

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2019**

**(ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2019**

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**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	<b>Note references</b>	<b>(Not Audited) Current Period 30 September 2019</b>	<b>(Audited) Prior Period 31 December 2018</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		13,358,757	56,867,896
Financial investment		72,930	72,133
Trade receivables			
-Trade receivables from related parties	20	76,064,762	59,248,328
-Trade receivables from non-related parties	5	81,310,371	103,180,193
Other receivables			
-Other receivables from related parties	20	104,741,609	117,323,015
-Other receivables from non-related parties		5,777,701	4,326,809
Inventories		15,075,895	17,527,084
Prepaid expenses		4,510,474	4,291,302
Other current assets		2,570,166	15,893,989
<b>Total Current Asset</b>		<b>303,482,665</b>	<b>378,730,749</b>
<b>Non-current assets</b>			
Financial investments		313,923	313,923
Other receivables			
-Other receivables from non-related parties		4,689,626	5,363,176
Financial investments accounted for using the equity method	6	1,091,427	4,479,950
Investment properties	7	192,251,868	197,465,641
Tangible assets	8	269,373,563	273,576,563
Intangible assets			
-Other intangible assets	9	14,098,400	11,954,109
Deferred tax assets	18	2,045,962	1,966,834
Other non-current assets		301,273	317,705
<b>Total Non-Current Assets</b>		<b>484,166,042</b>	<b>495,437,901</b>
<b>Total Assets</b>		<b>787,648,707</b>	<b>874,168,650</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Note references	(Not Audited) Current Period 30 September 2019	(Audited) Prior Period 31 December 2018
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term borrowings	4	-	67,887
Short-term payables from rental services	4		
-Payables from rental services to related parties		2,845,516	-
-Payables from rental services to non-related parties		727,121	-
Short-term portion of long-term borrowings	4	15,631,886	15,582,708
Trade payables			
-Trade payables to related parties	20	12,428,662	15,420,957
-Trade payables to non-related parties	5	38,901,487	50,890,149
Employee benefit payables		6,510,446	2,993,159
Other payables			
-Other payables to non-related parties		5,544,897	4,656,574
Deferred income		8,740,012	10,460,323
Current income tax liabilities	18	3,481	527,292
Short-term provisions			
-Short-term provisions for employment benefits	10	13,988,676	14,164,860
-Other short-term provisions	10	10,386,477	6,740,806
Other short-term liabilities		27,051,760	35,166,801
<b>Total Current Liabilities</b>		<b>142,760,421</b>	<b>156,671,516</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	-	11,733,333
-Payables from rental services to related parties		11,569,995	-
-Payables from rental services to non-related parties		2,826,089	-
Deferred income		1,506,193	901,525
Long-term provisions			
-Long-term provisions for employment benefits	12	49,575,838	45,317,176
Deferred tax liability	18	14,901,600	19,381,541
<b>Total Non-Current Liabilities</b>		<b>80,379,715</b>	<b>77,333,575</b>
<b>Total Liabilities</b>		<b>223,140,136</b>	<b>234,005,091</b>

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	<b>Note references</b>	<b>(Not Audited) Current Period 30 September 2019</b>	<b>(Audited) Prior Period 31 December 2018</b>
<b>EQUITY</b>			
<b>Total equity</b>		<b>564,508,571</b>	<b>640,163,559</b>
<b>Equity attributable to equity holders of the parent company</b>		<b>564,666,340</b>	<b>639,981,423</b>
Paid-in share capital	13	592,000,000	592,000,000
Adjustment to share capital	13	77,198,813	77,198,813
Share premiums		76,944	76,944
Other comprehensive income and expenses that will not be reclassified subsequently to profit or loss			
- Gain (loss) on remeasurement			
- Gain (loss) on revaluation of tangible assets	13	212,241,738	212,241,738
- Gain (loss) on remeasurement of defined benefit plans	13	(21,093,944)	(21,093,944)
Other comprehensive income and expenses that may be reclassified subsequently to profit or loss			
- Currency translation differences	13	69,113,198	80,374,527
Restricted reserves	13	116,833,222	101,083,330
Retained earnings / Accumulated deficit		(417,649,877)	(671,268,213)
Net profit (loss) for the period		(64,053,754)	269,368,228
<b>Non-controlling interests</b>		<b>(157,769)</b>	<b>182,136</b>
<b>Total liabilities and equity</b>		<b>787,648,707</b>	<b>874,168,650</b>

These condensed consolidated interim financial statements as at and for the period ended 30 September 2019 were approved by the Board of Directors on 7 November 2019.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE INTERIM PERIOD 1 JANUARY- 30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Note	(Not Audited) Current Period 1 January - 30 September 2019	(Not Audited) Current Period 1 July - 30 September 2019	(Not Audited) Pior Period 1 January - 30 September 2018	(Not Audited) Pior Period 1 July - 30 September 2018
	References				
Sales	14	265,734,153	79,971,986	319,097,597	95,520,757
Cost of sales (-)	14	(236,136,274)	(75,927,461)	(217,868,636)	(75,853,707)
<b>Gross profit/(loss)</b>		<b>29,597,879</b>	<b>4,044,525</b>	<b>101,228,961</b>	<b>19,667,050</b>
General administrative expenses (-)		(56,521,071)	(18,460,928)	(55,735,183)	(18,965,182)
Marketing expenses (-)		(45,950,081)	(15,790,297)	(59,140,497)	(18,975,826)
Other operating income		50,942,242	18,206,904	47,967,939	13,128,870
Other operating expenses (-)		(35,998,908)	(16,963,022)	(18,884,639)	9,104,641
<b>Operating profit/(loss)</b>		<b>(57,929,939)</b>	<b>(28,962,818)</b>	<b>15,436,581</b>	<b>3,959,553</b>
Share of (loss)/gain of investments accounted by the equity method	6	(3,494,683)	(990,321)	(1,939,211)	(1,059,818)
Income from investing activities	15	13,134,732	(723,527)	388,334,827	83,724,416
Expenses from investing activities (-)	16	(913,671)	(568,145)	(1,766,162)	(100,586)
<b>Operating profit/(loss) before finance income/(expense)</b>		<b>(49,203,561)</b>	<b>(31,244,811)</b>	<b>400,066,035</b>	<b>86,523,565</b>
Finance expenses (-)	17	(21,308,871)	(6,481,592)	(24,621,031)	(9,115,753)
<b>Profit/(loss) before tax from continuing operations</b>		<b>(70,512,432)</b>	<b>(37,726,403)</b>	<b>375,445,004</b>	<b>77,407,812</b>
<b>Tax income/(expense) of continuing operations</b>	<b>18</b>	<b>4,521,926</b>	<b>1,842,050</b>	<b>(36,361,852)</b>	<b>(17,687,458)</b>
Current tax income (expense)	18	(263,787)	129,648	(35,163,275)	(14,579,936)
Deferred tax income (expense)	18	4,785,713	1,712,402	(1,198,577)	(3,107,522)
<b>Profit/(loss) for the period from continuing operations</b>		<b>(65,990,506)</b>	<b>(35,884,353)</b>	<b>339,083,152</b>	<b>59,720,354</b>
Profit (loss) for the period from discontinued operations		1,960,477	(3,244,128)	(9,020,661)	(5,170,157)
<b>Net profit/(loss) for the period</b>		<b>(64,030,029)</b>	<b>(39,128,481)</b>	<b>330,062,491</b>	<b>54,550,197</b>
<b>Allocation of net profit/(loss) for the period</b>					
Attributable to non-controlling interests		23,725	(98,496)	(217,095)	(149,996)
Attributable to equity holders of the parent company		(64,053,754)	(39,029,985)	330,279,586	54,700,193
<b>Loss per share</b>					
Attributable to shareholders of the parent company		(0.1082)	(0.0659)	0.5983	0.0991

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**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE  
INCOME FOR THE INTERIM PERIOD 1 JANUARY- 30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

	(Not Audited) Current Period 1 January - 30 September 2019	(Not Audited) Current Period 1 July - 30 September 2019	(Not Audited) Prior Period 1 January - 30 September 2018	(Not Audited) Prior Period 1 July - 30 September 2018
Note References				
<b>Other comprehensive income statement</b>				
<b>Net profit/(loss) for the period</b>	<b>(64,030,029)</b>	<b>(39,128,481)</b>	<b>330,062,491</b>	<b>54,550,197</b>
<b>Other comprehensive income</b>				
<b>Other comprehensive income (expense) that will not be subsequently reclassified to profit and loss</b>				
- Gain/(loss) on foreign currency	(11,624,959)	515,559	(1,745,385)	(3,222,541)
- Other comprehensive income/ (expense) from cash flow hedges	-	-	1,098,340	(2,002,691)
Taxes related to other comprehensive income/ (expense) that will be subsequently reclassified to profit and loss				
- Other comprehensive income/ (expense) from cash flow hedges, tax effect	-	-	(241,635)	440,592
<b>Other comprehensive income/(expense)</b>	<b>(11,624,959)</b>	<b>515,559</b>	<b>(888,680)</b>	<b>(4,784,640)</b>
<b>Total comprehensive income/(expense)</b>	<b>(75,654,988)</b>	<b>(38,612,922)</b>	<b>329,173,811</b>	<b>49,765,557</b>
<b>Allocation of total comprehensive income/(expense)</b>				
Attributable to non-controlling interests	(339,905)	(628)	(854,028)	(635,955)
Attributable to shareholders of the parent company	(75,315,083)	(38,612,294)	330,027,839	50,401,512

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# CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY- 30 SEPTEMBER 2019

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated).

	Note	Other comprehensive income (expense) that will be subsequently reclassified to profit or loss						Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss			Accumulated profits		Equity attributable		Total
		Share	Adjustment to share	Share premiums (discounts)	Hedge instrument gain (loss)	Currency translation differences <sup>(1)</sup>	Gain (losses) on property revaluation	Gain (losses) on remeasurement of defined benefit plan	Restricted reserves	Retained earnings / (losses) <sup>(2)</sup>	Net profit / (loss) for the period	to shareholders of the parent company	Non-controlling interests		
references	capital	capital													
Balances at 1 January 2018	13	552,000,000	77,198,813	76,944	(856,705)	72,041,619	187,778,810	(18,617,479)	191,532,907	(494,582,896)	(264,505,378)	302,066,635	1,040,275	303,106,910	
Adjustments related to required changes in accounting policies (Note 2)		-	-	-	-	-	-	-	-	(2,784,761)	-	(2,784,761)	(122,369)	(2,907,130)	
IFRS 9 policy change effect, net		-	-	-	-	-	-	-	-	(2,784,761)	-	(2,784,761)	(122,369)	(2,907,130)	
Balances after adjustments		552,000,000	77,198,813	76,944	(856,705)	72,041,619	187,778,810	(18,617,479)	191,532,907	(497,367,657)	(264,505,378)	299,281,874	917,906	300,199,780	
Transfers		-	-	-	-	-	-	-	(90,604,822)	(173,900,556)	264,505,378	-	-	-	
Purchase or sale of subsidiary		-	-	-	-	-	-	-	-	-	-	-	(104,659)	(104,659)	
Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control <sup>(2)</sup>		-	-	-	-	-	-	-	-	-	-	-	197,652	197,652	
Total comprehensive income / (expense)		-	-	-	856,705	(1,108,452)	-	-	-	-	330,279,586	330,027,839	(854,028)	329,173,811	
- Other comprehensive income (expense)		-	-	-	856,705	(1,108,452)	-	-	-	-	(251,747)	(636,933)	(888,680)	(888,680)	
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	-	330,279,586	330,279,586	(217,095)	330,062,491	
Balances at 30 September 2018	13	552,000,000	77,198,813	76,944	-	70,933,167	187,778,810	(18,617,479)	100,928,085	(671,268,213)	330,279,586	629,309,713	156,871	629,466,584	
Balances at 1 January 2019	13	592,000,000	77,198,813	76,944	-	80,374,527	212,241,738	(21,093,944)	101,083,330	(671,268,213)	269,368,228	639,981,423	182,136	640,163,559	
Transfers		-	-	-	-	-	-	-	15,749,892	253,618,336	(269,368,228)	-	-	-	
Total comprehensive income / (expense)		-	-	-	-	(11,261,329)	-	-	-	-	(64,053,754)	(75,315,083)	(339,905)	(75,654,988)	
-Other comprehensive income (expense)		-	-	-	-	(11,261,329)	-	-	-	-	-	(11,261,329)	(363,630)	(11,624,959)	
- Changes in currency translation differences		-	-	-	-	-	(11,261,329)	-	-	-	-	(11,261,329)	((363,630)	(11,624,959)	
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	-	(64,053,754)	(64,053,754)	23,725	(64,030,029)	
Balances at 30 September 2019	13	592,000,000	77,198,813	76,944	-	69,113,198	212,241,738	(21,093,944)	116,833,222	(417,649,877)	(64,053,754)	564,666,340	(157,769)	564,508,571	

<sup>(1)</sup> In accordance with the board decision dated 22 November 2017 of Pronto Media Holding, which is located in Russia as the indirect subsidiary of Trader Media East Ltd. of which of the Group owns 97.29% shares, the Group decided to discontinue the digital operations within its body and impairment losses of such operations have been recognized under “discontinued operations” in the in statement of profit (loss). Additionally, currency translation differences recognized under equity attributable to TME activities will be transferred from equity to the statement of profit or loss when the necessary conditions are met.

