made us rethink how we do business and what we see for the future.

Just like with all other sectors, these uncertainties also had an impact on the automotive industry. Global passenger car and light commercial vehicle sales fell by 4.4% to hit 90.3 million in 2019, with sales contracting in all regions except Western Europe.

Among the topics that created problems recently for manufacturers in the automotive sector were changes in demand created by the fact that low-emission, environmentally friendly hybrid and electric vehicles attract more demand, as well as the commercial wars that took place in the automotive sector due to mergers and takeovers between brands.

Looking at Turkey, we see that the automotive sector began the year 2019 in the negative atmosphere that eclipsed the second half of 2018 due to reasons such as geopolitical and economic uncertainties, as well as the fact that the concept of a global economy was largely replaced by closed and protective ap-

proaches. Closing 2018 with a 35% contraction, the automobile and light commercial vehicle markets continued to feel the brunt of this negative atmosphere even more in the first half of the year 2019.

Under these unfavorable conditions, the sector found a lifeline through practices such as Special Income Tax / Value Added Tax support that continued until the end of June, the salvage discount that continued until the end of the year, the interest rate support given by state banks in order to throw their backing behind domestic production, as well as the stable currency policy and low interest practices.

Despite the uptick in the last quarter of the year provided by a discount in auto loan interest rates, production went down by 5.7% to hit 1,461,244 units, while exports shrank by 5% to reach 1,252,586. The total export value fell by 3.1% to reach USD 31.232 billion.

The automotive market as a whole contracted by 23%, limited to 491,909 units. Automobile sales went down by 20.4% with 387,256 units sold in 2019, while the light commercial vehicle market dipped by 31.8% with 91,804 units sold.

Today the automotive sector contributes 4-5% of the Gross Domestic Product, and employs more than 500 thousand people with its main industry, side industry, distributor network, authorized dealers, service points, and connected lines of business. For this reason, it is really important for the sector to get back on track and for the domestic market to rise in terms of benefits to the

economy and employment. At this point, I believe that the domestic automobile will also make important contributions to the sector.

Despite these challenges, Doğu Otomotiv continued to be one of Turkey's leading automotive importers and distributors. One of the significant accomplishments of Doğu Otomotiv in 2019 was the story of how our Audi brand surpassed its rivals and became the best-selling brand in the premium segment.

At the same time, 2019 was a year in which despite all the uncertainties in the automotive market we were able to secure significant cost advantages in both vehicle and spare parts logistics as a result of our effective cost management, as well as the studies we carried out with our suppliers for the purposes of improving efficiency. In addition, we reduced our stock costs by a considerable margin without compromising on spare parts availability, thanks to our strong stock management. As Doğu Otomotiv, we ranked first in 2019 in terms of the "Spare Parts Availability" ratio among European Spare Parts Distribution Centers within the VW AG family.

We have also made great strides in the digitalization processes that we launched in the last quarter of 2018 in line with Doğu Otomotiv's long-term strategy and future vision. In that regard, we defined roles that are in keeping with a lean management structure for our colleagues, while also identifying collaboration methods that allowed the IT Technologies and business departments to communicate and work in a coordinated fashion. Digital transfor-

mation remains among one of our top priorities - and one in which we as Doğuř Otomotiv are making sure-footed progress. Moreover, in order to be well-prepared for the changing business models of the future, our new business development department started cooperating with entrepreneurs in 2019.

Throughout the year, our brands continued to deliver projects that are seen as the benchmark by our main manufacturing company. Our Volkswagen Commercial Vehicles brand was named "The Most Customer-Oriented Distributor" among Volkswagen Distributors all around the world, while our Audi Aftersales team ranked first in the Distributor Satisfaction Survey.

What is more, our Company was named the "Most Honorable Company" in the EMEA Region Management Team 2019 Survey held by the Institutional Investor Magazine, and our CFO, Kerem Taliĥ, ranked third in the "Best CFO of the automotive Sector" category, and our Investor Relations Manager Mũge Yũcel ranked second in the category of "Best Investor Professional". Human Resources and Process Management General Manager Ela Kulunyar entered the group of "Most Effective 50 CHROs" curate by Fortune-Data-Expert.

Milestones at Doğuř Otomotiv

As Doğuř Otomotiv, we overcame hurdles and challenges, but also experienced blissful moments during the year 2019. We celebrated enthusiastically the 25th anniversary of our company with our employees, business partners, stakeholders, and Authorized Dealer network. We were reminded once again of the values we have been building for the last 25 years, while at the same time sharing our expectations and goals for the future. At this moment, it was invaluable to remember our efforts for the last quarter of a century, and to appreciate once again the privilege of being in solidarity and being a family. Underlining our passion once again on the occasion of our 25th year, we had the opportunity to state our common hopes and goals for the future.

As we leave behind our 25th anniversary as Doğuř Otomotiv, our used car website DOD, Turkey's first and largest corporate used car brand that reflects the innovative perspective of our company, celebrated its 20th anniversary, while our company's only -and the sector's longest-running- social responsibility platform, Traffic is Life!, commemorated its 15th anniversary. Focusing on the effects of growing mobility and technologies on our daily lives thanks to rampant urbanization, Traffic is Life! became the platform with the largest community in the social responsibility space thanks to its social media and digital instruments, which it uses actively in order to reach its target audience in an effective manner.

Sustainability

Our corporate sustainability efforts, which we launched in 2009 and turned into part and parcel of our corporate culture with the goal of becoming a model company in the world and Turkey that creates sustainable and innovative solutions of the highest caliber for our social and ecological stakeholders in the automotive value chain, have continued to gain strength each year over the last decade thanks to the comprehensive and pioneering steps we have taken. In that regard, on the matter of gender equality, which we place a huge premium on, we delivered the Young Women Development Project by cooperating with the Turkish Educational Foundation (TEV) in 2019. Again in 2019, 43% of our recruitments comprised female candidates. We updated our priorities within the framework of our sustainability strategy, and with a common perspective, we determined our 2025 goals in light of the United Nations Sustainable Development Goals.

We raised our Corporate Governance Compliance Rating to 96.50 (9.65 out of 10) by adopting the corporate governance principles of equality, fairness, transparency, accountability, and responsibility in all our activities. As a clear indicator of our determined approach to internalizing Corporate Governance Principles, we were awarded by "Women-Empowered Board of Di-

rectors" award by Sabancı University Corporate Governance Forum. This award, which reflects Doğuř Otomotiv's serious commitment to this matter, was a great development that motivated us even more for taking the next steps.

Our expectations for 2020

In 2020, we expect the economy to start a new climb, thereby laying the groundwork for foreign investments and raising growth to targeted levels. We consider the economy's turnaround and the 1% growth achieved in the last quarter of 2019 as a remarkable development, and we predict that growth will be much stronger in 2020. In parallel to this, we predict that the automotive sector will continue to be the locomotive of the Turkish economy, and the total market volume will reach around 600 thousand units. In short, we expect a year in which positive expectations will become real. Even though it is inevitable that economic indicators such as foreign currency, inflation and growth will change depending on major economic and political decisions and processes both at home and abroad, we believe that a strong monetary policy approach and powerful political coordination will gradually carry us to our goals.

As Doğuř Otomotiv, we will focus on the new year without losing one bit of our speed or energy, in accordance with our vision that always sets the standards, our goal of reaching operational excellence in our business processes, and our motivation to become a sectoral model in this regard. In the year 2020, which we have started with a fresh sense of enthusiasm, we aim to be the leader in many areas with our new products including electric vehicles, our digitalization process that continues on all fronts, and our entrepreneurial efforts.

Warm Regards,

Emir Ali Bilalođlu
Chairman & CEO

DOĐUř OTOMOTİV IN BRIEF

CORPORATE PROFILE

Doğuş Otomotiv, one of the leading players of the Turkish automotive industry, ranks among the top most admired and trusted brands in Turkey thanks to its dynamic, customer satisfaction focused service approach.

Celebrating its 25th anniversary, Doğuş Otomotiv has continued to be one of Turkey's largest automotive companies. Doğuş Otomotiv prepares its business plans driven by the vision of "creative service beyond expectations", and determines its corporate strategy on the goal of "operating with a focus on customer satisfaction". Doğuş Otomotiv boasts the widest brand and service network in Turkey in its industry segment.

Doğuş Otomotiv is the representative of 12 international brands, each the leader of its own segment, in the fields of passenger cars, light commercial vehicles, heavy vehicles, industrial and marine engines, and cooling systems. Doğuş Otomotiv offers private and corporate customers Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Lamborghini, Bugatti, Porsche, Volkswagen Commercial Vehicles, and Scania brands as well as a wide array of more than 80 models by these brands. The company also competes in the industrial and marine engines market with the Scania Engines brand, and in the cooling systems market with Thermo King. Doğuş Otomotiv provides its customers services in second hand car sales under the DOD brand.

Doğuş Otomotiv adopts unconditional customer satisfaction as the number one priority in its services,

and has one of the widest authorized dealer and aftersales service networks in Turkey. Nearly 550 customer touch points across the country offer Doğuş Otomotiv's customers seamless, widespread sales, aftersales, and spare parts services. Through the Value and Interest Centre (DIM) founded in 2014 within the framework of customer satisfaction efforts Doğuş Otomotiv provides its customers road assistance on a 24/7 basis.

Doğuş Otomotiv is one of the most important players of the Turkish automotive industry with nearly 2,000 employees. The brands that Doğuş Otomotiv distributes rank among the top most admired and trusted brands in Turkey thanks to their dynamic, customer satisfaction focused service approach.

Since its initial public offering in 2004, Doğuş Otomotiv shares are traded at Borsa İstanbul (BIST) with the ticker symbol "DOAS.IS". The Corporate Governance Rating score of Doğuş Otomotiv has further increased, reaching 9.65 in 2018 (2018: 9.64).

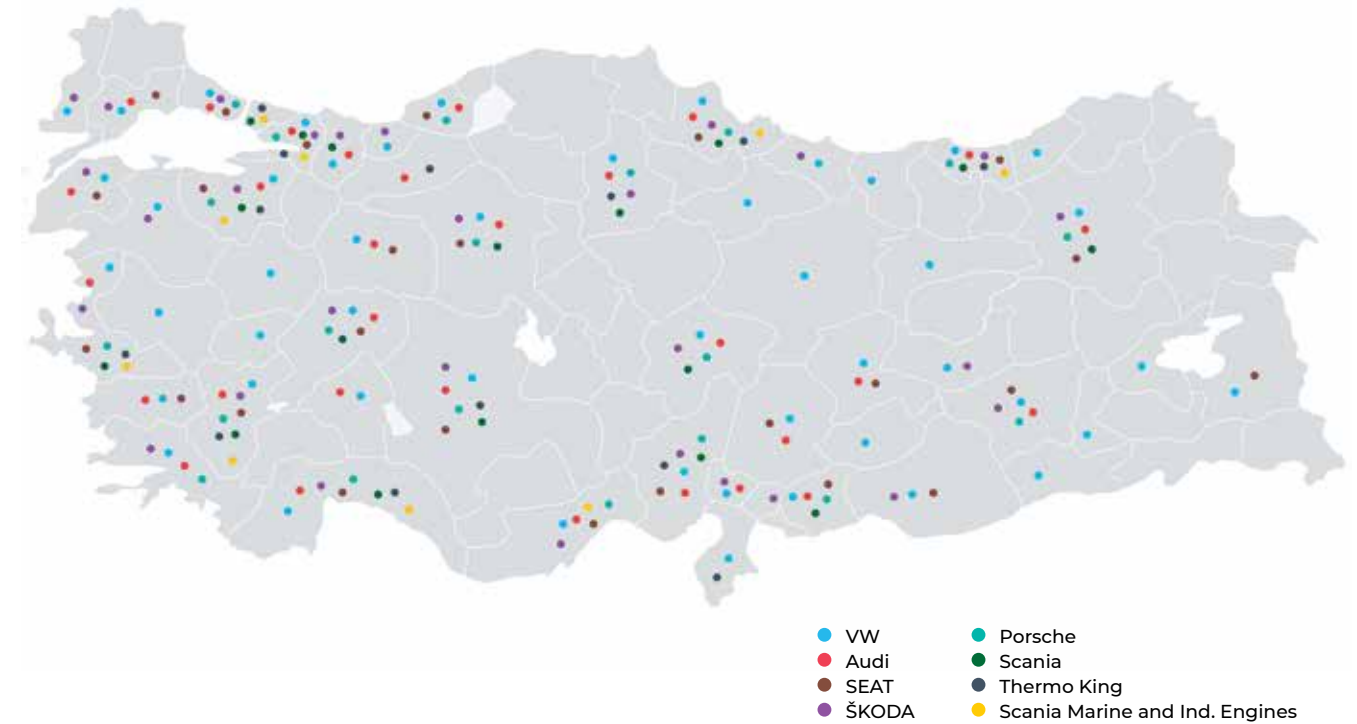
Doğuş Otomotiv, which builds all of its business processes in line with its environmental and social responsibility approach, released its first Corporate Sustainability Report in 2009, which also happened to be a first in Turkey in this

sector. Doğuş Otomotiv went on to undersign the UN Global Compact in 2010. Doğuş Otomotiv is listed for the 5th consecutive year in the BIST Sustainability Index for the period of November 2019 to October 2020.

Aiming to make a positive difference in the overall responsibility, awareness and perception in the community toward traffic safety, the company has been carrying out social responsibility projects for 15 years without interruption since they were first launched with the "Traffic is Life!" slogan in 2004. Projects undertaken within the scope of the "Traffic is Life!" corporate responsibility platform has received numerous awards to date.

Doğuş Otomotiv is a member of Doğuş Group, active in seven core businesses including automotive, construction, media, tourism and services, real estate, energy and food & beverage. With over 300 companies and more than 20,000 employees, the Group serves its customers with advanced technologies, highest brand quality and a dynamic human resource.

AUTHORIZED DEALERS AND SERVICES NETWORK



Doğuş Otomotiv aims at delivering ultimate customer satisfaction as number one priority in providing services, and boasts one of Turkey's widest Authorized Dealer and Aftersales Service network.

12

12 international brands and more than 80 models...

2.1 million

A total vehicle park of 2,1 million...

2,000

A large family comprising more than 2 thousand employees...

550

Nearly 550 customer service points...

650,000

Providing value to more than 650 thousand customers a year...

1.1 million

Yearly 1.1 million vehicle entries to Authorized Services...

MILESTONES

1994

- » Distributorship contract with Volkswagen AG
- » Volkswagen and Audi distributorship agreement
- » Scania distributorship agreement



1997

- » ŠKODA distributorship agreement and partnership with Yüce Auto
- » SEAT distributorship agreement and partnership with Yüce Auto



2003

- » Krone distributorship agreement
- » Assembling operations
- » Merger of automotive companies under Doğuş Otomotiv



2004

- » Initial public offering of Doğuş Otomotiv
- » Doğuş Otomotiv corporate social responsibility project



1995

- » Scania Industrial and Marine Engines distributorship agreement



1996

- » Porsche distributorship agreement
- » Customs duties on vehicles imported from the EU abolished

1998

- » Used car operations established



2000

- » Consumer finance JV with Volkswagen Financial Services AG



2005

- » First dividend paid

2006

- » Doğuş Otomotiv acquired 100% of SEAT
- » Lamborghini letter of intent
- » Bentley letter of intent
- » Volkswagen Marine Engines agreement
- » Second dividend paid
- » Production agreement with Krone



2007

- » 11.4% market share
- » Bugatti letter of intent
- » Porsche dealership contract in Lausanne
- » Krone - Doğuş coproduction agreement
- » Opening of OtoMotion
- » Oto-Fix Ekspres Service established
- » TÜVTÜRK established by the cooperation of AKFEN and TÜV SÜD
- » Lamborghini distributorship agreement
- » Meiller distributorship and coproduction agreement
- » LeasePlan partnership for fleet services



2008

- » Thermo King distributorship agreement
- » Groundbreaking of Krone Doğuş Trailer Plant
- » Groundbreaking of Porsche Dealer in Lausanne
- » Opening Meiller Doğuş Tipper Plant
- » Establishing Porsche Lausanne D-Auto Suisse SA



2009

- » Doğuş Otomotiv 15th anniversary
- » All brands located under the same roof at Şekerpınar
- » Opening of Porsche Lausanne
- » Publishing Corporate Sustainability Report



2010

- » Global Compact Agreement

2011

- » 12.6% market share
- » Corporate Governance Rating Score: 7.80
- » Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. established

2012

- » 15.4% market share
- » "The Company with the Highest Increase in Corporate Governance Rating" title (8.63 point)

2013

- » 17.8% market share
- » Corporate Governance Rating Score increased to 9.05
- » Opening Krone Doğuş Trailer Plant
- » Establishing Erbil D-Auto LLC, Iraq



2014

- » 20.1% market share
- » vdf acquires Scania Finance which performs services in heavy commercial vehicle sector
- » Corporate Governance Rating Score increased to 9.25
- » Maintains leadership in total automotive market throughout the year

2018

- » The distributorship agreement with VW AG was renewed for an indefinite period
- » Porsche and Bentley showrooms of D-Auto Suisse SA in Lausanne, Switzerland were transferred
- » Corporate Governance Rating Score increased to 9.64

2016

- » Corporate Governance Rating Score increased to 9.51
- » Lausanne Bentley showroom and second-hand luxury vehicle sales operation D-Occasion were incorporated with D-Auto Suisse SA
- » Distributorship agreement with Meiller came to an end

2019

- » 25th anniversary celebration
- » Corporate Governance Rating Score increased to 9.65

2017

- » Subsidiaries established in Egypt were liquidated
- » Corporate Governance Rating Score increased to 9.63

2015

- » 20.6% market share
- » vdf acquires MAN Finansman
- » Corporate Governance Rating Score increased to 9.42
- » Production partnership and distributorship agreement with Krone came to an end
- » Meiller production came to an end (though Meiller distributorship continues)

ABOUT DOĞUŞ GROUP

With over 300 companies and more than 20,000 employees, the Doğuş Group serves its customers with advanced technologies, highest brand quality and a dynamic human resource.

The Doğuş Group, founded in 1951, sets standards for a better living by being at the forefront of discoveries that shape modern life. Doğuş, which aspires to be a global house of best in class lifestyle brands that create aspiration, not only for customers but also employees, partners and even competitors, continues to work in all of its fields of operation with the aim of becoming a global player.

The Doğuş Group, active in seven core businesses including automotive, construction, media, tourism and services, real estate, energy and food & beverage, sustains its growth with new investments in the areas of technology, sports, and entertainment along with its current operations. With over 300 companies and more than 20,000 employees, the Group serves its customers with advanced technologies, highest brand quality and a dynamic human resource.

The Doğuş Group owes its success to a management approach centered on customer satisfaction and efficiency. As a result of this approach, the Group continues to build strong partnerships with globally reputable brands, and represent Turkey across the world. The Doğuş Group currently partners and cooperates with some of the large global players including:

Volkswagen AG and TÜVSÜD in automotive; Condé Nast (Vogue, GQ, Traveller) in media; Hyatt International Ltd. in tourism; the Latsis Group and the Kiriacoulis Group in marina and nautical operations; the international Azumi Group that holds under its roof brands such as Coya, Roka, Zuma and Oblix in food& beverage and entertainment; and the South Korean SK Group in e-commerce.

The Doğuş Group's management approach also embodies a strong corporate citizenship awareness that the whole society does and will benefit. In launching social responsibility projects, the Group always aims to leave a mark on people's life and make it much better. The Group's social responsibility projects are managed with the objective to help the society to create a progressive future; a modern lifestyle.

The Group launches and carries out a variety of corporate social responsibility and sponsorship projects, particularly focused on culture and arts, sports and education. Aware of its responsibilities in all the areas it supports, Doğuş Group acts with the vision of leading the community by example, and contributes to the economy and employment through its investments.

As a pioneer of change in Turkey, the Doğuş Group capitalizes on its broad network of services, knowledge base and collaborations to attain its goals. The Doğuş Group, driven by its vision of becoming a global player that sets the standards and advances through explorations, continues to consider the partnership and investment opportunities that might be beneficial for the nation's economy.

MANAGEMENT REPORT

BOARD OF DIRECTORS

Emir Ali BİLALOĞLU
CEO and Chairman



Mr. Emir Ali Bilaloğlu, after receiving his post-graduate degree at Berlin Technical University, Department of Engineering, commenced his professional career in 1991 as the Financial Control and Regional Sales Manager at Audi AG headquarters based in Germany. In 2000, Mr. Bilaloğlu served as the responsible person for Business Development and Strategy at Doğu Otomotiv and in 2001, he was appointed as the Founding General Manager of Audi AG in Dubai, United Arab Emirates. Upon his return to Turkey in 2004, Mr. Bilaloğlu was assigned as the General Manager responsible for Audi and Porsche brands within the body of Doğu Otomotiv, where he was appointed to be the Chief Executive Officer (CEO) of Doğu Otomotiv in June 2007. In the Ordinary General Assembly Meeting of Doğu Otomotiv on 29 March 2018, Mr. Bilaloğlu was unanimously elected Chairman of the Board of Directors. Mr. Bilaloğlu also resumes his role as Chief Executive Officer of Doğu Otomotiv. As for the companies operating under Doğu Group, Mr. Bilaloğlu acts as the Chairman of the Board at Doğu Oto Pazarlama and performs duty as the Board Member at various Doğu Group companies including Doğu Holding, Yüce Auto, Volkswagen Doğu Finance (vdf), Doğu Technology and Doğu Marketing Services. Since March 2018, Mr. Bilaloğlu has been the Chairman of the Automotive Distributors' Association (ODD). In addition to his position as the Executive Council Member of the Turkish-German Business Council at DEIK (Foreign Economic Relations Board), which furnishes consultancy services in the area of foreign economic relations, Mr. Bilaloğlu also performs an active role as the Member of the Advisory Board at Turkey: Culture of Change Initiative (TCCI) affiliated to Turkish Industry and Business Association (TUSIAD), as well.

Gür ÇAĞDAŞ
Deputy Chairman



Mr. Gür Çağdaş graduated from Istanbul University Faculty of Political Sciences in 1983 and received his masters' degree from Istanbul University School of Business Administration - Institute of Managerial Economics in 1985. He started working as an Investment Specialist in Eczacıbaşı Securities in 1986. He established Istanbul Vakıf-Bank Securities Centre in 1988 and continue working there as Manager until 1990. Joining the Doğu Group in May 1990, Mr. Çağdaş respectively worked; as a Group Manager of Capital Market in Türk KörfezBank, as an Assistant General Manager in Garanti Securities and Garanti Investment and Trade Bank; served as a Chief Executive Officer, as a Vice Chairman and lastly as a Chairman of Garanti Asset Management. As of January 1st 2016, Mr. Çağdaş has been appointed as an Advisor to the Chairman within the Doğu Holding and as a Vice Chairman of Doğu Group Companies. He chaired TKYD (Turkish Institutional Investment Managers' Association) between the years of 2007-2014, meanwhile representing Turkey in European Fund and Asset Management (EFAMA). Mr. Çağdaş also served as a Member of Board of Directors between the years of 2013-2014 and as a Vice Chairman between the years of 2015-2018 of Corporate Governance Association of Turkey (KYD). Currently along with his positions as a Member of Board of Directors, Chairman and Vice Chairman in Doğu Group Companies, as of 2019 he has been serving as a Member of Board in Doğu Holding.

Koray ARIKAN
Member



Mr. Koray Arıkan, a mechanical engineering graduate from Boğaziçi University, with Harvard Business School (AMP) and Virginia Commonwealth University (MBA) degrees, served in different roles such as Country Manager and Country Representative for 23 years at JP Morgan Bank. He has extensive experience in investment banking, asset management, corporate governance and family businesses. Before his role as the Head of the Privatization Department within the Turkish Prime Ministry (1989-1991), he provided Project Engineering and Consultancy services in the USA (1983-1989). Mr. Arıkan, who joined Doğu Group in 2014, serves as Chairman of Doğu Energy, as an Advisor to the Board of Directors of Doğu Group, Vice Chairman of Pozitif Companies, and as a Board Member of Doğu SK Private Equity Fund. He is still a Member of the Board of Trustees of Boğaziçi University, and previously served on the Boards of Harvard Business School's MENA Research Center (2014-2019) and Eisenhower Fellowships (2018-2020). Mr. Arıkan has taken an active role in various positions, including Board Memberships in private sector companies and several civil society organizations, and served as the President of Boğaziçi University Alumni Association (2003-2005). Mr. Arıkan, who is the Regional President of The Propeller Club of the US, is married with two children.

Özlem Denizmen KOCATEPE
Member



Mrs. Özlem Denizmen Kocatepe is a graduate of Cornell University, Department of Industrial Management and holds a master's degree from Sloan School of Management at MIT. Mrs. Denizmen Kocatepe also attended the "Influencing Techniques" program at Stanford; "Leadership" program at GE Crotonville and the "Advanced Management" program at Harvard Business School. Since 2000, she has served in a variety of positions within Doğu Group; including Strategy, Planning, Budgeting, Business Development and Investor Relations. Mrs. Denizmen Kocatepe is currently a Board Member at Doğu Otomotiv A.Ş. In the area of community service, Mrs. Denizmen Kocatepe is the founder of FODER - Financial Literacy Association; and of "Para Durumu", a social initiative focusing on personal financing. Mrs. Denizmen Kocatepe started serving as a Board Member of Global Reporting Initiative (GRI) in 2014. In September 2017, she founded Mon.Aİ which is a saving application (chat robot) company based on artificial intelligence.

Adalet Yasemin AKAD
Independant Member



Having completed her BA in Business Administration and MA in Organizational Behavior at the University of Ottawa, Mrs. Adalet Yasemin Akad served as Training and Public Relations Group President at the Bank Association of Turkey and Deputy General Manager for Human Resources at Osmanlı Bank and İş-Tim Telekomünikasyon A.Ş. (Aria), respectively. She founded her own consultancy firm in 2004 and provided consultancy services to many companies for training, change management and human resources management. Serving as Human Resources and Corporate Management Systems Group Director at Rixos Hotels between 2009-2012, Mrs. Akad served as Executive Board Member for Human Resources at Carrefoursa. Since 2014, she has been serving as Executive Board Member for Human Resources at Netaş Telekomünikasyon A.Ş. and Member of the Board of Directors of Probil Bilgi İşlem Destek ve Danışmanlık San. Tic. A.Ş. and BDH Bilişim Destek Hizmetleri San. Tic. A.Ş. (Netaş subsidiaries).

Emine Güliden ÖZGÜL
Independant Member



Graduate of METU Administrative Sciences Faculty Department of Economics, Mrs. Emine Güliden Özgül served as the Coordinator of Central Operations at Ottoman Bank. Between 2001 and 2008, Mrs. Özgül was the Asst. General Manager of Oyakbank responsible for Operations, Project Management, and Quality. In 2008, when Oyakbank was bought by ING Bank, Mrs. Özgül continued her work there in the same capacity. Experienced in the improvement of operational processes, efficiency, and restructuring, Mrs. Özgül has been an independent Board Member at Doğu Otomotiv since March 2013 and recently also as the Head of the Audit Committee and Early Risk Detection Committee.

EXECUTIVE BOARD



TURKISH ECONOMY AND THE AUTOMOTIVE INDUSTRY

Even though the recession worries that gripped world economies in the first quarter of 2019 were replaced in later months with more optimistic scenarios thank to the interest rate cuts by the central banks of developed nations, a fragile outlook continued throughout the year due to the uncertainties caused by the trade war between the U.S. and China, the Brexit deadlock, uncertainties about U.S. President Donald Trump's impeachment process, the rise of protective policies, and large-scale protests that erupted in various countries. The possibility of a "synchronized slowdown" in the global economy, a sentiment shared by OECD and IMF, further stoked fears that the weak state of trade and investments could last longer than initially expected.

The year 2019 was also quite difficult for Turkey, which faced geopolitical risks and uncertainties. The economic contraction that began in late 2018 continued in the first and second quarters of the year at 2.3% and 1.6% respectively. However, the 0.9% growth that was achieved in the third quarter signaled the beginning of the recovery period. Throughout 2019, consumer confidence index was lower year-on-year.

This generally negative outlook also impacted the automotive sector in the world and in Turkey. Passenger car and light commercial vehicle sales fell by 4.4% in 2019, a contraction that was felt all the more strongly in Turkey. Starting the year with 35% contraction, the automotive market went through a series of challenges in the first half of the year due to rising interest rates, inflation, currency fluctuations and other uncertainties. Even though tax breaks and salvage discount incentives somewhat offset the reduction in sales, it wasn't anywhere near enough to counterbalance a general stagnation in economic activity and a decrease in purchasing power. As of June 2019, total auto loans fell by 25.3%, while private vehicle loans were lowered by 15.7% and commercial vehicles loans by 29.2% on an annual basis.

The automotive market recovered significantly after commercial vehicle loan interest rates, which stood at 24% in early 2019, gradually went down to 12% after the Central Bank began a series of interest rate cuts, and in October, public banks prepared special auto loan packages to support domestic manufacturing in the automotive industry. Again, in the last quarter,

the stable currency policy pursued by the government also contributed to the recovery.

However, the passenger car and light commercial vehicle markets nevertheless ended 2019 in contraction, similar to 2018. The total market, which was at 641,550 units in 2018, went down by 23.3% to reach 491,909 units in 2019. Passenger car sales went down by 20.4% to hit 387,256 units, while light commercial vehicle sales were reduced by 31.8% with 91,804 vehicles sold.

Looking at the 2019 sales trends in passenger cars, we see that the largest share by far at 94.3% in terms of engine displacement belonged to cars with engines smaller than 1600 cc, and the share of diesel cars went down from 58.1% to 52%. In 2019, a total of 222 electric cars and a total of 11,974 hybrid cars were sold.

Automotive Market Sales Units (Wholesale Units)

	2019	2018	2017
Passenger Vehicles	379,430	469,882	722,168
Light Commercial Vehicles	90,195	130,104	234,654
Heavy Commercial Vehicles	7,444	11,754	18,554
TOTAL	477,069	611,740	975,376

DOĞUŞ OTOMOTİV IN ITS 25TH YEAR

Celebrating its 25th anniversary in 2019, Doğuş Otomotiv continued to be the leading automotive importer and distributor of Turkey with its 12 international brands and over 80 models, sales, after-sales service and spare parts services, over 2 thousand employees and nearly 550 service points.

Celebrating its 25th anniversary in 2019, Doğuş Otomotiv is Turkey's leading automotive importer and distributor that provides value to more than 650 thousand customers a year with its 12 international brands, more than 80 models, sales-service-spare parts services, more than 2,000 employees, and nearly 550 service locations.

Despite the challenging economic conditions that began in the second half of 2018 and have since continued, Doğuş Otomotiv managed this process well and retained its position in the market. In 2019, Doğuş Otomotiv had a market

share of 16.7% with 80,182 units sold excluding heavy commercial vehicles.

Aftersale Services had better revenue flow, while the Spare Parts and Logistics department achieved significant cost advantages in both vehicle and spare parts logistics as a result of the department's effective cost management, as well as the practices carried out with suppliers for the purposes of improving efficiency. In addition, stock costs were reduced by a considerable margin without compromising on spare parts availability, thanks to strong stock management.

Strong family structure

Adopting sustainable success as its main strategy since the day it was founded, Doğuş Otomotiv worked closely with its Authorized Dealer network in 2019, ending the year without any losses due to its efficiency-focused solutions and prudent management policy. With the regional meetings held throughout the year, focused and efficient work was carried out, strategy and actions were transferred, and improvements were made by taking mutual opinions.

The 25th year

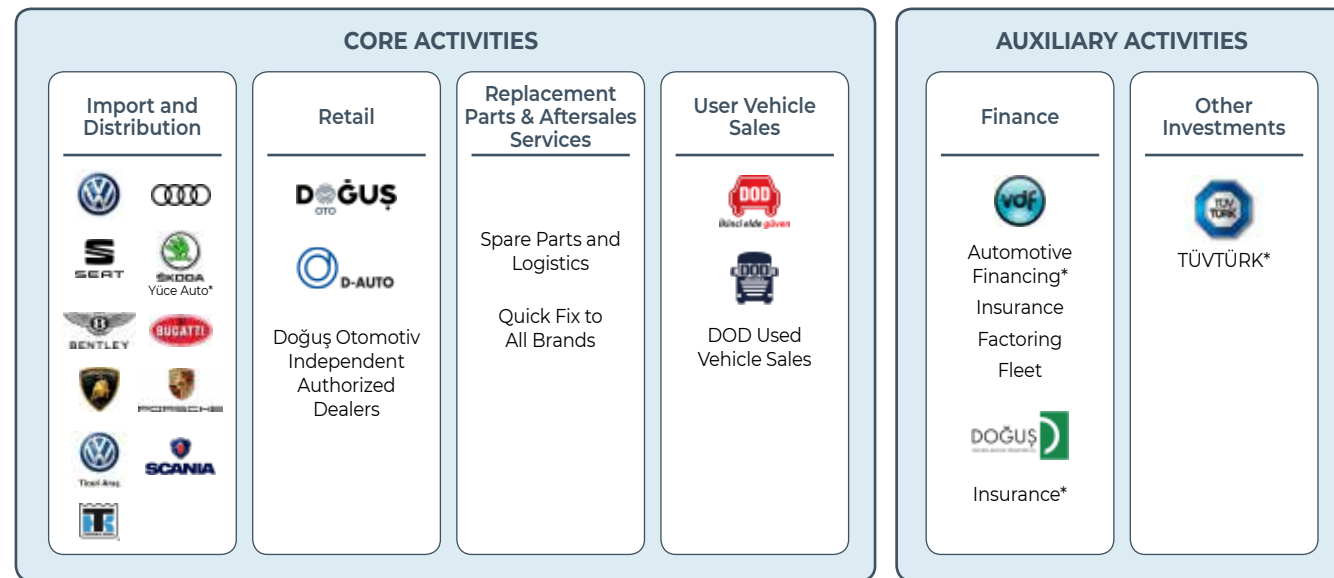
Doğuş Otomotiv celebrated its 25th year in 2019. Operating in the automotive industry, one of the leading sectors in Turkey, for



Conversations with General Managers

During the meetings held within the scope of the 25th year communication, employees had the chance to listen to Doğuş Otomotiv's 25-year story from the managers and to learn the future vision of the Company.