<sup>(2)</sup> In 2019, The transfer is subjected to the restricted reserves.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	<b>Note References</b>	<b>(Not Audited) Current Period 1 January - 30 September 2019</b>	<b>(Not Audited) Prior Period 1 January - 30 September 2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(9,626,569)</b>	<b>116,473,979</b>
<b>Net profit (loss) for the period</b>		<b>(64,030,029)</b>	<b>330,062,491</b>
Profit (loss) from continuing operations		(65.990.506)	339,083,152
Profit (loss) from discontinued operations		1.960.477	(9,020,661)
<b>Adjustments to reconcile profit (loss) for the period</b>		<b>55,544.498</b>	<b>(246,750,754)</b>
Adjustments related to depreciation and amortization expenses	8, 9	24.857.016	15,790,974
Adjustments related to impairment (reversal)			
Adjustments related to impairment (reversal) of receivables	5	3.514.105	10,580,043
Adjustments related to provision for impairment of inventories		467.438	409,095
Adjustments related to impairment (reversal) of investment property	7	-	987,426
Adjustments related to provisions			
Adjustments related to (reversal) of			
provision for employment benefits	10, 12	9.587.239	6,287,796
Adjustments related to litigation and legal provisions (reversal)	10	4.237.338	1,901,432
Adjustment related to general provisions (reversals)	5	491.814	84,781
Adjustment related to other provisions (reversals)		1.352.758	4,886,913
Adjustments related to interest (income) expense			
Adjustments related to interest income		(728.921)	(1,349,480)
Adjustments related to interest expense	17	11.050.358	15,731,574
Unearned finance income due to term purchases		(19.861.815)	(17,001,357)
Unearned finance revenue due to term sales		434.583	412,423
Adjustments related to undistributed profits of			
investment accounted at equity method			
Adjustments related to undistributed profits of associates	6	3.494.683	1,939,211
Adjustments related to tax (income) expense	18	(4.521.926)	36,230,606
Other adjustment related to noncash items		-	-
Adjustments related to (gain) loss on sale of tangible assets	8,9	264.381	(1,219,317)
Adjustments related to (gain) loss on sale of assets held for sale		-	(300,838,136)
Other adjustments to reconcile profit (loss)		20.905.447	(21,584,738)
<b>Changes in working capital</b>		<b>4.407.146</b>	<b>60,006,267</b>
Adjustments related to (increase) decrease in trade receivables			
(Increase) decrease in trade receivables from related parties		(16.816.434)	(12,936,033)
(Increase) decrease in trade receivables from third parties		32.486.067	23,554,696
Adjustments related to (increase) decrease in inventories		1.634.891	(3,712,235)
(Increase) decrease in prepaid expenses		(219.172)	(1,028,024)
Adjustments related to increase (decrease) in trade payables			
Increase (decrease) in trade payables to related parties		(2.992.295)	2,514,027
Increase (decrease) in trade payables to third parties		(11.988.662)	10,219,599
Increase (decrease) in payables related to employee benefits		3.517.287	2,073,381
Increase (decrease) in deferred income		(2.135.294)	1,979,383
Adjustments related to other increase (decrease) in working capital			
(Increase) decrease in other assets related to operating activities		8.147.477	(3,963,342)
Increase (decrease) in other liabilities related to operating activities		(7.226.719)	41,304,815

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**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	<b>Note References</b>	<b>(Not Audited) Current Period 1 January - 30 September 2019</b>	<b>(Not Audited) Prior Period 1 January - 30 September 2018</b>
<b>Cash generated from operations</b>		<b>(4,078,385)</b>	<b>143,318,004</b>
Employment benefits paid	10, 12	(5,464,062)	(9,867,401)
Payments related to other provisions	10	(440,000)	(200,320)
Taxes returns / (payments)	18	(838,979)	(22,621,564)
Other cash inflows / (outflows)	5	1,194,857	5,845,260
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>2,501,294</b>	<b>95,360,515</b>
Cash inflows from the sale of asset held for sale		-	94,246,040
Cash inflows from sale of tangible, intangible assets	8, 9	(145,871)	12,087,430
Cash outflows from purchase of tangible, intangible assets and investment properties			
Purchases of tangible assets	8	(3,293,608)	(7,145,886)
Purchases of intangible assets	9	(1,921)	(5,177,749)
Cash inflows from sale of investment properties	7	6,394,764	-
Cash outflows from purchase of investment properties	7	(1,180,991)	-
Cash inflows from governmental incentive		-	1,200
Interest received		728,921	1,349,480
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(25,688,542)</b>	<b>(243,643,752)</b>
Cash flows from changes in ownership of an affiliate not resulting loss of control			
Cash inflows from changes in ownership of an affiliate not resulting loss of control		-	197,652
Cash inflows from borrowing			
Bank borrowings utilized		-	95,105,420
Cash outflows due from payment of rental agreements		(2,885,345)	-
Cash outflows related to loan payments		(11,752,042)	(323,100,681)
Interests paid	17	(11,050,358)	(15,841,264)
Other cash inflows / (outflows)	17	(797)	(4,879)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>(32,813,817)</b>	<b>(31,809,258)</b>
Effects of exchange rate changes on cash and cash equivalents		(10,695,322)	(17,315,141)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(43,509,139)</b>	<b>(49,124,399)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>56,867,896</b>	<b>65,946,767</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>13,358,757</b>	<b>16,822,368</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

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**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS**

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (“Hürriyet” or the “Company”) was established in 1960 and is registered in Turkey. The Company undertakes journalism, printing, advertising, internet publishing activities and operates seven printing plants with locations in İstanbul, Ankara, İzmir, Adana, Antalya, Trabzon and Germany.

As stated in Note 13, Doğan Şirketler Grubu Holding A.Ş., which has 552.000.000 shares registered in its shares, representing 77.67% of the issued capital of Hürriyet, has transferred to Demirören Medya Yatırımları Ticaret A.Ş. (“Demirören Medya”) on 16 May 2018. The share transfer was completed with the extraordinary general meeting held on 6 June 2018. As a result of this transaction, Demirören Media has become the main shareholder of the Company.

In addition, the issued capital of the Company was increased by TRY 40,000,000 (7.24%) from TRY 552,000,000 to TRY 592,000,000 in accordance with the decision of the Board of Directors dated November 19, 2018. Which is divided into 552,000,000 shares and each share has a nominal value of TRY 1,00 within the registered share capital of TRY 800,000,000. The issuance certificate for the capital increase was approved by the Capital Markets Board dated December 13, 2018 and numbered 63/1446., The capital increase transaction was completed with the cash payment of Demirören Medya on December 21, 2018 and the transaction was registered on 15 January 2019.

The ultimate shareholder of the company is the Demirören family.

The number of employees of the Group as of 30 September 2019 is 1,087 (31 December 2018: 1,135).

The address of the registered office is as follows:

100. Yıl Mahallesi, 2264 Sokak No:1 34204 Bağcılar/İstanbul Turkey

The Company is registered of the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul A.Ş. (“BİAŞ or “Borsa” or “BİST”) since 25 February 1992. In accordance with the resolution numbered 21/655 on 23 July 2010 and amendment held on 30 October 2014 of CMB; according to the records of Central Securities of Depository of Turkey (CSD); shares representing 20.82 % as of 30 September 2019 (31 December 2018: 20.81%) of Hürriyet are accepted as “in circulation”. As of the date of the report, this ratio is 20.81% (Note 13).

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**NOTE 1 -ORGANISATION AND NATURE OF OPERATIONS (Continued)**

**Subsidiaries**

The name of the Company's subsidiaries ("Subsidiaries"), the nature of the business and geographic segments are as follows:

<b>Subsidiaries</b>	<b>Registered country</b>	<b>Geographic segment</b>	<b>Nature of business</b>
Yenibiriş İnsan Kaynakları Hizmetleri			
Danışmanlık ve Yayıncılık A.Ş. ("Yenibiriş")	Turkey	Turkey	Internet Publishing
Hürriyet Zweigniederlassung GmbH. ("Hürriyet Zweigniederlassung")	Almanya	Europe	Printing newspaper
Hürriyet Invest B.V. ("Hürriyet Invest")	Netherland	Europe	Investment
Trader Media East Ltd. ("TME")	Jersey	Europe	Investment
Sporarena Dijital Hizmetler Pazarlama ve Ticaret A.Ş. ("Sporarena")	Turkey	Turkey	Internet Publishing
Mirabridge International B.V.	Netherland	Europe	Investment
OOO Pronto Samara	Russia	Russia and EE	Newspaper and internet publishing
ID Impress Media LLC	Russia	Russia and EE	Publishing
OOO Rukom	Russia	Russia and EE	Internet publishing
OOO Pronto Media Holding Ltd.	Russia	Russia and EE	Newspaper and internet publishing
OOO Rektcentr	Russia	Russia and EE	Newspaper and internet publishing
Publishing House Pennsylvania Inc.	The United States of America	Russia and EE	Investment
OOO SP Belponto	Belarus	Russia and EE	Newspaper and internet publishing
Publishing International Holding BV	Netherland	Europe	Investment

<b>Joint Ventures</b>	<b>Registered country</b>	<b>Geographic segment</b>	<b>Nature of business</b>
TOV E-Prostir	Ukraine	Europe	Internet publishing
SP Pronto Kiev	Ukraine	Europe	Newspaper and internet publishing

**Subsidiaries**

Associates of the company, registered countries, nature of business, geographic segments are as follows:

<b>Associates</b>	<b>Registered Country</b>	<b>Geographic segment</b>	<b>Nature of business</b>
Demirören Media International GmbH. ("Demirören Media")	Germany	Europe	Newspaper publishing

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NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Preparation and presentation of financial statements

Statement of Compliance with TAS

The accompanying consolidated financial statements are prepared in accordance with 2019 TAS Taxonomy based on the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets” and Turkish Financial Reporting Standards (“IFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”), which is developed by POA and announced to the public by the decision of the POA on 2 June 2019 in accordance with paragraph 9(b) of Decree Law No. 660

For the period ended September 30, 2019, the Group prepared its condensed interim consolidated financial

statements in accordance with the Turkish Accounting Standard No.34 Interim Financial Reporting. Condensed interim consolidated financial statements of the Group do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Group’s annual financial statements as of December 31, 2018.

The Group records its statutory accounting records in the Tax Legislation and T.C. (Accounting System Implementation General Communiqué) published by Ministry of Finance in accordance to with the Turkish Lira.

Consolidated financial tables are prepared on the historical cost basis except for lands, buildings, investment properties and derivative instruments.

2.1.2 Principle of consolidation and equity accounting method

(a) Subsidiaries

*Changes in share capital of the Group’s existing subsidiaries:*

The Subsidiaries and their effective ownership interests at 30 September 2019 and 31 December 2018 are as follows:

Subsidiaries	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interest (%)	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Yenibirş	100.00	100.00	100.00	100.00
Hürriyet Zweigniederlassung	100.00	100.00	100.00	100.00
Hürriyet Invest	100.00	100.00	100.00	100.00
TME	97.29	97.29	97.29	97.29
SporArena	100.00	100.00	100.00	100.00
ID Impress Media LLC	91.00	91.00	88.53	88.53
Mirabridge International B.V.	100.00	100.00	97.29	97.29
OOO Pronto Samara	100.00	100.00	97.29	97.29
OOO Rukom <sup>(1)</sup>	100.00	100.00	97.29	97.29
OOO Pronto Media Holding Ltd <sup>(2)</sup>	100.00	100.00	97.29	97.29
OOO SP Belpronto	60.00	60.00	58.37	58.37
OOO Rektcentr	100.00	100.00	97.29	97.29
Publishing House Pennsylvania Inc	100.00	100.00	97.29	97.29
Publishing International Holding BV	100.00	100.00	97.29	97.29

(1) The related subsidiary is in liquidation as of 25 June 2019

(2) The related subsidiary is in liquidation process as of 6 August 2019

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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

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#### NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

##### 2.1 Basis of presentation (Continued)

##### 2.1.3 Comparative information and restatement of prior period financial statements

The Group's condensed consolidated financial statements are prepared comparatively with the previous period to allow for the determination of the financial position and performance trends. In the current period, in case of a necessity, prior period financial statements are reclassified in order to comply with the presentation of its current period consolidated financial statements and significant changes are explained.

##### 2.1.4 Restatement and errors in the significant accounting policies and estimates

Any change in the accounting policies resulted from the first time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

##### 2.1.4 Restatement and errors in the significant accounting policies and estimates (Continued)

Except for the changes below, the accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group's last annual consolidated financial statements

The Group has adopted IFRS 16 “Leases” as at 1 January 2019 for the first time, in line with the transition provisions of the standard.

The Group has applied a partial retrospective approach that results in an equal amount of the right of use asset and the lease liability. Since the Group has benefited from all facilitation provisions in the first application, the comparative information presented for 2018 has not been restated, under IAS 17 and related interpretations. The effects of this standard-led accounting policy changes are as follows:

##### a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRS Interpretation 4 “Determining Whether an Arrangement contains a Lease”. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under TAS 17 and IFRS Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts that are effective as of 1 January 2019.

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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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#### b) As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases –i.e. these leases are on-balance sheet.

The Group has elected not to recognise right-of-use assets and lease liabilities or some leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### 2.1.4 Restatement and errors in the significant accounting policies and estimates (Continued)

##### *i. Significant accounting policies*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

##### *ii. Transition*

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. The right-of-use assets for most leases were recognised based on the based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under TAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- As of 1 January 2019, applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs in the measurement of the right of use asset
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

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**NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of presentation (Continued)**

**2.1.4 Restatement and errors in the significant accounting policies and estimates (Continued)**

For leases that were classified as finance leases under TAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under TAS 17 immediately before that date.

**c) Impacts on the interim condensed consolidated financial statements**

***i. Impacts on transition***

During the transition to IFRS 16, the transition effect of the additional right to use assets, including investment property and additional lease obligations, is summarized below:

	<b>1 January 2019</b>
Right-of-use assets presented in property, plant and equipment	18,202,666
Lease liabilities	(18,202,666)

***ii. Impacts for the period***

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Company recognised TRY 3,563,344 of right-of-use assets (including investment property) and TRY 17,968,721 of lease liabilities as at 30 September 2019.

Also, in relation to those leases under IFRS 16, the Group has recognised depreciation, interest costs and foreign exchange loss instead of operating lease expense. During the three months ended 30 September 2019, the Group recognised TRY 14,639,222 of depreciation charges, TRY 3,148,430 of interest costs and TRY 135,121 foreign exchange loss from these leases.

**2.1.5 New and revised Turkish Financial Reporting Standards (“IFRS”)**

In the current period there is no such standard or interpretation affecting the Group’s financial performance, statement of financial position, presentation or note disclosures. However, the details of standards and interpretations effective in the current period but have no impact on the consolidated financial statements and standards and interpretations not yet effective and have not been early adopted by the Group are set out below.

**a) The new standards, amendments and interpretations which are effective for the financial statements as of 1 January 2019:**

- IFRS 16 Leases
- Amendments to TAS 28 “Investments in Associates and Joint Ventures” (Amendments)
- TFRIC 23 Uncertainty over Income Tax Treatments
- Annual Improvements – 2015–2017 Period
- Amendments to, Curtailment or Settlement” (Amendments to TAS 19)
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)

The amendments did not have a significant impact on the Group's financial position and performance except for IFRS 16. The effect of IFRS 16 is shown in Note 2.1.4.



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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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#### NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of presentation (Continued)

##### 2.1.5 New and revised Turkish Financial Reporting Standards ("IFRS") (Continued)

##### b) Standards, amendments and interpretations that are issued but not effective as at 30 September 2019:

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are as follows. the Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

- IFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- IFRS 17 - The new Standard for insurance contracts

##### 2.2 Summary of significant accounting policies

The financial statements for the interim period ended on 30 September 2019 are prepared in accordance with TAS 34, "Interim Financial Reporting" for the preparation of IFRS interim period financial statements.

In addition, the financial statements as of 30 September 2019 have been prepared by applying the accounting policies consistent with the accounting policies applied during the preparation of the financial statements at 31 December 2018. Therefore, the financial statements in this attached interim summary should be evaluated together with the financial statements at the end of the year ended 31 December 2018.

##### 2.2.1 Revenue recognition

When the Group fulfills its obligation to perform the assignment by transferring a promised good or service to the customer, the Group records revenue in the financial statements. When the control of an asset is taken (or passed) by the customer, the asset is transferred.

The Group puts revenue into financial statements in accordance with the following 5 basic principles:

- Determination of customer contracts
- Determination of performance obligations in contracts
- Determination of transaction prices in contracts
- Distribution of the transaction price to performance obligations in the contract
- Recognizing revenue when each performance obligation is fulfilled

The Group recognizes a contract with the customer as a revenue if all of the following conditions are met:

- The parties to the agreement have endorsed the contract (in accordance with written, oral or other commercial conventions) and committed to their own performance,
- The Group can identify the rights of each party to the goods or services to be transferred,
- The Group is able to define the payment conditions for the goods or services to be transferred,
- The Convention is inherently commercial,
- It is probable that the Group will collect compensation for the goods or services to be transferred to the customers.

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**NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

**2.2.1 Revenue recognition (Continued)**

The Group considers only the ability of the customer to pay on time and the intention to do so when assessing whether the collectability of a consideration is probable.

At the beginning of the contract, the Group evaluates the goods or services it promises in the contract with the customer and defines each commitment for transfer to the customer as the obligation to act as follows:

- a) different goods or services (goods or services package) or
- b) a series of different goods or services that show great similarity and follow the same method at the time of transfer to the customer

A series of different goods or services is subject to the same cycle if the following conditions are met together:

- a) Each different goods or service in the series which the Group is committed to assign to the customer constitutes a performance obligation to be completed over time, meeting the necessary conditions,
- b) In accordance with the related paragraphs of the Standard, the same method shall be used to measure the progress of the Group in respect of the fulfillment of the obligation of performance of each different goods or services constituting a unit.

When another party intervenes in the provisions of the goods or services to the customer the Group determines that it has a performance obligation to provide the goods or services itself (noble) in accordance with the nature of the commitment or to mediate such goods or services provided by another party (proxy). The group is noble if it controls the designated goods or services before transferring the goods or services to the customer. In the case of fulfillment of the obligation (or bringing it), the gross amount of the price that it waits for the transferred goods or services is taken on the financial statements as a revenue. The Group is a proxy if it acts as intermediary for the provision of goods or services for which the performance obligation has been set aside, and does not reflect the financial statement for the obligation to fulfill the obligation

The fulfillment obligations of the Group are explained below:

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**NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

**2.2.1 Revenue recognition (Continued)**

<b>Obligation of Conduct</b>	<b>Context</b>
<b>Advertising Revenue</b>	The Group's advertising revenues consist mainly of revenues from advertising in print media and digital media. As advertising is published, the simultaneous use and consumption of the clients' rights shows that the Group has transferred the control of the service overtime. Therefore, revenue is recognised in accordance with output method when the performance obligation is satisfied (as advertising is published). Unpublished portions of advertisements are recognized in the statement of financial position as a contractual obligation.
<b>Subcontracted Printing Revenue</b>	Subcontracted printing revenues consist of the printing services given to the companies within and outside the Group, using the printing facilities owned by the Group. Revenues generated under this service are accounted for "at a specific moment in time" when the newspaper is delivered for distribution.
<b>Newspaper Sales (Circulation) Revenues</b>	Circulation revenues consist of distribution company and revenue from mass sales and newspaper sales. The revenues generated under this service are accounted for "at a specific moment in time" on the date when the newspapers are shipped.

The Group is an agent for some of the products and services it provides in its "Yakala.co" contracts that companies have agreed to in accordance with their digital marketing strategies. When the Group fulfills the obligation of performance for these contracts which it considers to be an agent, it puts the net amount or commission it expects to deserve into the financial statement. The net amount is the remaining amount after the Group has paid the price or commission, the portals are provided with goods or services. However, in the case of cinema tickets sold in the "Yakala.co" site operating in the field of E-commerce, the Group has an inventory risk regarding the tickets and is principle because it has the discretion in determining the price for this service. Revenue from ticket sales is not a commission income, but is recognized as gross on the financial statements.

The Group considers contractual provisions and commercial practices to determine the transaction price. The transaction price is the amount that the Group expects to qualify for the goods or services it has pledged, other than the amounts collected on behalf of third parties (eg some sales tax), for the customer transfer. Committed to a contract with a client, the price may include fixed amounts, variable amounts, or both. Group contracts can have variable amounts due to turnover based reductions, repayments, points. If the commitment price is a variable amount, the Group determines the cost of the goods or services promised to the customer through the estimated cost to be eligible for the acquisition. It is highly probable that there will not be a significant cancellation of the cumulative gross receipts in the financial statements when the uncertainty related to the variable cost is eliminated in the future because the Group can include part or all of the variable cost amount estimated by the Group.  
is highly probable that there

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**NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

**2.2.1 Revenue recognition (Continued)**

The Group considers both the likelihood and the magnitude of the cancellation of revenue, inasmuch as it will not be a significant reversal of the cumulative gross receipts in the financial statements when the uncertainty regarding the variable cost subsequently disappears.

Revenue-based premiums that the Group has associated with retroactive service acquisitions to media agencies are variable costs. Revenue-based discounts determined by the Group through estimation are accounted as “contractual obligation” in the statement of financial position.

The Group offers advertising services for advertising and other products and services. The barter of the goods or services with similar characteristics and value is not defined as income generating transactions while the exchange of the goods or services with different characteristics and value is defined as those that generate income. In order to determine the transaction price related to the contracts where the customers committed to make non-cash payment, the Group measures the non- cash price at fair value. In cases where the fair value of the goods or services obtained cannot be measured reliably, revenue is recognized as the reasonable value of the goods or services received, including cash and cash equivalents transferred.

The Group records revenue from barter ad sales as based on accrual. The Group's non-published advertising revenue is recognized as “contractual obligation” in the statement of financial position.

If a contract has offered the option of obtaining additional goods or services to the business customer, this option will result in a liability if the customer provides a material right not to be obtained unless the contract is signed by the contracting party. If the option gives the customer a material right, the entitled customer pays in advance for the goods or services that it will receive in the future, and the entity receives the financial statements when the goods or services to be delivered in the future are transferred or the option is terminated. If the stand-alone selling price of the customer's option to purchase additional goods or services cannot be directly observed, the entity determines this through estimation. This estimate reflects the discount that the customer would receive if he/she used the option in question, corrected for both of the following:

- (a) a discount that the customer may receive if he/she does not use the option, and
- (b) the likelihood of your choice being used.

After the customer receives a prepayment, the entity shall acquire a contractual obligation of prepayment amount in the financial statement in exchange for the obligation to transfer the goods or services in the future or prepare for the prepayment. When the entity realizes the transfer of the goods or services and therefore fulfills the obligation, the contract derives the obligation from the financial statements (and is included as revenue in the financial statements).

The awards given to the dealers and final sellers of the Group are recognized as a contractual obligation in the financial statements as the awards related to the dealership loyalty project are awarded by the customer as a party and cannot be obtained unless they are signed by the contractor. These prizes won under the Dealer Loyalty Project will be deducted from the contractual obligation and used as financial statements in the form of proceeds.

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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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#### NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of significant accounting policies (Continued)

###### 2.2.1 Revenue recognition (Continued)

In cases where the Group has collected a customer's consideration and expects to repay part or all of the consideration to the customer in question, the Group takes the restitution obligation in the financial statements. The return obligation is measured at the cost (ie, the amounts not included in the transaction price) or at the price (or receivable) that the entity does not expect to receive. The return obligation (the change in the transaction price and therefore the contract obligation) is updated at the end of each reporting period, taking into account the changes in the terms.

The Group puts all of the following items into the financial statements in order to account for transfer of the goods and services which may be returned (together with some services provided by registration)

- (a) gross receipts for products transferred at the amount that the entity is not entitled to receive (hence the revenue for the products that are expected to be returned is not included in the financial statements)
- (b) a restitution obligation and
- (c) an asset for which the entity is entitled to recover its products upon the fulfillment of the entity's obligation to return it (and an adjustment to be made in the cost of the sales accordingly).

An asset included in the financial statements within the scope of the right of withdrawal of the products from the customer for the fulfillment of the obligation of return shall be measured firstly from the previous carrying amount of the product, based on the amount to be found after deducting the expenses expected to be made within the scope of the withdrawal of these products. The Group returns the return obligation measurement at the end of each reporting period, reflecting the changes in the expected return amounts, and takes the necessary corrections as revenue (or rebates) financial statements.

The price specified for a goods or service is the selling price of that goods or service. If there are more than one goods or services to be transferred to the contract, the Group distributes the transaction price to each performance obligation (or different goods or services) at a rate that indicates the price the customer expects to qualify for the transfer of the goods or services promised. In order to reach the purpose of distribution, the Group distributes the transaction price to each performance obligation determined on the contract at a relative individual selling price. To distribute the transaction price on a per-sale price basis relative to each performance obligation, the Group determines the independent sale price of the different goods or services underlying each performance liability in the contract at the beginning of the contract and distributes the transaction price in proportion to these individual selling prices.

When a party fulfills the contract, the entity presents the contract in the statement of financial position as a contractual asset or contractual obligation, depending on the relationship between the actuation of the entity and the payment of the customer. The entity separately displays unconditional rights for the cost as a receivable.

The Group represents a contractual obligation before the transfer of a good or service to the customer, in the event that the customer has a payment of the price of the customer or the price of the customer unconditionally, on the date when the payment is made or on due date, whichever is sooner. The contractual obligation is the obligation to transfer the goods or services to the customer in exchange for the amount that the entity has collected (or is entitled to collect) from the customer.

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**NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

**2.2.1 Revenue recognition (Continued)**

The Group presents the contract as a contractual asset, except for the amounts presented as receivables, in the event that the Group fulfills the performance by transferring the goods or services to the customer before the payment is made or the payment is made. The contract asset is the right of collecting the price for the goods or services transferred to the customer.

The Group recognizes contractual assets and liabilities in the statement of financial position as "contractual asset" and "contractual obligation" in the balance sheet.

**2.2.2 Financial assets**

Classification and measurement

The Group has categorized its financial assets into three accounts financial assets accounted at amortized cost, financial assets whose fair value is reflected to the statement of income and financial assets whose fair value is reflected to the other comprehensive income. Classification has been performed by considering business model according to the purpose of use and expected cash flow. Management classified its financial assets at the date that the purchase is completed.

*(a) Financial assets accounted at amortized cost:*

Management, which adopted collection business model of cash flow as based on contract including only the payment of cash and the interest stemming from cash balance, classified the financial assets, which have certain and fixed payment, are not traded in active market and not derivative instrument, at amortized cost. If the maturity of the financial asset is less than 12 months, it is called current assets whereas if the maturity is more than 12 months, it is called non-current assets. The financial assets accounted at amortized cost include "Trade Receivable", "Other Receivable" and "Cash and Cash Equivalents". In addition to that, the trade receivables which are taken from factoring firm are classified in the financial assets accounted at amortized cost because its collection risk is not transferred.