DOĞUŞ OTOMOTİV VALUE CHAIN 2019



* Subsidiaries

a quarter of the century, the Company held many meetings in its 25th year, sharing its future vision and strategies with its employees, business partners and stakeholders. During the conversations held with General Managers throughout the year, employees had a chance to listen to the 25th year story and future vision of Doğuş Otomotiv. Again, as part of the 25th anniversary, young employees could express their opinions and suggestions through a Generation Y version of “Bir’iz Employee

Committee” held under the Bir’iz Employer Brand.

Business partners and stakeholders which have shared the same vision as Doğuş Otomotiv for years formed an important part of the 25th anniversary events and assessment studies. During this special year, the future vision of Doğuş Otomotiv was cemented through the communication studies conducted with the executive management and brand marketing managers.

Digital transformation

As part of the Company’s long-term strategy, in 2019 Doğuş Otomotiv focused on domestic operations and opportunities that are deemed to have great potential for creating value, such as digitalization.

Taking the “Agile Methodology” focused on the concept of “Value” as the internal digital project development strategy, Doğuş Otomotiv laid the foundations of transition to an agile and analytical

organizational structure in 2019. Accordingly, roles suitable for the agile management structure are defined and procedures to provide communication and coordinated work between Information Technologies and business units were determined. As part of the ongoing digital transformation, Human Resources processes were also transferred to digital platforms at a maximum level.

In line with Doğuş Otomotiv’s long-term strategy and future vision, the new Business Development department started cooperating with venture capital companies in 2019 in order to be well-prepared for the changing business models of the future. In order to develop the entrepreneurial skills of company employees, a Startup Catalogue website was launched in 2019. Internal workshops and cooperation with venture capital companies will continue unabated in 2020.

Within the scope of employer brand activities, Doğuş Otomotiv focused on social media channels in external communication. The company actively using LinkedIn, Facebook and Instagram has reached 101 thousand followers in LinkedIn. Facebook, which started as of March 2018, has exceeded 40 thousand and Instagram exceeded 20 thousand followers. With its

unique and storified content, the Company has accelerating interaction rates in all channels.

Doğuş Otomotiv’s social responsibility platform, Traffic is Life! has the highest number of followers among the social responsibility platforms of the sector in social media. As of the end of 2019, Traffic is Life! platform’s Facebook account reached 154,780 followers with an increase of 21%, and Instagram account reached 16,676 followers with an increase of 220%.

Also placing a high degree of importance on digitalization in brand communication, Doğuş Otomotiv brands created a success story in 2019 by using digital communication channels in an effective manner.

Volkswagen Passenger Cars website, which is the largest showroom of the brand, received 17 million visits in 2019. A total of 24,200 digital request forms were received from digital channels in 2019, and 2.1% of these forms were converted into sales. In that regard, Volkswagen Passenger Cars far surpassed the automotive sector average of 1.1%, as stated in Google Auto Report. Thanks to a strong strategy and unique content, Volkswagen Passenger Cars social media channels were some of the most-fol-

lowed in the automotive sector in 2019. The brand has maintained its leadership on Facebook with over 4 million local followers, and has become the most popular automotive brand on Instagram with 440,000 followers. The “Volkswagenim” application, which offers numerous user-friendly functions, reached 450 thousand people by the end of 2019.

Audi Turkey, which places digitalization at the center of its business processes, has been hailed by Audi AG as a benchmark to other countries with its digital showrooms and benchmark projects. Like in previous years, Audi Turkey - which continued its effective social media presence in 2019 - preserved its position at the top of the list of the most-followed Twitter accounts of the Turkish automotive sector. Similar to its performance over the years, Audi Turkey’s website ranked among the most visited Audi websites throughout the world. The “Audi Intelligence: CRM” project, which was developed using artificial intelligence and machine learning techniques, made a positive contribution to vehicle sales in 2019.

Focusing on communicating the Leon and Ateca models in 2019, SEAT conducted 100% of its campaign communications on digital



Digital transformation

Doğuş Otomotiv’s digital transformation continued to accelerate in 2019 as well. The steps taken throughout the year towards digitalization were supported by trainings.



Startup Catalogue

A Startup Catalogue website was launched in 2019 in order to develop the entrepreneurial skills of Doğuş Otomotiv’s employees.

platforms throughout the year. Using social media channels effectively all through 2019, SEAT's brand recognition was realized as 27.2% in 2019, while its brand likeability increased to 7.2%.

In 2019, Porsche Turkey's Instagram followers rose by 20%, while the YouTube channel grew by 102%.

Developments to the "Smart Turkuaz Screen" application, which has been used in Volkswagen Authorized Dealers and Services since its launch in 2016, and which ensures offering more targeted services to Volkswagen Commercial Vehicles users, continued in 2019. With a new interface integrated into the service function of the application, users are able to learn their pre-defined service discounts without going to an Authorized Dealer, and get a service appointment online.

Developed by Scania, "Scania'm Cepte" is also a pioneering application of the sector. The application increased its effectiveness by reaching a total number of 8,400 downloads in 2019.

Sales success

Despite the contraction experienced in the market in 2019, Doğuş Otomotiv brands further enhanced their market positions

and achieved remarkable accomplishments.

Volkswagen Passenger Cars ranked third in the passenger car market in 2019 with 38,820 units sold and a market share of 10%. The Golf, Passat and Passat Variant models closed the year at the top of their respective segments. The newest version of Passat, equipped with state-of-the-art technology, continued its success of being the most preferred import vehicle in the passenger car market in 2019.

The Audi brand, which achieved remarkable success in 2019, led the premium segment with a retail purchase figure of 10,024 units.

SEAT preserved its second-place position in the A-HB segment with its Leon model, capturing a segment share of 14.1%. SEAT sold a total of 5,914 passenger vehicles in 2019, with a market share of 1.53%.

ŠKODA sold 15,369 units in 2019, achieving the second-highest market share in its history with 4.0%. Especially the Kodiaq and Superb models ranked top two in their respective segments, further strengthening the brand's sales success in upmarket models. Octavia, often considered the heart of the brand, closed the year in the

first place with 6,815 units sold in the last sales period of the current generation before leaving its place to the fourth generation coming in 2020.

Porsche's 718 model led its segment with a 39% market share, with 37 units sold in 2019.

Volkswagen Commercial Vehicles preserved its third place with a market share of 10.5% despite the contraction in the light commercial vehicle market in 2019, while remaining the leader in import commercial vehicles sales. The Transporter model continued to lead its segment with a market share of 33.8%. Volkswagen Commercial Vehicles received the "Best Customer Oriented Market - Turkey" award, being named the most customer-oriented distributor in 2019 thanks to its success in sales and aftersale services.

Increasing its marine engine sales by 62% in 2019, Scania Engines has preserved its place among the largest engine vendors. In 2019, Scania Engines increased its market share in the generator engine sector by becoming part of the product lineup of many Turkey-based generator manufacturers.

Long hailed as the leader in the refrigerator unit market, Thermo

King maintained its success by providing solutions for various needs and preserved its lead in the cold chain transport sector.

Aftersale Services

Volkswagen Passenger Cars After-Sales Services, which is in continuous development in order to maintain the unique automotive experience it offers to customers, increased the number of service points to 78 with Döşman and Egecan Authorized Services opened in 2019. The brand's spare parts revenue rose by 3.91 in 2019, with labor revenue up to 2.22%.

Thanks to its 64% customer loyalty praised across Europe, the Audi brand achieved an increase of 6% in its revenue in Aftersale Services. Audi Turkey won the world championship in the Quiz Challenge competition of the Audi Twin Cup 2019, organized by Audi AG among its distributors worldwide. In the Technical category, where the technical skills of the teams are evaluated, Audi Authorized Service Özön İstanbul Team became the champion. In addition, Audi After-sale Services continued its enduring success by becoming first once again in the Authorized Dealer Satisfaction Survey (DSS) carried out by Audi AG with the participation of service managers and company owners.

In 2019, the spare parts revenue of SEAT Authorized Dealers, which serve its customers at 45 locations across Turkey, rose by 3% and the labor revenue rose by 11% compared to the previous year. The brand's customer experience survey score was 4.84 out of 5, thanks to its customer-oriented aftersale services.

Having received the ŠKODA global STLI (Service Technical Performance Index) "Best Performance Award" in 2018, Yüce Auto continued its success in 2019 and came second in the STLI Awards.

Thanks to the customer loyalty studies towards the Porsche vehicle park which grew by 3% in 2019, service revenue rose by 11%, accessory sales by 11%, and extended warranty sales by 12%. Doğuş Otomotiv-Porsche was awarded the top price in the Porsche Service Excellence Awards (PSEA), carried out every year among Porsche distributors and Authorized Services. In 2019, the first of Porsche Destination charging stations, which will serve electric vehicles, was launched.

Volkswagen Commercial Vehicles Aftersale Services raised its total number of Authorized Services to 78 in 2019 with the opening of new service locations in Iğdır and Gaziantep. The brand also began

to offer on-site maintenance and express service to its customers with the "Volkswagen Commercial Vehicles Mobile Service" project, which was launched at certain Authorized Dealers in 2019.

Awards

Having received many awards both at a corporate and brand level in 2019, Doğuş Otomotiv was named the "Most Honorable Company" in the EMEA Region Management Team 2019 Survey held by the Institutional Investor Magazine. Within the scope of the same research, Kerem Taliş, the Company's CFO, ranked third in the "Best CFO in the Automotive Sector" category, and Investor Relations Manager Müge Yücel ranked second in the "Best Investor Professional" category.

In addition, Doğuş Otomotiv received the "Women-Empowered Board" award by Sabancı University Corporate Governance Forum. Ela Kulunyar, General Manager of Human Resources and Process Management, was rated among the "Most Effective 50 CHROs" selected by Fortune-DataExpert. In a survey held by Toptalent.co, Doğuş Otomotiv's D-Staj internship program ranked 10th among the best-liked 100 internship programs, and 2nd in the automotive sector.

Premium segment leader

In 2019, Audi became the leader of the premium segment with sales totaling 10,024 units.



A success story by Porsche Turkey

Doğuş Otomotiv was awarded the top price in the Porsche Service Excellence Awards (PSEA), carried out every year among Porsche distributors and Authorized Services.



Doğuş Otomotiv brands and support function departments also received many awards throughout the year. Volkswagen Passenger Cars, just like in the past six years, was elected Turkey's most-loved automobile brand at "Turkey's Lovemarks 2019 Survey" conducted by the Mediacat magazine and Ipsos. In addition, the brand was awarded the Bronze Apple in the Media/Service category in the Crystal Apple Festival, which gives out the most prestigious creativity awards in the world of marketing.

Continuing its ad campaigns and communication efforts to raise its brand recognition, Audi was deemed worthy of the Crystal Apple awards in the press ad category of the Crystal Apple awards and the Bronze Apple awards in the open air category with the "art of quattro" communication prepared within the framework of Contemporary Istanbul sponsorship. The radio spot prepared for Father's Day was also awarded with the Bronze Apple.

Yüce Auto added another success to its long list of accomplishments in terms of service quality and received the best improvement award in the "Brand and Quality" category of the Exporters of the Year 2019 awards given by ŠKODA Auto. Moreover, in the Marketing

Summit organized by ŠKODA Auto in Poland, the Yüce Auto marketing team was granted the "Best Event" award within the scope of the best marketing practices of 2019.

Volkswagen Commercial Vehicles received an award in the "Commercial Automotive" category of the A.L.F.A. Awards, which evaluates brands' customer experience performance. Sector leader in reefer units, Thermo King, was also named the "Best Brand" for the 15th time in the Reefer category at ETM Awards 2019.

Doğuş Oto

Operating in 7 regions in total with 36 Authorized Dealers and 33 Service points and over 1,400 employees, Doğuş Oto provides new vehicle, used vehicle, spare part, and accessory sales and aftersale services for Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, Porsche, SEAT and ŠKODA. Doğuş Oto sold 27,649 units of new and 4,066 units of second-hand vehicles in 2019. With a total of 288,955 service entries, 2019 was a year when the predetermined financial targets were exceeded.

In line with the target of keeping the digital experiences of the customers at the highest level, the Company continued developing

its sales and aftersale services on its corporate website, and further further increased its reachability through its social media posts.

Spare Parts & Logistics

Managing the importation, warehousing and distribution of vehicles and spare parts to Authorized Dealers for some of the world's most prestigious brands such as Volkswagen, Audi, SEAT, ŠKODA, Porsche, Bentley, Lamborghini, and Scania, as well as Scania Industrial and Marine Engines, Thermo King Transport Temperature Control Systems, Spare Parts and Logistics imported 58,174 vehicles, and dispatched 75,539 vehicles to Authorized Dealers in 2019, ending the year with a total revenue of TRY 1,337.8 million.

Dpar B2B website that brings commercial customers in the spare parts market together with Authorized Dealers and thereby facilitates over-the-counter original spare part sales was launched in early 2019. Moreover, spare parts availability was maintained at 99% in 2019 thanks to the use of advanced stock management systems.

DOD

Celebrating its 20th year in 2019, DOD is the largest corporate used car brand in Turkey. In 2019, when there was a significant contrac-

tion in vehicle sales, the company commissioned the 3-month DOD Warranty product and achieved 126% increase in guaranteed vehicle sales with the new product. Continuing its showroom renovation and personnel training efforts throughout the year, DOD held additional trainings in line with the professional expertise requirement stipulated for sector employees in 2018. All of the personnel who participated in the exams were entitled to receive their Professional Expertise Certificate.

The year 2019 was also quite fruitful in terms of digitalization efforts. The internal reporting platform DOD Portal was launched, and development efforts began on the DOD Auction Website in the fourth quarter of the year. In addition, social media management continued in the focus of rich content production and successful results were achieved throughout the year.

TÜVTÜRK

Marking its 12th anniversary, TÜVTÜRK achieved growth in 2019 in all operation areas, increas-

ing its revenue by 28.7% from TRY 1,991 million to TRY 2,562 million. TÜVTÜRK, the most effective public-private sector collaboration in Turkey, contributed a total of TRY 1.9 billion to the public in 2019. A total of 9 million and 950 thousand vehicles went through periodic inspections throughout the year, representing a 4% rise year-on-year. There was a 2.6% rise year-on-year in exhaust gas emissions tests.

In addition to the contributions it makes to traffic safety, TÜVTÜRK also realized the Responsibility in Traffic Movement project in 2010. Having received a total of 11 awards for the project up-to-date, TÜVTÜRK was also awarded the top prize in the category of "Workforce Planning and Efficiency Management" at the Human Value Awards held by the PERYÖN People Management Association of Turkey. As a first step in the new social responsibility projects it plans to carry out on the environment, TÜVTÜRK began cooperating with the TEMA Foundation in 2019 in order to create the "TÜVTÜRK Forest".

vdf Automotive Financing

Encompassing financial services, insurance, factoring and fleet companies, vdf Group continued its market leadership among finance companies and banks in 2019 with a 13% market share in vehicle loans. Providing 30,121 new loans in 2019, vdf reached its targets with a total number of 81,908 performing loans.

Maintaining its position as the largest insurance agency in 2019 regarding total net premium generation and performing policy figures, vdf Insurance continued its steady growth with a total net premium generation worth TRY 350 million. The company managed 243 thousand policies in 2019.

Offering factoring and financing services to 160 Doğuş Otomotiv and Yüce Otomotiv Authorized Dealers across Turkey, vdf Factoring reached a transaction volume of TRY 9.6 billion, and a total asset value of TRY 528 million in 2019. vdf Fleet Rental had 8,027 active contracts in 2019, 66% of which comprised Doğuş Otomotiv group branded vehicles.

Young Women Development Project

The female students, who were included in the mentoring program carried out in cooperation with TEV, visited different departments of Doğuş Otomotiv and received information from the managers.



SUMMARY FINANCIAL INDICATORS

In analyzing and interpreting the Company's financial standing and results, the financial information below should be considered along with other financial information included in the Consolidated Financial Statements and Footnotes.

	2019	2018	2017
Consolidated Income Statements			
Sales/Unit (Wholesale, excl. ŠKODA)	61,404	84,843	159,978
Sales (mio TRY)	9,844	10,688	13,220
Gross Profit (mio TRY)	1,270	1,301	1,301
Operating Expenses (mio TRY)	784	774	827
Selling and Marketing Expenses (mio TRY)	223	284	335
General Administrative Expenses (mio TRY)	439	391	415
Warranty Expenses, net (mio TRY)	139	117	98
Other Operating Expenses, net (mio TRY)	17	18	21
EBIT (mio TRY)	486	527	474
EBITDA (mio TRY)	612	610	556
Income from Investment Activities, net (mio TRY)	43	55	20
Income from Investments Accounted by Equity Method (mio TRY)	143	61	81
Net Financial Expenses (mio TRY)	615	494	349
Net Profit for the Period (mio TRY)	77	134	184
Earnings Per Share	0.38	0.67	0.93
Price/Earnings Ratio (%)	24.88	6.45	8.90
Gross Profit Margin (%)	12.9%	12.2%	9.8%
Operating Expenses/Sales (%)	8.0%	7.2%	6.3%
EBIT Margin (%)	4.9%	4.9%	3.6%
EBITDA Margin (%)	4.9%	5.7%	4.2%
Net Profit Margin (%)	0.8%	1.3%	1.4%
Consolidated Statements of Financial Position			
Total Assets (mio TRY)	4,665	4,799	5,167
Cash and Cash Equivalents (mio TRY)	648	366	106
Trade Receivables (mio TRY)	745	644	1,425
Inventories (mio TRY)	936	1,366	1,425
Tangible and Intangible Non-current Assets (mio TRY)	882	1,018	1,007
Right of Use Asset (mio TRY)	111	0	0
Investments in Equity Accounted Investees (mio TRY)	452	375	352
Financial Investments (mio TRY)	561	567	579
Net Financial Debt* (mio TRY)	1,790	2,345	2,868
Trade Payables (mio TRY)	713	554	634
Provisions (mio TRY)	119	107	104
Total Equity (mio TRY)	1,253	1,308	1,327
Net Working Capital (mio TRY)	-1,198	-830	-640
Net Cash Position (mio TRY)	-1,691	-2,364	-2,889
CapEx** (mio TRY)	45	179	315
Receivable Turnover (day)	28	22	39
Inventory Turnover (day)	40	53	44
Payable Turnover (day)	30	22	19
ROA (%)	1.7%	2.8%	3.6%
ROE (%)	6.1%	10.3%	13.8%
Net Debt/EBITDA	3.7	3.8	5.2
Net Financial Debt/Equity	1.43	1.79	2.16

* Short term loans, short-term portions of long-term loans, long-term loans, cash and equivalent have been taken into consideration.

** Tangible asset entries have been taken into consideration.

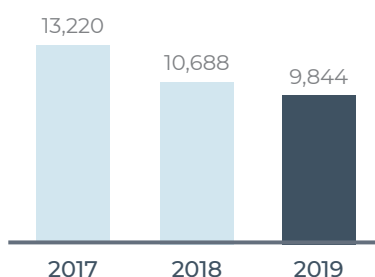
SALES FIGURES

Sales Units (Retail)	2019	2018	2017
Passenger Vehicles	70,506	95,345	152,709
Volkswagen	38,820	49,749	89,688
Audi	10,024	13,295	21,585
Seat	5,914	10,383	16,064
Škoda	15,369	21,340	24,679
Porsche	361	565	670
Bentley	9	10	16
Lamborghini	9	3	7
Light Commercial Vehicles	9,676	17,085	27,793
Volkswagen	9,676	17,085	27,793
Heavy Commercial Vehicles	465	1,177	1,697
Scania	465	1,177	1,697
TOTAL	80,647	113,607	182,199
Doğuş Otomotiv Market Share (retail)*	16.7%	18.1%	18.9%
Used Car Sales (DOD)	18,067	21,767	22,009

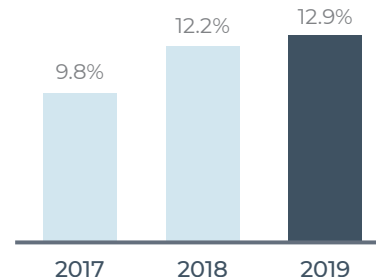
* Including Škoda.

FINANCIAL INDICATORS

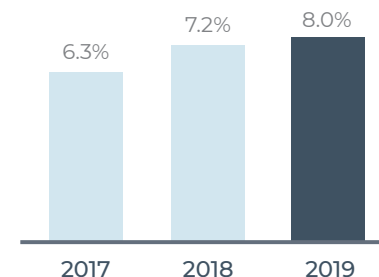
SALES (mio TRY)



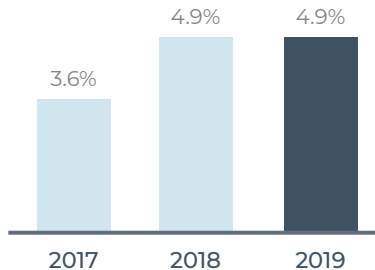
GROSS PROFIT MARGIN (%)



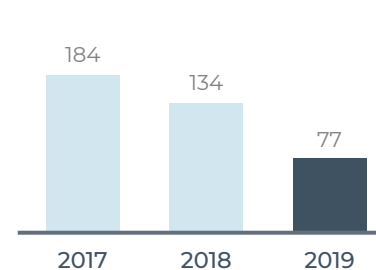
OPERATING EXPENSES/SALES (%)



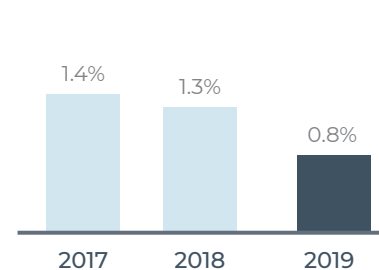
EBIT MARGIN (%)



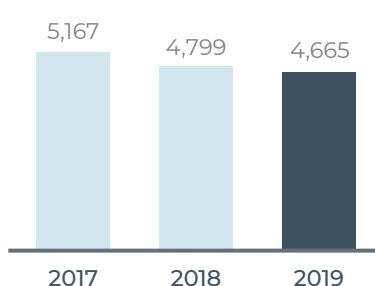
NET PROFIT (mio TRY)



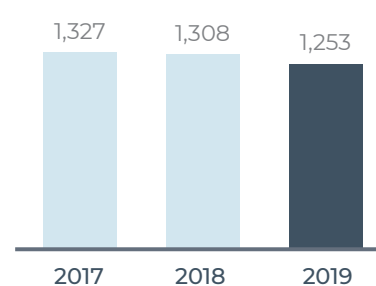
NET PROFIT MARGIN (%)



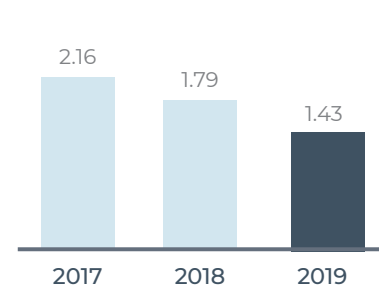
TOTAL ASSETS (mio TRY)



TOTAL EQUITY (mio TRY)

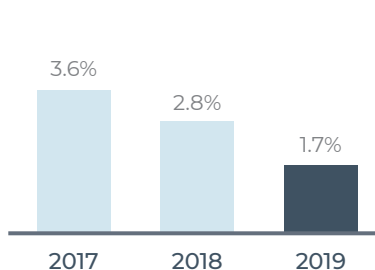


NET FINANCIAL DEBT*/EQUITY

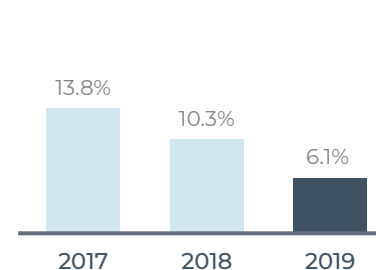


* Includes short-term loans, short term portions of long term loans, long-term loans, cash and equivalent.

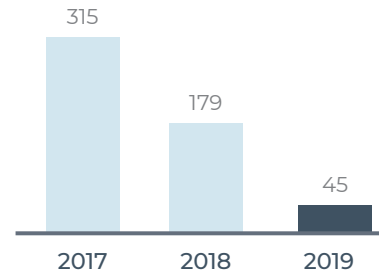
ROA (%)



ROE (%)



CAPEX (mio TRY)**



INVESTOR RELATIONS

Investor Relations Department

The Company's Investor Relations Department carries out relations with shareholders. The Investor Relations department is managed by:

**Investor Relations Department Manager,
Corporate Governance and Sustainability
Committee Member**

Halide Müge Yücel

Capital Market Activities Level 3 License (207941)

Corporate Governance Rating Expertise License

(701487)

Investor Relations Contact Details:

Phone: +90 (262) 676 90 58-59

Fax: +90 (262) 676 90 96

Email: investorrelations@dogusotomotiv.com.tr

The Investor Relations Department is responsible for regularly disclosing information to shareholders and potential investors pertaining to the Company's operations, its financial standing and strategies, and for answering requests for information, except for publicly undisclosed or confidential information and trade secrets, in a manner that will not lead to information disparities. The Investor Relations Department serves as a bridge between the Company and the existing and potential investors based on two-way communication and mutual trust.

In 2019, the Investor Relations Department responded to all queries and applications received from shareholders in a timely manner and without any discrimination by phone, email or in one-on-one meetings. Of the total meetings with 356 investment firms in 2019, 34 were conducted one-on-one, 6 as a group, and over 300 conference calls with investors. In addition to attending 2 reverse roadshows in Turkey, the Department has also held 2 analyst group meetings and 2 teleconferences with multiple participants to inform analysts on our quarterly financial results.

The Investor Relations Department continued its Investor Relations activities with a proactive approach in 2019. 3 Analyst Days were organized at different times throughout the year to provide information on the company's operations. Similarly, 3 investor days were organized in Istanbul, including 2 by the Company and 1 by a brokerage firm, to inform local corporate investors. Informative emails were sent to more than 600 brokers and analysts with the aim of engaging with foreign investors to target the right

investors that align with company strategies. Video and telephone calls were conducted with more than 300 foreign analysts and brokers based in cities including Austin, Boston, Capetown, Chicago, Dallas, Des Moines, Hong Kong, Lima, Los Angeles, Miami, Monaco, Montevideo, New York, Quito, Salt Lake City, San Francisco, Santa Monica, Singapore and Tokyo to discuss the Company's activities and developments.

The "Investor Relations Activities and Strategic Plan" of the year ahead is prepared by the Department and submitted for approval to the Corporate Governance and Sustainability Committee and the periodic "Investor Relations Activities Information Document" relating to current activities is presented to the Committee for review. A comprehensive "Investor Relations Annual Report" is also prepared by the Department and presented to the Board of Directors once a year. Meanwhile, the daily and weekly reports are consolidated and periodically presented by the Chief Financial Officer to the Board of Directors.

In the annual "Emerging EMEA Executive Team" survey conducted by Institutional Investor Magazine and highly anticipated by the finance community in Europe, 12 thousand trading professionals evaluate approximately 400 companies and over 990 executives from more than 20 industries in the "Best CEO," "Best CFO," "Best Investor Relations Professional," and "Best Investor Relations Program" categories. In the 2019 survey, Doğuş Otomotiv CFO Kerem Talih took third place in the "Best CFO" category in the automotive industry, and Investor Relations Manager Müge Yücel took second place in the "Best Investor Relations Professional" category. Doğuş Otomotiv was also evaluated in the "Most Honorable Company" category, in which only 44 companies were considered.

Information on Capital Structure and Shareholding

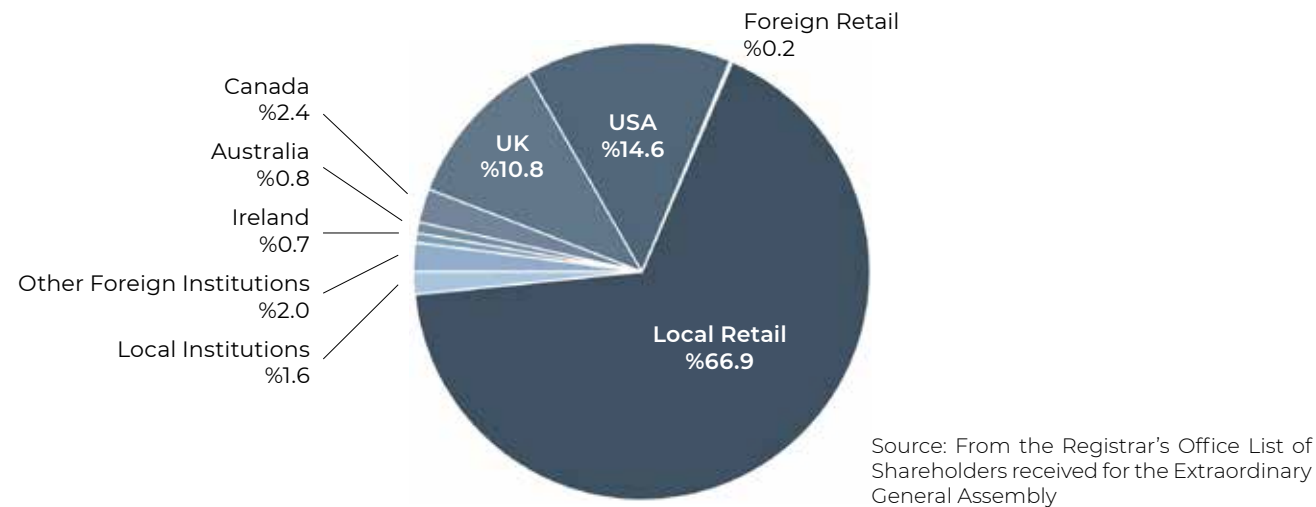
As of December 31, 2019, no changes have occurred in the Company's issued share capital. During the report-

ing period, the Company has not increased its capital or issued any capital market board instruments.

Shareholder's Commercial Title	Share in the Capital (TRY)	Share in the Capital (%)
Doğuş Holding A.Ş.	165,584,715	75.27
Doğuş Otomotiv Servis ve Ticaret A.Ş.*	22,000,000	10.00
Doğuş Sigorta Aracılık Hizmetleri A.Ş.	292	0.00
Free Floating Shares	32,414,993	14.73
Total	220,000,000	100

* The Company maintains its own shares bought back from Borsa Istanbul A.Ş. in its own portfolio.

Distribution of Free Floating Shares



Exercise of the Shareholders' Right to Information

Previously provided and continuously updated information and disclosures, which may affect the exercise of shareholders' rights, are made available in English and Turkish for investors on the corporate website: www.dogusotomotiv.com.tr.

Even though the right to request the appointment of a Private Auditor is not specifically regulated in the Articles of Association, Article 438 of the TCC stipulates, "each shareholder has the right to request from the General Assembly the appointment of a private auditor, if necessary, even when this is not part of the agenda, provided that the right to obtain and examine information has already been exercised with respect to the

matter in question, and if the General Assembly agrees to this request, the company or each shareholder may apply to the commercial court with jurisdiction in the area of the Company's headquarters within 30 days for a private auditor to be appointed." However, there were no requests for the appointment of a private auditor during the reporting period. Company operations are periodically audited by an Independent Auditing Company appointed at the General Assembly.

Voting and Minority Rights

All of the Company shares are in bearer certificates and do not grant any rights to the Company's profits. The Articles of Association do not give any privileges concerning the exercise of the voting rights. Voting rights are exercised in the General Assembly in accordance with provisions on representation and voting manner. The CMB regulations on voting by proxy are fully upheld. All shareholders are provided with the opportunity to vote equally, easily and suitably. The disclosure documents of the General Assembly contain information on the structure of the Company's shares, voting rights granted by shares and voting privileges. It is explicitly stated that one share gives one voting right and that no voting privileges have been granted to any shareholder groups. The Company does not have any cross ownership in another entity that would result in a controlling relationship.

There were no violations in the exercise of basic shareholder rights, such as the participation of minority shareholders in the General Assembly and proxy representation and no imposition of an upper limit in the exercise of voting rights. Diligence is paid to the exercise of minority rights. There are no provisions in the Company's Articles of Association regarding the representation of minority shares in the management or cumulative voting method.

Privileged Shares

The current shareholding structure of the Company as of 31 December 2019 is described above and there are no privileged shares in the Company.

Dividend Distribution Policy, Time and Method

The Company's dividend distribution policy has been determined in accordance with the framework of principles and procedures laid out in the Turkish Commercial Code, Capital Markets Law and other relevant regulations, and Article 24 on "Determination and Distribution of Dividend", Article 25 on "Timing and Method of Dividend Distribution, Dividend Advances" and Article 26 on "Reserves" of the Articles of Association, taking into consideration the country's economy and the condition of the industry and by maintaining a balance between our shareholders' expectations and the needs of our Company. The Articles of Association include no privileges regarding profit sharing. Dividend distribution is determined by the General Assembly, based upon the proposal that the Board of Directors prepares by considering the following principles.

a) Dividend Distribution Ratio:

Without any prejudice to the rates and amounts determined by the Capital Markets Board and on condition that there are no adverse circumstances in the country's economy or the industry that might affect the Company's activities, a minimum of 50% of the distributable profit, calculated in accordance with the Capital Markets regulations, is distributed. Upon review, the Board of Directors may propose a different rate or amount to the General Assembly.

b) Method of Dividend Distribution:

The dividends to be distributed are paid in the form of cash and/or bonus shares.

c) Timing of Dividend Distribution:

The date of dividend distribution is determined by the Board of Directors following the General Assembly, based on the dates specified in the regulation.

d) Dividend Advances:

The General Assembly may authorize the Board of Directors to pay out dividend advances. The Board of Directors may distribute dividend advances, based on the year and limits of the authorization granted, taking into consideration the country's economy and the condition of the industry.

At the Extraordinary General Assembly Meeting on 28 November 2019, distribution of net TRY 135,000,000 in dividends from free reserves was resolved, and payments began on 2 December 2019.

Profit Distribution by Years

	Dividend	2017 (for 2016)*	2018 (for 2017)	2019 (for 2018)
Total dividend distribution, TRY million	Gross	-	143,000,000.00	135,000,000.00
	Net**	-	121,550,000.00	114,750,000.00
Earnings per share, TRY		1,11	0.93	0.67
Dividend/Net profits (%)	Gross	-	78.0	0.0
	Net**	-	66.3	0.0
Dividend per share with TRY 1 nominal value	Amount (TRY)			
	Gross	-	0.6500000	0.6136364
	Net**	-	0.5525000	0.5215909
	Ratio (%)			
	Gross	-	65.000000	61.3636400
	Net**	-	55.250000	52.1590900
Announcement date		29.03.2017	29.03.2018	28.11.2019
Actual payment date		-	29.05.2018	04.12.2019

* The company did not distribute dividends in 2016.

** Refers to the gross or net amounts after 15% withholding tax.

Transfer of Shares

The Company's Articles of Association do not contain any practices that complicate the transfer of shares by shareholders or provisions that restrict the transfer of shares and the Company avoids practices that would complicate the free transfer of shares. Transfer

of shares is conducted in accordance with the Capital Market Law, the Capital Market Regulations, and relevant provisions of the Turkish Commercial Code. The Company shares are not listed on international stock exchanges.

General Assembly Meetings

Ordinary General Assembly Meeting

The Ordinary General Assembly convened on 26 March 2019 at 10.00 am at "Maslak Mahallesi, Ahi Evran Caddesi (Doğuş Power Center) No:4, İç Kapı No: 6 Sarıyer/İstanbul" to review the 2018 activities.

For the purpose of encouraging shareholders' attendance, the meeting was held at the location of the Company's headquarters as well as over the Electronic General Assembly System in a manner to minimize inequality among shareholders and the costs of their participation.

The call for the General Assembly Meeting, which was open to stakeholders and members of the media, was issued in accordance with the Articles of Association and as required by law, and the announcement, along

with the meeting agenda, was published in the Turkish Trade Registry Gazette No: 9778 on 1 March 2019. The Company also presented the financial statements, the annual report, independent audit reports, and the Board of Directors' proposal for profit distribution, as well as disclosures and statements required by Law and Corporate Governance Principles, all of which must be made available for the shareholders to review pursuant to Article 437 of the Turkish Commercial Code No. 6102, to the shareholders on the same date on the Public Disclosure Platform (KAP), Electronic General Assembly System (EGKS) and the corporate website.

At the Ordinary General Assembly, out of the total 220,000,000 shares- corresponding to a total share capital of TRY 220,000,000 - 100 shares were represented in person and 170,623,708 by proxy, totaling 170,623,808 shares.

At the Ordinary General Assembly on 26 March 2019, shareholders exercised their rights to direct questions as set out in relevant legislation and these questions were answered immediately. Each agenda item was voted on individually and votes were counted and announced before the meeting ended. The meeting chairman, who presided over the General Assembly Meeting, ensured that the topics on the agenda were conveyed objectively and in detail in a clear and comprehensible manner and provided the opportunity for the shareholders to express their opinions and raise questions on equal ground. The meeting chairman also made sure that all questions, which did not fall into trade secrets, raised by the shareholders during the meeting were answered directly at the General Assembly Meeting. The questions posed and answers given during the meeting were recorded in the meeting minutes and disclosed to the public on the corporate website. The shareholders did not put in any written requests to the Investor Relations Department regarding the addition of an item to the meeting agenda. General Assembly Meeting minutes are always kept open to shareholders on the corporate website and can also be viewed at the Company headquarters.

The agenda of the General Assembly Meeting also included as a separate item the matter of whether or not to give permission to the shareholders with management control, Board Members, managers with administrative responsibilities, their spouses, and relatives by blood or marriage up to the second degree to conduct materially significant transactions that may cause conflicts of interest with the Company or affiliates, and/or conduct transactions on behalf of themselves or a third party in the same field of activity as the Company or its affiliates, or become an unlimited shareholder in a business that operates in the same field of activity as the Company or its affiliates. It was noted that no such transaction took place in the 2018 reporting period, and no information was communicated to the Board of Directors about persons who have the privilege to access Company information regarding their engagement in activities in the same field as the Company.

Pursuant to the provisions of the CMB Communiqué No. II-17.1, the General Assembly was informed about common and continuous exchange of assets, services and obligations between the Company and related parties, and the collaterals, pledges and mortgages that were given in favor of third parties, with the details included in the Annual Report and the notes in the Consolidated Financial Statements. The same information can also be found on the corporate website: <http://www.dogusotomotiv.com.tr/en/investor-relations/investor-relations/corporate-governance/subsidiaries-and-affiliates/transactions-with-related-parties>. In a separate agenda item, information was provided about the amount and the beneficiaries of the donations and support extended in the reporting period.

Within the reporting period, no amendments have been made in the Company's Articles of Association.

Extraordinary General Assembly Meeting

The Extraordinary General Assembly that convened on 28 November 2019 at 10.00 am at "Maslak Mahallesi, Ahi Evran Caddesi, No: 4 (Doğuş Power Center) Sarıyer/İstanbul", where 171,893,617 shares were represented by proxy, and 110 shares were represented in person, totaling 171,893,727 shares of the total 220,000,000 registered shares corresponding to the company's paid-in capital of TRY 220,000,000, resolved to distribute dividends.

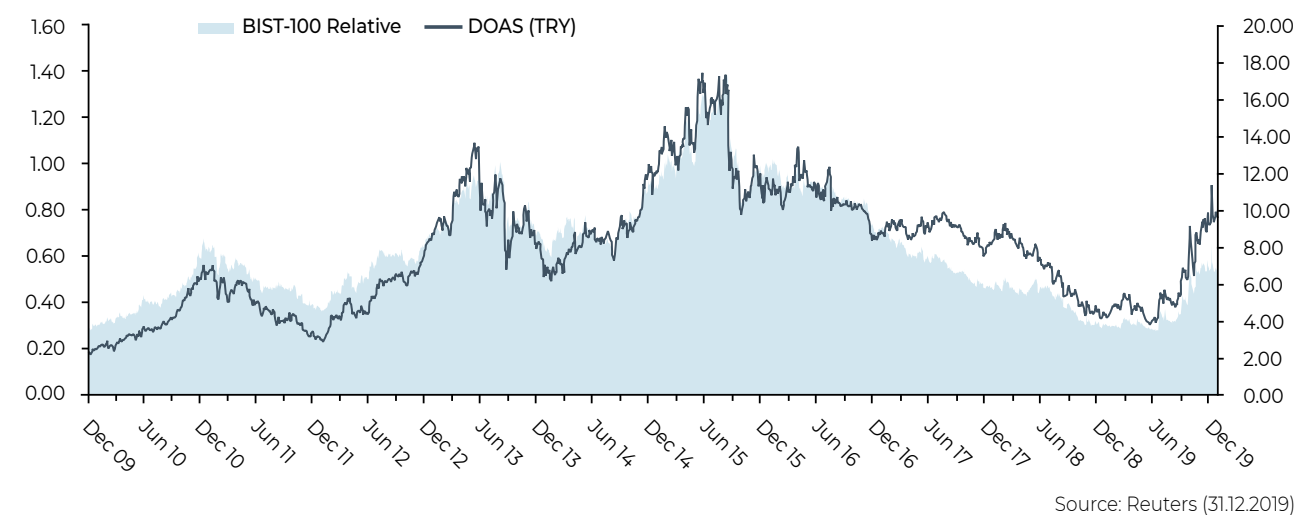
STOCK PERFORMANCE

BIST Code: DOAS.IS
Reuters Code: DOAS.IS
Bloomberg Code: DOAS.TI
Initial pub. offering: 17.06.2004

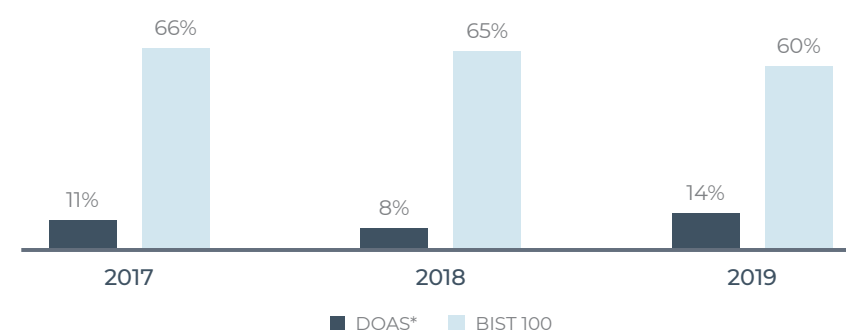
Number of stocks: 220.000.000
Free float rate: 14.73%

Stock Performance in 2019

	TRY	USD
Share price (31.12.2019)	9,52	1.60
Lowest (23.05.2019)	3,77	0.63
Highest (12.12.2019)	11,23	1.89
Market Cap. (31.12.2019)	2.094 mio TRY	353 mio USD
Daily average trading volume	23.8 mio TRY	4.1 mio USD



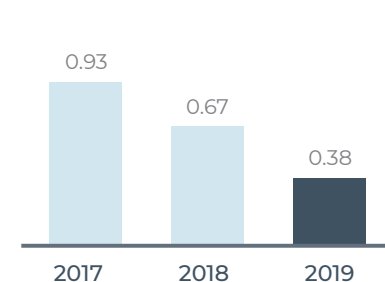
PERCENTAGE OF FOREIGN OWNERSHIP (%)



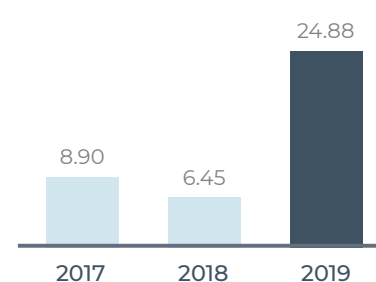
The Percentage of Foreign Ownership in DOAS was realized as 14% in 2019.

* Within the scope of the Company's Share Buy-Back Program initiated by the Board of Directors resolution, our Company bought back 22,000,000 of its publicly traded shares in 2016 in accordance with the CMB legislation for TRY 220,274,251.16 in total.

EARNINGS PER SHARE



PRICE/EARNINGS RATE



In 2019, Earnings per Share was realized as 0.38.

In 2019, the Price/Earnings Rate was realized as 24.88.

CORPORATE VISION, MISSION AND STRATEGY

Doğuş Otomotiv has strived to balance profitability levels and market share in 2019 while ensuring that corporate strategies are applied. In the rapidly digitalizing automotive industry where technological developments play a significant role, the Company regards digital transformation as a top priority in improving service quality and strengthening business processes. Accordingly, digital transformation was launched in cooperation with Boston Consulting Group (BCG) in 2018. This will enable Doğuş Otomotiv to review its critical business processes, identify development areas and further enhance priorities, particularly in digitalization through value flow diagrams.

Our goal is to continue to strengthen our cost management in line with the Company's vision and mission, implement digital transformation in all possible business processes, create "fan customers" and become an efficient company that develops sustainably for our employees, business partners, customers and shareholders. With the need for fast and agile adaptation that new technologies require in the continually evolving global automotive industry, the Company will create a new roadmap in 2020 and determine its medium and long-term strategy.

Vision:

To provide innovative services beyond expectations.

Mission:

Doğuş Otomotiv is an automotive company with a customer-focused approach and deep insights into the industry, that understands stakeholder expectations, anticipates new requirements and delivers them with excellence, that possesses creative human resource and uses technology optimally to provide efficient and profitable services across the automotive value chain.

Strategy:

Our key corporate strategies are based on the following goals:

BE SIZABLE – BE CLOSE – BE CREATIVE

BE SIZABLE:

For Doğuş Otomotiv to achieve systematic, efficient and profitable expansion across the value chain in Turkey and to ensure career development of human resource.

BE CLOSE:

To acquire insights into the expectations of our stakeholders and particularly our customers and elevate

our relations with them to levels of perfection beyond expectations as rapidly as possible; to establish effective systems to achieve operational excellence, monitoring and analyzing financial and operational position closely.

BE CREATIVE:

To create distinction and competitive edge through constant innovations based on a participative approach to product development, customer service and business concept; to develop actions and methods that will render the company a "leaner, faster, affordable" business with participation and teamwork in process improvement.

Since its inception, Doğuş Otomotiv, in line with its strategic plans, has focused on reinforcing its position in the industry, forming and expanding its Authorized Dealer and Aftersales Service network and improving awareness and reputation of the international brands it represents in the domestic market. Following the Company's initial public offering in 2004 as an importer and distributor of all the brands it embodies, the Company has evolved its strategy by focusing on the development and performance of its other core and automotive-related ancillary businesses with a local and global perspective.

We aim at being the first organization to implement applications that we develop using innovation and technology, and to create synergy with our employees and other stakeholders based on the Company's sustainable and consistent growth strategy. Therefore, we see it as our priority to work on new projects to continuously increase the quality of our core and automotive-related ancillary businesses. Furthermore, based on the knowledge and experience we have accumulated for more than 20 years, we intend to build on the success we attained by capturing opportunities and move forward.

Knowing that the long-term success of Doğuş Otomotiv can only be sustained through the ultimate satisfaction of our stakeholders, we have built our strategy on four pillars:

One Step Beyond Customer Satisfaction: Turning Customers into Fans!

With uncompromising customer satisfaction-oriented dynamic and attentive service approach, our strategy is to make our customers feel valued and offer high quality and creative service by attending to all of their demands and needs.

- Value and Care Center (DIM) that supports our brands at every stage of the customer lifecycle became operational in November 2014.
- In the upcoming period, we will work on being constantly connected with and accessible for our customers through “Connectivity” to generate quick and creative solutions in every instance of communication
- With a virtual showroom concept that offers an immersive digital experience for customers, the “Audi City” locations represent the future of today’s “store” culture and display life-size, virtual versions of all Audi models shown on giant LED screens.

Achieving Operational Excellence through Increased Efficiency!

Doğuş Otomotiv offers sales, aftersales service and spare parts services for 12 international brands at nearly 550 customer touch points and aims to continue its activities as Turkey’s leading automotive importer and distributor by achieving optimum profitability.

- Our web-based and mobile device compatible software “Turkuaz”, already used by Doğuş Otomotiv and all Authorized Dealers/Aftersales Services, adds value to the automotive processes by including manufacturers and suppliers as well and with constant software updates, it serves our digitalization targets significantly.
- The aim is to identify development areas through continuous measurement of quality standards at all customer touch points and to review the capacities of Authorized Dealers for the purpose of making revisions in layouts and workforce to achieve improved efficiency.
- The employee infrastructure will be reinforced for more efficiency as business volume in our Company increases and new technologies are integrated.
- Investment opportunities for new lines of business will be continually pursued and the Company’s development plans will be reviewed.
- Within the scope of Lean Management practices, necessary programs will be implemented to ensure that our employees contribute to the efficiency of business processes and savings-oriented process improvement programs will be introduced.

Maintaining Leadership in the Automotive Market!

- The Company aims at maintaining its market strength in the automotive industry and optimal operational profitability.
- The Company’s objective is to ensure that the international brands it represents perform successfully in Turkey and to leverage these brands’ value and competitive advantages to achieve sustainable growth with “creative service beyond expectations” vision and “customer-satisfaction oriented work” principle.
- The Company will remain fully focused on domestic operations with a lean approach.

Fan Employees are Essential for Creating Fan Customers!

The Company provides a shared culture for nearly two thousand valuable employees, engages in innovative and sustainable human resources practices and carries out projects that improve employee experience and loyalty.

- The Company’s employer brand “Bir’iz” (Together) gives the message of “we act together and make our mark”, which is spread across the company through in-house brand ambassadors.
- “GO - Development School”, built on the basis of gamification-motivation for training, offers a digital platform where the focus is on employee experience, allowing employees to have fun as they develop, win rewards, write blog posts and perform mutual trainer-employee assessments. In this manner, employees are able to monitor their personal and professional development and training processes and improve their social engagement within the company.
- The “GONK” seminars, ongoing since their launch in 2018 as part of the Training and Development activities, offer the employees development opportunities with mini seminars on various topics during lunch breaks.
- Talent management in our company includes a system based on potential and succession plans. Talents demonstrating potential according to specific criteria are selected to participate in a series of training and development programs. Coaching and mentoring programs are also offered by the Company within the scope of Talent Management.
- With the biannual Employee Commitment and Satisfaction Survey conducted companywide, the employees’ commitment to the company is scored based on the principle of confidentiality and development areas are identified. According to the results, action plans to improve employee commitment are created and the activities to be carried out during the year are also included in executive-level targets.
- In line with the activities of the “Equality at Work” platform, coaching and mentoring is provided for women in the Company as they are offered opportunities to get prepared for the next management level. With this program, female employees are supported about managing their own impact, which contributes to their personal/professional development. Several other practices have also been introduced to help women achieve better work/private life balance.
- Training and development activities such as talks with expert guest speakers and seminars, personalized education content, online trainings, development festivals and university collaborations; activities that support work-private life balance such as practices for female employees and gender equal-

ity and activities for employees’ children; activities aimed at creating employee experiences such as festivals, happy hours, healthy lifestyle practices (dieticians, pilates, yoga) and artistic activities are carried out to make each employee feel valued and special.

- Employees’ contributions to the Company’s social responsibility projects are greatly appreciated. As part of the “Young Women’s Development Project in Partnership with TEV”, launched by the Human Resources department in 2018, a mentorship program for students was created with the support of a group of TEV scholar female students and the female coaches who are part of the coaching and mentoring program within the company.
- With the DRIVE (Doğuş Otomotiv’s Route is toward People and Education) team, the objective is to support the development of Doğuş Otomotiv authorized dealers with Doğuş Otomotiv’s corporate structure and values and to integrate Human Resources processes to achieve sustainable suc-

cess in customer satisfaction with business results. With DRIVE, investments are made for continuous improvement of employees working at authorized dealers and aftersales services. Within this scope, consultancy support is provided for the development and institutionalization of human resources processes at nearly 550 Authorized Dealers and Aftersales Service Centers where 7,500 employees work.

The programs that Doğuş Otomotiv develops and carries out to enhance employee experience and satisfaction are explained in detail in the annual Corporate Sustainability Reports.



Digital Transformation Strategy

The foundations of digital transformation at Doğuş Otomotiv, which is always focused on operational excellence, were laid in 2017 by identifying the latest trends and customer expectations, redefining the value chain to shape the future and establishing the Digital Transformation department. With increased deployments across the organization, digital transformation has gained momentum at Doğuş Otomotiv in the recent years.

Digitalization in the Automotive Industry

The automotive industry is in the midst of a very rapid digitalization process as digital technologies are much more widely used in vehicles, advanced features like autonomy and connectivity are implemented to make life easier and safer for drivers and pedestrians, and development of driverless and connected vehicles gains traction. The automotive industry is rapidly digitalizing, starting from the product and spanning all the processes, expectations from the industry, consumer demands, technologies used and organizational workflows. This is a sign that “digital products” or “digital

services” will gain prominence in the future business models of organizations in the automotive industry, where fast communication, proactive services based on data and high-tech solutions such as artificial intelligence come to the forefront and digitalization takes priority.

Agile Management as Corporate Culture

Agile project management means having the flexibility, capacity and capability to respond to and drive change to be successful even in times of uncertainty. Agile management enables global companies to manufacture products and services much faster and seamlessly. Agility is the fastest and safest project development approach among the world’s recognized methods. This business revolution, which first began in software development, has already become a part of our lives as a new way of doing business and a management norm. At Doğuş Otomotiv, our goal is to embrace agile management as a corporate culture and lay the groundwork for the entire organization to achieve the flexibility that the digital age requires. The Digital



“Agile Room”

The “Agile Room”, established at the Doğuştan Otomotiv headquarter, gathers together business departments and the IT world in order to evaluate finished projects and plan new ones.

Project Management Process is designed to coordinate the digital software requirements of the departments and brands within Doğuştan Otomotiv and Doğuştan Teknoloji in a centralized manner and to consolidate all of these in a single portfolio. Accordingly, the Digital Board consisting of Executive Board members was established in 2019 to assess all digital projects of the company in a single pool. The Digital Board, which convenes at regular intervals, is responsible for deciding on and prioritizing the digital projects that individual Doğuştan Otomotiv brands and departments may seek to implement.

Data Analytics with Machine Learning and Artificial Intelligence

Data and new technologies such as Artificial Intelligence (“AI”), Cloud and Machine Learning form the core of digital transformation. Data analytics is the process of analyzing, cleaning, converting and modeling raw data to extract useful information, inform the results and support decision making. On the other hand, AI is the whole of advanced technologies that enable machines to detect, understand, act and learn. The world, driven by artificial intelligence, is undergoing massive change. As most of the technological developments are centered around artificial intelligence today, this trend is expected to continue for the next 30-40 years. We can presume that artificial intelligence will become trainable in the next 10-15 years and customized for many areas, particularly the automotive industry. As a company that has internalized digital transformation as part of its strategy, Doğuştan Otomotiv places digitalization and new technologies at the heart of its activities. Accordingly, work on Data Analytics with Machine Learning/Artificial Intelligence began in 2019.

Electric Vehicles

An electric car is an automobile that uses an electric motor powered by electricity stored in battery packs and other energy storage devices. The fossil fuel savings that these vehicles will achieve are expected to help reduce air pollution and carbon emissions in the cities. With investments in production, Original Equip-

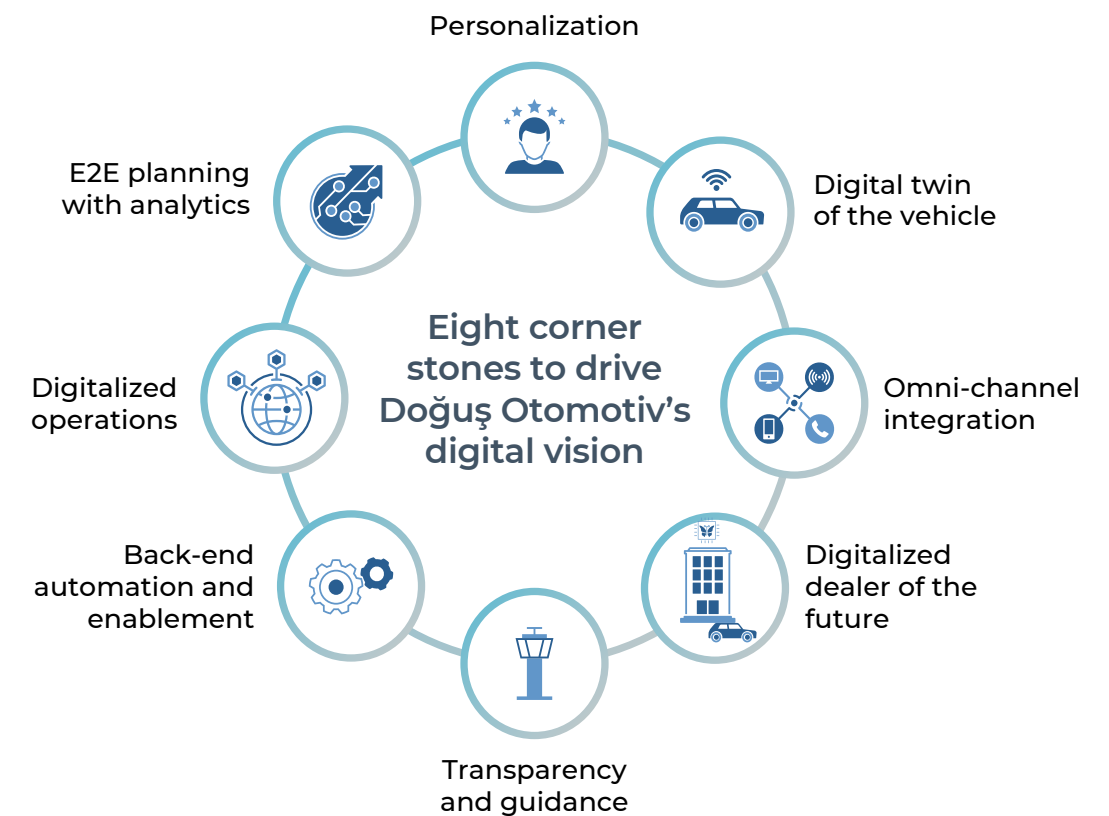
ment Manufacturers (OEMs) will also shift toward electric vehicles. With the continued drop in the costs of battery packs, electric vehicles are becoming more affordable, leading to more sales. Electric cars are anticipated to have a significant impact on the future of the automotive industry. Therefore, the company has formed a team to follow the processes in relation to the Volkswagen Group branded vehicles that will be imported into Turkey in the coming years with the aim of creating synergy among brands.

Connected Vehicles

Connected vehicles are smart vehicles that have two-way communication with external systems. As such, these vehicles enable internet access and therefore data sharing with other on-board as well as external de-

vices. Autonomous vehicles are also called self-driving vehicles because they do not require a driver to move. Electric vehicles, autonomous driving, connected vehicle software and ride sharing are just a few of the major trends that require significant capital investments by leading automotive companies. Suppliers and original equipment manufacturers (OEMs) will play a critical role in bringing these technologies to the users. Therefore, all players of the automotive industry are working to contribute to these developments.

The Company will remain focused on shifting to an agile, analytical organization and enhancing its digital capabilities through digital business development ideas in light of the latest economic conditions and how the automotive market takes shape in 2020.



ULTIMATE CUSTOMER SATISFACTION

CRM - Customer Relations Management Unit

In order to manage customer experience in the best manner possible along the customer lifecycle based on innovations and changing dynamics, streamline and simplify customer communication processes with a proactive approach, design personalized offers and services based on centralized data management and analyses, reinforce the customers' confidence in the Company and the brands, plan actions to increase customer loyalty and maximize customer satisfaction, CRM (Customer Relations Management) Unit has been positioned under the Digital Transformation and Corporate Communication Department.

The key responsibilities of the CRM Unit include:

- Taking necessary actions and introducing developments to ensure that customer data are stored properly and kept up-to-date;
- Ensuring that a customer-oriented working concept is adopted as a corporate culture across the entire organization;
- Conducting internal and external customer satisfaction surveys (CSS, CSI, DSS) to improve processes, and measuring, evaluating and reporting results;
- Measuring and reporting the outcome of direct marketing activities (email, SMS, MMS, direct mailing and web) in response to the demands of authorized dealers and brands;
- Developing and carrying out analytical projects in collaboration with third parties for the brands, authorized dealers and aftersales services;
- Enriching available customer data with consumer data on social and digital media to ensure continuity, turning customer complaints received via social media into sales opportunities;
- Enhancing the customer recognition, monitoring and information functions in the Turkuaz system, which is used by all brands and Authorized Dealers, to make them more effective, simpler and more comprehensive as needed;
- Designing, managing and coordinating loyalty projects;
- Campaign management and communication activities on the loyalty platform;
- In processing personal data that customers share with the Company according to the Personal Data Protection Law, protecting the fundamental rights and freedoms of individuals, and particu-

larly privacy of personal life, managing the processes in line with our obligations, and carrying out marketing activities aimed at the customers' specific areas of interest and needs within the framework of Permission Marketing Law and through the permitted channels;

- Coordinating collaborative projects for the benefit of our customers;
- Managing each step and stage in communication with the customer through contact mapping across every business and process where Doğuş Otomotiv brands engage with consumers;
- Delivering Customer Experience Management (CEM) training to our Authorized Dealers;
- Designing and managing sales and service campaigns and projects based on data analytics, conducting customer segmentation and loyalty-focused analyses and supporting integration of online and offline services.

The Customer Experience activities carried out in 2019 included:

Customer experience management involves the whole range of perceptions and emotions created as a result of the relations established with customers at each contact point we engage with them. In order to manage customer communications proactively and seamlessly by placing the customer at the center, the activities and steps in the pre-sales, sales and aftersales processes of the VW Passenger Car, Audi, Porsche, SEAT, Scania and DOD brands that Doğuş Otomotiv represents are monitored with customer contact maps.

Customer satisfaction surveys carried out by an independent research firm to follow the satisfaction of our customers continued under the name of Customer Experience Management (CEM). The CEM portal, in which the satisfaction survey results of Authorized Dealers and Aftersales Services can be followed, was replaced by a new and more user-friendly portal in 2019. The new portal offers a structure by which more comprehensive analysis can be obtained.

As the need for phone calls decreases and online surveys increases with the advent of digitalization, preparations on an infrastructure for online surveys have been completed. System integration was established for automatic transfer of customer data obtained from surveys to the independent research

company, thus important steps were taken in controlling the quality of the data. In 2019, more than 46 thousand customers were interviewed, their satisfaction with sales and aftersale services was questioned and actions for improvement were planned by the relevant management units.

In line with increasing use of mobile apps, our brands' communications and campaigns via the ZUBIZU loyalty platform continued in 2019. Companies from different industries offer numerous advantages for Doğuş Otomotiv customers on the ZUBIZU platform. The platform is also used as a channel offering communication opportunities to reach micro segments created according to specific criteria among Doğuş Otomotiv customers with exclusive promotions. ZUBIZU-Shell fuel advantage program partnership continued throughout 2019. In addition, a special campaign with extra benefits for Doğuş Otomotiv customers from Shell was carried out in October-December 2019 period.

In order to increase our vehicle sales and customer loyalty, big data on the Turkuaz system was analyzed, and customers with future prospects were identified using statistical modeling. As the pilot study with our Audi brand was completed in 2019, the project will be commissioned for all our brands in 2020.

With the purpose of making behavioral analysis by monitoring Doğuş Otomotiv customers' sales and aftersales activities, getting to know customers better and taking personalized actions for individual cus-

tomers, the project titled "Hot Lead" became effective for all the brands in 2019. The project aims to enhance customer experience by directly calling the customers who visit/call the same or different Authorized Dealers but do not take action within 48 hours.

The infrastructure work on a project to enable our current and prospective customers, who are active in social media, to query the Turkuaz system with personal and social media account credentials was completed. Leveraging an advanced algorithm that evaluates customer resemblance rate within the scope of unified customer data, duplicate customer records have been significantly reduced.

Within the scope of the Personal Data Protection Law and Electronic Commerce Law, the sharing permissions and direct marketing activities permissions of our customers began to be obtained through SMS along with the communication permission form on the web.

The Data Warehouse Renovation Project will offer multi-dimensional analysis opportunities, including first and foremost the creation of a Data Glossary, which aims to build common definitions and terminology among all the brands of Doğuş Otomotiv, as well as enabling users to generate their own reports, accelerating the reporting process and increasing performance.

Data Glossary studies were completed, the system infrastructure has been adapted to new reporting tools and relevant tests have been carried out. With the introduction of the new reporting system, called DORA,



Privileges for Doğuş Otomotiv customers

Communication and campaign activities of Doğuş Otomotiv brands on the ZUBIZU loyalty platform continued in 2019.

in 2020, all Doğu Otomotiv employees will have the opportunity to create their own reports with the Business Object.