*Impairment*

The Group uses the provision matrice by choosing simplified application method in the process of calculating the impairment of trade receivable because such receivables do not have significant funding component. In the case of unimpairment in the trade receivable due to any certain reasons, the Group consider that expected credit loss to be equal to lifelong expected credit loss. The calculation of provision for expected credit loss has been performed such calculation using the expected credit loss ratio determined by considering historical credit loss experience and macroeconomic indicators.

*(b) Assets accounted at fair value*

The assets which management adopted the collection or sale business model of cash flow resulted from contracts have been accounted at fair value. The assets as explained in previous sentence have been classified as the fixed asset if the management does not intend to sell within 12 months. The Group makes a decision about recording the fair value difference as equity investment in the income statement or the other comprehensive income for the investment on the financial assets as based on equity in the process of first record. This decision cannot be changed.

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**NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

**2.2.2 Financial assets (Continued)**

*i) The asset whose fair value is recorded in the income statement*

The assets whose fair value is recorded in the income statement include the “Derivative Instrument” accounts. Derivative instrument is recorded as an asset if its fair value is positive whereas derivative instrument is recorded as a liability if its fair value is negative.

*ii) The asset whose fair value is recorded in the other comprehensive income*

The assets whose fair value is recorded in the other comprehensive income include “Financial investment” and “Derivative instrument” accounts in the financial statement. Valuation difference has been classified in retained earnings in the case of the sale of the assets whose fair value difference is recorded in the other comprehensive income.

**2.2.3 Trade receivables and provision for doubtful receivables**

The Group’s trade receivables from providing goods or services to customers are carried at net of unrealized finance income “unearned financial income due to sales with maturity”. Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Effective interest method is calculating the present value in accordance with the compound interest basis. The rate determined by compound interest basis and applied in this method is named “effective interest rate”. Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant (Note 5).

When calculating the impairment of trade receivables, which are recognised based on the amortised cost in financial statements and do not include an important financing component, Group preferred to adopt “simplified approach” in IFRS 9 standard.

According to “simplified approach” of IFRS 9 Standard, loss provisions concerning trade receivables are calculated equal to “lifetime expected credit loss” if trade receivables are not impaired due to valid reasons as stated in IFRS 9.

Instead of “realised credit losses model” of TAS 39, “Financial Instruments” standard which is valid before 1 January 2018, “expected credit loss model” was defined in accordance with IFRS 9 “Financial Instruments” standard. Expected credit loss is estimated by weighting credit losses, expected to occur throughout the expected life of financial instruments, based on previous statistics. When calculating the expected credit losses, realized credit losses in the previous years and forecasts of the Group are considered.

The Group uses “provision matrix” to calculate the expected credit losses of trade receivables. According to the overdue maturities of trade receivables, certain provision rates are calculated and these ratios are revised each reporting period, if necessary. The change related to the expected credit loss is recorded under other operating income/expense.

If there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognized under other operating income following the deduction from total provision amount.

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NOTE 3 - SEGMENT REPORTING

a) Segment analysis for the period between 1 January – 30 September 2019:

	Turkey	Russia and EE (*)	Europe	Total
Sales	205,167,023	9,854,087	50,713,043	265,734,153
Cost of sales (-)	(188,021,271)	(6,501,517)	(41,613,486)	(236,136,274)
<b>Gross profit/(loss)</b>	<b>17,145,752</b>	<b>3,352,570</b>	<b>9,099,557</b>	<b>29,597,879</b>
Marketing expenses (-)	(45,887,487)	(62,594)	-	(45,950,081)
Losses from investments accounted by the equity method (-)	(3,494,683)	-	-	(3,494,683)
<b>Net segment result</b>	<b>(32,236,418)</b>	<b>3,289,976</b>	<b>9,099,557</b>	<b>(19,846,885)</b>
General administrative expenses (-)				(56,521,071)
Other operating income				80,477,114
Other operating expenses (-)				(65,533,780)
Finance expenses (-)				(21,308,871)
Income from investing activities				13,134,732
Expense from investing activities (-)				(913,671)
<b>Profit (loss) before tax from continuing operations</b>				<b>(70,512,432)</b>
Tax income (expense) for the period				(263,787)
Deferred tax income (expense)				4,785,713
<b>Profit (loss) for the period from continuing operations</b>				<b>(65,990,506)</b>

(\*) The information related to the discontinued operations in Russia and EE and the financial investments classified as assets held for sale is disclosed in Note 19.



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**NOTE 3 - SEGMENT REPORTING (Continued)**

**b) Segment analysis for the period between 1 July – 30 September 2019:**

	<b>Russia and</b>			
	<b>Turkey</b>	<b>EE (*)</b>	<b>Europe</b>	<b>Total</b>
Sales	62,197,645	2,374,906	15,399,435	79,971,986
Cost of sales (-)	(62,094,192)	(1,578,625)	(12,254,644)	(75,927,461)
<b>Gross profit/(loss)</b>	<b>103,453</b>	<b>796,281</b>	<b>3,144,791</b>	<b>4,044,525</b>
Marketing expenses (-)	(15,769,154)	(21,143)	-	(15,790,297)
Losses from investments accounted by the equity method (-)	(990,321)	-	-	(990,321)
<b>Net segment result</b>	<b>(16,656,022)</b>	<b>775,138</b>	<b>3,144,791</b>	<b>(12,736,093)</b>
General administrative expenses (-)				(18,460,928)
Other operating income				47,741,776
Other operating expenses (-)				(46,497,894)
Finance expenses (-)				(6,481,592)
Income from investing activities				(723,527)
Expense from investing activities (-)				(568,145)
<b>Profit (loss) before tax from continuing operations</b>				<b>(37,726,403)</b>
Tax income (expense) for the period				129,648
Deferred tax income (expense)				1,712,402
<b>Profit (loss) for the period from continuing operations</b>				<b>(35,884,353)</b>

(\*) The information related to the discontinued operations in Russia and EE and the financial investments classified as assets held for sale is disclosed in Note 19.

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**NOTE 3 - SEGMENT REPORTING (Continued)**

**c) Segment analysis for the period between 1 January – 30 September 2018:**

	<b>Russia and</b>			
	<b>Turkey</b>	<b>EE (*)</b>	<b>Europe</b>	<b>Total</b>
Sales	277,225,536	8,959,847	32,912,214	319,097,597
Cost of sales (-)	(182,541,696)	(5,690,722)	(29,636,218)	(217,868,636)
<b>Gross profit/(loss)</b>	<b>94,683,840</b>	<b>3,269,125</b>	<b>3,275,996</b>	<b>101,228,961</b>
Marketing expenses (-)	(59,072,093)	(68,404)	-	(59,140,497)
Losses from investments accounted by the equity method (-)	(1,939,211)	-	-	(1,939,211)
<b>Net segment result</b>	<b>33,672,536</b>	<b>3,200,721</b>	<b>3,275,996</b>	<b>40,149,253</b>
General administrative expenses (-)				(55,735,183)
Other operating income				47,967,939
Other operating expenses (-)				(18,884,639)
Finance expenses (-)				(24,621,031)
Income from investing activities				388,334,827
Expense from investing activities (-)				(1,766,162)
<b>Profit (loss) before tax from continuing operations</b>				<b>375,445,004</b>
Tax income (expense) for the period				(35,163,275)
Deferred tax income (expense)				(1,198,577)
<b>Profit (loss) for the period from continuing operations</b>				<b>339,083,152</b>

(\*) The information related to the discontinued operations in Russia and EE and the financial investments classified as assets held for sale is disclosed in Note 19.

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NOTE 3 - SEGMENT REPORTING (Continued)

d) Segment analysis for the period between 1 July – 30 September 2018:

	Russia and			
	Turkey	EE (*)	Europe	Total
Sales	79,590,579	3,120,886	12,809,292	95,520,757
Cost of sales (-)	(62,704,705)	(1,905,886)	(11,243,116)	(75,853,707)
<b>Gross profit/(loss)</b>	<b>16,885,874</b>	<b>1,215,000</b>	<b>1,566,176</b>	<b>19,667,050</b>
Marketing expenses (-)	(18,943,387)	(32,439)	-	(18,975,826)
Losses from investments accounted by the equity method (-)	(1,059,818)	-	-	(1,059,818)
<b>Net segment result</b>	<b>(3,117,331)</b>	<b>1,182,561</b>	<b>1,566,176</b>	<b>(368,594)</b>
General administrative expenses (-)				(18,965,182)
Other operating income				13,128,870
Other operating expenses (-)				9,104,641
Finance expenses (-)				(9,115,753)
Income from investing activities				83,724,416
Expense from investing activities (-)				(100,586)
<b>Profit (loss) before tax from continuing operations</b>				<b>77,407,812</b>
Tax income (expense) for the period				(14,579,936)
Deferred tax income (expense)				(3,107,522)
<b>Profit (loss) for the period from continuing operations</b>				<b>59,720,354</b>

(\*) The information related to the discontinued operations in Russia and EE and the financial investments classified as assets held for sale is disclosed in Note 19.

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**NOTE 3 - SEGMENT REPORTING (Continued)**

**e) Segment assets**

	<b>30 September 2019</b>	<b>31 December 2018</b>
Turkey	707,237,476	785,041,897
Russia and EE	5,871,226	5,191,593
Europe	70,681,678	62,717,620
	<b>783,790,380</b>	<b>852,951,110</b>
Unallocated assets	2,766,900	16,737,590
Investments accounted by the equity method (Note 6)	1,091,427	4,479,950
<b>Total assets per consolidated financial statements</b>	<b>787,648,707</b>	<b>874,168,650</b>

**f) Segment liabilities**

	<b>30 September 2019</b>	<b>31 December 2018</b>
Turkey	100,149,389	101,727,757
Russia and EE	5,816,463	3,547,858
Europe	12,686,328	15,213,872
	<b>118,652,180</b>	<b>120,489,487</b>
Unallocated liabilities	104,487,956	113,515,604
<b>Total liabilities per consolidated financial statements</b>	<b>223,140,136</b>	<b>234,005,091</b>

**g) Disclosures related to discontinued operations**

*Discontinuing the operation of digital platform of Russia and EE*

In accordance with the Board of Directors decision dated 22 November 2017 of Pronto Media Holding, which is located in Russia, as the indirect subsidiary of Trader Media East Ltd, of which the Group owns 97.29% shares, the Group decided to discontinue the operations of digital platforms within its body, due to the intensity of the competition in the operating market and the lack of operational performance and classified such operations as "discontinued operations. The impairment losses due to discontinued operations recognized under "Discontinued Operations" in income statement. Information related to discontinued operations are disclosed in Note 19.

**NOTE 4 - SHORT TERM AND LONG-TERM BORROWINGS**

The details of financial borrowings at 30 September 2019 and 31 December 2018 are as follows:

	<b>30 September 2019</b>	<b>31 December 2018</b>
<b>Short-term borrowings:</b>		
Short-term bank borrowings	-	67,887
Short-term lease liabilities	3,572,637	-
	<b>3,572,637</b>	<b>67,887</b>
Short term portion of long-term financial liabilities	15,631,886	15,582,708
<b>Total</b>	<b>19,204,523</b>	<b>15,650,595</b>
<b>Long-term borrowings:</b>		
Long-term bank borrowings	-	11,733,333
Long-term lease liabilities	14,396,084	-
<b>Total</b>	<b>14,396,084</b>	<b>11,733,333</b>

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NOTE 4 - SHORT TERM AND LONG TERM BORROWINGS (Continued)

**Bank borrowings:**

The details of bank borrowings at 30 September 2019 and 31 December 2018 are as follows:

	Effective interest rate (%)		Original foreign currency		TRY	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Short-term bank borrowings						
- Euro	-	5.00	-	11,262	-	67,887
Sub-total					-	67,887
Short-term portion of long-term bank borrowings						
- TRY	28.00	28.00	15,631,886	15,582,708	15,631,886	15,582,708
Sub-total					15,631,886	15,582,708
Total short-term bank borrowings					15,631,886	15,650,595
Long-term bank borrowings						
- TRY	28.00	28.00	-	11,733,333	-	11,733,333
Total long-term bank borrowings					-	11,733,333

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NOTE 4 - SHORT TERM AND LONG TERM BORROWINGS (Continued)

**Bank borrowings (Continued):**

The repayment schedules of bank borrowings are as follows:

Period	30 September 2019	31 December 2018
Up to 6 months	8,885,492	7,828,373
6- 12 months	6,746,394	7,822,222
1- 5 year	-	11,733,333
<b>Total</b>	<b>15,631,886</b>	<b>27,383,928</b>

Carrying value of the financial liabilities is considered to approximate to their fair value since discount effect is not significant.

As of 30 September 2019, the Group has no bank borrowings with floating interest rates (31 December 2018: None).

NOTE 5- TRADE RECEIVABLE AND PAYABLES

Short-term trade receivables net-off of unearned finance income at 30 September 2019 and 31 December 2018 are as follows:

**Short-term receivables from third parties:**

	30 September 2019	31 December 2018
Trade receivables	151,767,419	166,410,199
Notes receivable and cheques	3,642,379	6,883,518
Credit cards receivables	2,493,397	3,262,996
Income accruals	509,574	1,001,388
Unearned finance income due from term sales	(1,640,628)	(2,240,276)
Less: Provision for doubtful receivables	(75,461,770)	(72,137,632)
<b>Total</b>	<b>81,310,371</b>	<b>103,180,193</b>

According to a revocable factoring agreement signed with Doruk Faktoring, trade receivables resulting from advertisements, amounting to TRY 61,163,501 (31 December 2018: TRY 80,054,333) are followed up by Doruk Faktoring. The Group has not transferred the risk of default of the receivables mentioned above and has continued to recognize its balance sheet. These receivables are related to commercial advertisements and classified ads. Weighted average maturity of the Group's sales followed up by Doruk Faktoring is 43 days. (31 December 2018: 60 days). The unearned finance income due from term sales related to the receivables followed up by Doruk Faktoring is TRY 994,946 (31 December 2018: TRY 1,614,905) and the compound interest rate is 23.49% per annum (31 December 2018: 23.44%). The rate used in this method and determined on the basis of compound interest is called "effective interest rate"; the aforementioned rate has been determined taking into consideration the data of The Central Bank of the Republic of Turkey.