Within the framework of Data Governance, a project has been launched in order to follow analytical CRM studies in a multiple way by using the data on our current ERP system Turkuaz through Data Usage in addition to the existing features of Data Security, Data Identity, Data Warehouse and Data Quality. Versatile studies on integrations, processes, authorizations, Personal Data Protection Law and information security on

Value and Care Center (DIM)

Aiming to increase customer satisfaction in sales and aftersales services in line with the vision of "Creating Fan Customers," the Company has brought together the previously outsourced services such as dialogue (care management), roadside assistance, and call center operations (surveys and bookings) under its own roof with a new quality concept. Named "Value and Care Center" (DIM) to highlight how much the customers are valued and cared for, the unit was structured under the Digital Transformation and Corporate Communications Department in November 2014 and set up at a separate location in Kavacık to deliver creative services beyond expectations, create positive customer experiences and increase the number of fan customers by promoting value and inspiring trust.

In addition to lending support to all our brands at every stage of customer lifecycle, DIM also continues to improve the quality and variety of its services through projects. The DIM operation that aims at bringing a service and quality standard to customer contact points makes it possible for brands and authorized dealers to follow consumer expectations and opinions transparently and in real time with its reporting functions.

DIM is conceived with the idea that not only customers but also employees need to feel valued. This is why the environment is designed to make employees feel valued and important, show initiative and participate in decision-making.

DIM provides the following services:

1. Care Management (Dialogue): Managing demands (requests, complaints, suggestions, gratitude, etc.) concerning vehicles of brands that Doğu Otomotiv imports as well as authorized dealers and aftersales services, and meeting customer needs and expectations mean our customers receive the value and care they deserve. These demands are conveyed to DIM through various communication channels such as phone calls, email, live chat, social media and letters.

Doğu Otomotiv data have been carried out and will continue in 2020.

With the DMP (Data Management Platform) investment, online and offline data of Doğu Otomotiv companies were largely unified and all customers were singularized under the right segments and by a single digital identity. Communication with customers, who opt in for communication on digital marketing touch-points, is carried out on digital platforms based on their needs and areas of interest.

In 2019, DIM successfully responded to 146,063 dialogue calls, which correspond to a 16% decrease year on year. The average speed of answer (ASA) was 18 seconds* and service level was 84% in 2019 (*The ratio of calls received within the targeted answering period to the total number of received calls).

Customer emails answered totaled 48,639 with average email response time of 72 seconds in 2019. The number of answered emails increased by 33% compared to 2018. In 2019, 33,204 live chat calls were answered within an average of 14 seconds. 56,444 notifications reflected on social media (twitter, facebook) were answered by DIM within 55 seconds.

2. Roadside Assistance: DIM offers roadside assistance services for vehicles imported by Doğu Otomotiv, vdf Insurance policyholders and vdf Fleet Rental vehicles' users. Primary goal of roadside assistance services is to enable customers to continue with their journeys. The aim is to make customers feel safe against adverse situations that may arise on the road and to reach them as quickly as possible to provide all-encompassing roadside assistance.

DIM responded to 219,831 calls for roadside assistance in 2019 while the average speed of answer (ASA) for these requests was recorded as 18 seconds. Service level was rated at 82%.

In 2019, the "Emergency Service" offered by DIM to its customers was 25,720. The Emergency Service is a positive service for our brands in order to solve our customers' demands at the point of incident and to help them continue their journeys without interruption.

Meanwhile, the "car towing services" offered to customers by DIM in 2019 decreased 19% year on year and amounted to 18,674 in number. Despite the decrease in the field operation service in total, the fact that the Emergency Service remained at the same level increased the number of services we offer to our customers at the scene.



Value and Interest Centre

Launched in 2014, Value and Interest Centre (DIM) supports Doğu Otomotiv brands at every point of the customer life cycle, while aiming to increase the number of "fan customers".

As another service within the scope of field operations, temporary vehicle allocation of DIM to its customers has been realized as 2,575.

In 2019, the number of tickets opened for road assistance calls decreased to 111,799 contracting 11% compared to the previous year.

Customer satisfaction with roadside assistance was rated at 87%.

3. Surveys: Surveys are conducted by calling customers to verify data and service quality with the aim of getting specific answers to scripted questions. The primary goal is to enable our brands to retain their current

customers and proactively reach prospective buyers. Calling customers and recording data are essential in terms of managing CRM operations accurately and effectively to maximize sales opportunities with new and loyal customers and using potential and existing customers' data properly. DIM conducted surveys with 135,507 respondents for 20 different projects in 2019. The joint activities of the brands and the CRM department are supported by DIM and field studied are conducted by the survey team.

4. Appointments: Appointments are booked and planned for maintenance and repair works at Authorized Aftersales Services, which are the initial contact with the customer after a vehicle is sold. Attending to the customer's needs and expectations forms the basis of this process, which also involves coordination with the relevant Authorized Aftersales Service regarding workshop planning. Accordingly, the appointment line that serves Doğu Oto in all regions received 265,093 calls, with 75,318 resulting in bookings for all brands in 2019. New projects are also carried out from time to time for Doğu Oto in general or for specific regions.

5. Used Vehicle Sales: As part of used vehicle sales, the requests received from DOD customers through the website, social media and by phone about buying, selling and trading used vehicles and their insurance and financing conditions are analyzed, results are shared with the customers and contact is established between customers and authorized dealers. DOD calls decreased 53% year on year down to 9,363 in 2019.

While the world average for Service Level as one of the key indicators for the call center industry is 75%, DIM's score was 81% in 2019 as a total value for all units.

NPS surveys that evaluate customer representatives, service quality and the impressions left on the customers revealed a score of 84 points in 2019.

As a result of the quality measurement of DIM customer representatives, the quality of the calls with customer representatives was scored at 91.77 in 2019.

DIM always considers service excellence a priority and works on contract with towing companies operating in important and high-intensity areas, followed by quality measurements, which aim at higher service standards in terms of quality and efficiency.

The employees at DIM also contributed to this process with 98 suggestions in 2019, once again topping the list with the highest number of suggestions submitted within the entire organization.

6. Other applications:

DIM Rent A Car (RAC): Since 2015, DIM has been providing temporary car rental service for authorized dealers with VW and Audi brands to better serve our customers stranded on the road, allowing them to experience our upper segment vehicles such as VW Passat or Audi A4.

D-Pedia Portal: A new web-based FAQ portal has been set up to allow customer representatives to answer customer questions in a timely manner and to record these questions and problems in corporate memory.

Online Performance Appraisal System: The new software developed especially for DIM has been integrated into the performance appraisal system, informing customer representatives about appraisal results (call quality, tests, etc.) simultaneously as they are measured.

Dialog Mobile App: The first phase of DIALOG mobile app developed to meet customer expectations and deliver a unique customer experience has been implemented. When the customer is stranded on the road, their location can be identified through the app and communicated to the emergency service / tow-

ing company for immediate action. The location of the emergency service and the tow truck can be also monitored by the customers on their smart phones. The app helps the customers to benefit from roadside assistance services with one tap.

Automated NPS Calls: NPS calls to measure the satisfaction of customers from the DIM service were previously made by customer representatives and starting in 2017, these calls are made by the automated IVR system. This has resulted in savings in workforce and receiving more information from customers to develop and enhance processes.

In 2019, DIM continued using the Verint Speech Analytics system, which was implemented in 2017 with an important technology investment. In this system, all recorded calls are automatically converted to text using speech-to-text technology, and data mining methods are applied to these texts to conduct various analyses. The Speech Analytics system has contributed to DIM in terms of performance management, efficiency and marketing.

DIM holds the ISO EN 15838 Customer Management System certification, which is an international standard with industry requirements for Call Centers and granted to customer-oriented service providers; as well as ISO 10002 certification compliant with ISO 9001, a management approach that enables forming more useful and long-term relationships with customers and improves those relationships.

In 2019, DIM started to carry out the Porsche Premium Customer Representative project, which was launched last year. As part of the project, the Dialog and Roadside Assistance calls made to DIM are answered by a dedicated consultant of the Porsche brand.

With the Positive Discrimination Project launched in 2016, DIM has implemented a new practice to provide faster service to people with disabilities, women and +60 age group among the customers they serve and to minimize their waiting times. Defining these customers in the system connected to DIM and the operator system enables them to be automatically taken to the front of the queue, with a sign appearing on the screen of the customer representatives about the customer's special case (female, +60, or disabled, etc.). This practice makes a difference in service both in terms of treating the customer and also service time.

7. Project-based Activities:

- Analyzing and reporting requests, complaints and demands received from the field and implementing improvement projects,
- Giving regular feedback to aftersales service teams regarding emergency services, contributing to the

efforts for compensating for shortages and maintaining standards,

- Carrying out brands' customer relations projects (such as managing the Lead system, providing exclusive call center service for the VW Commercial Vehicles Premium project and similar projects such as Digiturk Portal, DMF leads, VW Shop, D-Gym, meeting periodical campaign demands (dost drive, etc.), and Scania Corporate operations),
- Updating customer data on project basis by calling customers of a specific brand or authorized dealer,
- Developing projects for brands by taking part in their annual planning process,
- Carrying out activities aimed at improving customer relations by observing customer experiences at authorized dealers that are open to improvement and making results available to the entire organization,
- Carrying out training and motivation programs for emergency services and towing companies to im-

prove processes and increase customer satisfaction.

8. CRM Scorecard: DIM also manages the "CRM Scorecard", a special project designed to measure the effects of CRM activities on brand performance.

9. Telemarketing: Telemarketing activities (sales of accessories, warranties, etc.) are carried out by DIM as well.

Suppliers

Our cooperation with the suppliers that we count among our primary stakeholders is based on an understanding of building open and productive relationships. This is how Doğuş Otomotiv develops long-lasting collaboration with all suppliers.

The company, as the holder of ISO 9001:2015 certification by TÜV Germany, covering the Volkswagen, Audi and SEAT brands and the Logistics Center, regards customer satisfaction and quality as two of its most important values.

Doğuş Otomotiv exercises utmost diligence in selecting its suppliers. The businesses that meet the main selection criteria are audited on site. Based on the audit scores, the suppliers are then evaluated to determine whether or not they would be eligible to remain on the approved list. Those criteria also apply to companies yet to be included in the list.

The wide range of selection criteria includes holding TSI, ISO 9001 / TSI Quality Certifications, manufacturer's seal of approval, a current and industry-standardized Capacity Report by the Union of Chambers and Commodity Exchanges of Turkey and not having any outstanding tax liabilities, or debts to the Social Security Institution. Companies operating in 16 main services fields, including cleaning, catering, printing, printed documentation, personnel transportation, security, and textiles are regularly audited for their compliance with the selection

and evaluation criteria.

In 2011, a supplementary protocol to the existing agreements with our suppliers was drawn up to ensure that economic, environmental and societal risk predictions in Doğuş Otomotiv's corporate responsibility vision were adopted by our suppliers. 11 of our suppliers are included in the Corporate Sustainability Report as of 2019 and they have been informed about the monitoring of their sustainability performance.

Doğuş Otomotiv also manages its supply chain in a very effective manner. The Company's supply chain management is presented in detail in Corporate Sustainability Reports and under Sustainability on the corporate website. (<http://www.dogusotomotiv.com.tr/en/sustainability-2019/impact/sustainability-performance-of-suppliers>).

EVALUATION OF 2019 AND EXPECTATIONS FOR 2020

	2019 Expected	2019 Realized	2020 Expected
Total Automotive Market (Passenger + Light Commercial + Heavy Commercial) (thousand units)	230-240	477	620-630
Doğuş Otomotiv Sales Volume (excluding ŠKODA) (thousand units)	45-50	61	70-80
Investment Expenditures (TRY million)	60-70	45	160-170

Due to economic and geopolitical uncertainties that started in 2018 and continued in 2019, a contraction of 55-60% in the automotive sector was expected, however as a result of the recovery seen in the macroeconomic outlook during the year, the contraction remained at 22%. Total automotive sales were realized as 477,069 and exceeded our expectations. In this context, our Company managed to stay at the targeted market share level. The Company worked to strengthen operational efficiency in 2019 and continued to follow a cautious expenditure management policy in light of all re-evaluated project and marketing plans, with investment expenditures amounting to TRY 45 mio.

The Company aims to achieve the following in 2020:

- Maintaining optimum operating profitability and market share (excluding ŠKODA) at 12-13% levels for long-term success;
- In light of all reassessed projects and marketing plans, following a cautious expenditure management structure; and
- Making necessary improvements and reinforcing operational efficiency through constant monitoring of key performance indicators.

Investment expenditures planned for 2020 include the following topics:

- Expenditures for head office, logistics, spare parts, training areas and subsidiaries,
- Machinery and equipment investments,
- Test vehicles,
- Investments in information technologies,
- Investments with potential to create value.

The company will focus fully on domestic operations by purging activities without any short-term potential and concentrate on mobility, digitalization and service areas in the medium to long term. Furthermore, critical business processes will be fortified within a holistic structure that considers digitalization trends as part of continuous development and manufacturers' strategies. The Company will also continue to maintain its competitive position with new vehicle models of the international brands represented.

We have identified the following risks in relation to our 2020 expectations:

- Geopolitical risks and their potential impact,
- Exchange rate fluctuations and their reflections on strategic financial risk management,
- Protective policies depending on the developments in global markets, and liquidity movements.

The principles regarding the management of risks are explained in detail in the following section titled "Overview of the Risk Management System".

OVERVIEW OF THE RISK MANAGEMENT SYSTEM

Risk Management and Internal Control Mechanism

Corporate Risk Management, which we established to revise and assess methods of defining volatilities in a timely and adequate manner and to take remedial measures in accordance with the objectives of our Company's overall code of conduct, continues to evolve into a corporate culture that extends from the governing body to entry-level employees.

The Financial Control Department, operating under the General Directorate of the Chief Financial Officer as a consequence of the importance we attach to risks in the Company, was restructured in May 2015 as the Financial Control and Risk Management Department. By addressing the complementary nature of risk and control concepts together under the same roof, we maintain our goal of creating one single responsibility center and a common language. In line with this objective, a direct, comprehensive and integrated service is provided for the Early Risk Detection Committee as the command center for effective risk management, with full support for the oversight duty of the Committee.

Our risk composition, considered on the basis of probabilities and possible effects of processes and scenarios, has been redefined and expanded to include our growing sensitivity for health, safety, environment, business continuity, and sustainability in the recent years. Risk measurement and assessment parameters, the use of common terminology, business continuity approach, as well as all related

reporting and shareholder information activities also continue to be reinforced accordingly.

The revisions we have made in accordance with our changing organization and the current environment in which we operate are aimed at controlling and managing the risks following their analysis in line with the objective of the internal control system. Managerial bodies, including relevant committees and executive management plan the necessary measures to be taken for assurance in accordance with the Company objectives, and address and monitor them through authorized channels.

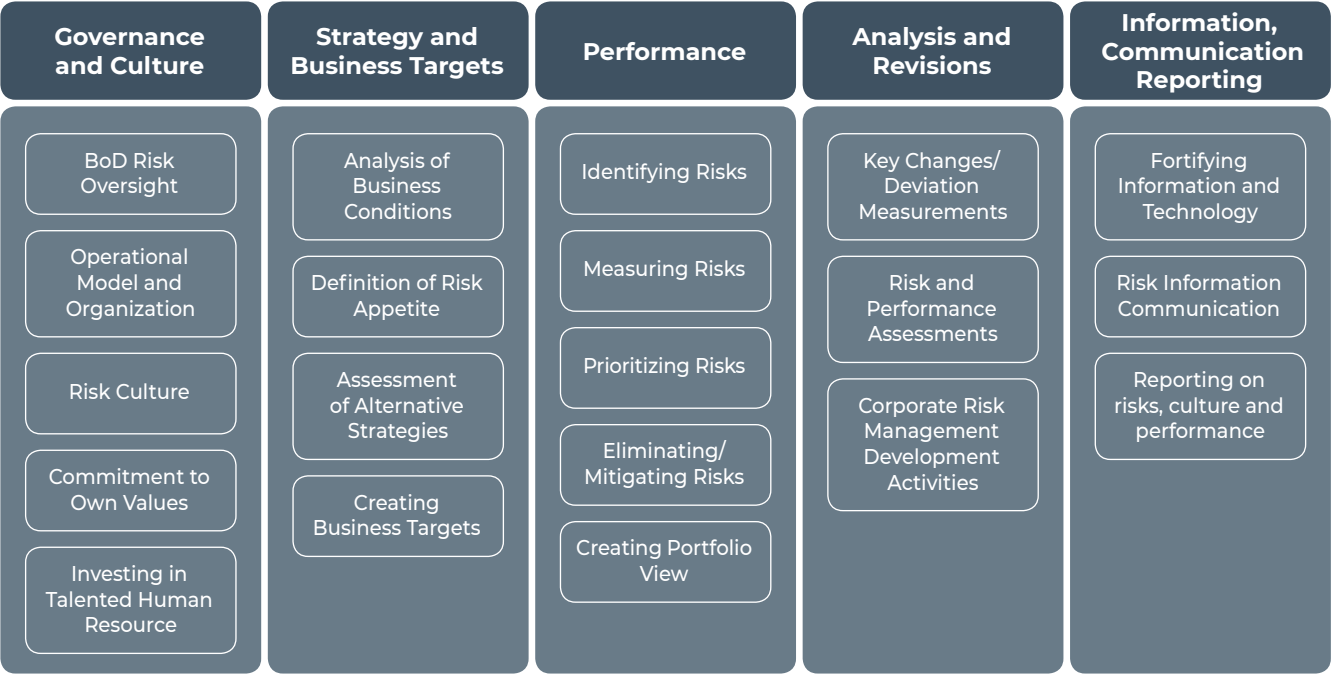
Risks and Evaluation of the Governing Body

Risk Management Policy

The Company's risk management policy was created within a framework configured by internal control and audit activities where all the roles and responsibilities from the Board of Directors to the lowest level were determined and the risk processes were planned and managed. Within the existing structure, the most fundamental topic we emphasize to ensure that risk, as a shared corporate culture, is expressed in the same terms by all our stakeholders. Addressing the models and methods designed for application within the company in alignment

with generally accepted references is also essential. Identifying the factors that might pose a threat for our organization, assets and stakeholders, taking measures and improving the effectiveness of oversight will, as always, determine the direction of our efforts.

The Company's risk management framework is summarized as follows:



Early Risk Detection Committee Activities

The Early Risk Detection Committee conducts activities for effective risk management by detecting early on the potential causes that may endanger the existence, development and continuation of the Company, and taking the necessary precautions. Most of the time, the interpretation of future scenarios and uncertainties, as the main theme of these activities, are not perceived solely as absolute barriers due to the Committee's strategic perspective and encouragement as they are considered potential opportunities by the Company to lay the groundwork for systematic self-evaluation and new advantages.

With a qualified team and accurate information flow, the Committee provides assurance and supports the oversight role of the Board of Directors and reviews the risk management systems at least once a year. In addition, it presents the assessment reports it prepares by holding meetings at the date intervals determined in accordance with the working principles to the Board of

Directors and shares it with the auditor during the year. The Committee is directly interlinked to the Corporate Governance and Sustainability Committee as it shares the same members.

Risk Factors and Practices

The Company's risk perspective, shaped according to its field of operations, scale and business structure, continuously evolves and matures on a platform where international developments and examples of best practices are filtered through competencies. The fact that the risks involved in this process would not remain limited to financial, operational and natural phenomena and would eventually require management with a much wider perspective and sustainability approach is a key issue that determines our corporate risk management actions. With the activities we created as an integrated blueprint taking into account the interconnected risks, the processes included in risk management are guided on a path leading up to a strategic and proactive business model.

Financial Risks

Liquidity Risk

The overall financial standing of the Company has been monitored in an environment where financial sensitivities are carefully considered and solutions generated to that end. Particularly, a reporting template based on the variations in commercial transactions is used to monitor risk management asset-liability cash flow.

and receivables was secured through both amount and maturity-planned cash movement controls, ensuring that funding requirements for growth and investment policies were balanced.

Exchange Rate Risk

The net FX position was monitored, again, on the basis of the Company's commercial transactions and communicated regularly to the risk-related governing body as well as the Early Risk Detection Committee through monthly risk management reports. The effects of devaluation, parity and inflation movements were analyzed and necessary precautions were taken.

As a business with intensive import transactions, which are constantly exposed to foreign exchange risks, forward exchange contracts were executed and planned cash has been partially kept in foreign currency to keep the payments in check. Some additional measures were taken, including model-based agreements negotiated with manufacturers according to product portfolio and action plans and pricing options to minimize the negative effects of currency fluctuations.

Interest Risk

The risk management of the Company is grouped into currencies while strategic interest position is determined by also taking into account the effective maturities according to yield and costs of assets and liabilities.

Operational Risks

Relations with Suppliers

The Company takes precautionary measures against risks such as supply discontinuity or interruption, possible delivery and quality problems and the supplier's financial and technical incompetency. Some of these ongoing practices include monitoring supplier performance, an evaluation system based on minimum offer and bidding procedures, binding agreements and where necessary legal approval, letter of guarantee and other similar instruments to ensure the provision of the service. The precautions taken for and the supervision of issues regarding Supply Chain Management and managing the suppliers' social, environmental and economic risks are explained in detail within the scope of the Sustainability Report. (<https://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-home>)

Occupational Health and Safety (OHS)

Certain OHS committees and an organizational structure have been formed to effectively perform/manage the OHS processes in the Company. Furthermore, the Company has resolved to outsource these services starting from 2018 rather than using own employees, and a three-year agreement has been signed, thus ex-

ities. For the circumstances where the loan amounts and interest rates change according to our scenario projections, measures are taken proactively according to the load that the cost increases would impose and suitable instrument/rate options are selected and implemented.

Receivables Risk

With joint factoring projects and cooperation, the receivable/payable risks between Doğuş Otomotiv and the authorized dealers and aftersales services have been minimized.

Product Cost/Price Risk

Import planning and resource management are considered as a whole with the quantities and amount of stock in bonded warehouses, in transit, loading or at the ports while the brands are monitored daily for their foreign exchange positions. The direct impact of potential and sudden spikes in foreign exchange rates on both cost composition and the capacity to generate income are analyzed according to various scenarios. In the studies carried out about working capital on the other hand, cash flows, loan limit/risk projections and the financing of the working capital are planned against possible lack of revenues in the scenarios. All of the summarized activities were included in the monthly risk management reports and the relevant management levels were informed regularly during the year.

panding the scope of services and sharing risks. Within the scope of OHS, risk analyses of our facilities and work environments, accident studies, civil defense trainings and drills are carried out. Furthermore, current circumstances and legal responsibilities are regularly reviewed during OHS committee meetings and monitored. Trainings aimed at raising the employees' awareness are offered throughout the year with tests conducted under the supervision of experts to measure knowledge levels. Detailed information on Doğuş Otomotiv and Doğuş Oto's OHS activities is available in the Sustainability section on the corporate website. (<https://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-home>)

Business Continuity and Crisis Management

For this activity, which is carried out in direct contact with Doğuş Teknoloji and task owners to ensure that it is more in line with the literature and that it embraces the basic concepts with the aim of raising awareness, and that is comprehensive, up-to-date and applicable in real life, relevant OHS practices and the Action Plan issued by the Institute of Internal Auditors are taken as basis. As an important detail of this work, business continuity and disaster recovery are addressed as two

different but complementary vital factors within the integrated structure. Business Continuity-related activities were shared with the Early Risk Detection Committee during the year and opinions and suggestions were noted.

The emergency action plans and crisis management scenarios developed to recover the processes that may potentially be interrupted as a result of destructive risks despite the Company's proactive efforts are also reviewed. Generally accepted tools and consulting services were utilized in these plans and scenarios that aim to prevent loss of life, goods and information, meet the expectations of right holders, take the correct legal steps and protect the organization's reputation.

Information Technologies

An integrated information system (Turkuaz) is used to carry out the operations at the Company. The processes that require intensive transactions such as procurement, inventory management, sales and accounting are generally performed through the applications available on this system. There are also a number of ongoing activities and efforts aimed at resource plan-

ning, the use of defined authorities and access rights, training and certification programs toward the use of professional equipment, follow-up on reference models and taking action in accordance with audit results.

Decision Making Processes and Practices

As a precaution against the violation of Company policies and as part of our governance principles, the Code of Ethics, created in global standards and approved by the Company's governing body, states a way of doing business even beyond the regulations and directives at every stage of the company operations. The Code of Ethics has been adopted in a simple blueprint and with exemplified narrative content, and carefully prepared as a guide for all stakeholders. Regular internal trainings as well as reminders/notifications help to maintain awareness while access to the Code of Ethics is possible on various platforms.

More information on the Management of Non-Financial Risks within the scope of Strategic Sustainability Management aspect is provided in the Corporate Sustainability section under Management of Non-Financial Risks.

Doğuş Otomotiv Compliance Function

Compliance at Doğuş Otomotiv means fully complying with the applicable laws and regulations as well as adhering to company policies and procedures, societal norms, Doğuş Otomotiv Code of Ethics and relevant international standards. In order to conduct our business in the right way and in a manner to build the trust of our stakeholders, we follow Doğuş Otomotiv Code of Ethics in all our operations. The Code of Ethics consists of four main topics: Equal and Healthy Work Environment, Integrity and Fairness in the Work Environment, Protecting Doğuş Otomotiv's Assets and Reputation, and Integrity and Fairness in the Market. Overall, these topics contain 54 case studies taken directly from the industry to ensure a better understanding of the ethical practices.

In 2019, Doğuş Otomotiv carried out a number of internal communication activities to make sure that the company policies are clearly understood across the organization and to support the Compliance Function. Notifications and boards were prepared about the policies that the employees often encounter in their daily lives and relevant details of those policies were shared.

Doğuş Otomotiv Compliance Function is committed to ensuring that the company's commercial operations are conducted with high ethical principles, international standards, and applicable local laws and regulations. The Compliance Function reports to the Early Risk Detection Committee, which in turn reports to the Board

of Directors. The Function held its first meeting with its working group in December 2019. The Compliance Function operates in coordination with the Legal and Risk Management Department and the Sustainability Council. Activities of the Compliance Function are organized in a manner to ensure compliance with company policies, legal regulations, legislative requirements, and international standards and processes, as well as identifying and reporting the risks in the relevant processes. The Function began working on the Compliance Policy in 2019 with plans to present it to the Board of Directors for approval in 2020 after preparations, adjustments, refinements and finetuning based on the opinions and recommendations of the relevant units. The Compliance Function will continue to work toward minimizing compliance risks across Doğuş Otomotiv's field of operations and providing reasonable assurance in areas within its scope.

Doğuş Otomotiv also formed a working group to focus on the "Law on the Protection of Personal Data" (National Version of GDPR). With the Legal, Risk Management and Information Security departments working in collaboration, the compliance process is managed by adhering to legal obligations, terms and conditions. Doğuş Otomotiv Information Security Management System regulates the security processes to protect the company's information assets and ensure compliance with applicable legislation, keeps these processes up-to-date and defines the roles and responsibilities with respect to security processes.

AUDIT COMMITTEE REPORT

Internal Control and Internal Audit Activities

The internal control and internal auditing activities are carried out to ensure effective, reliable and seamless management of the Company's services and assets as a secure environment is created to ensure the integrity and consistency, timely availability and protection of information.

With internal control practices an integral part of our policies and procedures, our objective is to protect the rights of shareholders and stakeholders, ensure that the Company's financial and non-financial information are realistic and accessible, comply with legislation and the Articles of Association and carry out operations effectively and efficiently. Given that internal control is an ongoing activity and its assessments provide an instant view of the system, our existing structure has been reinforced with three lines of defense. The internal control system, performed by executives and employees, constitutes the primary defense line while the Financial Control and Risk Management activities, which have been restructured under the General Directorate of the Chief Financial Officer, create a second line of defense. Functioning directly at operational level, Financial Control and Risk Management acts in coordination with the other control departments such as Internal Audit and Legal. Our third and final line of defense is composed of our internal audit activities.

The company has in place an Internal Audit Department, which reports to the Audit Committee and operates in accordance with the legislation and in-

ternational standards. The department regularly and systematically audits and reviews the Company processes and internal control activities according to a risk-based annual audit plan approved by the Board of Directors and in line with the defined objectives. The Audit Committee held nine (9) meetings including one (1) joint meeting with the Early Risk Detection Committee throughout 2019 to discuss and review the independent audit results and the regular audits, inspection and investigations carried out by the Internal Audit Department.

The Internal Audit Department, taking utmost care to comply with international standards of internal audit activities, evaluates development opportunities by considering quality assurance activities, senior management expectations and similar industry practices. In this respect, audit activities regarding Information Technologies continued in 2019. In addition to continuous auditing activities, an audit methodology that can generate results across all data instead of sampling was developed and together with daily, weekly and monthly reporting through the system, the effectiveness, efficiency and timeliness of audits was enhanced. The objective for 2020 is to increase the weight of continuous audits in the regular audits. With respect to the Information Systems audits, the relevant teams will undergo the certification processes. Furthermore, the Company has plans to acquire the independent audit Quality Assurance Review (QAR) to measure and monitor audit quality.

Audit Committee Information Note

As Doğuş Otomotiv's Audit Committee, our objective is to ensure the compliance of the Company's financial statements through effective management. In this respect, the Audit Committee, on behalf of the Board of Directors, defines methods and criteria for internal audits, effectiveness and adequacy of internal control and risk management, functioning of the accounting and reporting systems in accordance with the Capital Markets Law and the principles therein, integrity of information, confidential assessment and resolution of complaints made to the Company regarding the internal control system and independent auditing and discretion in evaluation of notifications.

The Audit Committee consists solely of Independent Board Members as defined by the CMB's Corporate Governance Principles. Ms. Adalet Yasemin Akad, the other Committee member, and I, the Committee head, contribute to the committee with our finance, accounting and audit experience that we have gained through our professional careers in these fields.

As the Audit Committee, we carry out our activities in accordance with the Committee Bylaws approved by the Board of Directors and assist the Board in its oversight duties regarding accounting, auditing, in-

ternal control system and financial reporting practices. Accordingly, we are responsible for the following tasks, which are also specified in our bylaws:

- Taking necessary measures to ensure that independent external audit is conducted effectively, adequately and transparently.
- Interviewing independent auditors to ascertain whether or not the financial statements accurately reflect the financial standing of the Company and the results of the activities, and are prepared in accordance with the procedures and principles stipulated in the applicable regulations and relevant legislation.
- Assessing whether or not the methods, tools and implementation principles required to identify, measure, monitor and control the Company's risks are in place.
- Reviewing the follow-up system that the Company has in place for compliance with applicable regulations and relevant legislation, disciplinary sanctions and the results of the investigations and follow-up launched by the company management on these issues, and providing recommendations to the management for necessary arrangements and actions.
- Taking necessary measures to ensure that the internal audit activities of the company are conducted effectively, adequately and transparently.
- Reviewing the operations and organizational structure of the company's internal audit department, providing the Board of Directors with recommendations in regard to establishing a healthy internal audit infrastructure within the company, defining the powers and responsibilities of the internal audit department, drafting the internal control processes, and the actions needed to ensure the operation and oversight of the system.
- Obtaining the opinions of the Company executives in charge and independent auditors regarding the compliance and accuracy of the annual and interim financial statements and footnotes to be disclosed to the public with applicable legislation and the accounting principles followed by the company, and reporting these together with our comments to the Board of Directors.
- Reviewing the annual report to be disclosed to the public to ensure whether or not the information contained herein is accurate and consistent with the information the Committee has in its possession.

The Committee convened eight (8) times in 2019, including four meetings with the independent audit firm and four meetings with the Early Risk Detection Committee. The independent audit firm submitted their review of the consolidated financial statements and the audit results. In the presentations by the Inter-

nal Audit Department, the Committee was informed about internal control, risk management, governance and sustainability processes as a result of the audits. Additionally, at least once a year, individual meetings with the Chief Financial Officer, Accounting Manager and the independent external auditors in a setting where executives are not present. These meetings enable us to consider the issues that may be brought to the agenda by auditors or to our attention about the auditors.

The interim financial statements have been reviewed together with the independent audit firm. Quarterly reviews were conducted regarding the analysis of consolidated results and consolidated balance sheets.

Audit activities, covering financial, operational, regulatory and misconduct risks for all brands and departments of the company, were carried out. In the audits, the effectiveness of internal control and risk management systems was assessed with regard to compliance with legislation, policies and procedures, accuracy and veracity of financial and operational information, protection of assets, and productivity and efficiency of operations.

Increasing amount of data and transaction volumes along with the growing importance of information technologies in recent years cause the adequacy of conventional audit methods to be questioned. Therefore, continuous/computer-assisted audits have come to the forefront as an electronic audit process that enables assurance by the auditors. An ongoing continuous audit methodology was introduced in 2016 to generate results across all data instead of sampling and create periodic reporting. These continuous auditing activities, which enhance the effectiveness, efficiency and timeliness of audits, continued in 2019.

Risks related to the Company's Information Systems processes were reviewed and the effectiveness of the controls in place were assessed. The audit activities were carried out under four main headings: Information Technologies Governance, Information Security and Access Management, Infrastructure Operations, and Change Management. Furthermore, compliance with the Information Systems Management Communiqué published by the CMB in 2018 was followed through, and the compliance and effectiveness of the actions taken were evaluated.

In addition to all the internal control and audit activities in 2019, the findings from the previous periods were also followed up and the statuses of the remedial actions that needed to be taken were checked.