As of 30 September 2019 and 31 December 2018 the average maturity days of trade receivables that are not followed by Doruk Faktoring are less than 3 months.

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**NOTE 5- TRADE RECEIVABLE AND PAYABLES (Continued)**

The movements of provision for doubtful receivables are as follows:

	<b>2019</b>	<b>2018</b>
<b>1 January</b>	<b>(72,137,632)</b>	<b>(64,405,568)</b>
The opening effect of IFRS 9 (*)	-	(3,727,090)
<b>Reporting</b>	<b>(72,137,632)</b>	<b>(68,132,658)</b>
Additions during the period	(3,879,328)	(9,726,948)
Sale of subsidiary	-	6,410,789
Collections and reversals during the period	1,563,290	5,845,260
Expected credit loss	-	(169,179)
Collections and provisions related to assets held for sale and discontinued operations	-	(683,916)
Currency translation differences	(1,008,100)	(1,429,384)
<b>30 September</b>	<b>(75,461,770)</b>	<b>(67,886,036)</b>

(\*) The effect of IFRS 9 amounting to TRY 1,961,036 on doubtful receivable is related to the sale of Glokal.

**Short term trade payables to third parties:**

Trade payables at 30 September 2019 and 31 December 2018 are as follows:

	<b>30 September 2019</b>	<b>31 December 2018</b>
Short-term trade payables and notes payable	35,934,197	50,473,258
Expense accruals	3,709,138	1,456,270
Unrealized financial expenses due to term purchases	(741,848)	(1,039,379)
<b>Total</b>	<b>38,901,487</b>	<b>50,890,149</b>

As of 30 September 2019, average turnover date of Group's trade payables is 49 days (31 December 2018: 37 days). As of 30 September 2019, unrealized financial expense due to term purchases is TRY 741,848 (31 December 2018: TRY 1,039,379) and the compound interest rate is 23.49% per annum (31 December 2018: 22.44%). The compound interest used in the calculations are defined as the "effective interest rate"; the rate has been determined taking into consideration of data of The Central Bank of the Republic of Turkey.

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**NOTE 6 - INVESTMENTS ACCOUNTED BY THE EQUITY METHOD**

As of 30 September 2019, and 31 December 2018, the corresponding portion of associate's and joint venture's current assets, non-current assets, short-term and long-term liabilities and shareholders' equity, which are consolidated with the equity method in accordance with IFRS 11 are as follows:

<b>Subsidiaries</b>	<b>30 September 2019 percentage of shares, directly or indirectly owned by Hürriyet and its Subsidiaries (%)</b>	<b>31 December 2018 percentage of shares, directly or indirectly owned by Hürriyet and its Subsidiaries (%)</b>
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Demirören Media	42.42	42.42
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The summary of Group's share of the financial statements of the investments accounted by the equity method at 30 September 2019 and 2018 is as follows:

<b>1 January- 30 September 2019</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Net assets</b>	<b>Net sales</b>	<b>Net loss for the period</b>
Demirören Media <sup>(1)</sup>	7,919,697	6,828,270	1,091,427	3,970,469	(3,494,683)
	<b>7,919,697</b>	<b>6,828,270</b>	<b>1,091,427</b>	<b>3,970,469</b>	<b>(3,494,683)</b>

<b>1 January - 30 September 2018</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Net assets</b>	<b>Net sales</b>	<b>Net loss for the period</b>
Demirören Media <sup>(1)</sup>	12,813,168	4,309,594	8,503,574	3,834,388	(1,939,211)
	<b>12,813,168</b>	<b>4,309,594</b>	<b>8,503,574</b>	<b>3,834,388</b>	<b>(1,939,211)</b>

<sup>(1)</sup> The company's title "Dogan Media International GmbH" was changed to "Demirören Medya İnertanional GmbH" on 9 October 2018.

**NOTE 7 - INVESTMENT PROPERTY**

The movements in investment property as of 30 September 2019 and 2018 are as follows:

	<b>Lands</b>	<b>Buildings <sup>(1)</sup></b>	<b>Total</b>
<b>1 January 2019</b>	<b>140,102,067</b>	<b>57,363,574</b>	<b>197,465,641</b>
Additions	-	1,180,991	1,180,991
Disposal	-	(6,394,764)	(6,394,764)
Change in fair value adjustment (Note 15,16)	-	-	-
Currency translation difference	-	-	-
<b>30 September 2019</b>	<b>140,102,067</b>	<b>52,149,801</b>	<b>192,251,868</b>



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**NOTE 7 - INVESTMENT PROPERTY (Continued)**

	<b>Lands</b>	<b>Buildings <sup>(1)</sup></b>	<b>Total</b>
<b>1 January 2018</b>	<b>120,218,265</b>	<b>52,261,081</b>	<b>172,479,346</b>
Additions	-	12,478,614	12,478,614
Disposal	-	(5,230,000)	(5,230,000)
Change in fair value adjustment (Note 15,16)	-	(987,426)	(987,426)
Currency translation difference	-	371,713	371,713
<b>30 September 2018</b>	<b>120,218,265</b>	<b>58,893,982</b>	<b>179,112,247</b>

<sup>(1)</sup> Disposal and additions due from the sale of the investment properties occurred via barter agreement.

As of 30 September 2019, mortgage has been established on the land and building investment properties with a net book value of TRY 146,496,537 in the consolidated financial statements (31 December 2018: TRY 146,496,537).

The Group's rent income from investment properties amounted to TRY 3,265,791 as of 30 September 2019 (30 September 2018: TRY 3,278,518) (Note 15). The Group's direct operating expenses arising from the investment properties in the period amounted to TRY 221,527 (31 September 2018: TRY 132,857)

The information and fair value hierarchy level classification of lands and buildings are as follows 30 September 2019 and 31 December 2018:

	<b>30 September 2019</b>	<b>Fair value as at reporting date</b>		
		<b>Level 1 TRY</b>	<b>Level 2 TRY</b>	<b>Level 3 TRY</b>
Land	140,102,067	-	140,102,067	-
Building	52,149,801	-	52,149,801	-

	<b>31 December 2018</b>	<b>Fair value as at reporting date</b>		
		<b>Level 1 TRY</b>	<b>Level 2 TRY</b>	<b>Level 3 TRY</b>
Land	140,102,067	-	140,102,067	-
Building	57,363,574	-	57,363,574	-

Investment properties of the Group, have been valued by the CMB licensed Real Estate Appraisal Companies using the market comparison analysis approach, cost approach and direct capitalization approach methods. As a result, it was determined that the values calculated from different approaches is similar and consistent with the market comparison method and value has been determined according to the market comparison method. Real Estate Appraisal Companies are authorized by CMB and provide property valuation appraisal services in accordance with the capital markets legislation and have sufficient experience and qualifications regarding the fair value measurement of the real estate in related regions.

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**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT**

The movements of property, plant and equipment and related accumulated depreciation for the period ended 30 September 2019 are as follows:

	<b>1 January 2019</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>30 September 2019</b>
<b>Cost</b>						
Land and land improvements	176,847,456	411,134	-	-	-	177,258,590
Buildings	60,695,465	575,370	50,332	-	-	61,321,167
Machinery and equipment	634,317,471	3,580,617	1,721,757	(61,190)	-	639,558,655
Motor vehicles	920,142	-	-	-	-	920,142
Furnitures and fixtures	44,758,396	240,716	694,901	(580,610)	-	45,113,402
Leasehold improvements	14,525,123	-	98,267	-	-	14,623,390
Operational Lease Assets	-	-	18,202,666	-	-	18,202,666
Other tangible assets	4,096,588	104,257	63,471	-	-	4,264,317
Construction in progress	3,866,795	1,661	664,880	-	(4,533,336)	-
	<b>940,027,436</b>	<b>4,913,755</b>	<b>21,496,274</b>	<b>(641,800)</b>	<b>(4,533,336)</b>	<b>961,262,329</b>
<b>Accumulated amortization</b>						
Machinery and equipments	(612,063,654)	(3,318,211)	(5,200,861)	61,190	-	(620,521,536)
Motor vehicles	(581,161)	-	(111,455)	-	-	(692,616)
Furnitures and fixtures	(40,886,193)	(287,693)	(1,185,602)	462,100	-	(41,897,388)
Leasehold improvements	(10,223,189)	-	(859,992)	-	-	(11,083,181)
Operational Lease Assets	-	-	(14,639,322)	-	-	(14,639,322)
Other tangible assets	(2,696,676)	(62,678)	(295,369)	-	-	(3,054,723)
	<b>(666,450,873)</b>	<b>(3,668,582)</b>	<b>(22,292,601)</b>	<b>523,290</b>	<b>-</b>	<b>(691,888,766)</b>
<b>Net book value</b>	<b>273,576,563</b>					<b>269,373,563</b>

At 30 September 2019, there are mortgages on property, plant and equipment amounting to TRY 168,349,487. (31 December 2018: TRY 168,349,487)

At 30 September 2019 depreciation expense amounting to TRY 10,548,672 (30 September 2018: TRY 8,006,744) is added to cost of sales (Note 14), amounting to TRY 11,743,929 (30 September 2018: TRY 2,503,527) is added to marketing, selling and distribution and general administrative expenses. As of 30 September 2019, there are no depreciation expense is classified to discontinued operations (30 September 2018: TRY 56,388).

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**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

The movements of property, plant and equipment and related accumulated depreciation for the interim period ended 30 September 2018 are as follows:

	1 January 2018	Currency translation differences	Additions	Disposals	Transfers	Transfer To Assets for Held <sup>(1)</sup>	30 September 2018
<b>Cost</b>							
Land and land improvements	159,445,990	8,603,391	-	-	-	-	168,049,381
Buildings	46,321,552	7,793,743	247,175	-	-	-	54,362,470
Machinery and equipment	604,411,584	55,990,005	818,260	(305,682)	-	(47,926)	660,866,241
Motor vehicles	6,877,448	-	-	(5,957,306)	-	-	920,142
Furnitures and fixtures	43,551,743	2,062,646	1,508,038	(361,232)	-	(1,327,261)	45,433,934
Leasehold improvements	14,250,572	-	409,672	-	-	(747,646)	13,912,598
Other tangible assets	3,057,957	1,652,528	13,027	-	-	-	4,723,512
Construction in progress	2,558,748	8,088	4,149,714	-	(570,148)	-	6,146,402
	<b>880,475,594</b>	<b>76,110,401</b>	<b>7,145,886</b>	<b>(6,624,220)</b>	<b>(570,148)</b>	<b>(2,122,833)</b>	<b>954,414,680</b>
<b>Accumulated amortization</b>							
Buildings	(1,877)	-	-	-	-	-	(1,877)
Machinery and equipment	(574,117,072)	(55,245,307)	(7,333,113)	187,651	-	31,030	(636,476,811)
Motor vehicles	(2,599,977)	-	(430,667)	2,486,635	-	-	(544,009)
Furnitures and fixtures	(38,575,655)	(1,877,354)	(1,807,750)	302,714	-	725,614	(41,232,431)
Leasehold improvements	(9,942,741)	-	(737,663)	-	-	732,918	(9,947,486)
Other tangible assets	(1,736,657)	(1,005,963)	(257,466)	-	-	-	(3,000,086)
	<b>(626,973,979)</b>	<b>(58,128,624)</b>	<b>(10,566,659)</b>	<b>2,977,000</b>	<b>-</b>	<b>1,489,562</b>	<b>(691,202,700)</b>
<b>Net book value</b>	<b>253,501,615</b>					<b>(633,271)</b>	<b>263,211,980</b>

<sup>(1)</sup> Group's subsidiary Glokal has been sold to Gloocal Invest BV on 14 May 2018 by the decision of the Group Parent Company dated on 6 April 2018.

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**NOTE 9 - INTANGIBLE ASSETS**

The movements of intangible assets and related accumulated amortization for the interim period ended 30 September 2019 are as follows:

	<b>1 January 2019</b>	<b>Currency translation differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>30 September 2019</b>
<b>Cost</b>						
Trade names and licenses	50,830,995	(1,531,216)	-	-	-	49,299,779
Customer list	361,869,275	(16,576,513)	-	-	-	345,292,762
Computer software and rights	101,451,788	(4,405,291)	1,921	-	-	97,028,741
Internet domain names	7,467,610	-	-	-	-	7,467,610
Other intangible assets <sup>(1)</sup>	12,709,838	-	-	-	4,533,336	16,544,683
	<b>534,329,506</b>	<b>(22,488,188)</b>	<b>1,921</b>	<b>-</b>	<b>4,533,336</b>	<b>516,351,743</b>
<b>Accumulated amortization</b>						
Trade names and licenses	(48,217,652)	1,528,176	(12,119)	-	-	(46,701,595)
Customer list	(361,869,275)	16,576,513	-	-	-	(345,292,762)
Computer software and rights	(96,978,495)	4,581,780	(470,225)	-	-	(92,866,940)
Internet domain names	(7,467,610)	-	-	-	-	(7,467,610)
Other intangible assets	(7,842,365)	-	(2,082,071)	-	-	(9,924,436)
	<b>(522,375,397)</b>	<b>22,686,469</b>	<b>(2,564,415)</b>	<b>-</b>	<b>-</b>	<b>(502,253,343)</b>
<b>Net Book Value</b>	<b>11,954,109</b>					<b>14,098,400</b>

Amortization expense amounting to TRY 1,213,460 has been included cost of sales (Note 14) (30 September 2018: TRY 3,595,367) and TRY 1,350,955 in marketing and general administrative expenses (30 Eylül 2018: TRY 1,124,189) as of 30 September 2019 there are no classified amount into discontinued operations (30 September 2018: TRY 504,759)

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**NOTE 9 - INTANGIBLE ASSETS (Continued)**

The movements of intangible assets and related accumulated amortization for the period ended 30 September 2018 are as follows:

	1 January 2018	Currency Translation differences	Additions	Disposals	Transfers	Transfer To Assets for Held <sup>(3)</sup>	30 September 2018
<b>Cost</b>							
Trade names and licenses	44,153,511	12,356,366	-	-	-	-	56,509,877
Customer list	260,233,900	101,635,372	-	-	-	-	361,869,272
Computer software and rights	75,737,317	26,827,505	2,288,669	-	-	(3,442,474)	101,411,017
Internet domain names <sup>(2)</sup>	15,789,329	2,426,167	-	(13,450,502)	-	-	4,764,994
Other intangible assets <sup>(1)</sup>	8,531,625	-	2,889,080	-	570,148	(2,318,170)	9,672,683
	<b>404,445,682</b>	<b>143,245,410</b>	<b>5,177,749</b>	<b>(13,450,502)</b>	<b>570,148</b>	<b>(5,760,644)</b>	<b>534,227,843</b>
<b>Accumulated amortization</b>							
Trade names and licenses	(38,832,743)	(9,369,676)	(11,422)	-	-	-	(48,213,841)
Customer list	(260,233,900)	(101,635,372)	-	-	-	-	(361,869,272)
Computer software and rights	(70,444,928)	(26,590,900)	(1,560,189)	-	-	2,175,687	(96,420,330)
Internet domain names	(12,921,283)	(2,084,022)	-	10,240,311	-	-	(4,764,994)
Other intangible assets	(3,735,495)	-	(3,652,704)	-	-	230,371	(7,157,828)
	<b>(386,168,349)</b>	<b>(139,679,970)</b>	<b>(5,224,315)</b>	<b>10,240,311</b>	<b>-</b>	<b>2,406,058</b>	<b>(518,426,265)</b>
<b>Net book value</b>	<b>18,277,333</b>						<b>15,801,578</b>

(1) As of 30 September 2018, website development costs amounting to TRY 1,595,298 capitalized under "other intangible assets" and amortized on a straight-line basis over their useful life. (31 December 2017:3,328,090 TRY)

(2) Internet domain names related to the sale of website and traffic of Job.ru in the result of discontinuing the digital activities of Russia and EE.

(3) As explained in Note 20, assets of Glokal, the Group's subsidiary, have been transferred to assets classified as held for sale by the Group with the decision dated 6 April 2018.

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**NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

As of 30 September 2019, and 31 December 2018, short term provisions are as follows:

**Short Term Provisions of Employment Termination Benefits:**

*Provision for unused vacation rights*

	<b>30 September 2019</b>	<b>31 December 2018</b>
Provision for unused vacation rights	13,988,676	14,164,860
<b>Total</b>	<b>13,988,676</b>	<b>14,164,860</b>

Movements of provision for unused vacation rights during the periods ended at 30 September 2019 and 2018 are as follows:

	<b>2019</b>	<b>2018</b>
<b>1 January</b>	<b>14,164,860</b>	<b>13,381,264</b>
Additions during the period	1,221,232	1,531,526
Payments related to provisions	(1,356,717)	(1,110,239)
Transfer to liabilities related to non-current asset groups as held for sale	-	(389,042)
Currency translation differences	(40,699)	312,811
<b>30 September</b>	<b>13,988,676</b>	<b>13,726,320</b>

**Other Short Term Provisions:**

*Provision for lawsuit and compensation*

	<b>30 September 2019</b>	<b>31 December 2018</b>
Provision for lawsuit and compensation	10,386,477	6,549,847
Provisions for promotion	-	190,959
<b>Total</b>	<b>10,386,477</b>	<b>6,740,806</b>

The lawsuits against the Group amounted to TRY 11,586,048 (31 December 2018: TRY 11,103,709). The Group recognises provision related to cases when there is a legal or valid liability resulting from past event and it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimation can be made of the amount of the obligation. As a result of these analysis, as of 30 September 2019 the Group has set a provision of TRY 10,386,477 for lawsuits (31 December 2018: TRY 6,549,847) but not sure about the payment maturity for the litigation.

As at 30 September 2019 and 31 December 2018, ongoing lawsuits against the group are as follows:

	<b>30 September 2019</b>	<b>31 December 2018</b>
Legal lawsuits	7,723,239	9,959,404
Labor lawsuits	3,792,809	1,124,305
Commercial lawsuits	70,000	20,000
<b>Total</b>	<b>11,586,048</b>	<b>11,103,709</b>

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**NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**Other Short Term Provisions (Continued)**

*Provision for lawsuit and compensation (Continued)*

Movements of provision for lawsuits for the periods ending 30 September 2019 and 2018 are as follows:

	<b>2019</b>	<b>2018</b>
<b>1 January</b>	<b>6.549.847</b>	<b>5.928.728</b>
Additions during the period	5,482,932	1,901,432
Payments related to provisions	(440.000)	(200,320)
Provision reversed	(1.245.594)	(836.769)
Additions to discontinued operations during the period	-	(384.211)
Currency translation differences	39,292	141,148
<b>30 September</b>	<b>10,386,477</b>	<b>6,550,008</b>

**NOTE 11 – COMMITMENTS**

**CPM's given by the Group**

As given in the table below, there are no CPM's given to third parties,

Shares belonging to the main shareholder of the Company were purchased by Demirören Media on 16 May 2018. Lenders have the right to place mortgages and pledges on the assets of the Company in the context of shareholder purchase agreement. There is no mortgage or pledge by the lender as of the reporting date.

Commitments and contingencies which the management does not expect significant losses or liabilities are as follows:

**Barter agreements:**

The Group, as a common practice in the media sector, enters into barter agreements which involve the exchange of goods or services without cash collections or payments. As of 30 September 2019, the Group has unused publication of advertisements commitment amounting to TRY 5,703,480 (31 December 2018: TRY 5,703,480) within these barter contracts. The Group has TRY 2,747,675 amounted receivables as of 30 September 2019 (31 December 2018: TRY 2,747,675) which were invoiced and recognized to financial statements but not yet goods or services were received.

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**NOTE 11 - COMMITMENTS (Continued)**

The Group's collaterals/pledge/mortgage ("CPM") position as of 30 September 2019 and 31 December 2018 are as follows:

	30 September 2019		31 December 2018	
	Foreign Currency	TRY Equivalent	Foreign Currency	TRY Equivalent
A. CPM's given in the name of its own legal personality				
- Collaterals				
TRY	2,544,204	2,544,204	2,661,793	2,661,793
Russian Ruble	-	-	-	-
- Warranty notes				
TRY	203,937	203,937	203,937	203,937
Euro	25,000	154,590	25,000	150,700
-Mortgages				
US Dollar	2,500,000	14,147,750	2,500,000	13,152,250
B. Total amount of CPM's given on behalf of the fully consolidated companies <sup>(1)</sup>				
- Commitments				
TRY	3,092,505	3,092,505	3,092,505	3,092,505
US Dollar	2,500,000	14,147,750	2,500,000	13,152,250
Euro	-	-	-	-
Russian Ruble	-	-	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of the business	-	-	-	-
D. Total amount of other CPM's given				
i) Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-
ii) Total amount of CPM's given on behalf of other group companies which are not in scope of B and C				
TRY	-	-	-	-
US Dollar	-	-	-	-
Euro	-	-	-	-
Other	-	-	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
<b>Total</b>		<b>34,290,736</b>		<b>32,413,435</b>

<sup>(1)</sup> Commitments given regarding to the borrowings obtained for the main operations of the Group, that are intended to meet various financial needs of subsidiaries.



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**NOTE 12- PROVISION FOR EMPLOYEE BENEFITS**

Provision for employment termination benefits at 30 September 2019 and 31 December 2018 are as follows:

**Long term provisions for employment termination benefits**

	<b>30 September 2019</b>	<b>31 December 2018</b>
Provision for employment termination benefits	49,575,838	45,317,176
<b>Total</b>	<b>49,575,838</b>	<b>45,317,176</b>

Except the legal requirements other than Turkey in which the Group operates, there are no pension plans and benefits.

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires. The maximum amount payable equals to one month of salary is TRY 6,017.60 as of 30 September 2019 (31 December 2018: TRY 5,434.42) for each year of service. In employee termination benefits provision calculation Group has taken into consideration the ceiling amount TRY 6,379,86 which is effective from 30 September 2019 (31 December 2018: TRY 6,017.60 effective from 1 January 2019).

On the other hand, the Group is liable to make payments to personnel who work for a minimum of 5 years and whose employment is terminated due to any cause in accordance with the regulations with regards to Employees Employed in the Press Sector. The maximum payable amount is 30 days' salary for each year of service. Employment termination benefit liabilities are not subject to any funding and there are no legal requirements for funding of these liabilities.

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement probability of the employees of the Group.

TAS 19 Employee Benefits, requires companies to compute their liabilities by developing actuarial assumptions within defined benefit plans. According to the report prepared by Actuarial firm in order to calculate total liability, the assumptions below are used:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 September 2019, the provision has been calculated by estimating the present value of the future probable obligation of the 2018 Company arising from the retirement probability of the employees.

Discount rate is applied as 16.00%<sup>(1)</sup> (31 December 2018: 16.00%), inflation rate applied as 11.30%<sup>(2)</sup> (31 December 2018: 11.30%) and rate of increase in wages applied as 11.30% (31 December 2018: 11.30%) in the calculation.

<sup>(1)</sup> The discount rate used in the calculation of severance payment is determined as 16.00% which is 10 years long term government bond's compound interest rate.

<sup>(2)</sup> The maximum range of inflation rate which is declared in 2018 report of Central Bank of Turkey has been used in retirement payment provision calculation.

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**NOTE 12 - PROVISION FOR EMPLOYEE BENEFITS (Continued)**

**Long term provisions for employment termination benefits (Continued)**

Age of retirement is based on considering the Company's historical operating data and taken as the average age of retirement from the Group.

The movements in provision for employment termination benefits during the periods ended at 30 September 2019 and 2018 are as follows:

	2019	2018
<b>1 January</b>	<b>45,317,176</b>	<b>46,184,398</b>
Service cost during the period	2,968,755	1,791,627
Interest cost during the period	5,397,252	2,964,643
Payments and reversal of provisions during the period	(4,107,345)	(8,757,162)
Decrease related to sale of subsidiary	-	(598,458)
<b>30 September</b>	<b>49,575,838</b>	<b>41,585,048</b>

**NOTE 13 – EQUITY**

The Company adopted the registered share capital system and set a ceiling on its registered share capital representing registered type shares with a nominal value of TRY 1. There are no privileged shares. The Company's historical authorized and paid-in share capital at 30 September 2019 and 31 December 2018 are as follows:

	30 September 2019	31 December 2018
Registered share capital	800,000,000	800,000,000
Paid-in share capital	592,000,000	592,000,000

The Companies in Turkey may exceed the limit for registered share capital in case of issuance of free capital shares to existing shareholders.

Doğan Şirketler Grubu Holding A.Ş., which has 552,000,000 units of shares registered by Central Securities Depository of Turkey, representing 77.67% of the issued capital of Hürriyet, has transferred to Demirören Medya. The share transfer was completed with the extraordinary meeting held on 6 June 2018. As a result of this transaction, Demirören Media became the main shareholder of the Company. The ultimate shareholder of the Company is the Demirören Family.

In addition, in accordance with the decision of the Board of Directors dated November 19, 2018, the issued capital of the Company is TRY 552,000,000 divided into 552,000,000 shares, each having a nominal value of TRY 1,00 in the registered capital ceiling of TRY 800,000,000 to be increased by TRY 40,000,000 (7.24%) to TRY 592,000,000 and the issuance certificate for the capital increase was decided by the Capital Markets Board dated 13 December 2018 and numbered 63/1446 approved. On 21 December 2018, the capital increase transaction was completed and registered on 15 January 2019 by the Istanbul Trade Registry Office.

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**NOTE 13 - EQUITY (Continued)**

Shareholders	30 September 2019	Pay (%)	31 December 2018	Pay (%)
Demirören Medya	468,732,788	79.18	468,732,788	79.18
Other shareholders (BİAŞ and other shareholders)	123,267,212	20.82	123,267,212	20.82
<b>Issued share capital</b>	<b>592,000,000</b>	<b>100.00</b>	<b>592,000,000</b>	<b>100.00</b>
Adjustment to share capital	77,198,813		77,198,813	
<b>Total</b>	<b>669,198,813</b>	<b>100.00</b>	<b>669,198,813</b>	<b>100.00</b>

In accordance with the Capital Markets Board's (the "CMB") Resolution No: 31/1059 30 October 2014 and Resolution No. 21/655 issued on 23 July 2010, it is regarded that 20.81% of the shares are in circulation in accordance with CSD as of 30 September 2019 (31 December 2018: 20.81%) (Note 1). Shares in circulation rate is 20.81% as of reporting date.

Adjustment to share capital represents the difference between balances which restatement effect of cash contributions to share capital equivalent purchasing power and balance before the inflation adjustment calculated.