The Company has in place an Ethics Hotline that is controlled by a completely independent firm and that all employees can call openly with the option to remain

unanimous to report actual or potential situations that may be in violation of the Code of Ethics. In 2019, the complaints and reports communicated to the Ethics Hotline were evaluated and investigated.

The effectiveness of the audit process depends primarily on defining the audit risks properly. Accordingly, the independent audit firm shares a detailed quarterly audit plan, which includes basic risk assessments, with us and the audited departments. Additionally, an annual survey is conducted by the independent audit firm to receive feedback from the management about the effectiveness of the audit process.

For independent external audits of the company's activities, we work with PWC, recognized as one of the top firms in the sector. Considering the quality of the service we have received throughout the year and the firm's position and experience in the sector, we find the audits to be effective.

The tender and the offers received by the company during the independent external audit firm selection process are shared with us at Audit Committee meetings. We as the committee make the final decision after careful deliberation and consideration. As a result of the tender opened in 2019, the Company began to work with PWC in line with our decision, considering that the firm possesses the necessary knowledge, competence and expertise, and the assurance that it will conduct the audits in accordance with national legislation and international audit standards. The plan is to open the next audit tender in late 2025.

Gülden Özgül
Head of Audit Committee

OUR BRANDS



VOLKSWAGEN PASSENGER CARS



Placing third in the passenger car market with a 10% market share in 2019, Volkswagen Passenger Cars extended its success in sales to the area of marketing communications, being named Lovemark for the seventh time in a row.

Thanks to the successful product and communications strategies pursued in 2019, Volkswagen Passenger Cars ranked third in the passenger car market with a 10% market share and a total retail sales figure of 38,820 units. The year 2019 saw the debut of the newest member of the Volkswagen SUV family, T-Roc, as well as the launch of the new version of Passat, which has been the leader of its segment since 2005 in Turkey.

The most-loved brand in Turkey for the 7th time in a row

Thanks to its emotional brand strategy which has been maintained with consistency for years, Volkswagen Passenger Cars was elected Turkey's most-loved automobile brand in 2019 - just like in the past six years - at "Turkey's Lovemarks 2019 Survey" conducted by the Mediacat magazine and Ipsos. In addition, the brand was awarded the Bronze Apple in the

Media/Service category in the Crystal Apple Festival, which gives out the most prestigious creativity awards in the world of marketing, with its ad campaign, "Original Spare Parts - They Don't Look Like They Work, They Just Do".

Model performance

The Golf, Passat and Passat Variant models closed the year at the top of their respective segments. The newest version of Passat, equipped with state-of-the-art technology, continued its success of being the most preferred import vehicle in the passenger car market in 2019. Despite the fact that the passenger car market shrank this year, the Passat model raised its segment share to 46.8% with 15,720 units sold. Golf, which has been the leader of the A/HB segment for years, preserved its lead in 2019 with a segment share of 33%. The Passat Variant model continued its reign in its segment with a share of 68.7%.

Innovative solutions in digital marketing

Following the development of the Internet and social media very closely, Volkswagen Passenger Cars received 17 million visits in

2019 at its largest showroom, its corporate website. In addition to the website which takes advantage of technologies such as SEO, SEM, and the Behavior Based Observation (BBO) system, other digital channels also received a total of 24,200 digital request forms, a testament to their effectiveness as part of the brand's media strategy. Thanks to the Authorized Dealer processes that use effective lead processing techniques and responds to requests in the fastest manner possible, 2.1% of the digital request forms were converted into actual sales. In that regard, Volkswagen Passenger Cars far surpassed the automotive sector average of 1.1%, as stated in Google Auto Report.

Thanks to a strong strategy and unique content, Volkswagen Passenger Cars social media channels were some of the most-followed in the automotive sector in 2019. Boasting the largest automotive Facebook page in Turkey, Volkswagen maintained its lead by reaching 4 million local followers. In addition, thanks to the 100 thousand new followers it attracted in 2019, Volkswagen Passenger Cars reached a total of 440 thousand people on Instagram, preserving its lead as the

most-followed automotive brand on the platform.

The Volkswagenim application, which allows the user to follow their car from the moment they are consigned to the moment they are sold, and enables them to view the repair history of their vehicle, and even call road assistance with one click in case of an emergency among many other functions, reached 450 thousand people by the end of 2019.

Aftersales Services

Always in a state of continuous development in order to sustain the unmatched automotive experience that the brand offers its customers, Volkswagen Passenger

The most-preferred import model of the passenger car market: Passat

The newest version of Passat, equipped with state-of-the-art technology in 2019, continued its success of being the most preferred import vehicle in the passenger car market. Despite the fact that the passenger car market shrank this year, the Passat model raised its segment share to 46.8% with 15,720 units sold.

Cars Aftersales Services increased its service locations to 78 with the Doğuş and Egecan Authorized Services in 2019.

An average of 50,406 vehicles were served each month at Authorized Services in 2019, for a total number of entries at 604,883. Spare parts revenue rose by 3.91 in 2019, with labor revenue up to 2.22%. The brand developed significant projects throughout the year in order to ensure that business processes at Aftersales Services run with maximum efficiency. The "Speech to Text" project, which was realized last year, provided a swift and accurate way to organize and process business instructions.

Volkswagen becomes Lovemark for the 7th time in a row!

Thanks to its emotional brand strategy which has been maintained with consistency for years, Volkswagen Passenger Cars was elected Turkey's most-loved automobile brand for the 7th time in a row by the Mediacat magazine and Ipsos.



AUDI



The Audi brand, which has achieved many important successes in 2019, completed the year as the leader of the premium segment.



Premium segment leader

In 2019, Audi became the leader of the premium segment with sales totaling 10,024 units. Audi Turkey continued to secure its position in the premium segment by focusing on the digitalization of its business processes and “The Good Natured Brand” strategy.

Audi, the premium segment leader in 2019

The Audi brand, which has been imported by Doğu Otomotiv since 1994, achieved many important successes in 2019 and completed the year as a premium segment leader with a sales of 10,024 units ahead of its rivals.

A3 Sportback, leader of its segment, closed the year with 2,607 sales, with A3 Sedan, A3 Sportback and A3 Cabriolet combining for a

total of 4,574 units in 2019. A4 and A4 allroad sales added up to 1,507 units, with A5 selling 518 units and A6 family 1,243 units. The Q2 model sold 1,630 units, with Q5 selling 168, Q7 163, and Q8 55. In addition, the share of special models such as S/RS, A4 allroad and A3 Cabriolet in total sales continued to increase.

Digitalization of business processes

Audi Turkey, which has place digitalization at the center of its

business processes, has been hailed by Audi AG as a benchmark to other countries with its digital showrooms and benchmark projects. Audi Turkey became integrated into the new system infrastructure thanks to the joint efforts with Audi AG on the basis of the Audi digital retail modules (DRM) system that was completed a few years ago. Efficiency increased thanks to the efforts made to reduce costs and achieve leaner management. As a result, costs went down and efficiency rose thanks to a lean management methodology.

Audi: “The Good Natured Brand”

Marketing and communication efforts continued throughout 2019 to increase Audi’s brand recognition, focusing on TV and digital communication in order to maximize reach. Audi won the Crystal Apple award in the press ad category and the Bronze Apple award in the open air category with the “art of quattro” communication prepared under the sponsorship of Contemporary Istanbul. The radio commercial prepared for the Fathers’ Day was awarded a Bronze Apple as well.

In addition to its sales figures and advertising awards, the brand carried out various social responsibility projects throughout the year in order to give back to society as part of its “The Good Natured Brand” strategy. In that regard, with its “Nice Gestures” project announced through social media, the brand sought to empower the deaf community to increase their contributions and achieve sustainable service accessibility, while the “The Breathing Roads” project - realized in cooperation with the İzmir Authorized Dealer, saw the creation of the Eröz Audi Forest which is home to 5,000 trees.

Audi Turkey continued to maintain its active social media presence in 2019 and preserved its position at the top of the list of the most-followed Twitter accounts among all the automotive brands in Turkey. Similar to its performance over the years, Audi Turkey’s website ranked among the most visited Audi websites throughout the world.

Also one step ahead in CRM, Audi carried out profound analyses of existing customer information in order to successfully identify the

potential customers with the highest likelihood to purchase vehicles thanks to its “Audi Intelligence: CRM” project powered by artificial intelligence and machine learning, thereby making a positive contribution to sales figures by prioritizing the abovementioned potential customers. This process contributes to the ability of employees to manage more effectively their efforts to inform and win over customers.

Aftersales Services

Thanks to its 64% customer loyalty praised across Europe, the Audi brand achieved an increase of 6% in its revenue in aftersales services.

Audi Turkey won the world championship in the Quiz Challenge competition of the Audi Twin Cup 2019, organized by Audi AG among its distributors worldwide. In the Technical category, where the technical skills of the teams are evaluated, Audi Authorized Service Özön İstanbul Team became the champion. In addition, Audi Aftersales Services managed to achieve a great accomplishment by surpassing other brands to rank number one again this year in the Authorized Dealer Satisfaction Survey (DSS)

carried out by Audi AG with the participation of service managers and company owners. This success is a clear indication that the company’s communication and cooperation with its business partners has reached its peak.

In addition to the Online Training project that allows the fundamental trainings - an introduction to educational modules which was added last year, all preparations were completed in 2019 for the introduction of the Online Repair Package System (ORPS), and the Quoting Application was launched. The ORPS project aims to immediately provide Authorized Dealers with the repair package information appropriate to the vehicle frame during operations conducted on vehicles, and the Quoting Application is designed to offer the customer the most accurate pricing information in the shortest period of time possible.



SEAT



SEAT Turkey sold 5,914 cars in 2019, led by the Leon model, representing a market share of 1.53%.

**The performance of the models**

With 3,508 sales in 2019, the Leon model preserved its second-place position in the A-HB segment with a share of 14.1%. The current third-generation Leon has sold more than 1 million across the world since it went into production in 2012, becoming one of the most successful models of SEAT globally.

Ateca, the first model of the brand in the SUV segment, sold 1,368 units in 2019, strengthening its position in the A-SUV segment with a share of 2.2%. Arona, SEAT's entry-level SUV, sold 449 units in the A0-SUV segment, representing a segment share of 2.1%. Ibiza sold 572 units in the A0-HB segment, representing a 1.1% share.

SEAT sold a total of 5,914 passenger cars in 2019, with a market share of 1.53%.

Marketing communications

In 2019, SEAT focused more on marketing communications for the Leon and Ateca models. Marketing campaigns for these two models were carried out on %100 digital platforms. SEAT also continued to conduct tactical campaigns in order to increase the sales of Ibiza, Leon, Arona, and Ateca models.

SEAT used the social media channels, Facebook, Instagram, Twitter, YouTube and LinkedIn, effectively throughout the year in order to increase SEAT's brand awareness. Taking advantage of digital platforms, the brand continued to increase customer satisfaction through its customer-oriented and innovative communication strategy.

With the contribution of the communication efforts, SEAT's brand awareness was realized as 27.2% in 2019. Brand likeability was realized as 7.2% by increasing compared to 2018.

Renewed corporate identity

With its new customer-oriented showroom concept that elicits the perception of a youthful brand, SEAT hopes to increase customer satisfaction levels even further. After completion of the corporate changes on the external facades of SEAT Authorized Dealers in 2017, the renovation of interior spaces was also continued between 2018-2019 and %89 have been completed.

Keeping with the renewal of the brand's corporate websites all around the world in line with SEAT's

new corporate identity, SEAT Turkey also renewed its website in September and made it available to its customers.

Aftersales Services

The spare parts revenue of SEAT Authorized Dealers, which serve its customers at 45 locations across Turkey, increased by 3% year-on-year, and labor revenue increased by 11%.

The brand's customer experience survey score was 4.84 out of 5, thanks to its customer-oriented aftersales services.

Customer-oriented and innovative communication

Continuing to increase customer satisfaction with its customer-oriented and innovative communication strategy in 2019, SEAT's brand likeability increased to 7.2 by increasing compared to 2018.



ŠKODA



ŠKODA closed the year 2019 with 4.0% market share, cementing its market position and proving that it has a strong demand base. Especially the Kodiaq and Superb models ranked in the top two of their respective segments, further strengthening the brand's sales success in upmarket models.

ŠKODA stronger in SUV market in line with sector trends

In the year 2019, as the automotive market shrank, ŠKODA maintained its strong position with its sedan models in the retail and fleet markets, while it attracted attention with its growth in the SUV market with Kodiaq and Karoq models. The brand delivered a total of 15,369 vehicles in 2019.

2019

ŠKODA reached a market share of 4.0% in 2019. The brand's global

sales shrank by 0.9% year-on-year to hit 1.242 million units. This reduction was caused in part by the general stagnation in the Chinese market, where the brand has the highest share of its sales. However, the sales performance was offset by the brand's growth in the Western and Eastern European markets.

ŠKODA Turkey had four main models during the year 2019, due to the fact that the supplier program for the Rapid model range

and Fabia 1.0 TSI DGS options was discontinued. Despite this, the brand closed the year with a contraction that is below the annual market average of 8%, selling 15,369 units and achieving the second highest market share in its history with 4.0%.

Model performance

Thanks to the impressive sales performance of a Superb that was renewed in mid-2019 and the SUV models that distinguish themselves from the crowd with their stylish looks, ŠKODA Turkey continued to strengthen its position in the SUV and D Sedan segments. In particular, the Kodiaq model took the lead in the D-SUV segment by selling 1,675 units, and Karoq contributed further value to the brand's representation

1,675

Kodiaq, ŠKODA's representative in the SUV and D-SUV segments, sold 1,675 units and captured 19% market share, becoming the leader model in its segment in 2019.



The heart of the brand

Octavia maintained its strong position by closing the year in the first place with 6,815 units sold in the last sales period of the current generation before leaving its place to the fourth generation coming in 2020.

in SUV segments with its strong sales performance in the November-December period. Superb displayed a robust sales performance in the last quarter of the year with its new facelift, selling 4,521 units and becoming the second bestselling model in the D Sedan segment with a share of 14%. Octavia, often considered the heart of the brand, maintained its strong position by closing the year in the first place with 6,815 units sold in the last sales period of the current generation before leaving its place to the fourth generation coming in 2020. The Fabia model underperformed in 2019 with 163 units sold, due to the fact that the production of its hugely popular 1.0 TSI DSG was paused.

2020 innovations

The year 2020 will play host to a number of initiatives that will push ŠKODA's potential even further. Scheduled to launch three main models in the second half of the year, ŠKODA will have the chance to reach new customer groups by entering the B-SUV and C-HB segments with Kamiq and Scala models. The fact that the gasoline automatic version of the Fabia model will be launched again

in August will enable the brand to get back to its position in the B-HB segment. Octavia, the heart of the brand, has a more dynamic look in its fourth quarter, and is likely to attract attention in the last quarter of the year with its technological advancements. Soon to become the first representative of hybrid technology for the brand, Octavia will meet Turkish clients with the claim to drive down maintenance costs and increase fuel efficiency with its 1.0 TSI and 1.5 TSI E-Tec Mild-Hybrid engine options.

Awards and accolades

Yüce Auto added another success to its list of accomplishments in terms of quality by receiving the "most improved" award in the "Brand and Quality" category of the Exporters of the Year awards given by ŠKODA Auto in 2019.

Yüce Auto also ranked second in the STLI (Service Technical Performance Indicators) awards in 2019, continuing its long record of success. Yüce Auto previously achieved resounding successes, receiving the "Most Improved Country" award in 2014, the "Best Country in Aftersales Services" in 2016, and being recognized for the "Best

Performance" in ŠKODA Global STLI awards in 2018.

Yüce Auto marketing team was granted the "Best Event" award in marketing practices in 2019 at the Marketing Summit held by ŠKODA Auto in Poland, with its Festival Events in Gallipoli.

ŠKODA Turkey's success continued on digital platforms, as well. ŠKODA Turkey Facebook page has attracted a total of 748,937 followers on Facebook, and 166,182 on Instagram. With its new interface that has made the website more user-friendly and that can be viewed from any device, the www.skoda.com.tr website continued its strong performance with a total of 6,046,894 visits in 2019.

2020 goals

With the launch of three new models, ŠKODA will enter the last quarter of the year 2020 with 7 main models, and with its beefed-up product line, the brand will have the potential to appeal to 89% of the market based on main segments, according to ODD 2019 closing data. In that sense, raising total market share will be one of the priorities of the brand moving forward.



BENTLEY & LAMBORGHINI

The world debuts of the new Bentley Flying Spur, described as the most advanced luxury Grand Touring sports sedan, and the Lamborghini Huracan Evo, which takes the driving experience to the highest level, took place in 2019.



The most prestigious and luxurious models in automotive history

Bentley Motors was founded in 1919 by Walter Owen Bentley, a railroad engineer. Bentley, a British brand, has been known since the early 1910s as the brand that makes the most prestigious and luxurious models in automotive history. The

brand continues its journey today under Volkswagen AG.

Automobili Lamborghini was founded by Ferruccio Lamborghini in 1963. The brand has manufactured its cars in the Italian city of Bologna since the day the brand was established. After all the shares of Lamborghini were

bought by Audi AG in 1998, the brand achieved a quick rise by offering powerful models with state-of-the-art technology.

2019: Sustainable success

Celebrating its 100th anniversary in 2019, Bentley further cemented its position among its rivals thanks to the great attention that

its New Continental GT model has attracted in Turkey. Bentley sold 4 New Continental GTs, 3 Bentayga Diesel, and one each of the New Continental GT V8 and New Flying Spur V8 S, adding up to 9 vehicles in total.

Lamborghini reached the highest sales figure in Turkey with Urus, the world's first super SUV. The brand completed a successful year selling a total of 9 vehicles, including 7 Urus, and one each of Huracan Evo and Aventador SVJ.

Consistent brand communication
Marketing investments continued in 2019 for the Bentley and Lamborghini brands. The highlights from the last year's efforts are as follows:

- The Turkish media participated in and widely covered the global event held by Bentley Motors on November 26-27 marking the 60th anniversary of its V8 engine.
- Bentley Motors also organized a global media visit to the Crewe factory on June 16-18.

- Throughout the year, sustainable advertising efforts continued in line with the global marketing plans of Bentley Motors and Automobili Lamborghini.



Successful performance

Celebrating its 100th anniversary in 2019, Bentley further cemented its position with its New Continental GT model and Lamborghini reached the highest sales figure in Turkey with Urus, the world's first super SUV.



PORSCHÉ



PORSCHÉ

Porsche focused on driving experience with collaboration projects.

Sales performance of models

The 718 model led its segment with a 39% market share, with 37 units sold in 2019. The best-selling model of Porsche was Macan with 236 units. In the SUV segment, the Cayenne Coupe model was added to the lineup, with the entire Cayenne range closing the year with 56 units sold. Panamera sold 31 units, 911 sold 1 unit, with a total of 361 vehicles sold in 2019.

Porsche media driving experience

Throughout the year 2019, 22 press members from Turkey participated in 9 regional media event hosted by Porsche Central and Eastern Europe.

The 911 model was launched in Valencia on January 15-16, and Macan was launched in Lisbon on February 20-21. 911 Cabriolet debuted on March 13-14 in Greece, while an annual assessment

media event was conducted in Stuttgart on March 14-15. On May 20-23, the new 911 was introduced to the media in Athens.

The newest member of the Porsche Cayenne family, Cayenne Coupe was first tested by the media in Slovenia on August 27-28. Taycan, Porsche's first fully electric sports car, was announced in Prague on November 14-15 and attracted immense attention. The 911 Exclusive Manufaktur experience in Stuttgart, a continuation of the new 911 event in May, marked the last media exposure of 2019.

Porsche customer driving experience

A total of 4 driving experiences were carried out throughout the year, with 2 taking place on the road and 2 on the track. The "Porsche on Track" driving event carried out with the participation of 178 people at Porsche Experience Center on March 30 and November 1-2-3 saw all Porsche models being tested by participants.

"Porsche on Road", the first on-road driving concept of the year, was conducted by Porsche Club



Porsche 718: Leader of its segment

In 2019, Porsche 718 was the best-selling model of its segment.

Istanbul on June 22. During the event, participants drove their own vehicles to Doğuş Oto Bursa, where they took a look at the Cayenne Coupe model for the first time in Turkey. The second leg of the "Porsche on Road" event was carried out with Porsche Club Istanbul members on September 27-29, including a hotel stay and on-road driving experience.

Collaborations

Four Porsches were on display throughout the year at D-Gym, and members were offered certain privileges. An exclusive lunch for women on March 8 Women's Day was jointly hosted by La Petite Maison, Doğuş Oto, and Pirelli. All transfers were conducted by chauffeurs with Porsche test cars, and the event also featured the debuts of the New Cayenne Coupe and the New Macan.

After the world premiere of Porsche's first fully electric car, Taycan, was carried out on September 4, a special event was held in cooperation with Porsche Club Istanbul on September 16-17 at the IAA Frankfurt Motorshow, where 12 participants got to have a look at the Taycan model. On the second

day of the event, the group visited the Porsche museum and factory in Stuttgart, forming a bridge between the past and future of the company.

Increased performance on digital platforms

The company achieved a total of 190 million views and 190 thousand clicks in Google ad campaigns throughout the year. It has been identified that 1,923 of the customers that saw Google ads later visited Porsche Centers.

Tickets to the Porsche on Track event were sold online with a customer data gathering campaign conducted on social media. And again on social media, 25 Porsche accessory products were sold in one week during an Instagram story ad campaign.

In 2019, Porsche Turkey's Instagram followers rose by 20%, while the YouTube channel grew by 102%.

Porsche aftersales performance

Thanks to the customer loyalty studies towards the vehicle park which grew by 3% in 2019 and the marketing efforts related to Porsche accessory, boutique, and extended

warranty, service revenue rose by 11%, accessory sales by 11%, and extended warranty sales by 12%.

Doğuş Otomotiv-Porsche was deemed worthy of the PSEA (Porsche Service Excellence Awards), which is held every year between Porsche Distributors and Authorized Services worldwide.

Electric Automobile investments

Porsche Aftersales Services began working on creating the infrastructure of charging stations, and the first of Porsche Destination charging stations was launched at Doğuş Otomotiv Headquarters. In the first quarter of 2020, more than 150 Porsche Destination charging stations are planned in 74 locations, including major centers such as Istanbul, Ankara, and İzmir. In addition, the fastest charging station in Turkey, which will be able to charge Taycan from 5% to 80% within 22.5 minutes, is planned to be at Doğuş Oto Kartal and Porsche Experience Center. Moreover, the Battery Repair Center, which will serve the Porsche Central and Eastern Europe region, is also planned to be launched at Doğuş Oto Kartal in 2020.



VOLKSWAGEN COMMERCIAL VEHICLES



Ticari Araç

Despite the contraction in the light commercial vehicle market in 2019, Volkswagen Commercial Vehicle maintained its third place with a 10.5% market share and retained its leadership in the imported commercial vehicle sales. The brand was selected by Volkswagen AG as the best customer-oriented distributor in 2019 with its success in sales and aftersales services.

Brand performance in 2019

A total of 91,804 vehicles were sold in the light commercial vehicles market in 2019, representing a fall of 31.8%. Volkswagen Commercial Vehicles had a 10.5% market share with 9,676 units sold, while the brand had the largest market share at 22.5% in import commercial vehicle sales.

The Transporter model in the Volkswagen Commercial Vehicles lineup sold 3,794 units, leading its segment with a market share of 33.8%. The Caddy model maintained its second position

in its segment with 4,419 sales and 16.0% market share, while the Amarok model reached 8.8% market share with 619 sales and the Crafter model reached 3.5% market share with 844 sales.

New product launches

In the first quarter of 2019, the school bus and service versions of the latest generation Crafter began to be sold. Launching the sales of the New Crafter Panel Van in 2018, Volkswagen Commercial Vehicles launched the single-tire version of the Crafter along with the school bus and service versions,

thereby rounding out the Crafter lineup and meeting customer needs with the most rational and functional solutions.

The Transporter model, which created its own class when it was first manufactured 70 years ago and still leads its class today, was launched with an update that includes more comfort, more technology, more safety, and a new and exciting facelift. Launching the New Transporter in November, Volkswagen Commercial Vehicles continued to create a difference in the class by offering the 4MOTION (all-wheel drive) capability in every version of Transporter - a first for its class.

Brand communication

In line with its targeted marketing strategy, Volkswagen Commercial Vehicles deeply analyzed its customer profile and the platforms where its customers are active, and continued its marketing communications in an effective manner in 2019. Volkswagen Commercial Vehicles was awarded in the "Commercial Automotive" category of the A.L.F.A Awards, where brands that best manage the customer experience are evaluated.

**The best customer-oriented distributor**

In the International Sales Teams meeting held by Volkswagen AG in Germany, Volkswagen Commercial Vehicles was selected as the best customer-oriented distributor and granted with the "Best Customer Oriented Market - Turkey" award in 2019.

The brand undertakes pioneering projects with its customer-oriented and innovative applications -as well as its services that increase customer satisfaction- on its Facebook page with more than 1 million followers, and its Instagram page and YouTube channel with approximately 60,000 followers. The 360-degree interior visuals prepared for social and digital platforms and the "Advanced Driving Pleasure" videos prepared for each model allow the brand to communicate the features of its products to its customers in the most effective manner possible.

Developments to the "Smart Turkuaz Screen" -used by Volkswagen Authorized Dealers and Services since its launch in 2016- continued in 2019. This application allows a sales or service consultant to access the information -which Volkswagen Commercial Vehicles users voluntarily made public on online and offline platforms- in a processed format. Thereby, the brand is able to provide better-targeted services to its customers through analyses based on customer behavior.

With a new interface integrated in 2019 into the service department of the Volkswagen Commercial Vehicles application which has been

in service since 2016, users are able to learn their pre-defined service discount without going to an Authorized Dealer, and get a service appointment online.

Training videos that aim to standardize the level of knowledge and expertise that sales teams have at Authorized Dealers were also launched through the company's internal portal in 2019.

Aftersales Services

With the launch of Egecan Authorized Service in Iğdır and Döşman Authorized Service in Gaziantep in 2019, Volkswagen Commercial Vehicles Aftersales Services now offers services at 78 Authorized Service locations. Volkswagen Commercial Vehicles Authorized Services served an average of 13,357 customers per month, amounting to a total of 160,283 customers throughout the year.

The "Kazandıran Servis" customer loyalty campaign that began in 2018 reached 58,263 customers in 2019. The brand began to offer on-site maintenance and express service to its customers with the "Volkswagen Commercial Vehicles Mobile Service" project, which was launched at selected Authorized Dealers in March 2019. As part of this project, a

total of 549 customers were reached in 2019.

Volkswagen Commercial Vehicles Aftersales Services was placed first in the Technical Service Quality ranking by Volkswagen AG among countries that provide the best technical service in terms of technical KPIs followed on an annual and monthly basis.

Expectations for 2020

Volkswagen Commercial Vehicles plans to continue its activities in every area without interruption in order to increase its share in the light commercial vehicle market and its strong brand image by implementing the rapidly changing technologies into its business processes and adapting itself to the changing market conditions in 2020.

Volkswagen Commercial Vehicles aims to continue to raise its market share also in 2020 with its renewed and diversified product range which offers the most convenient solutions to its customers. The most important tools of Volkswagen Commercial Vehicles in realizing its vision will be the trust created by Doğu Otomotiv and Volkswagen brands, widespread Authorized Dealer network across Turkey, and powerful customer communications.



SCANIA



Scania left a challenging year behind for the heavy-duty vehicle sector with success by completing the year with a 12% share in the tow truck market and 6.2% in the entire market in 2019, with its motto of “Your business is our priority”.

**New-generation Scania**

Scania continued to make its business partners feel that the brand stands by their side in every project and at any moment of need in 2019. Driven by its “Your business is our business” approach, it was always there for its customers during and after sales. Providing its customers on the roads of Turkey with new-generation vehicles that it started manufacturing as a result of 10 years of research and development, 2 billion euros’ worth of investment, and over 10 million kilometers of test driving, Scania continued to provide comfort and driving experience that exceed standards.

Scania is now more digital and green

Having reached 35,360 users in its Instagram account in 2019, Scania also continued to maintain its presence on Facebook and LinkedIn.

One of the leading applications of the industry, “Scania’m Cepte”

has reached 8,400 downloads, becoming an important digital product for its users.

CNG and LNG-based vehicles representing alternative fuels were displayed in events in which Scania participated, offering detailed explanations to existing and potential customers with regard to this alternative fuel option that also promises a greener profile. For the first time, an LNG fleet was sold in Turkey.

Scania opened Tuzla Scania Doğuş Otomotiv branch in 2019 with a view to servicing a larger area throughout the nation in the fastest manner possible.

Expectations for 2020

In the year 2020, just like previous years, Scania will continue to focus on trailblazing innovation through a data-driven approach, and pursue its efforts to become a leader in sustainable transport with strategies such as alternative fuel.

First LNG fleet sale in Turkey

Scania kept informed its existing and potential customers with regard to CNG and LNG-based vehicles throughout 2019, when the first LNG fleet sale in Turkey was accomplished.



SCANIA ENGINES



Scania Engines answers the needs of its customers in a variety of areas, offering them low-emission engines including marine and industrial engines, as well as generator engines.

**Another successful year**

Doğuş Otomotiv offers its customers marine, industrial and generator engines under the Scania Engines brand. Increasing its marine engine sales by 62% in 2019, Scania Engines has preserved its place among the largest engine vendors.

Scania Engines has increased its market share in the marine engine sector thanks to domestic and international projects realized with shipyards and yacht manufacturers that manufacture pilot boats, fishing boats, and passenger ferries.

Solutions for every need

The V8 model, the most powerful engine of the Scania Engines family, is celebrating its 50th anniversary. V8 engines have a proven track record of success with a tremendous power output of up to 1150 hp, as well as fuel economy and ease of maintenance.

In 2019, Scania Engines launched its greenest engine, IMO - Tier III

marine engine, which has very low emission values. Scania Engines fulfills all relevant international standards with a wide variety of emission options.

Scania Engines also creates a difference in the heavy-duty sector with its low-emission 16-liter V8 engine used in industrial applications such as stone crushers, track loaders and cranes. 6x6 ARFF airport firefighting vehicles manufactured with Scania engines that comply with Stage V emission levels, have begun to be exported to many countries around the world. The engine's high performance, small weight, and low emissions carry it beyond all standards and expectations.

In 2019, Scania Engines increased its market share in the generator engine sector by becoming part of the product lineup of many Turkey-based generator manufacturers, and has continued its consistent growth by expanding its product range with low-emission Stage III engines.

Expectations for 2020

Scania Engines aims to maintain its operations in 2020 with the goal of expanding its sustainable quality and market share in various segments as a reliable solution partner.

**Powerful, robust, efficient...**

Scania Engines raise the standards with its V8 industrial engines, thanks to their high performance, fuel economy, small weight, and long maintenance intervals..

THERMO KING



Sector leader in reefer units, Thermo King was named the “Best Brand” for the 15th time in the Reefer category at ETM Awards 2019.



Undisputed market leader with its SLXi units that provide unmatched efficiency and performance

Long hailed as the leader in the reefer unit market, Thermo King maintained its success by providing solutions for various needs and preserved its lead in the cold chain transport sector. Responding to the needs of its customers with different unit options and project-based refrigeration and heating solutions, Thermo King continued to define the standards of transport in our country with the state-of-the-art technology that it provides to its customers at the same time as the world.

Protecting the quality of the products it carries until they reach the end user, Thermo King is the best source of assurance across the world in pharmaceutical and food transport. The certificates and trainings that it offers with the GDP convention in pharma-

ceutical transport also make it the most significant solution partner in the medical sector.

Full compliance with Stage V Emission criteria

Achieving full compliance in all its cold transport technologies with Stage V criteria in 2018, Thermo King also leads the market in this regard. Thermo King truck and trailer units that use Stage V certified “GreenTech” engines provide customers with the most viable solutions without compromising on refrigeration capacity or performance.

Ability to refrigerate to different temperatures within the same unit

With its SLXi Spectrum model that offers the ability to refrigerate multi temperature zones in one unit, Thermo King responds to customer needs in the most flexible manner possible. The BlueBox equipment, standard on

the SLXi Spectrum model, makes it possible for users to always be connected with their units via bluetooth technology.

Pharmaceutical transport fully compliant with GDP

Thermo King is the most important solution partner in the medical sector for pharmaceutical transport with the Pharma/GDP (Good Distribution Practices) certificate that it developed. This certificate complies with EU norms regarding design, installation, operation, and performance.



Transitioning into the electric era: E-200

A market leader in innovative technologies, Thermo King expanded its product lineup further with the fully electric E-200 model. E-200 offers performance beyond expectations with its higher uptime, power source optimization and fully electric easy installation feature that supports advanced temperature control.

DOĞUŞ OTO



Having been working without interruption to meet its customers' needs with its innovative perspective, Doğuş Oto aims to keep its customers' digital experiences at the maximum level.

**About Doğuş Oto**

Doğuş Oto provides new car, second-hand car, spare parts, accessory sales and aftersales services and also offers insurance and financing services to its customers for 6 brands in total represented by it in the provinces of Istanbul, Ankara, Bursa and Kocaeli. Conducting the Authorized Sales and

maintenance and repair Services for Volkswagen Passenger Cars, Volkswagen Commercial Vehicles, Audi, Porsche, SEAT and ŠKODA; Doğuş Oto is also engaged in the sales of second-hand vehicles as a DOD Authorized Dealer.

Operating in 7 regions in total with 36 Authorized Dealers and

33 Service points and over 1,400 employees, Doğuş Oto has a pioneering role in its sector with its strength and stability. The mission of Doğuş Oto is to provide the highest-quality sales and aftersales services for the passenger and commercial car brands that it represents and in the regions that it operates.

**2019**

Doğuş Oto sold 27,649 units of new and 4,066 units of second-hand vehicles in 2019. With a total of 288,955 service entries, 2019 was a year when the predetermined financial targets were exceeded.

Marketing activities

The mission of Doğuş Oto in the digital age is to provide uninterrupted and flexible services to meet customer demands and to maintain the highest level of digital experience for customers accessing through any channel. To this effect, the efforts related with sales and aftersales services provided via Doğuş Oto website in order to respond to customer demands immediately and through any channel of their choice have been continuously developed.

Through the website, users can review the company's vehicle stocks whenever they want on a real-time basis; obtain information on prices and vehicle equipment, make comparisons and even reserve vehicles on Internet.

In addition, users are able to see the available dates and hours easily and obtain service appointments

from whichever region and service consultant they wish, file a test drive request for any model vehicle desired in any Doğuş Oto region and contact the related region. Furthermore, it is possible to follow the most up-to-date campaigns for the brands represented by the company over the new website.

Doğuş Oto website offers a pioneering service channel through which the company provides its customers with the information and service they need at any time desired without the requirement to go to the showroom and with the ease of a single click.

In 2019, Doğuş Oto contacted with customers through the posts made on Twitter, Instagram, Facebook, YouTube and LinkedIn social media accounts and increased accessibility. In addition, market researches were conducted to understand customer expectations and improve customer experience.

2020

Making difference in its field as a company with high insight and always open to innovation leading its sector, developing creative solutions, and placing importance on

change; Doğuş Oto will continue to develop products and services that will enable it to understand its customers make life easier for them also in 2020.

7 regions, 36 Authorized Dealers and 33 Service points

Having a pioneering role in its sector with its coverage, strength and stability, Doğuş Oto sold 27,649 units of new and 4,066 units of second-hand vehicles with a total of 288,955 service entries in 2019.

DOD

Celebrating its 20th anniversary, DOD achieved its brand goals in 2019 and continued with the projects that aimed institutionalization.

**DOD in 2019**

In 2019, cash vehicle sales by DOD were reached as 901 units. The total sales of DOD Authorized Dealers realized as 18,067 units at 58 sales points.

The company adopted a new business model focused on increasing sales volume and began working on DOD Auction Website in the fourth quarter of the year in order to achieve this goal.

A new era in the used car market

The Regulation on the Trade of Used Motor Land Vehicles published in the Official Gazette no. 30331 dated 13 February 2018 rendered it compulsory to provide the services like warranty and expertise survey, which were already offered by DOD to its customers before the said regulation. In 2019, the company continued to work towards achieving the standards

required by the regulation -such as operating license and professional competency certificate- across its Authorized Dealer network.

In addition to the 6-month and 12-month DOD Warranty products that allow customers to feel safe when purchasing for a used car, DOD began offering a 3-month DOD Warranty product in line with the new regulation. With the help of this new product, sales of used cars with DOD Warranty rose by 126% in comparison to 2018.

Authorized Dealers

The company also maintained its efforts to renovate its showrooms in 2019, with 2 more Authorized Dealers transitioning into the showroom design that fits corporate identity. New personnel at 4 Authorized Dealers received training on the use of the Turkuaz system and the 101-Point Control.

In line with the professional competency requirement stipulated by the Regulation on the Trade of Used Motor Land Vehicles, exams were held for Brand Management and Authorized Dealer teams. All of the employees that took the exams succeeded and received their professional competency certificate.

Communication efforts

Ad campaigns on digital platforms continued throughout the year in order to increase DOD's brand recognition. Local communication studies were conducted with Authorized Dealers in line with current market dynamics, and focused on consignment purchasing to increase stocks.

In the last quarter of the year, the brand focused its communications on the celebration its 20th year,

carrying out several PR and social media campaigns in this regards.

Social media account management continued throughout the year with platform-specific, rich content that encouraged interaction. LinkedIn account had created and PR-focused communication was launched accordingly.

Digital projects

DOD Mobile application has been downloaded about 790,000 times on smartphones or tablets and became one of the most preferred applications in its market.

DOD Portal, an internal reporting platform for Authorized Dealers to conduct business and performance measurements on DOD.com.tr and DOD Mobile, became live. Further enhancements on the DOD Portal will continue in 2020.

The DOD Auction Website project was began to be designed in the fourth quarter of 2019 and is planned to be launched in June 2020.

Rise in sales with DOD Warranty

With the newly developed 3-month DOD Warranty product, guaranteed vehicle sales increased by 126% compared to 2018.



18,067

The total sales by DOD Authorized Dealers were realized as 18,067 in 2019.

vdf - VOLKSWAGEN DOĞUŞ FİNANS

The vdf Group, encompassing financial services, insurance, factoring and fleet companies, succeeded in reaching its targets in 2019 by prioritizing products and services with a customer focus.

**Better services through digital development**

Providing their customers with their products and services whenever and wherever they need them through mobile and web-based applications, vdf group companies aim to continue their digital development and investments in the year 2020, thereby giving their customers the fastest service at each step of the way.



The vdf Group, encompassing financial services, insurance, factoring and fleet companies, succeeded in reaching its targets in 2019 by prioritizing products and services with a customer focus.

With an average of 34% penetration ratio among the Volkswagen Group brands in vehicle loans, vdf continued its market leadership among finance companies and banks in 2019 with a 13% market share in vehicle loans.

Providing 30,121 new loans in 2019, vdf reached its targets with a total number of 81,908 performing loans. vdf's total performing loan volume went down by 33% year-on-year from TRY 7.9 billion to TRY 5.3 billion, in parallel to the contraction experienced in the automotive sector.

In 2019, vdf aimed to increase customer satisfaction and customer loyalty through sale, marketing and customer loyalty campaigns it jointly organized with the brands. According to the results of the survey it conducted in 2019, vdf scored much higher than the world and Europe averages in customer satisfaction assess-

ments compared to the previous year. According to the survey, 9 out of 10 people stated that they would want to work with vdf again.

For 2020, vdf aims to expand its loan, insurance and service packages designed especially for the needs of its customers, and to serve them in every step of the automotive value chain.

vdf SİGORTA VE ARACILIK HİZMETLERİ A.Ş.
(vdf INSURANCE AND BROKERAGE SERVICES, INC.)

vdf Insurance Services created maximum customer satisfaction in 2019, with its broad experience and product range specifically developed to identify and fully meet the needs of its customers. Operating as the agent of 11 insurance companies, vdf Insurance Services serves individual and group customers in several areas including car insurance, extended warranty, and loan protection insurance.

Operating within the Authorized Dealers of the VW Group brands, vdf Insurance continued to provide its services in 121 showrooms

in 2019. vdf Insurance Services created a difference in its sector with special guarantee terms for the brands, starting with Volkswagen Comprehensive Car Insurance and carrying on with SEAT, ŠKODA, Audi and Scania Comprehensive Car Insurance.

Maintaining its position as the largest insurance agency in 2019 regarding total net premium generation and performing policy figures, vdf Insurance continued its steady growth with a total net premium generation worth TRY 350 million. The company managed 243 thousand policies in 2019.

vdf FAKTÖRİNG HİZMETLERİ A.Ş. (vdf FACTORING SERVICES, INC.)

Since its inception in 2010, vdf Factoring Inc. has been offering factoring and financing services to 160 Doğuş Otomotiv and Yüce Otomotiv Authorized Dealers across Turkey. vdf Factoring reached a transaction volume of TRY 9.6 billion, and a total asset value of TRY 528 million in 2019. Committed to the principle of continuous and stable growth, vdf Factoring aims to further increase its business volume in 2020.

vdf FİLO KİRALAMA A.Ş. (vdf FLEET RENTAL INC.)

Positioning itself in the operational rental fleet sector in 2016, vdf Fleet Rental set out its operations by not only regarding its customers' needs as vehicle renting but also adopted the vision of providing its customers with consultancy services in fleet cost optimization, total ownership costing and fleet management. Having a business approach focused on productivity and effective use of human resources, vdf Fleet Rental had 8,027 active contracts in 2019, 66% of which comprised Doğuş Otomotiv group branded vehicles. With its investments in robotic process automation, as well as mobile and web-based applications, the company will continue to further enhance its digital solutions in 2020 and maintain its services in line with the principle of offering the best service to its customers.

TÜVTÜRK



Celebrating its 12th anniversary in 2019, TÜVTÜRK has completed vehicle inspections for a total of 156 million cars. TÜVTÜRK, which has invested a total of USD 1.5 billion since its inception, contributed TRY 9.4 billion to the public.



Achieving growth in 2019 in all operation areas including periodic vehicle inspection services, TÜVTÜRK - which provides services in 81 provinces in Turkey with its 210 fixed stations, 74 mobile stations, 5 motorcycle stations and 13 mobile tractor stations operating in 16 provinces - succeeded in increasing its revenue by 28.7% from TRY 1,991 million to TRY 2,562 mil-

lion. The operations of TÜVTÜRK Istanbul accounted for TRY 427 million of the total revenue.

TÜVTÜRK, the most effective public-private sector collaboration in Turkey, has contributed a total of TRY 9.4 billion to the public since the day it began operations. This figure was realized as TRY 1.9 billion in the year 2019.

Contributions to traffic safety

A total of 9,950 million vehicles went through periodic inspections in 2019, representing a 4% rise year-on-year. During the inspections, 34.9% of the vehicles were found to be seriously defective or unsafe. 97.8% of the 3.4 million cars that came in for a re-inspection were found to have their defects addressed, and

these vehicles were once again permitted to return to the streets.

Exhaust gas emission tests and roadworthiness inspections

In 2019, a total of 3.8 million cars were inspected for exhaust gas emission levels. There was a 2.6% rise year-on-year in exhaust gas emissions tests, and the ratio of exhaust gas emission tests to periodic inspections was 38.7%. The number of vehicles that underwent roadworthiness inspections which are offered in 31 stations was 29,077 in 2019.

Social Responsibility Projects

The Traffic Responsibility Action was realized in 2010 under the coordination of the Ministry of Transportation and Infrastructure, in order to raise awareness regarding traffic safety and individual responsibility. The "Bosom Buddies Action" and "Have a Good Lesson Mr. Driver" sub-projects, which were designed for various target groups, still continue successfully.

The three sub-projects that were conducted in 2010-2017 ("Safe Vehicle Action", "Responsible Citizen Action" and "Youth in Traffic Action") have been completed. As part of the project, which continued to nine

years, a total of 1.5 million were accessed directly, and 7.6 million indirectly through communication activities.

Aside from the contributions it makes to traffic safety, TÜVTÜRK decided to go beyond road transportation after observing forest fires throughout the year, and as a first step in the new projects it plans to realize, the company created the "TÜVTÜRK Forest" in cooperation with the TEMA Foundation. 2020 will be a year in which the company will undertake more social responsibility projects on traffic, while at the same time launching new projects on environmental responsibility.

Awards

Making great contributions to traffic safety and public order with the services it offers, TÜVTÜRK was awarded the top prize in the category of "Workforce Planning and Efficiency Management" at the Human Value Awards held for the 11th time in 2019 by the PERYÖN People Management Association of Turkey.

TÜVTÜRK has received a total of 11 awards for the Traffic Responsibility Action.

TRY 9.4 billion contribution to the public

TÜVTÜRK, the most effective public-private sector collaboration in Turkey, has contributed a total of TRY 9.4 billion to the public since the day it was founded. This figure was realized as TRY 1.9 billion in 2019.



SPARE PARTS AND LOGISTICS

Spare Parts and Logistics combines the technology of the future with sustainable logistics management through synergies created by modern and best practices creating a peerless service for Doğuş Otomotiv's multi brand structure.



About Spare Parts and Logistics

Spare Parts and Logistics manages the importation, warehousing and distribution of vehicles and spare parts to Authorized Dealers for some of the world's most prestigious brands such as Volkswagen, Audi, SEAT, ŠKODA, Porsche, Bentley, Lamborghini, and Scania, as well as Scania Industrial and Marine Engines, and Thermo King Transport Temperature Control Systems.

Spare Parts and Logistics combines the technology of the future with sustainable logistics management through synergies created by modern and best practices culminating in a peerless service for the brands represented by Doğuş Otomotiv.

Providing fast and accurate service to the customer

Spare Parts and Logistics uses advanced technologies and stock management systems, which

can be easily adapted to various demands of customers, to run its operations smoothly. As a result, the availability of some parts was maintained at 99% in 2019, just like in the previous year, thus significantly reducing the amount of stock held. Effective pricing and price positioning policies, along with the use of common parts at up to 50%, create a significant synergy in the Spare Parts and Logistics organization.

Spare Parts and Logistics has taken a new leap regarding its facilities by doubling installed capacity in 2013 to improve the quality of its service and ensure sustainability of the business volume for the next decade. With the automation systems investments that started in 2014, the error ratio has been minimized while gaining speed in warehousing operations and the distribution of spare parts.

As the "shipment from the port" project that Spare Parts and Logistics implemented as a part of its pioneering vision in vehicle logistics continued for vehicle stocking and importation purposes at the ports, significant improvements were achieved in

client delivery times by working with more than one transportation company for vehicle deliveries from ports to Authorized Dealers. Moreover, it has taken steps towards digitalization in the processes of Field Stock Management and vehicle delivery to Authorized Dealers using RFID technology.

Spare Parts and Logistics has achieved CO₂ emission savings from logistical operations thanks to the intermodal route system it manages.

In 2014, Spare Parts and Logistics launched a central structure to include all Authorized Dealers as well, and took successful steps in managing and collecting waste. As a result, more waste batteries were collected in 2019 than the legally required amount.

Products and services

For the efficient supply of products and services to Authorized Dealers and Aftersales Services, and improved overall customer satisfaction, Spare Parts and Logistics offers the following services:

- Operational management of vehicle imports and homologation for all brands,

- Warehousing imported vehicles supplied by VW, Audi, SEAT, ŠKODA, Porsche, Bentley, Lamborghini and Scania brands in the bonded and stock areas, and delivering them to the Authorized Dealers.
- Ordering, import, stock management and delivery to Authorized Dealers of the spare parts and accessories of VW, Audi, SEAT, ŠKODA, Porsche, Bentley, Lamborghini, Scania and Thermo King brands.
- Monitoring the qualitative and quantitative parts bonus criteria at Authorized Dealers, and how they are achieved.
- Fulfilling the obligations of DOAS and Authorized Aftersales Services born of environmental legislation, and reducing our environmental impact as part of our corporate responsibility.

Improving quality-focused business approach

The priority goals of Spare Parts and Logistics include:

- Adopting the role of a strategist in spare parts activities, creating a vision and sharing it with brand representatives, and thereby adding value to the group brands' market share growth.

Fast and accurate services

Taking steps towards digitalization in the processes of Field Stock Management and vehicle delivery to Authorized Dealers, Spare Parts and Logistics imported 58,174 vehicles and shipped 75,539 vehicles to Authorized Dealers in 2019.

- Achieving operational excellence in the speed/quality/cost axis with employee participation,
- Pioneering digitalization investments to create effective e-trade chain management (Industry 4.0) and implementing projects with the aim of continuous improvements in spare parts management systems,
- Reducing delivery times and costs to support new vehicle sales, and thereby enabling the organization to operate with lower stock costs.
- Creating new sales channels and increasing sales volume.

In line with the goals stated above, Dpar B2B website that brings commercial customers in the spare parts market together with Authorized Dealers and thereby facilitates over-the-counter original spare part sales was launched in early 2019.

In 2019, Spare Parts and Logistics imported 58,174 vehicles, and dispatched 75,539 vehicles to Authorized Dealers, ending the year with a total revenue of TRY 1,337.8 million generated from spare part and accessory sales.



DOĞUŞ INSURANCE

Doğuş Insurance, with 35 years of experience, provides its clients reliable insurance services that make a difference.

An experienced intermediary

Doğuş Sigorta Aracılık Hizmetleri A.Ş. (Doğuş Insurance), a subsidiary of Doğuş Holding and Doğuş Otomotiv, was established in 1984 in order to provide insurance for the assets and commitments of Doğuş Holding companies in the best possible way in terms of cost and operation. Doğuş Sigorta continued to carry out its activities throughout 2019 in line with the principle of always providing excellent insurance services for Group companies and their employees, as well as other customers.

- All the insurance transactions of the Group companies, which operate in seven core businesses including automotive, construction, media, tourism and services, real estate, energy and food & beverage are pursued by Doğuş Insurance. Within the framework of the Doğuş Combined Insurance program, Doğuş Group companies have been offered significant coverage and premium advantages in terms of risk assessment and pricing in policies issued in 2019.

- In line with the operations of Doğuş Group companies in various industries, the range of insurance products offered was increased and risk assessments were updated in all the activities performed throughout the year.
- Doğuş Insurance, with a team of 6, increased its premium production to 37,600 policies with 22% increase in 2019.

Growth to continue in 2020

Having continued to add value to its services by increasing its digital development and investments in 2019, Doğuş Insurance aims to continue its digital transformation investments in 2020 in line with the needs of the sector and customers.



37,600

Doğuş Insurance increased its premium production to 37,600 policies with 22% increase in 2019.

CORPORATE SUSTAINABILITY

BIST SUSTAINABILITY INDEX

Borsa Istanbul (BIST) Sustainability Index is calculated and published since 4 November 2014 to increase awareness, knowledge and practices on corporate sustainability.

There is one index period for BIST Sustainability Index. The companies are assessed each year and selected as constituents based on the results for the index period from November to next October.

According to the assessments, Doğu Otomotiv continues to be selected as a constituent of the BIST Sustainability Index, which consists of companies that are traded on Borsa Istanbul and that demonstrate the highest corporate sustainability performances, since 2015. The Company has been listed on the BIST Sustainability Index for the fifth consecutive term from November 2019 to October 2020.

The companies that are or that seek to become constituents of the Index are assessed by Borsa Istanbul in the following areas: Environment, Biodiversity, Climate Change, Board Practice, Countering Bribery, Human Rights, Supply Chain, Health Safety, Corporate Loans, and Retail Banking.

SUSTAINABILITY

Corporate Sustainability

In the 10 years since Doğu Otomotiv embarked on its sustainability journey in 2009, global and social development models as well as the aspects included within the scope of sustainability have undergone fast and major changes both in Turkey and around the world. Accordingly, Doğu Otomotiv has also updated its sustainability priorities to align with the expectations and requirements of both its stakeholders and the industry at large, and set its 2025 targets by taking into account the United Nations Sustainable Development Goals as well for a holistic approach.

Our sustainability strategy, which is built on the principle of using all of our resources efficiently, having a positive impact and reinforcing the trust of our stakeholders, is accepted as the key factor that will drive Doğu Otomotiv to the future.

We define our Corporate Sustainability mission as managing our social and environmental impact with excellent performance by focusing on continuous development across the value chain and delivering full, timely and accurate service, and becoming an essential and reliable business partner for our stakeholders.

For Doğu Otomotiv, Corporate Sustainability is a way of doing business that we adopt in determining the solutions that we develop for the social, economic and environmental issues of our industry, and covers the methods we employ across all of our operations.

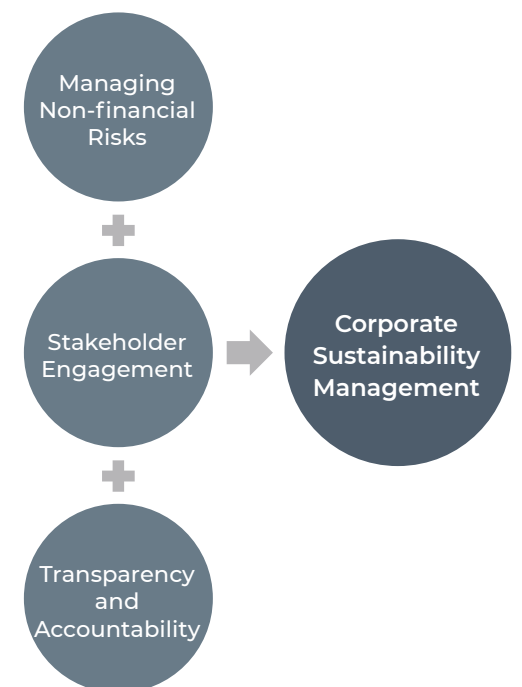
Strategic Sustainability Management Approach

Since 2009, Doğu Otomotiv continues to follow all developments related to Strategic Corporate Sustainability around the world, as well as the business standards that vary and change in line with these developments, and reviews and updates its corporate sustainability strategies accordingly.

Anticipating the non-financial risks as a critical component of sustainability in line with changing and evolving global standards, stakeholder engagement, and transparency constitute the core of Doğu Otomotiv's sustainability strategy approach. The activities we engage in to incorporate this approach into all of our processes continue to expand and improve year on year.

Managing Non-financial Risks

Management of the non-financial risks as a cornerstone of Doğu Otomotiv's Sustainability strategy is overall addressed and monitored in line with the Impact and Materiality aspect. The non-financial risks identified as a material aspect in the 2018 Corporate Sustainability Report fall under the purview of the Corporate Governance and Sustainability Committee, which reports directly to the Board of Directors. Furthermore, Financial Risks under Risk Management are also considered as a material aspect related to economic impact. Members of the Corporate Governance and Sustainability Committee work in direct relationship with the Early Risk Detection Committee.



Key Objectives of the Corporate Sustainability Strategy

1. Becoming a Part of Economic Development

We at Doğuş Otomotiv aim to be the industry's most preferred and trusted stakeholder, in particular for our employees, customers and partners. This is why we define our priority as becoming a sustainable company that implements a reliable and sustainable supply chain model that creates value, meets the expectations of its stakeholders with all of its operations and ways of doing business, positively changes and develops its impact, and that is a part of economic development.

2. Reducing Our Environmental Impact

We regard raising our environmental awareness by reducing the consumption of natural resources among our most important objectives for long-term success. This is why we strive to reduce our environmental impact in water consumption, energy efficiency and waste management.

3. Reaching the Ultimate Standards in Governance and Business Ethics

In order to create a culture of ultimate transparency and reliability at every stage of our operations, we constantly build on the corporate governance and ethics processes and support our organizational structure with corporate policies.

4. Building a Culture of Safety in Traffic with the Traffic is Life! Program

We continue to invest in the Traffic is Life! platform to raise awareness about safe driving in traffic as part of our product and service responsibility, and work to become a part of the solution in social and personal safety by instilling this culture in people of all ages.

Corporate Sustainability Management

Doğuş Otomotiv has been publishing Corporate Sustainability Reports since 2009 in accordance with the GRI (Global Reporting Initiative) Global Reporting Framework. Corporate policies related to the performance areas reported within this framework were studied in the sub-committees formed by members of the Corporate Responsibility Working Group in 2010, and the policies they prepared were submitted to the Corporate Sustainability Monitoring Committee for review and duly approved. In 2017, the material aspects of the time were updated with the participation of the Corporate Sustainability Team and the Corporate Sustainability Committee members. Implementation of the updated materiality aspects began in 2018, and the work plans in line with the targets of these performances were introduced in 2019.

At Doğuş Otomotiv, we design all processes and set all targets with a view to adopting a responsible management approach across our entire value chain. This

involves designing our corporate management approach with a focus on sustainability and building our management model on the pillar of sustainability.

At Doğuş Otomotiv, we follow sustainability developments both in Turkey and the world, observe the laws and regulations directly affecting our key stakeholders and plan our activities to integrate compliance requirements into our business processes as quickly as possible. As we move toward a strategic sustainability management that spans our entire value chain at Doğuş Otomotiv, we strive to build a sustainable supply chain that continually improves the culture of doing business right through an integrated compliance and risk management model within the organization.

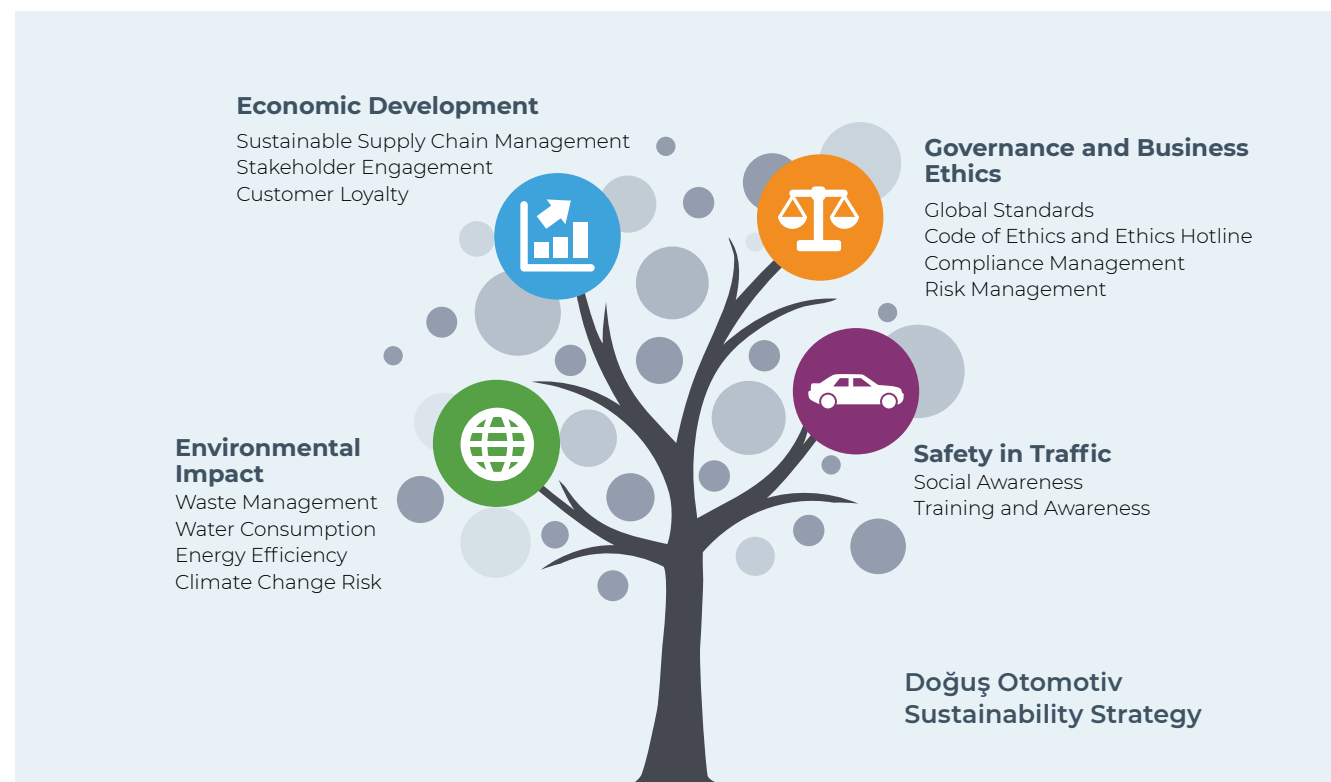
We adopt a systematic approach to sustainability management to understand risks and to manage them proactively. The fact that our business decisions include diligently calculated risks and managing them sensibly delivers long-term value for all our stakeholders.

This business universe with very broad impact also requires managing different expectations of various stakeholder groups, accurate impact analysis and a risk management approach. Accordingly, the Corporate Governance Committee, which reports directly to the Board of Directors, was renamed Corporate Governance and Sustainability Committee in 2016 with the addition of sustainability to its duties, thus becoming officially responsible for all sustainability-related strategies, policies and targets. The Committee, which convened 4 times in 2019, consists of five members and is headed by an independent Board Member. Two of the five committee members are non-executive directors. Two members of the Early Risk Detection Committee, which reports to Doğuş Otomotiv's Board of Directors and is directly involved in sustainability-related issues, are also members of the Corporate Governance and Sustainability Committee. The Company also has in place a Sustainability Council under the higher committee. The Investor Relations Representative, a member of the higher committee, also serves on this Council and assumes responsibilities such as gathering information for the committee, communicating the findings of the Council to the committee during decision-making processes and reporting the operational risks and opportunities to the committee when needed. The General Manager of Digital Transformation and Corporate Communications is a natural member of the Council and assumes responsibility as a member of the Executive Committee on sustainability issues. Doğuş Otomotiv Sustainability Council, which consists of representatives from all operational and administrative departments as well as affiliates, convened 8 times in 2019.

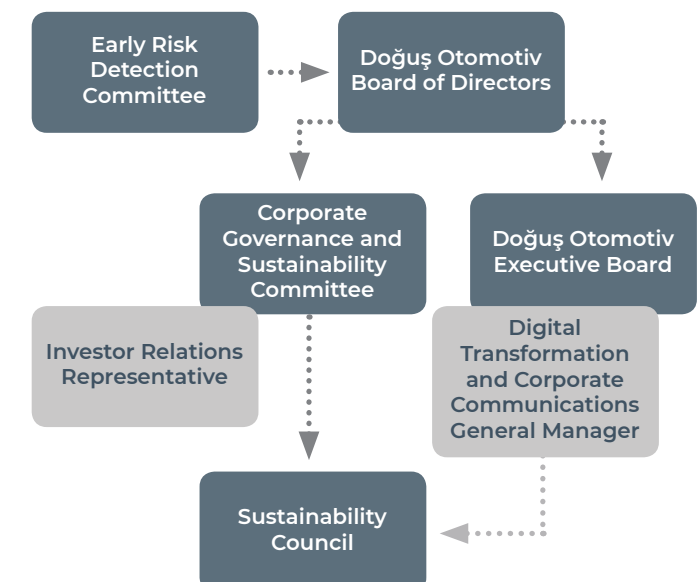
Corporate Governance and Sustainability Committee is responsible for monitoring sustainability-related issues on behalf of the Board of Directors, and setting and

managing targets. This committee identifies whether or not corporate governance principles are applied at the Company, reasons if not, and conflicts of interest that may arise due to lack of full compliance with these principles, and provides improvement recommendations to the Board of Directors for these practices. The committee also briefs the Board of Directors about preventive/remedial measures to ensure implementation of sustainability principles as well as opportunities and action results. In addition to implementing corporate governance principles, the Committee is furthermore involved in managing, providing advice and coordinating a number of activities that relevant institutions and stakeholders may require in line with the social, environmental, economic and ethical responsibilities of the Company. The Committee may delegate some of its duties and responsibilities by requesting the formation of a sub-committee directly under itself. Such a sub-committee must consist of senior executives appointed by the Board of Directors. The sub-committee performs its duties and responsibilities with the support of a working group or council formed by certain department managers designated for the job, and participates in the Committee meetings, and presents direct and regular reports to the Committee. The Corporate Sustainability Working Group, which is composed of managers and employees from all departments within the Company, reports to the committee.

Detailed information on Corporate Sustainability Management is published annually on the corporate website as part of the Sustainability Report: <https://www.dogusotomotiv.com.tr/tr/surdurulebilirlik/surdurulebilirlik/surdurulebilirlik-raporlari-2019>



Doğuş Otomotiv Sustainability Management



Impact and Materiality

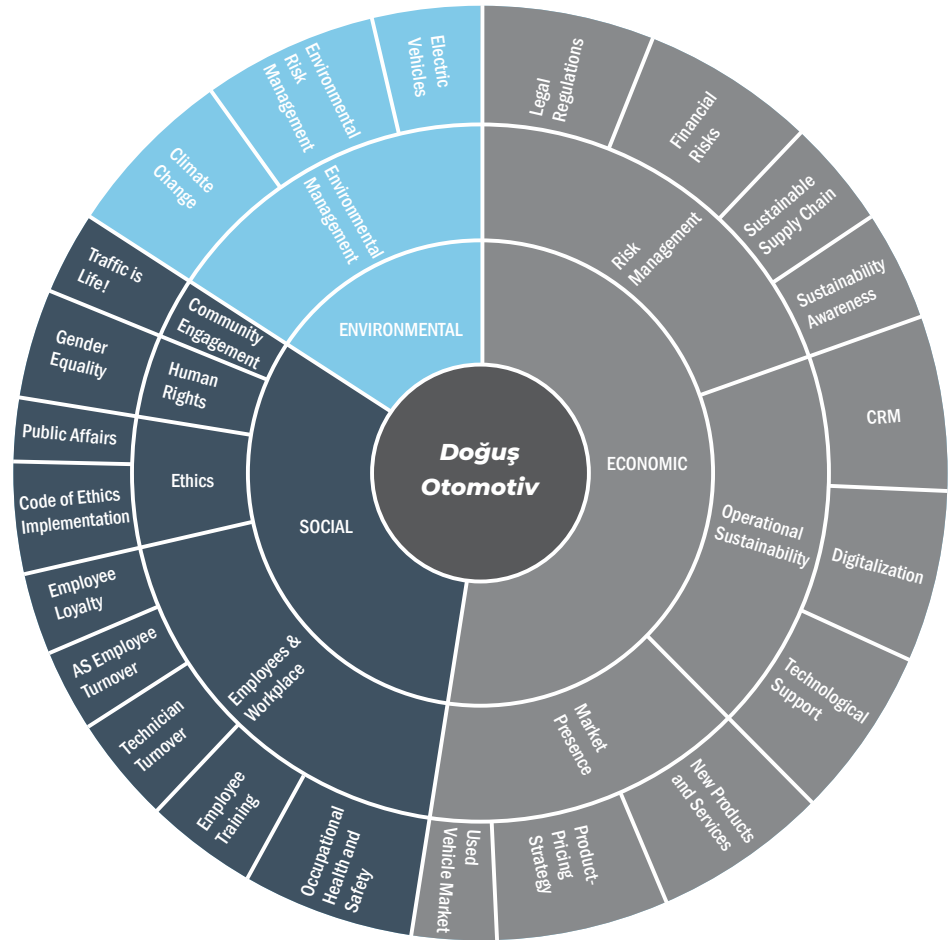
The social, environmental and economic aspects, which Doğuş Otomotiv affects directly due to its operations as well as those that have direct impact on its activities, lie at the core of its sustainability strategy focused on stakeholder engagement. This impact analysis that aligns with the expectations of the company's key stakeholders is created by careful consideration of this foundation. In determining the Materiality Aspects disclosed in the 2018 Sustainability Report, the United Nations Sustainable Development Goals were also included in the process and the targets set according to these goals have also been considered since then. After a series of studies conducted in December 2017, new materiality aspects that match Doğuş Otomotiv's 2025 goals have been identified and defined.