***Accumulated other comprehensive income/expenses that will not be reclassified in profit and loss***

Other comprehensive income (expenses) occurred from the gain or losses based on revaluation and measurement and which are not to be reclassified in profit or loss, are related with the defined benefit plans and summarized below:

	30 September 2019	31 December 2018
Gain/(loss) from revaluation of property	212,241,738	212,241,738
Remeasurement gain (loss) in defined benefit plans	(21,093,944)	(21,093,944)
<b>Total</b>	<b>191,147,794</b>	<b>191,147,794</b>

The increase of TRY 212,241,738 in the fair value assessment for the financial period of 30 September 2019 for the consolidated financial statement has accounted under a shareholder's securities value increase fund under equity after its tax effect. A fair value assessment has not been taken for tangible assets for the period of 1 January 2019 and 30 September 2019.

The employee termination benefit provision is calculated according to the value of the benefits that the Group is liable for with today's monetary value. The Group has accounted all the actuarial loss and gains regarding employee terminations under the income statement as other income and other expense. The value for reassessed estimation differences accounted under equity is TRY 21,093,944 (31 December 2018: TRY 21,093,944).

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**NOTE 13 - EQUITY (Continued)**

*Accumulated other comprehensive income and (expenses) that will not be reclassified in profit and loss (Continued)*

	<b>30 September 2019</b>	<b>31 December 2018</b>
Currency translation differences	69,113,198	80,374,527
<b>Total</b>	<b>69,113,198</b>	<b>80,374,527</b>

**Restricted reserves**

Restricted reserves are reserved from the prior period profit due to legal or contractual obligations or for certain purposes other than the profit distribution (for example, to obtain the tax advantage of gain on sale of associates). Restricted reserves are in the scope of solo legal records in accordance with Turkish Commercial Code and Tax Procedure Law.

The legal reserves are appropriated out in accordance with the Article 519 of Turkish Commercial Code (TCC) and are used according to the procedures specified in this Article. Related amounts have to be classified in "Restricted Reserves" (except for inflation differences) in accordance with TAS.

In accordance with TAS, The Company's restricted reserves amounting to TRY 116,833,222 as of 30 September 2019 (31 December 2018: TRY 101,083,330) consist of legal reserves and gain on sale of real estate and affiliates and R&D incentive grant.

	<b>30 September 2019</b>	<b>31 December 2018</b>
Gain on sale of real estate <sup>(1)</sup>	56,728,014	56,728,014
General legal reserves <sup>(2)</sup>	59,265,973	43,516,081
Gain on sale of subsidiary	683,990	683,990
Research and development grant	155,245	155,245
<b>Total</b>	<b>116,833,222</b>	<b>101,083,330</b>

(1) With the decision taken by the Group management, the real estate profit with the amount of TRY 86,647,154 occurred in statutory records from the gain of warehouse sale in Trabzon, sale of lands located in Gazıemir, Izmir and Esenyurt, Istanbul in 2014, gain from sale of investment property in Ankara Cinnah in 2016 and gain of land sale in Muğla Milas and Bağcılar, Istanbul in 2017, amounting to TRY 56,728,014 of total amount that benefits from the exemption referred to in Article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for periods 1 January 2014 - 31 December 2014, 1 January 2016 - 31 December 2016 and 1 January 2017- 31 December 2017 in compliance with the Tax Legislation, Capital Market Legislation and any other fiscal legislations, and will be deposited in a special fund account in liabilities.

(2) The Group has classified the amount of TRY 15,749,982 from the profits of the period 2018 as General Legal Reserve in 2019.

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**NOTE 13 - EQUITY (Continued)**

**Dividend distribution**

The Company takes dividend distribution decision in General Assembly by taking into account Turkish Commercial Code (TCC), Capital Markets Law (CMB) and Capital Market Regulations, Corporate Tax, Income Tax, other relevant legislations and relevant legislations of the Articles of Association of the Company and "Dividend Distribution Policy". The principles of dividend distribution are determined by Dividend Distribution Policy.

On the other hand,

- a) In first adoption of TAS/IFRS, retained earnings resulted from redrafting of comparative financial statements in line with regulations,
- b) "Equity inflation adjustment differences" resulting from restricted reserves without any record preventing dividend distribution,
- c) Retained earnings resulting from the first time of inflation adjustments, can be distributed to the shareholders as dividend.

Besides, in case "Equity Effect Related to the Share Purchase" account is in the consolidated financial statement of equity, aforementioned account item is not considered as discount or premium item while calculating the net distributable profit.

**NOTE 14 - SALES AND COST OF SALES**

***Sales***

The detail of sales for the years ended 30 September 2019 and 2018 are as follows:

	<b>1 January- 30 September 2019</b>	<b>1 July- 30 September 2019</b>	<b>1 January- 30 September 2018</b>	<b>1 July- 30 September 2018</b>
Advertising revenue	117,232,869	34,121,096	173,462,481	45,996,732
Circulation and publishing sales	124,872,180	38,726,951	123,691,857	42,750,782
Other	23,629,104	7,123,939	21,943,259	6,773,243
<b>Net Sales</b>	<b>265,734,153</b>	<b>79,971,986</b>	<b>319,097,597</b>	<b>95,520,757</b>
Cost of sales (-)	(236,136,274)	(75,927,461)	(217,868,636)	(75,853,707)
<b>Gross profit (loss)</b>	<b>29,597,879</b>	<b>4,044,525</b>	<b>101,228,961</b>	<b>19,667,050</b>

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**NOTE 14 - SALES AND COST OF SALES (Continued)**

*Sales (Continued)*

	<b>Printing Media 1 January- 30 September 2019</b>	<b>Digital Media 1 January- 30 September 2019</b>	<b>Printing Media 1 January- 30 September 2018</b>	<b>Digital Media 1 January- 30 September 2018</b>
Domestic	169,878,879	35,288,144	226,840,326	50,385,210
Foreign	50,713,043	9,854,087	32,912,214	8,959,847
<b>Total Sales</b>	<b>220,591,922</b>	<b>45,142,231</b>	<b>259,752,540</b>	<b>59,345,057</b>

**Performance Obligations**

Circulation sales	99,958,741	-	91,059,915	-
Subcontracted printing sales	24,913,439	-	32,631,942	-
Advertising sales	81,944,725	35,288,144	123,077,271	50,385,210
Other sales	13,775,017	9,854,087	12,983,412	8,959,847
	<b>220,591,922</b>	<b>45,142,231</b>	<b>259,752,540</b>	<b>59,345,057</b>

**Fulfillment of the  
Performance Obligations**

In time	138,647,197	9,854,087	136,675,269	8,959,847
At a specific moment in time	81,944,725	35,288,144	123,077,271	50,385,210
	<b>220,591,922</b>	<b>45,142,231</b>	<b>259,752,540</b>	<b>59,345,057</b>

*Cost of Sales*

The details of cost of sales for the periods ended 30 September 2019 and 2018 are as follows:

	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>	<b>1 January - 30 September 2018</b>	<b>1 July - 30 September 2018</b>
Raw material	(100,217,914)	(29,225,985)	(91,722,140)	(33,068,628)
Paper	(63,302,682)	(18,566,028)	(62,714,481)	(24,890,914)
Printing and ink	(22,042,283)	(6,559,180)	(23,322,218)	(7,764,014)
Other	(14,872,949)	(4,100,777)	(5,685,441)	(413,700)
Personnel expenses	(87,958,812)	(29,584,717)	(78,129,328)	(27,945,893)
Depreciation Expenses (Note 8,9)	(11,762,132)	(4,168,129)	(11,602,111)	(4,015,128)
Agency expenses	(7,419,696)	(2,724,898)	(7,189,976)	(2,514,779)
Distribution, storage and travel expenses	(4,273,750)	(1,522,801)	(4,992,241)	(1,627,653)
Fuel, electricity, water and office expenses	(4,972,661)	(2,030,468)	(3,605,841)	(1,188,885)
Outsourced services	(2,290,017)	(711,883)	(2,314,921)	(748,772)
Communication expenses	(2,536,320)	(900,668)	(2,349,174)	(872,997)
Maintenance and repair expenses	(2,330,008)	(797,969)	(1,992,120)	(607,839)
Rent expenses	(1,003,236)	(346,308)	(1,794,324)	(640,467)
Packaging expenses	(1,304,907)	(442,612)	(1,116,968)	(354,548)
Other	(10,066,821)	(3,471,023)	(11,059,492)	(2,268,117)
<b>Toplam</b>	<b>(236,136,274)</b>	<b>(75,927,461)</b>	<b>(217,868,636)</b>	<b>(75,853,707)</b>

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**NOTE 15- INCOME FROM INVESTING ACTIVITIES**

The details of income from investing activities for the periods ended at 30 September 2019 and 2018 are as follows:

	<b>1 January- 30 September 2019</b>	<b>1 July- 30 September 2019</b>	<b>1 January- 30 September 2018</b>	<b>1 July- 30 September 2018</b>
Sale of subsidiaries	-	-	294,939,894	-
Financial investment sales profit (Note 20)	-	-	5,898,242	-
Rent income (Note 7)	3,265,791	1,024,254	3,278,518	1,119,255
Gain on sale of tangible assets and investment properties	446,062	246,547	1,599,243	10,197
Foreign exchange and other gains	9,422,879	(1,994,328)	82,617,730	82,594,964
Dividend income from financial investment	-	-	1,200	-
<b>Total</b>	<b>13,134,732</b>	<b>(723,527)</b>	<b>388,334,827</b>	<b>83,724,416</b>

**NOTE 16- EXPENSE FROM INVESTING ACTIVITIES**

The details of expenses from investing activities for the periods ended at 30 September 2019 and 2018 are as follows:

	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>	<b>1 January - 30 September 2018</b>	<b>1 July - 30 September 2018</b>
Loss on change in fair value of investment properties (Note 7)	-	-	(987,426)	-
Expenses related to investment properties	(198,228)	(60,166)	(398,403)	(100,586)
Loss from sale of tangible assets and investment properties	(710,443)	(502,979)	(379,926)	-
Other	(5,000)	(5,000)	(407)	-
<b>Total</b>	<b>(913,671)</b>	<b>(568,145)</b>	<b>(1,766,162)</b>	<b>(100,586)</b>

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**NOTE 17- FINANCIAL EXPENSES**

The details of financial expenses for the periods ended at 30 September 2019 and 2018 are as follows:

	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>	<b>1 January- 30 September 2018</b>	<b>1 July - 30 September 2018</b>
Interest expense on bank loans	(11,050,358)	(3,697,550)	(15,731,574)	(2,942,743)
Foreign exchange income/(losses), net	554,246	853,590	(22,234)	21,726
Loan commission, bank costs and factoring expenses	(289,269)	(112,908)	(318,135)	(115,061)
Other	(10,523,490)	(3,524,724)	(8,549,088)	(6,079,675)
<b>Total</b>	<b>(21,308,871)</b>	<b>(6,481,592)</b>	<b>(24,621,031)</b>	<b>(9,115,753)</b>

**NOTE 18- INCOME TAXES**

Assets related to current period tax:

	<b>30 September 2019</b>	<b>31 December 2018</b>
Corporate and income tax payable	315,168	20,703,195
Less: Prepaid taxes	(311,687)	(20,175,903)
<b>Current income tax liabilities</b>	<b>3,481</b>	<b>527,292</b>

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax rate in Turkey is 22% (31 December 2018: 22%).

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, "Law on the Amendment of Certain Tax Acts and Some Other Laws", corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22% (2018:22%). Therefore, deferred tax assets and liabilities as of 30 September 2019 are calculated with 22% tax rate for the temporary differences which will be realized in 2018, 2019 and 2020, and with 20% tax for those which will be realized after 2021 and onwards. Corporation tax is payable on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (gain from associates' exemption, investment allowances etc.) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.



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**NOTE 18- INCOME TAXES (Continued)**

The tax rates which are used for the deferred tax calculation in accordance with Tax Legislation of each country as of 30 September 2019 are as follows:

<b>Country</b>	<b>Tax Rate (%)</b>
Germany	28
Belarus	18
Russia	20
Netherland	25

**Deferred Tax**

The Group recognizes deferred tax assets and liabilities based on temporary differences arising between the financial statements as reported for Financial Reporting Standards announced by Public Oversight Authority and financial statements prepared in accordance with the tax legislation. These differences usually stem from the income and expense to be accounted in different period because of the difference between Financial Reporting Standards announced by Public Oversight Authority and Tax legislation.

Deferred taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using tax rates enacted at the balance sheet dates.

Deferred tax assets and liabilities are presented in net in the consolidated financial statements of the Group, since they are presented in net in the financial statements of subsidiaries and joint ventures, which are each individual tax payers. Temporary differences deferred tax assets and deferred tax liabilities at the table below are presented based on gross amounts.

	<b>30 September 2019</b>	<b>31 December 2018</b>
Deferred tax liabilities	(14,901,600)	(19,381,541)
Deferred tax assets	2,045,962	1,966,834
<b>Deferred tax liabilities, net</b>	<b>(12,855,638)</b>	<b>(17,414,707)</b>

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**NOTE 18- INCOME TAXES (Continued)**

The temporary differences and deferred tax assets/(liabilities) using the enacted tax rates as of 30 September 2019 and 31 December 2018 are as follows:

	<b>Total temporary differences</b>		<b>Deferred tax assets/ (liabilities)</b>	
	<b>30 September 2019</b>	<b>31 December 2018</b>	<b>30 September 2019</b>	<b>31 December 2018</b>
Provision for employee termination benefits and unused vacation rights	62,998,046	58,663,450	13,859,570	12,905,959
Difference between tax base and carrying value of trade receivables	33,990,946	35,240,250	7,478,008	7,752,855
Deferred income	3,402,850	3,429,868	748,627	754,569
Operational assets reclassification (IFRS 16)	16,533,460	-	3,306,693	-
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(219,794,634)	(216,666,897)	(29,844,123)	(29,092,972)
Investment properties fair value differences	(139,115,386)	(136,003,536)	(12,590,239)	(11,967,870)
Other, net	19,811,814	10,676,298	4,185,826	2,232,752
<b>Total</b>	<b>(222,172,904)</b>	<b>(244,660,567)</b>	<b>(12,855,638)</b>	<b>(17,414,707)</b>

As of 30 September 2019, Group's total deductible loss of which deferred tax assets have not been calculated are TRY 348,616,132 (31 December 2018: TRY 348,616,132).