Beginning with the 2017 Sustainability Report, Doğuş Otomotiv started publishing the United Nations Sustainable Development Goals index and incorporated its goals to its sustainability strategy by referencing

these 17 universal goals. Compliance with Goals 1, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 15, 16 and 17, which align with the Company's operations and impact, as well as related targets are disclosed in the Doğuş Otomotiv Sustainability Reports since 2018.

The priority social, environmental and economic aspects identified as a result of the materiality study are classified under eight main headings. Risk management, operational sustainability and market presence fall under economic impact while employees and work environment, ethics, human rights and community engagement are categorized as social aspects. On the other hand, Environmental Management comes to the forefront in environmental impact. Performance details and targets related to material aspects have been addressed in depth in the 2018 Corporate Sustainability Report.

Stakeholder Engagement Priority Focus Areas 2018-2025



Stakeholder Engagement

Being perceived as a company that values the importance of its stakeholders' opinions, respects the protection of their interests, and delivers creative services beyond expectations by identifying and constantly monitoring their expectations is of utmost importance for Doğuş Otomotiv's business objectives, strategic growth and community engagement policies. Doğuş Otomotiv plays active roles in civil society and trade organizations related to its business in line with its pioneering and leading position, enters into necessary collaborations and takes part in initiatives. Doğuş Otomotiv's corporate communications activities and relationships are based on ensuring integrity and transparency, providing information and engaging in dialogue. Communication strategies and practices of Doğuş Otomotiv are managed and performed by the Digital Transformation and Corporate Communications Department. All the information that Doğuş Otomotiv shares with its stakeholders regarding the Company and its spokespersons are prepared by the Digital Transformation and Corporate Communications Department, which uses an accountable and transparent communication method that prioritizes integrity.

Stakeholder Engagement is a method that has long formed the basis of Doğuş Otomotiv's sustainability strategy and is integrated into the process with respect to all its brands and operations. However, given that the Company represents 12 brands in Turkey and deals with more than 8,000 direct or indirect employees and the management of over 550 sales and aftersales service locations, different expectations of numerous stakeholders arise in various environments. Stakeholder expectations may also vary depending on different regions and cultures or different industries.

Stakeholders

Stakeholder Participation in Management

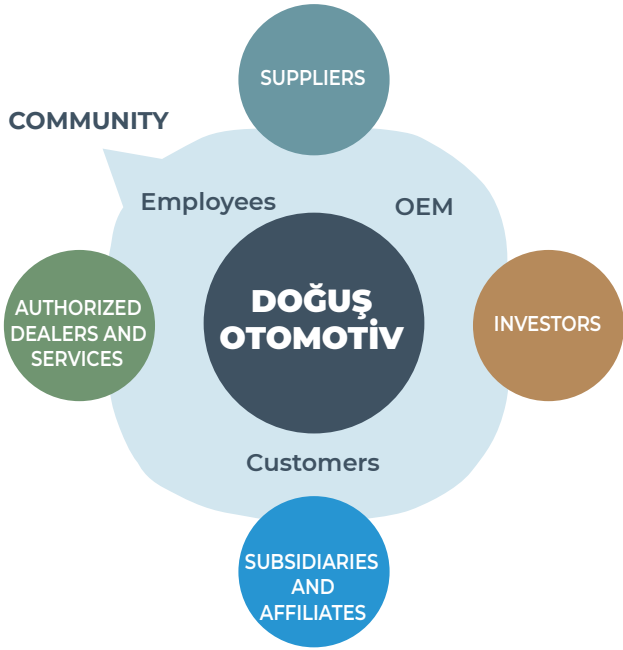
Channels for the participation of stakeholders in management are implemented while continuous enhancements are introduced within the Corporate Governance Principles framework.

Shareholders: Shareholders' participation in management and protection of their rights are ensured within the framework of applicable laws and regulations.

Employees: In addition to involving employees in decision-making mechanisms to the extent of their authority and responsibilities, online platforms have been established on the intranet for them to submit their requests, suggestions and opinions. The contributions that employees provide as part of the Suggestion and Reward System are reviewed by the relevant teams and

This is why Doğuş Otomotiv defines its key stakeholders as "individuals, groups and organizations with direct impact on the Company's operations". In the key stakeholder study conducted in accordance with this definition, the key stakeholders of the Company, whose operations involve sales and aftersales services, have been identified as the employees, customers and manufacturers of the products imported directly. Our stakeholder engagement strategy is designed to create a responsive and transparent dialogue environment with all key stakeholders, to inquire about stakeholder expectations openly and regularly, and to develop solutions to meet these expectations or to set goals.

Stakeholder Map



rewarded when deemed suitable. The answers to the social, environmental and economic topics included in the employee satisfaction surveys to understand employee expectations are consolidated and published in the Corporate Sustainability Report and regularly presented to senior management. The Employee Committees, which have representatives from each department, provide input from employee suggestions and opinions in regard to the Company's practices and operations. Activities of the Corporate Sustainability Working Group, composed of members that represent the critical majority of all departments, are regularly shared with the Corporate Governance and Sustainability Committee reporting to the Board of Directors.

Customers: An independent firm conducts regular customer satisfaction surveys. Customer requests received

by Customer Relations and the results of customer surveys are evaluated by the relevant departments and necessary updates are implemented. Furthermore, customers are informed of the Company's strategies and plans at Authorized Dealer events organized throughout the year. In line with the philosophy of serving more effectively, efficiently and with higher quality, holding regular meetings with stakeholders to shape

corporate policies and decisions, and taking the necessary actions according to the evaluation of the results are also a part of this participation process.

On the other hand, shareholders - who are not controlling shareholders that directly take part in management - participate in management via General Assemblies.

Sustainable Environment

With the changing expectations of consumers, rapid technological developments, globalization, new mergers and acquisitions, and collaborations, automotive ecosystem is also constantly evolving. We live in a new century when people's definition of mobility will also change rapidly. Multi-modal transportation systems are becoming increasingly more common while smart devices to respond to consumers' environmental responsibility, safety and information requirements are increasing in unprecedented rates. Meanwhile, automotive manufacturers are in fierce competition to develop new business models that will help them achieve responsible growth. In this dynamic new age, Doğuş Otomotiv believes that personalized mobility solutions, innovative sales techniques in the retail industry, broad partnerships and collaborations made possible with global regulations and practices will be the keys to success in the next decade. Doğuş Otomotiv also holds the belief that the companies that will lead such change are set to become the businesses of the future. As a distributor in the automotive ecosystem, Doğuş Otomotiv builds on its environmental performance every day and remains committed to:

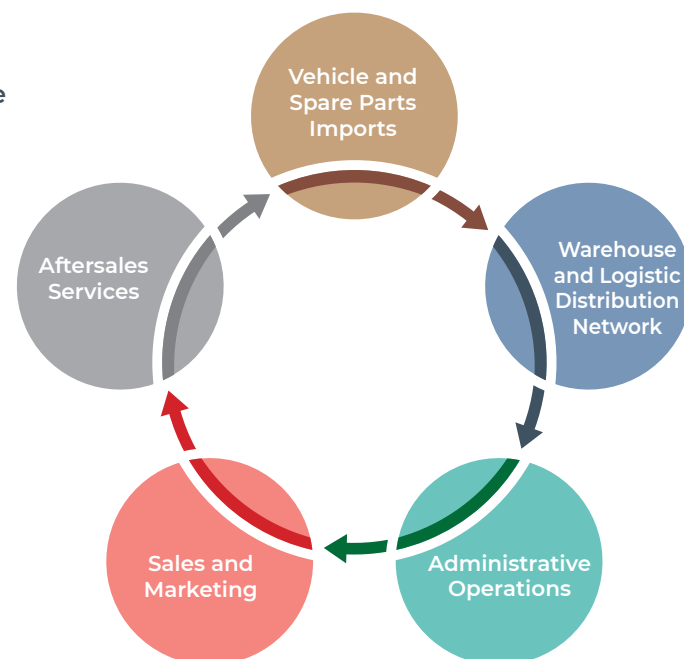
- Reinforcing customers' trust,
- Driving change with its Authorized Dealer and Aftersales Service Network,
- Raising awareness for waste management and efficiency, and
- Using resources responsibly by accepting the ecological environment as its key stakeholder.

Doğuş Otomotiv has openly disclosed its focus on protecting the ecological environment with its Environmental Policy published in 2010 and the Energy Efficiency, Water Management and Waste Management policies included in 2014.

Doğuş Otomotiv is also committed to managing medium- and long-term risks that may arise as a result of climate change and ensuring that necessary process improvements are introduced.

Doğuş Otomotiv monitors and manages its environmental impact at every stage of the business lifecycle both as part of its risk management practices and also in terms of its environmental sustainability aspect. In

Doğuş Otomotiv Environmental Lifecycle



Environmental Sustainability

- Emissions
- Electric Vehicles

Environmental Risk Management

- Waste Management
- Water Management
- Energy Efficiency

Climate Change

- Business Continuity
- Awareness

line with the updated materiality aspects, the Company will continue to report its environmental sustainability performance under the following topics beginning with the 2018 Sustainability Report.

For Doğuş Otomotiv, managing its impact across the environmental sustainability lifecycle means engaging in improvement activities to mitigate its potential negative impact, launching informative, educational and other relevant programs to raise environmental responsibility awareness among its key stakeholders,

and particularly its employees, and ensuring efficient use of resources by setting targets and commitments for these purposes. Doğuş Otomotiv, which monitors its impact at every stage across the environmental lifecycle and provides regular information to raise awareness among its stakeholders, has been disclosing its environmental data to the public since 2009 through Sustainability Reports: <http://www.dogusotomotiv.com.tr/tr/surdurulebilirlik/kurumsal-surdurulebilirlik/dogus-otomotivde-surdurulebilirlik/surdurulebilirlik-raporlarimiz>

Transparency and Accountability

Doğuş Otomotiv has been openly reporting its social, environmental, economic and ethical performance in its fields of operation in international standards since 2009. The Company reviews the feedback received from stakeholders on these performances and sets its targets for the following year accordingly. Disclosures about administrative sanctions and penalties imposed on the Company, if any, due to violation of applicable

regulations and legislation, are also disclosed in the GRI Index included in the Corporate Sustainability Report. Doğuş Otomotiv's Corporate Sustainability Reports can be found on the corporate website at: <http://www.dogusotomotiv.com.tr/tr/surdurulebilirlik/kurumsal-surdurulebilirlik/dogus-otomotivde-surdurulebilirlik/surdurulebilirlik-raporlarimiz>.

Doğuş Otomotiv and Sustainable Development Goals

The rapid changes in technology, innovation and digital transformation that the automotive industry has undergone in the past five years, both in our local market and across the world, demonstrate the need for companies like Doğuş Otomotiv to take serious responsibilities in terms of their impact.

This impact lies at the heart of the efforts to ensure the economic and social development of communities by pushing the United Nations Sustainable Development Goals high up on the agenda of the private sector. Doğuş Otomotiv believes that questioning the social,

economic and environmental expectations of stakeholders, improving responsiveness, determining future strategies based on expectations and analyzing these to anticipate risks and opportunities are all critical for sustainability.

Accordingly, Doğuş Otomotiv continues to publish the United Nations Sustainable Development Goals index as part of its Corporate Sustainability Reports since 2017 and discloses its performances in line with these goals.



- Growth to increase employment (Authorized Dealers and Services)
- Activities to increase female employment (Equality at Work)
- Cooperation with vocational high schools



- Cooperation with vocational high schools
- TEV partnership



- Energy Efficiency Policy
- Activities to reduce energy consumption



- Digital transformation practices
- Climate Change Policies as part of reducing carbon emissions



- Waste Management Policies and practices
- Activities and practices to promote waste management at suppliers, Authorized Dealers and Services



- Policy and goals related to climate change
- Policy on Reducing Emissions
- Environmental Risk Management



- Doğuş Otomotiv Code of Ethics and related practices



- Traffic is Life! platform
- Doğuş Otomotiv Volunteering Platform
- Informative seminars on health and well-being



- Equality at Work platform
- Female executive programs
- Mentoring for female students
- Number of women on the Board of Directors



- Expanding the Authorized Dealer and Services network
- Employment of people with disabilities
- Increasing the number of female employees
- OHS Policy and Training Programs
- Child employment policy
- Employment in Value and Care Center



- All practice related to human rights and employee rights
- Activities to increase employment and educational support



- Hazardous waste management
- Sustainability Report
- Sustainable Sourcing Policies
- Sustainable Supply Chain Management



- Activities to prevent tree cutting with environmental management and waste management



- UNGC signatory
- TEV partnership

HUMAN RESOURCES

The Human Resources department at Doğuş Otomotiv acts with the vision of becoming Turkey's most preferred automotive company where employees feel valued and part of a common culture with innovative and sustainable human resource practices. In addition to attracting employees who can sustain long-lasting high performance, employ a system-oriented approach, take efficiency as reference, are eager to learn and develop, understand the importance of the customer, have the competencies required by the dynamism of the company, and adopt the values of Doğuş Group, the Human Resources policy shaped with this vision also aims to contribute to their professional and personal development and assist them in realizing their full potential.

In 2019, important systems that prioritize digitalization in Human Resources were developed and introduced. With technology investments in Human Resources at Doğuş Otomotiv, several operational processes were moved to digital platforms after the infrastructure enhancements were completed. As one result of ongoing digital transformation, all Human Resources processes were moved to independent systems, contributing to the Company's sustainability policy.

Deployment of the Potential Employee and Succession Process module in the D-Human 4.0 performance system was the most prominent digitalization process, developed with a focus on ensuring satisfaction through internal and external customer experience, in 2019. Along with this module, talent management processes and infrastructure were also digitalized, resulting in the creation of a systematic institutional memory and the design of a module to be used in training and development programs.

In addition to the gamification-based Mobile Orientation Program offered to new recruits to help them get to know the company better and adapt faster, the exam and personality inventory processes applied for candidates are also conducted online. Other digitalization activities included digitalizing the business card request process, which was previously carried out manually within the company, and integrating it into the Dynamic Human Resources e-portal.

Furthermore, all the equipment and fixtures (PCs, notebooks, desks, chairs, TVs, etc.) used by Doğuş Oto and Doğuş Otomotiv employees, and the technical inventory items (air conditioning, power generator, ventilation systems, security systems, etc.) in the buildings have been recorded and with the deployment of a new software, they can now be tracked. As a result, all inventory items can be tracked on building, location, company and employee basis.

Coaching for women graduation ceremony

Certificates were given to female managers who participated in the Coaching and Mentoring Program.



Doğuş Otomotiv highly values the development of its employees as an important topic of its Human Resources policy, and online and classroom trainings continued in 2019 in line with this approach. The Go-Fest event, which offers the employees an opportunity to attend the trainings and seminars in their fields of interest, take part in activities, win surprise gifts, have fun together and improve at the same time, took place in December.

The Reverse Mentoring Program, launched in 2018 with the objective of being informed about views and perspectives of the new generation by communicating with them and benefit from the skills of young people that follow technology and trends closely, continued to bring together Doğuş Otomotiv's senior executives with university students in 2019.

The Drive team at Doğuş Otomotiv, with its objective of bringing qualified workforce to the industry, paid visits to the Vocational High Schools – both in and outside Istanbul – that have Volkswagen Laboratory classes, and communicated with the teachers and students in person.

Encouraging women's participation in the workforce is a key objective for Doğuş Otomotiv, which introduced the Equality at Work program to increase the number of female employees and help them become more effective in decision making mechanisms. Accordingly, activities aimed at women within the scope of Equality at Work continued in 2019. 125 managers who participated in the process and completed all the training programs since 2014 received their certificates at a graduation ceremony. In 2019, 15 new female managers participated in the “Coaching and Mentoring for Women Program”, the first of these programs that began in 2014. Furthermore, a training program, organized in

partnership with TEV and designed to support female students as they prepare for business life, graduated its first participants in 2019. In this program, our volunteering female managers receive coaching and mentoring training and then mentor female TEV scholars.

As part of the Human Resources and employer brand activities, visits were paid to a number of universities where the Career Garage Booth was set up to meet with students and inform them about the automotive industry. The students selected from the pool of résumés collected during these visits were added to the D-Internship program. In a survey conducted by toptalent.co, an online career platform that brings together university students and new graduates with companies, the top 100 programs of 2019 in Turkey were selected and Doğuş Otomotiv's D-Internship program ranked second in the automotive industry.

In Universum's annual “Turkey's Most Attractive Employers Survey” based on the valuations of students and professionals, Doğuş Otomotiv ranked 29th in the Administrative and Economic Sciences category and 37th in the Engineering/Information Technologies category, maintaining its place among the top 50 most preferred employers in 2019.



Doğuş Otomotiv Career Garage

D-Staj internship program ranked 2nd in the automotive sector among Turkey's top 100 recruitment programs.

Employees: Our Priority Stakeholders

Doğuş Otomotiv believes that its greatest strength that would sustain the business and help the Company continue to provide strong, ethical and high-quality services in the future lies in its employees.

Doğuş Otomotiv is well aware that its employees, which the Company regards as its key stakeholder, can become indispensable contributions to both the society and the Company value by reinforcing the effective work processes with a sense of responsibility. With the policy published in the 2010 Corporate Sustainability Report and the corporate website, Doğuş Otomotiv has declared that its employees and the decent work environment provided for them are the pillars of its Corporate Sustainability approach.

The Company places employee satisfaction and loyalty at the top of its business goals and believes that the main reason for the continuous increase in Corporate Sustainability performance is the employees' efforts and the level of awareness attained.

The evolving nature of the business world, with expectations and conditions diversifying, requires that companies should not only manage employees but also collaborate with them, establish dialogue and learn their expectations, ensure that their suggestions and feedback are directly communicated to senior management and involve them in all processes. This is how a far more efficient working environment can be created, a more innovative and competitive organization is built and healthier relations are established with other stakeholders through the employees. Accordingly, Doğuş Otomotiv's Performance System has been redesigned by considering the latest local and global human resources trends. A simpler and leaner Performance Management System focused on feedback and based on development culture going beyond just scoring has been introduced.

As part of Doğuş Otomotiv's Digital Transformation approach as a key focus area of the company, digitalization is implemented across all areas of Human Resources. Digital projects continue to be developed in several areas, including recruitment and placement, training and development, employee rights and information, process management, and administrative and technical affairs. Meanwhile, improvements in reporting tools, new report and dashboard designs continue in the BI (Business Intelligence System), which is used for Human Resources reporting and is open to the Company management.

With an enhancement made in the D-Human Performance Management System and the performance process, the monthly operational performance of the blue collar employees working in the Spare Parts and

Logistics warehouse now contributes to their overall annual performance.

Human Resources Policy

Doğuş Otomotiv, as a service company, derives its power from its human resource, which is accepted as a corporate value. Accordingly, in our Human Resources Policy, we emphasize the importance of attracting and working with employees who:

- Adopt the values of Doğuş Group (We sincerely solve, apply, and develop),
- Have the competencies required by the dynamism of the company,
- Are well aware of the significance of the customer,
- Are eager to learn and develop,
- Take efficiency as a reference within the company,
- Employ a system-oriented approach and
- Sustain long-lasting high performance.

We also strive to contribute to their professional and personal development and assist them in realizing their full potential. In addition to the Human Resources Policy, we have also disclosed “Our Employee and Quality Work Environment Policy” which covers our targets in the following topics: employee satisfaction, occupational health and safety, sustainable employment, equal rights and opportunities for employees, open dialogue and transparent communication with employees and establishing platforms to enable direct communication with senior management.

Equal Rights

Doğuş Otomotiv states in its Code of Ethics under Article 3 on “Justice and Equality”: “We treat all of our stakeholders and each other justly and avoid discrimination”. Doğuş Otomotiv applies the “Employees and Decent Workplace Policy”, which stipulates that employees are protected regardless of their faith, language, race, color, gender, age, ethnic origin, disability, citizenship or other social statuses protected by legal regulations.

Diversity principle at Doğuş Otomotiv is continuously supported by a number of Human Resources programs. Various activities including practices for female employees and mothers, Reverse Mentoring programs as part of the cooperation between the Company's senior management and Y generation, meetings with university and high school interns at certain intervals and events to come together with employees with disabilities are carried out to promote diversity.

Employee Benefits

“Doğuş Otomotiv Basic Rights and Responsibilities Procedure” explicitly states that Doğuş Otomotiv employees who all work fulltime have the same rights and that each employee is a key stakeholder of the Com-

pany. Health insurance, life insurance, meals and transportation services are social rights available to all employees. Our pregnant employees are provided with an informative presentation prepared for them detailing the whole process and are given off on maternity leave by organizing a special celebration with their teammates. In addition, our employees who are on maternity leave are not subject to any interruption in their salary and social security payments. Maternity allowances paid by SSI to our company are also paid to our employees within the scope of additional benefits. Doğuş Otomotiv also offers daycare and shuttle opportunities for mothers. Employees, who are unable to bring their children to the company nursery, benefit from daycare support. Other benefits provided for Doğuş Otomotiv employees along with detailed information on the training opportunities are publicly announced each year in the Corporate Sustainability Report.

Dialogue with Employees

Each Doğuş Otomotiv employee can communicate directly with his/her superior any time. The executives and senior management also exchange information about the Company's activities and operations at the quarterly Management Briefings.

During the "Bir'iz" Employee Committee workshops, which were held three times in 2019, with one employee invited as a representative from each department, employees' opinions and suggestions are received about the practices and activities of the Bir'iz Employer brand and the Human Resources department. In 2019, one of these events included a workshop that was completely focused on the Y generation. Viable suggestions are included in the work plan while updates about the company and legal regulations, etc. are shared via intranet and email.

The dialogue platforms with employees, trainings and all employee strategies and policies that Doğuş Otomotiv develops are explained in detail in the annual Corporate Sustainability Reports: <http://www.dogusotomotiv.com.tr/en/sustainability/corporate-sustainability/sustainability-home>.

With the Suggestion System, which is one of the effective platforms to enhance the performance of the company and improve processes, allowing the employees of Doğuş Otomotiv and Doğuş Oto to share their suggestions and views about the company and all the processes, the employees submitted 1,593 suggestions in 2019 and helped make the processes leaner. Of the 540 approved suggestions, 493 have been implemented and improved business processes.

At the "Birthday of Ideas at Doğuş", an event that brings all employees together, the best projects of the year consisting of innovations that employees implement in their own processes with their own creative ideas are presented and the projects that contribute to the company's performance are explained by the project owners to all employees. In this manner, innovation culture is spread across the entire company by sharing the projects that enable cost and labor savings, new business management approaches and activities that improve efficiency.

DOĞUŞ OTOMOTİV CODE OF ETHICS

Doğuş Otomotiv published its Code of Ethics in 2012, describing its way of conducting business with all its stakeholders and aiming to create a perception about the future of our country and the world, spread this perception and deepen where necessary and act with the vision of setting an example for the whole community beyond the industries. With the Doğuş Otomotiv Code of Ethics, which became the first of its kind in Turkey not to be adopted from international sources but prepared according to global standards, the Company has pledged to uphold honest and ethical behavior in all its relationships with the employees, customers, business partners as well as competitors, and has documented this commitment.

In this manner, the Company has once again emphasized that one of its primary goals is to be an honest, trustworthy and highly respected company, known for its unwavering commitment to ethical rules while successfully continuing to operate under the current economic conditions and competitive environment, and remaining the leader of the industry. Doğuş Otomotiv continued to share its Code of Ethics with suppliers, business partners and third parties in 2019. In addition, a total of 410 Doğuş Otomotiv and Doğuş Oto employees were informed about Code of Ethics during 1,025 man/hours of e-orientation.

In the 2015-2019 period:

- 735 employees of Doğuş Otomotiv received 1,501.5 man/hours of training and
- 1,324 employees of Doğuş Oto received 2,168.5 man/hours of training

Doğuş Otomotiv Code of Ethics includes all the Company's commitments and policies on ethical matters and is published openly on the corporate website at: http://www.dogusotomotiv.com.tr/newdogusotomotiv_files/2017623223221578_DogusOtomotiv_-En.pdf

TRAFFIC IS LIFE!



As Traffic is Life!, the longest social responsibility project of the automotive sector, celebrates its 15th anniversary, it aims to raise safety awareness and develop a positive culture about traffic with the practices it creates in light of society's needs and expectations.

Considering sustainability as part of its strategy, Doğu Otomotiv conducts its efforts with a sense of responsibility towards its stakeholders and society at large. Setting out to create a positive cultural transformation in society regarding traffic safety, the Company launched Traffic is Life! in 2004 as a social responsibility project that will contribute to social development and leave its mark for future generations.

The Traffic is Life! platform has carried out awareness studies towards various target audiences for 15 years as the longest social responsibility project in the sector, with a view to changing the behavior and habits of individuals from all age groups regarding traffic safety, and raising awareness in society. The platform believes that a positive cultural transformation in traffic would make a favorable contribution to all areas of life, leading to inhabitable cities, and a future worth living.

In 2019, the Traffic is Life! platform turned its attention on the reflections of urban living, rising mobility, and technology on our daily lives. Correctly analyzing changing technology and media consumption trends, the platform adopted the strategy of taking an active stance in social media and digital platforms in order to efficiently reach its target audience.

Interactive communication through social media

Throughout the year, the platform used its social media accounts in order to reach as large a crowd as possible regarding child safety in traffic, traffic safety, and other relevant matters. As of December 2019, the number of followers on the Facebook account of the Traffic is Life! platform rose by 21% to hit 154,780, providing informative/educational value to every demographic in society thanks to its regular content on traffic. In 2019, the number of followers the platform has on its Instagram account rose by a remarkable

220% to reach 16,676. Thanks to interactive content such as surveys, tests, and puzzles that are published through Instagram's story feature, the platform managed to keep its communication with its target audience alive. A contest titled "Give me a sign" was held on what new traffic signs can be introduced to meet different needs, reaching a total of 35,103 people on Instagram, and 415,000 on Facebook. In the contest, the signs that won were "Do not use your smartphone in traffic", "Signal when you turn", and "Respect". Content was shared not only for motorists, but also for motorcycle riders, cyclists, pedestrians, parents, and animals. Some content concerned new vehicles such as e-scooters, various technologies, and changing regulations.

Educational videos

Given that target audiences respond to respectable "influencers", the platform's brand ambassador Prof. Dr. Üstün Dökmen met with automotive editor and popular YouTuber Doğan Kabak, where the two had a fruitful discussion on children in traffic, being a parent in traffic, and the relationship between drivers and their vehicles. Making recommendations with respect to how children should travel in the car in order to raise awareness regarding child safety in traffic and in the car, Üstün Dökmen also shared - during his talk with Doğan Kabak - what needs to be done in order to manage stress in traffic. Viewed 159,000 times on YouTube, the video also reached a large audience on social media.

The platform prepared a series of short videos in order to fill the knowledge gap on the part of drivers in Turkey with regard to safe driving, and to offer them guidance on traffic related matters. Cooperating with Road Safety Expert Ahmet Özgün in this project, the platform created videos on issues such as speed, smart-

phone use, blind spots, driving position, traffic signs and speed limits, based on statistics from the General Directorate of Security. The videos aimed to grab the attention of drivers with real-life examples on the dangers of smartphone use in traffic, the risks of exceeding speed limits and speeding in general, and the importance of traffic signs and blind spots. The videos, which were published on the social media accounts of Traffic is Life! as well as the General Directorate of Security, received 2,893,186 views and 12,402,741 hits.

Youth in focus

Traffic is Life! focused on the things that young people pay the highest attention to in its communications, in order to pique their interest. In that regard, the year 2019 saw a more prominent focus on young people for the Traffic is Life! platform. For this purposes, GIFs were used for the first time on Instagram as a vehicle for social messaging, resulting in the development of 5 traffic-themed GIFs. Instagram users are able to find Traffic is Life! GIFs from the stories section searching with keywords (in Turkish) such as speed, babyseat, smartphone, trafficislife, seatbelt, passenger, pedestrian, travel, safety, life, dogusotomotiv, brake, gas, bicycle, and motorcycle.

Just as in earlier years, the Facebook Chat Bot application, which had been used within the program for the first time in a social responsibility project, was provided to those who take the exam to get a driver's license in 2019 as a study aid that asked them questions - approved by the Ministry of National Education - that appeared in the tests of prior years. A total of 161,779 participants have benefitted from the application - which aims to measure the participant's level of knowledge before the actual exam - since December 2017.



Support to traffic safety with informative videos

The training videos, prepared in cooperation with Road Safety Expert Ahmet Özgün, aim to eliminate the lack of knowledge of drivers about safe driving in traffic.



The Traffic is Life! platform sent messages to a total of 87,775,401 people on Facebook, and 943,145 people on Instagram, thanks to the social media communications it published throughout 2019.

HOP!

The Traffic is Life platform aims to inform not only drivers but everyone with the goal of enhancing traffic safety in general. The platform also carries out projects towards cyclists, who experience the highest percentage of injurious accidents in traffic and therefore are one of the groups that require the most attention. The HOP! mobile application launched in 2017 warns pedestrians and drivers if there is a cyclist within 30-40 meters. Aiming to prevent accidents this way, HOP! was further developed with Blesh integration in 2018, allowing both cyclists and drivers to receive and send signals even without downloading the application. In 2019, a total of 133 people downloaded the application and benefited from its features.

Painting with Pictoos

The Pictoos character, created to teach traffic rules in a fun way, continues to increase children's traffic awareness as a coloring page.

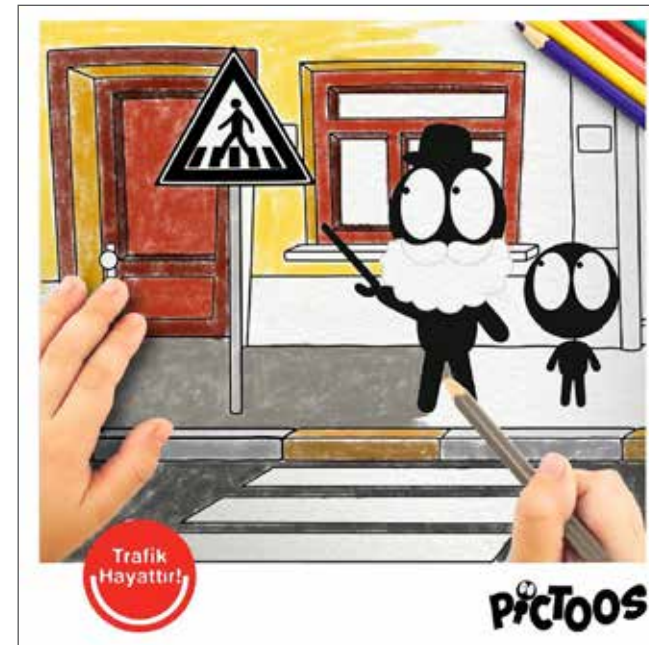
Remote education for more than 25 thousand students at 14 universities

In 2019, the Traffic is Life! platform continued its "Traffic Safety Remote Education" - started in 2013 - for the purpose of creating a cultural transformation in society about traffic, which is the fundamental mission of the platform. The remote education, offered in the category of "Elective Social Courses" recommended by the Council of Higher Education, is the first social responsibility project that has entered the university SCORM system with its traffic safety content. The project has so far reached more than 25,000 students from 14 universities.

Taking advantage of Doğu Group's synergy, the platform continued to build efficient collaborations in 2019. The Pictoos character, which was created by Varol Yaşaroğlu in 2017 in order to remind children of traffic rules and teach them about them, is offered as a coloring page along with the kids' menu at Mezzaluna and Kitchenette restaurants belonging to Doğu Group. This way, children color the traffic-related visuals of the Pictoos character, simultaneously gaining awareness about traffic and having a good time.

2020 goals

The Traffic is Life! platform intends to continue its efforts aimed at creating a positive culture in traffic for all sections of society and raising awareness through interactive projects and field activities that will allow the platform to reach large swathes of society and make its voice heard.



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

“Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi” (Doğuş Otomotiv Service and Trade Corporation) has applied the Corporate Governance Principles issued

by the Capital Markets Board of Turkey in the fiscal year that ended on December 31, 2019 in accordance with the following explanations.

Declaration of Compliance with Corporate Governance Principles

In the fiscal year that ended on December 31, 2019, the Company has adopted the principles of equality, transparency, accountability and liability in accordance with the Corporate Governance Communiqué (“Communiqué”) No: 11-17.1 issued by the Capital Markets Board of Turkey and published in the Official Gazette No: 28871 on 3 January 2014. According to the statement of the Capital Markets Board of Turkey in its bulletin no. 2019/2 dated 10 January 2019, the Company is listed among the BIST 2nd Group Companies. Following an evaluation of 401 criteria defined in the methodology prepared by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş., it has been determined that the Company has complied with the Communiqué

to a great extent. The Company’s Corporate Governance Rating, which was 96.41 (9.64 out of 10) as of 17 December 2018 rose to 96.50 (9.65 out of 10) on 17 December 2019 as a result of the constant improvement efforts by the Company.

This outcome demonstrates that the risks that may threaten the Company have been largely identified and are under control and that the rights of shareholders and stakeholders are justly protected. Furthermore, a high level of performance has been attained in terms of public disclosures and transparency. In this respect, the structure and working conditions of the Board of Directors comply with the Corporate Governance Principles.

SUB CATEGORIES	WEIGHT	RATING
Shareholders	0.25	96.36
Public Disclosures and Transparency	0.25	97.67
Stakeholders	0.15	95.95
Board of Directors	0.35	95.98
TOTAL	1.00	9.65

The Corporate Governance Rating Report is available on the corporate website and can also be accessed via this link: <http://www.dogusotomotiv.com.tr/en/investor-relations/investor-relations/corporate-governance/reports/kobirate-corporate-governance-compliance-rating-report>.

Overall, the Company fully complies with all mandatory principles in the Communiqué as well as most of the non-mandatory principles and continues to further improve its Corporate Governance efforts. No conflict of interest has arisen due to the below listed issues, which are not yet implemented and remain outside the scope of principles currently applied.

Even though there are no provisions or applications in the Articles of Association concerning the issues mentioned below, the Turkish Commercial Code, the

Capital Markets Law and relevant regulatory provisions are applied.

Support mechanisms and models have been devised to ensure the employees’ and stakeholders’ participation in the management of the Company. Detailed information on this matter is provided in the Corporate Sustainability section under Human Resources, Participation of Stakeholders in Management.

Diligence is paid to the exercise of minority rights. However, broadening the scope of rights and extending these rights to shareholders holding less than one-twentieth of the capital of the corporation are not included in the Articles of Association.

Within the scope of the Board of Directors Selection Criteria stipulated by the Board’s resolution

no 2016/69 dated 9 December 2016, pursuant to the proposal of the Remuneration and Nomination Committee, formed by the Board of Directors of the Company in accordance with the Capital Market Board’s Corporate Governance Principles, the number of female members to serve on the Board has been raised to three (3) by the General Assembly resolution on 29 March 2018. As a result, the target set has been met and the female member ratio in the Board has reached fifty percent (50%).

Even though self-criticism and performance assessments are carried out on the Board of Directors, members are neither awarded nor discharged from their duties as a result of these evaluations. However, participation of the Board Members in the Board of Directors and Committee meetings, their contributions, and sharing of knowledge, knowhow and experience are taken into account, and the performance of the Board of Directors as a whole is assessed biannually. For this purpose, certain firms that can provide this service were evaluated during the Board meeting on 24 October 2019 with the resolution to initiate appraisals within the year. As part of the appraisal process, face-to-face interviews and surveys are conducted with Board members and their responses are analyzed by the appointed firm, which also holds one-one-one interviews with senior executives with administrative duties to obtain their feedback about the Board of Directors.

Board of Directors

Board of Directors’ Function

The Board of Directors has maintained the Company’s risk, growth and return balance at optimal levels by making strategic decisions and managed and represented the Company by first and foremost protecting the long-term interests of the Company through rational and prudent risk management. Driven by the Company’s vision and mission, the Board of Directors has coordinated the operations performed by the executive body and at the same time overseen Company management’s performance, monitoring how the Company’s operations and activities complied with the legislation, the Articles of Association, internal regulations and policies. The Board is the highest authority in the Company for decision-making, strategy and representation.

Board of Directors’ Working Principles

The Board of Directors conducts its activities in a transparent, accountable, fair, and responsible manner.

The Board of Directors plays a key role in maintaining effective communication with shareholders and resolving possible disputes. For this purpose, the Board of Directors works in close cooperation with the Investor Relations Department.

Pursuant to Article 4.6.5 of the Corporate Governance Principles, all remunerations as well as all benefits provided to Board Members and executives with administrative responsibilities are disclosed to the public as an aggregate sum through the annual report.

The Company’s current management practices are in compliance with the Corporate Governance Principles and in the event that we have plans in the future to make any changes within the framework of the Corporate Governance Principles, our stakeholders will be duly informed.

As in 2019, the Corporate Governance Principles will continue to be internalized in the upcoming period taking into account the relevant requirements and developments in the regulations and we will maintain our willing and resolute approach to creating solutions to areas that require compliance and improvement.

Corporate Governance Principles Compliance Report Template (URF) and Corporate Governance Information Form Template (KYBF) of our Company can be accessed from the Corporate Governance button on the Public Disclosure Platform. (<https://www.kap.org.tr/en/sirket-bilgileri/ozet/1391-dogus-otomotiv-servis-ve-ticaret-a-s>)

While performing its duties and responsibilities, the Board of Directors engages in continuous and effective collaboration with executives. When deemed necessary, executives participate in the Board meetings. The responsibilities and duties of the Board members and executives are covered in Articles 9 through 13 of the Articles of Association.

The Board Members of the Company are covered by an umbrella insurance, the “Directors and Officers Liability Insurance Policy” by Doğuş Holding A.Ş. as insurer for an amount of \$25 million per annum against any damages resulting from their managerial misconduct that may have adverse financial consequences to the company.

The working principles and procedures of the Board of Directors regulate the following:

- Administrative structure, duties and responsibilities of the Board of Directors
- Processes for calling Board members to meetings and preparation for meetings
- Information on the frequency and planning of annual meetings
- Method used to set meeting agenda
- Process of sharing information and documents

- with the Board members regarding agenda items
- Each member having the right to one vote,
 - Obligation of the Board members to share information with one another, and of executives to inform the Board of Directors.
 - Distribution of duties and responsibilities within the Board of Directors, and committees,
 - Performance appraisal of the Board of Directors, and several other topics. In execution, this regulation is applied.

Structure of the Board of Directors

The Company's Board of Directors is made up of six (6) directors; one (1) chairman and five (5) members. In this respect, the rule of having at least five (5) directors to set up a Board is complied with. This number is sufficient for the Board to carry out efficient and constructive work and to effectively form committees and organize their activities. The Board of Directors has one (1) executive and five (5) non-executive directors. Most of the members are therefore in non-executive roles. On the other hand, two (2) members of the Board of Directors who are non-executive are also independent directors, as required by the Corporate Governance Principles. The independent directors have submitted to the Board of Directors their written declaration stating their independence within the framework of relevant legislation, Articles of Association and the criteria

set forth in the Principles. Currently there are there (3) female directors serving on the Board. In its current state, the Company's Board of Directors consists of 50% female directors. Sabancı University Corporate Governance Forum has recognized Doğuş Otomotiv with the "Women Empowered Board Awards" for its 50% female director ratio.

The selection of Board Members in the Company complies with the qualifications mentioned in Chapter IV of the CMB Corporate Governance Principles and is carried out in accordance with the relevant articles of the Turkish Commercial Code.

The Board Members of the Company are Emir Ali Bilaloğlu, Gür Çağdaş, Koray Arıkan, Özlem Denizmen Kocatepe, Adalet Yasemin Akad and Emine Gülden Özgül. The Board of Directors was elected during the General Assembly meeting on 29 March 2018 and announced on PDP and Emir Ali Bilaloğlu was named Chairman. Due to the decrease in the number of directors on the Board and considering Chairman Emir Ali Bilaloğlu's long years of experience serving both as a Board member and also as CEO, it has been found appropriate that the positions of Chairman of the Board of Directors and CEO are filled by the same person. The two (2) independent directors on the Board are Adalet Yasemin Akad and Emine Gülden Özgül. At the Gener-

al Assembly meeting on 29 March 2018, Emine Gülden Özgül was elected to serve one (1) year and the other directors for three (3) years on the Board of Directors. At the General Assembly meeting on 26 March 2019, Emine Gülden Özgül was reelected to serve one (1) year as an independent director.

The résumés of the Directors can be found on pages 12 and 13.

Board of Directors Meeting Procedures

The Board of Directors meets as needed when company business makes it necessary. The Board is required to meet at least once a month. The Articles of Association includes provisions on the number of meetings and quorum for Board meetings. Board meeting dates are set at the beginning of each year and announced to all participants. Pursuant to the working principle of the Board of Directors, relevant information and documentations are shared with the members ahead of the meeting. The Board of Directors convened 12

times in 2019, all of which were attended. In the absence of some members, they were duly informed and their opinions were taken in accordance with the general principles. Topics addressed in Board of Directors meetings are recorded as minutes of the meeting and saved. Board Members have the right to declare different opinions on any subject and to get their reservations recorded in the minutes. The Company's operational results, performance indicators as well as financial, operational and sustainability targets are monitored regularly by the Board of Directors through monthly meetings.

Each member of the Board of Directors has the right to one vote and none of the members has a right to veto. The Board of Directors meetings are held in compliance with the legislation and the relevant sections of the Articles of Association.

Attendance ratios of the Board members in the Board of Directors Meetings in 2019 are listed below:

Attendance Ratio	
Emir Ali Bilaloğlu	100%
Gür Çağdaş	67%
Koray Arıkan	100%
Özlem Denizmen Kocatepe	92%
Adalet Yasemin Akad	100%
Emine Gülden Özgül	100%

Declarations of Independence by the Independent Board Members



Committees Formed under the Board of Directors

Audit Committee, Corporate Governance and Sustainability Committee, Early Risk Detection Committee, and Remuneration and Nomination Committee have been formed in order for the Board of Directors to fulfill its duties and responsibilities in a healthy manner. Separate Nomination and Remuneration Committees have not been established due to the structure of the Board of Directors, and their duties are fulfilled by a single Remuneration and Nomination Committee.

Duties, working principles and members of the Committees have been determined by the Board of Directors, publicly disclosed through approved written documents and announced on the corporate website. All members of the Audit Committee are independent Board Members. Among the Corporate Governance and Sustainability Committee, the Early Risk Detection Committee, and the Remuneration and Nomination Committee, at least one Committee Head is an independent Board Member while the Chairman/CEO does not serve on any of these committees.

The Board of Directors has provided the Committees with all kinds of resources and support required to fulfill their duties. The Committees may invite independent specialists and related executives to the meetings to obtain their views on matters that they find necessary with regard to their operations. The committee reports have been evaluated by the Board of Directors, and necessary actions taken by our Company.

Board of Directors' Performance Appraisal

A performance appraisal of the Board of Directors is conducted at the Company every two or three years. In 2019, the Remuneration and Nomination Committee evaluated the offers of three independent firms for this work and decided to propose ARGE consultancy firm to the Board of Directors for the job. The firms that can provide this service were evaluated during the Board meeting on 24 October 2019 with the resolution to initiate appraisals within the year and to work with ARGE consultancy firm.

As part of the appraisal process, face-to-face interviews and surveys are conducted with Board members and their responses are analyzed by the firm, which also holds one-one-one interviews with senior executives with administrative duties to obtain their feedback about the Board of Directors.

In the evaluation process, criteria such as “the structure of the Board of Directors, working principles of the committees and the Board, information present-

ed/provided to the Board, Board culture, the way the Board steers the organization in sustainability, digitalization and other matters, the risk management approach of the Board” are taken into consideration.

In the performance appraisal process that began in 2019, surveys with the Board members have been completed, and the ongoing one-on-one interviews are expected to be finalized in February. Based on the results of the evaluation, action plans will be created.

Audit Committee

Emine Gülден Özgöl (Head of Committee - Independent Board Member)
Adalet Yasemin Akad

The Audit committee, consisting of Independent Board Members as defined by the CMB’s Corporate Governance Principles, carries out its activities according to the Audit Committee Bylaws approved by the Board of Directors. The Committee assists Board of Directors in the oversight of accounting, auditing, internal control system and financial reporting practices.

In this respect, the Audit Committee, on behalf of the Board of Directors, defines methods and criteria for internal audits, effectiveness and adequacy of internal control and risk management, functioning of the accounting and reporting systems in accordance with the Capital Markets Law and the principles therein, integrity of information, confidential assessment and resolution of complaints communicated to the Company regarding the internal control system and independent auditing and discretion in evaluation of notifications.

In addition to public disclosure of financial information and regular monitoring of independent auditing activities, the Audit Committee also reports its findings as a result of its own duties and responsibilities and evaluations to the Board of Directors.

The Audit Committee provides written information about its evaluations with regard to the veracity and accuracy of the annual and interim financial statements to be disclosed to public, supported by the opinions of the Company’s responsible executives and independent auditors. Accordingly, four (4) written briefs were presented to the Board of Directors in 2019.

The Committee convened eight (8) times in 2019. In the presentations by the Internal Audit Department, the Committee was informed about internal control, risk management, governance and sustainability processes as a result of audits and the decisions reached were recorded in the minutes of the Committee meeting. The Committee Members gave four (4) presentations to the Board of Directors in 2019 about audit findings.

Corporate Governance and Sustainability Committee

Adalet Yasemin Akad (Head of Committee – Independent Board Member)
Gür Çağdaş
Koray Arıkan
Hasan Hüsnü Güzelöz
Halide Müge Yücel

The Corporate Governance and Sustainability Committee identifies whether or not Corporate Governance Principles are applied, the reasons if not and conflicts of interest that may arise due to lack of compliance and fulfills its public disclosure duty with the Corporate Governance Compliance Report. The Committee also informs the Board of Directors on preventive/remedial measures for ensuring the implementation of sustainability principles, areas of opportunity and operational results. The Committee consists of five (5) members,

including the Head of the Committee, who is an Independent Board member and two (2) non-executive Board members, with the fourth member the Manager of the Investor Relations Department and is an appointed member of the Corporate Governance and Sustainability Committee, pursuant to the CMB Communiqué No. II-17.1.

When the Corporate Governance and Sustainability Committee consists of two members, both of the members should be non-executive, whereas if there are more than two members, then the majority of the members should be non-executive. Currently, the Committee complies with the Corporate Governance Principles in terms of its formation. The Committee has convened four (4) times in 2019 and regularly reported its findings and resolutions to the Board of Directors.

Early Risk Detection Committee

Emine Gülден Özgöl (Head of Committee - Independent Board Member)
Koray Arıkan
Gür Çağdaş
Hasan Hüsnü Güzelöz

The Early Risk Detection Committee consists of four (4) members, with the Head of the Committee an independent director. The Committee was severed from the Corporate Governance and Sustainability Committee as of April 2013 and its working principles were established. The Early Risk Detection Committee fulfills its duties and responsibilities in accordance with the legislation. The Committee, formed for early diagnosis of causes that threaten the Company’s existence, development and continuity, taking precautions/remedies for their prevention, and managing risks, is responsible for running and developing the system. The Committee

held a total of four (4) meetings in 2019, including one joint meeting with the Audit Committee. The Committee also presented regular reports of risk assessments to the Board of Directors every two months and shared the said reports with the auditor as well.

The Compliance Function, which reports to the Early Risk Detection Committee, held its first meeting with its working group in 2019. The tasks of the Compliance Function are defined as ensuring compliance company policies, requirements of applicable regulations and relevant legislation, international standards and processes, and identifying and reporting the risks in the relevant processes. The Compliance Function, as part of its 2020 activities, aims to minimize risks within its scope of operation and to promote commitment to ethical principles and values in line with the Compliance Policy.

Remuneration And Nomination Committee

Adalet Yasemin Akad (Head of Committee - Independent Board Member)
Özlem Denizmen Kocatepe

Relevant executives and managers are invited for a meeting based on the topic and asked to provide their opinions and input.

The Remuneration and Nomination Committee consists of two (2) members, with the Head an independent director. The Committee has convened four (4) times in 2019, and the issues identified in the meeting, the actions taken and the results obtained were presented to the Board of Directors.

these areas are evaluated in detail according to a specific methodology. In annual round table meetings, executive board members’ career development, succession plans, strengths and development areas are evaluated and recorded in the system.

The task of nominating successors falls on the Remuneration and Nomination Committee in the Company. The Remuneration and Nomination Committee has reviewed the skill set that it had previously defined for the Board of Directors and identified skill headings (for instance, agility and adaptation, having command of the technological changes impacting the industry) in line with emerging needs.

The nomination committee plays an active role in ensuring that there are designated successors for independent directors on the Board. Since the term of one independent director will expire in March 2020, the committee conducted a thorough research and determined new nominees for independent members.

Succession Plan

The performances of the Executive Board members are measured annually based on their business targets, and their finance, customer, process and learning and development targets versus their performances in

Human Resources And Disciplinary Committee

Emir Ali Bilaloğlu (Head of Committee)
Gür Çağdaş
Koray Arıkan
Özlem Denizmen Kocatepe

This committee has been formed by the authority of the Board of Directors to provide guidance for human resources practices and disciplinary actions, monitor the activities and make decisions on these matters. The committee convened three (3) times in 2019.

Financial Benefits Provided to the Board of Directors and Executives with Administrative Responsibilities

The remuneration principles for the Board of Directors and executives with administrative responsibilities have been put into writing, presented to the General Assembly for approval and disclosed electronically to the general public. In remuneration of independent members of the Board of Directors, payment plans such as dividend, stock options or payment options based on the Company's performance have not been considered. The remuneration of independent members of the Board of Directors has been set at a level to maintain their independence.

The Company has not extended loans or credit to any members of the Board of Directors or executives with administrative responsibilities, nor granted anyone any loan through a third party under the guise of personal loans, nor given securities on their behalf. Performance appraisals of the Board members have been conduct-

ed with the support of a professional organization using objective criteria.

The sum of financial benefits, including salaries and similar payments, health insurance and employer's contribution of social security, granted to the Company's governing bodies and executives with administrative responsibilities amounted to TRY 43.844 thousand in 2019.

GENERAL INFORMATION

This Annual Report covers the period from 1 January 2019 to 31 December 2019.

General Information on the Company

Company Title :	Doğuş Otomotiv Servis ve Ticaret Anonim Şirketi
Company Address :	Maslak Mahallesi, Ahi Evran Cad. No: 4 İç Kapı No: 3 Sarıyer / İSTANBUL
Head Office :	Şekerpınar Mahallesi, Anadolu Caddesi, No: 22 41420 Çayırova / KOCAELİ
Phone :	(0262) 676 9090
Fax :	(0262) 676 9096
Corporate Website :	www.dogusotomotiv.com.tr
Founded on :	19.11.1999
Trade Registry No :	429183 / 376765

Managing Body, Senior Executives and Employees

In 2019, the Company has employed 826 blue-collar and 1,445 white-collar employees on average.

Information on Senior Executives and Board Members' Duties in 2019

Name Surname	Position	Starting Date	Term (Years)
Emir Ali Bilaloğlu	Chairman of the Board of Directors, CEO	29 March 2018	3
Gür Çağdaş	Vice Chairman of the Board of Directors, Corporate Governance and Sustainability Committee Member, Early Risk Detection Committee Member	29 March 2018	3
Koray Arıkan	Board Member, Corporate Governance and Sustainability Committee Member, Early Risk Detection Committee Member	29 March 2018	3
Özlem Denizmen Kocatepe	Board Member, Remuneration and Nomination Committee Member	29 March 2018	3
Adalet Yasemin Akad	Board Member, Head of Corporate Governance and Sustainability Committee, Audit Committee Member, Head of Remuneration and Nomination Committee	29 March 2018	3
Emine Gülden Özgül*	Board Member, Head of Audit Committee, Head of Early Detection of Risk Committee	29 March 2018	1

* The term of Ms. Emine Gülden Özgül to serve as independent board member has been extended for a limited time of one (1) year at the General Assembly meeting on 26 March 2019.

Employees with Senior Management Duties

Name Surname	Position	Education
Emir Ali Bilaloğlu	Chairman of the Board of Directors/CEO	M.Sc. in Engineering
Kerem Talih	Chief Financial Officer	Economics
Koray Bebekoğlu	Chief Digital Transformation and Corporate Communications Officer	Mining Engineering / MBA
Giovanni Gino Bottaro	Chief Brand Officer - Volkswagen Passenger Cars	Mechanical Engineering
İlhami Eksin	Chief Brand Officer - Scania, ThermoKing, DOD Heavy Vehicles, Scania Industrial and Marine Engines	Economics
Anıl Gürsoy	Chief Brand Officer - DOD, SEAT, and Porsche	Business Administration
Kerem Galip Güven	Chief Brand Officer - Audi, Bentley, Lamborghini and Bugatti	Tourism & Hotel Management
Mustafa Karabayır	Chief Spare Parts and Logistics Officer	Geology Engineering / M. Sc. in Civil Engineering
Ela Kulunyar	Chief HR and Process Management Officer	Business Administration
Tolga Senyücel	Chief Brand Officer - VW Commercial Vehicles	Business Administration / MBA

Remuneration of the Board Members and Senior Executives

Information pertaining to the remuneration of the governing body members and senior executives may be found in the Corporate Governance section under

“Financial benefits provided to the Board of Directors and Executives with Administrative Responsibilities”.

Research & Development Activities

The Company has not carried out any research & development activities in 2019.

Material Developments Regarding Company Operations

Investments

In 2019, the Company invested TRY 44,572 thousand in fixed assets including vehicle purchases, showroom renovations, service equipment, purchase of the Es-enyurt real estate and the ongoing Kartal costs.

Information on Direct and Indirect Subsidiaries and Share Ratios

Detailed information about the transactions performed during the year pertaining to the Company's Direct and Indirect Subsidiaries is provided in the footnotes of the consolidated financial statements for the year ending on 31 December in “Note 28: Balances and Transactions with Related Parties”.

Information on Direct and Indirect Subsidiaries and Share Ratios

Company Title	Area of Operation	Paid-in / Issued Capital	Company's Share in Capital	Monetary Unit	Company's Share in Capital (%)	Relation to Company
Doğuş Holding A.Ş.	Holding Company	862,837,305.00	31,839,470.00	TRY	3.69	LONG TERM SECURITY
vdf Sigorta Aracılık Hizmetleri A.Ş.	Insurance and Brokerage Services	2,000,000.00	40.00	TRY	0.00	LONG TERM SECURITY
D-Auto Limited Liability Company	Vehicle Trading & AS Services - Iraq	150,000,000.00	150,000,000.00	IQD	100.00	SUBSIDIARY
Doğuş Oto Pazarlama ve Ticaret A.Ş.	Vehicle Trading & AS Services	45,000,000.00	43,288,270.00	TRY	96.20	SUBSIDIARY
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş.	IT Infrastructure & Software	226,400,000.00	49,255,692.00	TRY	21.76	AFFILIATE
Doğuş Sigorta Aracılık Hizmetleri A.Ş.	Insurance and Brokerage Services	1,265,000.00	531,232.00	TRY	41.99	AFFILIATE
vdf Servis ve Ticaret A.Ş.	Automotive Products & Services	5,100,000.00	1,924,230.00	TRY	37.73	AFFILIATE
Volkswagen Doğuş Finansman A.Ş.	Automotive Consumer Financing	180,000,000.00	86,399,987.00	TRY	48.00	AFFILIATE
Yüce Auto Motorlu Araçlar Ticaret A.Ş.	ŠKODA Turkey Distributor	2,100,000.00	1,049,999.40	TRY	50.00	AFFILIATE
TÜVTURK Güney Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	25,250,000.00	8,332,836.00	TRY	33.00	BUSINESS PARTNERSHIP
TÜVTURK Kuzey Taşıt Muayene İstasyonları Yapım İşletim A.Ş.	Vehicle Inspection Stations	67,100,000.00	22,143,895.00	TRY	33.00	BUSINESS PARTNERSHIP

Information on the Company's Share Buy-Back Policy and Program

In the event that the Board of Directors of Doğuş Otomotiv resolves to buy back its shares or accept them as pledge, all necessary public disclosures and announcements will be made pursuant to “Communiqué No: II-22.1 on Share Buy-Back”, which was published in the Official Gazette No. 28871 on 3 January 2014.

The Company currently retains the shares, corresponding to 10% of its capital, traded on the stock exchange and bought back in 2016 in accordance with CMB regulations.

Information on Private and Public Audits within the Fiscal Period

No private or public audits that could materially affect the company's operations during the reporting period have been carried out.

Information on the Legal Actions Brought Against the Company, Actions that may Affect The Company's Financial State and Operations, and Their Possible Consequences

There were no cases brought against the Company within the reporting period that could affect the Company's financial state and operations.

Information on the Administrative and Judicial Sanctions Imposed on the Company and its Managing Body due to Noncompliance with Legislative Provisions

No administrative or judicial sanctions have been imposed on the members of the governing body due to practices against legislation within the reporting period.

Although there are some administrative fines imposed on the Company pursuant to various legislation and as

part of its regular activities, those are not of a nature that could materially affect the Company's operations.

Information on Materially Significant Asset Acquisitions or Sales

Information on asset acquisitions or sales is provided in the footnotes of the consolidated financial statements of the years ending on December 31, under "Note 12 - Property, Plant and Equipment" and "Note 13 - Intangible Assets".

Information on Possible Conflicts of Interest with Service Providers

During the reporting period, there were no conflicts of interest between the Company and other firms that provide investment consultancy, rating and other services. Diligent efforts are made to prevent conflicts of interest via agreements and in-house activities in line with the Company's Code of Ethics.

Information on Some Legislative Changes that may Materially Affect the Company's Operations

The following legislative changes with possible impact on the automotive industry have occurred during the reporting period:

- "Regulation on the Transport of Dangerous Goods by Land" published in the Official Gazette on 24 April 2019
- "Regulation on the Registration of Data Controllers," "Regulation on the Deletion, Destruction or Anonymization of Personal Data" and "Communiqué on the Procedures and Principles to be Observed for Fulfilling Disclosure Obligation" published in the Official Gazette on 28 April 2019
- Resolution No. 1013 on "Amendments to Some Ministerial Decrees and Readjusting the Special Consumption Tax Rates and Special Consumption Tax Bases for Certain Goods (about the "Special Consumption Tax Base of New Vehicles" in clause (a) in the first paragraph of Article 5 of the Decree)

- "Law No. 7176 Amending Certain Laws and Government Decree No. 635" (about the Scrap Incentive stipulated in the Amendment to Tax Law No. 7103 and Amendments to Some Laws and Ministerial Decrees), published in the Official Gazette on 12 June 2019
- "Zero Waste Regulation" published in the Official Gazette on 12 July 2019
- "Regulation on the Amendment of the Regulation on the Trade of Secondhand Motor Vehicles," published in the Official Gazette on 10 August 2019
- "Regulation on Waste Oil Management" published in the Official Gazette on 21 December 2019,
- "Regulation on the Amendment of the Regulation on the Trade of Secondhand Motor Vehicles," published in the Official Gazette on 27 December 2019
- "Personal Data Protection Board's Decision no. 2019/387 dated 17.12.2019" published in the Official Gazette on 28 December 2019.

Information on Attaining Targets Set in the Previous Terms and Fulfilling General Assembly Resolutions

There were no targets that the Company did not attain, nor any General Assembly resolutions unfulfilled by the Company during the reporting period. Detailed information about the Company's overview of 2019 is provided in the sub-heading "Evaluation of 2019 and Expectations for 2020" in the Management Report section.

Information on the Extraordinary General Assembly

The Company convened an Extraordinary General Assembly in 2019. Detailed information is provided under "Extraordinary General Assembly Meeting" in the Investor Relations section.

Donations and Aid

No changes were made to the Doğuş Otomotiv Donation and Aid Policy, and the donations made in 2019 are listed below:

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş. and SUBSIDIARIES				
Donations and Aid in 2019				
	DOS	DOP	D-Auto	Total (TRY)
EDUCATIONAL INSTITUTIONS	34,936	1,430,946	-	1,465,882
Darüşşafaka Society	-	1,428,375	-	1,428,375
Turkish Education Foundation	21,400	-	-	21,400
Diler Demir Secondary School	11,566	-	-	11,566
Other Associations and Foundations	1,970	2,571	-	4,541
OTHER	1,000,000	-	-	1,000,000
Fenerbahçe Sports Club Association	1,000,000	-	-	1,000,000
TOTAL (TRY)	1,034,936	1,430,946	-	2,465,882

Group of Companies

Transactions carried out by our company with the parent company and its subsidiaries within the group of companies in 2019 are ordinary business activities. In 2019, the company did not engage in any actions/transactions unjustly serving to the advantage of these

Financial Standing

Operational and Financial Indicators

The equity of the Company is TRY 1,252,541 thousand, and the capital is secured and covered, without running into debt.

The Company presents a robust financial standing and does not plan to take further actions to improve its financial structure.

The Company's revenue, sales volume and net profit decreased by 8%, 28% and 43% respectively, year on year.

The Company also succeeded to maintain its OpEx/Sales ratio at 8% as an indication of the importance

Miscellaneous

After the end of the fiscal period, there has not been any incident of material significance that may affect the rights of the shareholders, creditors and other relevant persons or institutions.

This report has been prepared in compliance with the provisions of the Turkish Commercial Code, the Capital Markets Law and relevant regulations and has been signed and approved by the members of the Board of Directors pursuant to the Board resolution no. 2020/12 dated 28 February 2020.

The Responsibility Statement by the Board members responsible for financial reporting and the executive responsible for financial reporting for the 2019 fiscal period is presented in ANNEX 1.

companies. Therefore, the Company does not have any assessments for the compensation made for disadvantages and for the measures taken regarding the transactions made with the parent company and its subsidiaries, as required by Article 199 of the Turkish Commercial Code.

that the Company attaches to maintaining a lean management and dynamic structure.

A summary of the consolidated financial information can be found on page 24 and the financial indicators on page 26.

Dividend Distribution Proposal

The proposal of the Board of Directors dated 28 February 2020 and announced on the Public Disclosure Platform regarding the non-distribution of the profit and loss occurred in the 2019 operating year will be submitted to the approval of the General Assembly.

Further to the Board of Directors resolution no. 2020/12 dated 28 February 2020, it has been agreed to approve the Company's Consolidated Financial Statements and its Notes for the fiscal year that ended on 31 December 2019 and prepared in compliance with Capital Markets Board standards and to disclose the Independent Audit Report prepared and submitted by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi with the Financial Statements and Footnotes on the Public Disclosure Platform (KAP).

APPENDIX 1. STATEMENT OF RESPONSIBILITY ON FINANCIAL REPORTS



RESOLUTION OF THE BOARD OF DIRECTORS CONCERNING THE APPROVAL OF FINANCIAL STATEMENTS AND ANNUAL REPORTS

RESOLUTION DATE: 28 February 2020
RESOLUTION NUMBER: 2020/12

STATEMENT OF RESPONSIBILITY PURSUANT TO THE ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUE ON THE "PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS"

We have examined the Consolidated Financial Statements, the Annual Report of the Board of Directors, the Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF) prepared for the fiscal year ending on 31 December 2019 pursuant to the Capital Markets Board Communiqué on the "Principles of financial Reporting in Capital Markets, and we hereby state, the best of our knowledge with respect to our duties and areas of responsibility in the Company, that;

- The consolidated financial statements and notes contain no misrepresentation of the fact on any major issues or any omissions that may be construed as misleading as of the date of the related disclosure;
- The financial statements, including those subject to consolidation, prepared in accordance with Turkish Accounting Standards, accurately reflect the fact about the Group's assets, liabilities, financial position, profit and loss and other comprehensive income.

Respectfully yours,

Doğuş Otomotiv Servis ve Ticaret A.Ş.


E. Gülten ÖZGÜL
Board Member and
Head of Audit Committee


A. Yasemin AKAD
Board Member and
Member of Audit
Committee


Kerem TALİH
Chief Financial Officer

Doğuş Otomotiv Servis ve Ticaret A.Ş.

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APPENDIX 2. INDEPENDENT AUDITORS' REPORT RELATED TO ANNUAL REPORT



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Doğuş Otomotiv Servis ve Ticaret A.Ş.

1. Opinion

We have audited the annual report of Doğuş Otomotiv Servis ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2019 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 28 February 2020 on the full set consolidated financial statements for the 1 January - 31 December 2019 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

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- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Company after the operating year,
 - the Group's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Cihan Harman, SMMM
Partner

İstanbul, 28 February 2020