The movements of net deferred tax liabilities for the periods ended 30 September 2019 and 2018 are as follows:

	<b>1 January- 30 September 2019</b>	<b>1 January- 30 September 2018</b>
Current tax income/(expense)	(263,787)	(35,163,275)
Deferred tax income/(expense)	4,785,713	(1,198,577)
<b>Total</b>	<b>4,521,926</b>	<b>(36,361,852)</b>

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**NOTE 19- ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED  
OPERATIONS**

**a) *Discontinuing the digital operation in Russia and EE***

The Board of Directors of Pronto Media Holding, which is located in Russia as the indirect subsidiary of Trader Media East Ltd. (“TME”). That owned by 97.29% by the Group, has decided to discontinue the digital operations on 22 November 2017 due to the operational performance below the desired level. In accordance with the decision, digital operations under Pronto Media Holding are classified as “Discontinued Operations”. The impairment losses due to discontinued operations are recognized under “Discontinued Operations” in the statement of profit/loss.

The Group may derecognise its operations abroad in the form of sales, liquidation, repayment of capital or partial or complete abandonment of the entity. A reduction in the carrying amount of an overseas entity will not result in a partial elimination because of its own loss or impairment recognized by the investor. Therefore, any gain or loss on exchange rate differences recognized in other comprehensive income is not reclassified to profit or loss when the impairment loss is recognized.

The Group has monetary liabilities and receivables arising from foreign operations that are not part of the net investment in the foreign operations during the current period. Exchange differences arising from these transactions are recognized in equity under currency translation differences in the Consolidated Financial Statements and will be reflected to profit or loss during sale or wholly liquidation of the net investment.

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NOTE 20 - RELATED PARTY DISCLOSURES

i) Balances of related parties:

a) Short term trade receivables from related parties:

	30 September 2019	31 December 2018
<b>Trade receivables from related parties</b>		
Demirören İnternet Yayıncılığı ve Yatırım A.Ş. ("Demirören İnternet Yayıncılığı")	33,787,870	29,788,304
Demirören Gazetecilik A.Ş. ("Demirören Gazetecilik")	7,506,966	13,137,527
Demirören TV Holding A.Ş. ("Demirören TV Holding")	11,459,202	4,522,327
Demirören Media	8,315,810	3,725,870
Milliyet Gazetecilik ve Yayıncılık A.Ş. ("Milliyet Gazetecilik")	7,946,612	5,403,867
Demirören Teknoloji A.Ş.	4,807,037	672,013
Diğer	2,241,265	1,998,420
<b>Total</b>	<b>76,064,762</b>	<b>59,248,328</b>

b) Short term payables to related parties:

	30 September 2019	31 December 2018
<b>Trade payables to related parties</b>		
Demiroren Media International GmbH	9,275,400	11,885,698
Demiroren Medya Yatırımları A.Ş.	837,051	7,791
DTV Haber ve Görsel Yayıncılık A.Ş.	697,112	-
Demiroren Holding A.Ş.	576,459	-
Total Oil Türkiye A.Ş.	243,712	148,078
Demiroren Haber Ajansı A.Ş.	139,148	2,611,011
Eko TV Televizyon ve Radyo Yayıncılık A.Ş.	110,104	247,981
Diğer	549,676	520,398
<b>Total</b>	<b>12,428,662</b>	<b>15,420,957</b>

c) Other receivables from related parties

	30 September 2019	31 December 2018
<b>Short term other receivables from related parties:</b>		
Demirören Medya Yatırımları A.Ş. ("Demirören Medya") <sup>(1)</sup>	104,741,609	117,323,015
<b>Total</b>	<b>104,741,609</b>	<b>117,323,015</b>

<sup>(1)</sup> Consist of receivables that the Group will receive from its parent company related to the sale of its subsidiaries. The Company has assigned these receivables to its main shareholder Demirören Medya with regard to the sales contract between Doğan Holding and Demirören Media. Notes receivables from Demirören Media are taken for the collection of related receivables, as the late interest rate is charged, the amount does not discounted.

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NOTE 20- RELATED PARTY DISCLOSURES (Continued)

ii) Significant transactions with related parties:

Transactions in related parties for the periods ended as of 30 September 2019 and 2018 are as follows:

a) Significant service and product sales to related parties:

	1 January - 30 September 2019	1 July - 30 September 2019	1 January - 30 September 2018	1 July - 30 September 2018
Demirören İnternet Yayıncılığı	30,323,254	8,919,236	24,578,968	6,600,263
Demirören Gazetecilik	19,769,868	6,459,895	22,968,148	8,600,111
DTV Haber ve Görsel Yayıncılık A.Ş.	1,829,958	39,379	640,376	356,337
Milliyet Gazetecilik Yayıncılık A.Ş.	1,556,312	670,627	1,077,729	14,297
Demirören Dağıtım	362,836	151,460	89,075,277	28,852,258
Diğer	5,115,410	3,167,051	3,662,052	661,639
<b>Total</b>	<b>58,957,638</b>	<b>19,407,648</b>	<b>142,002,550</b>	<b>45,084,905</b>

b) Significant service and product purchases from related parties:

	1 January - 30 September 2019	1 July - 30 September 2019	1 January - 30 September 2018	1 July - 30 September 2018
Demirören Teknoloji A.Ş.	4,565,008	1,366,201	-	-
DHA <sup>(1)</sup>	4,552,445	3,034,347	5,037,174	1,665,748
Demirören Medya Yatırımları A.Ş.	4,514,587	1,700,602	-	-
Demirören Gazetecilik <sup>(2)</sup>	3,657,823	939,838	3,190,276	1,188,021
Demirören İnternet Yayıncılığı <sup>(4)</sup>	1,516,857	729,434	3,123,499	454,652
Demirören TV Digital	1,182,037	381,892	917,959	311,98
Total Oil Türkiye A.Ş.	944,485	322,098	432,772	-
Demirören Dağıtım <sup>(3)</sup>	114,762	5,167	19,386,680	6,743,045
Doğan Holding Şirketleri	-	-	22,766,036	-
Diğer	3,643,440	1,103,226	1,264,855	1,011,357
<b>Total</b>	<b>24,691,444</b>	<b>9,582,805</b>	<b>56,119,251</b>	<b>11,374,803</b>

<sup>(1)</sup> The Group's news service purchases

<sup>(2)</sup> The Group's internet advertising sales and infrastructure services purchases.

<sup>(3)</sup> The Group's newspaper distribution service purchases

<sup>(4)</sup> The rent and security service purchases related to the building used by the The Group as head office

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**NOTE 20- RELATED PARTY DISCLOSURES (Continued)**

**c) Other income from related parties**

	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>	<b>1 January - 30 September 2018</b>	<b>1 July - 30 September 2018</b>
Demirören TV Holding	4,389,954	2,903,099	3,160,063	1,088,845
Milliyet	2,026,775	655,525	-	-
Demirören TV Digital	1,519,929	593,031	1,027,910	377,820
Doğan Gazetecilik	1,315,679	373,515	830,833	201,640
Demirören Teknoloji	837,556	238,940	-	-
Demirören Medya	743,843	459,817	9,081,753	9,081,753
DHA	649,170	127,682	662,862	93,208
Demirören Dağıtım	-	-	1,882,936	748,499
Dogan Holding Şirketleri	-	-	1,535,009	-
Diğer	595,598	34,149	1,379,312	751,684
<b>Toplam</b>	<b>12,078,504</b>	<b>5,385,758</b>	<b>19,560,678</b>	<b>12,343,449</b>

As of 30 September 2019, amounting to TRY 12,078,504 TRY of other income which totally amounts to TRY 822,228 consists of rent income which Hürriyet received from the Group companies (1 January – 30 September 2018: TRY 1,327,910).

<b>Finansal expenses:</b>	<b>1 January - 30 September 2019</b>	<b>1 July- 30 September 2019</b>	<b>1 January - 30 September 2018</b>	<b>1 July- 30 September 2018</b>
Demirören Gazetecilik	-	-	311,721	-
Doğan Holding Şirketler Gurubu	-	-	60,858	-
Eko TV	-	-	15,614	3,748
Diğer	-	-	3,895	3,628
<b>Total</b>	<b>-</b>	<b>-</b>	<b>392,088</b>	<b>7,376</b>

**iii) Key Management Personnel:**

	<b>1 January - 30 September 2019</b>	<b>1 July- 30 September 2019</b>	<b>1 January - 30 September 2018</b>	<b>1 July- 30 September 2018</b>
Salaries and other short term benefits	4,571,153	1,471,220	9,883,690	1,781,999
Post-employment benefits	1,277,268	828,594	2,142,096	-
<b>Total</b>	<b>5,848,421</b>	<b>2,299,814</b>	<b>12,025,786</b>	<b>1,781,999</b>

The Company determined the key management personnel as Board of Directors and Executive Committee. Benefits provided to key management personnel consisted of wage, premium, health insurance, transportation and post-employment benefits.

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**NOTE 21 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS**

**21.1 Financial Risk Management**

**Foreign currency risk**

The Group is exposed to foreign exchange risk because of the translation of the amounts of liability denominated in foreign currency into the functional currency. These risks are monitored by the analysis of foreign currency position.

The foreign exchange risk mainly arises from the impact of rate changes in the translation of the Group's foreign currency denominated borrowings which are obtained to fund capital expenditures in domestic and overseas operations (The risk is monitored in regular meetings). The Group maintains a certain portion of its excess cash and cash equivalents in foreign currency to minimize the currency risk exposure.

The Group's risk management policy for currency risk is to maintain sufficient liquid assets for the anticipated cash flows of raw material purchase and borrowing repayment amounts in each major foreign currency for the subsequent 3 to 6 months. However, this policy should be revised by the management when deemed necessary, according to market conditions.

**NOTE 21 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

TRY equivalents of assets and liabilities denominated in foreign currencies at 30 September 2019 and 31 December 2018 are as follows:

	<b>30 September 2019</b>	<b>31 December 2018</b>
Assets	135,912,083	120,613,880
Liabilities	(9,967,272)	(4,592,615)
<b>Net foreign currency position</b>	<b>125,944,811</b>	<b>116,021,265</b>

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 30 September 2019: 5.6591 TRY= 1 US Dollar and 6.1836 TRY=1 Euro (31 December 2018: 5.2609 TRY= 1 US Dollar and 6.028 TRY=1 Euro).

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**NOTE 21 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

**Foreign currency risk (Continued)**

**21.1 Financial Risk Management (Continued)**

The table below summarizes of the Group's foreign currency risk as of 30 September 2019 and 31 December 2018. The foreign currency assets and liabilities which is held on by the Group are as follows:

<b>30 September 2019</b>	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>
1. Trade receivables	17,894,277	157,586	2,749,609
2a. Monetary Financial Assets (Cash, Banks included)	118,017,806	20,843,492	10,091
2b. Non-Monetary Financial Assets	-	-	-
3. Other	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>135,912,083</b>	<b>21,001,078</b>	<b>2,759,700</b>
5. Trade receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>135,912,083</b>	<b>21,001,078</b>	<b>2,759,700</b>
10. Trade Payables	9,967,272	315,533	1,323,119
11. Financial Liabilities	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>9,967,272</b>	<b>315,533</b>	<b>1,323,119</b>
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>9,967,272</b>	<b>315,533</b>	<b>1,323,119</b>
<b>19. Net asset / liability position of off-balance sheet derivatives (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off-balance sheet foreign currency derivative assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off-balance sheet foreign currency derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency asset liability position (9-18+19)</b>	<b>125,944,811</b>	<b>20,685,545</b>	<b>1,436,581</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>125,944,811</b>	<b>20,685,545</b>	<b>1,436,581</b>
<b>22. Fair value of foreign currency hedged financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>



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**NOTE 21 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

**Foreign currency risk (Continued)**

**22.1 Financial Risk Management (Continued)**

<b>31 December 2018</b>	<b>TRY Equivalent</b>	<b>US</b>	<b>Euro</b>	<b>Other</b>
1. Trade receivables	2,530,224	150,344	288,533	-
2a. Monetary Financial Assets (Cash, Banks included)	-	-	-	-
	118,082,503	22,398,672	14,960	155,153
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	1,153	219	-	-
<b>4. Current Assets (1+2+3)</b>	<b>120,613,880</b>	<b>22,549,235</b>	<b>303,493</b>	<b>155,153</b>
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>120,613,880</b>	<b>22,549,235</b>	<b>303,493</b>	<b>155,153</b>
10. Trade Payables	4,592,615	334,746	469,076	3,959
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>4,592,615</b>	<b>334,746</b>	<b>469,076</b>	<b>3,959</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>4,592,615</b>	<b>334,746</b>	<b>469,076</b>	<b>3,959</b>
<b>19. Net asset / liability position of off-balance sheet derivatives (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off-balance sheet foreign currency derivative assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off-balance sheet foreign currency derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency asset liability position (9-18+19)</b>	<b>116,021,265</b>	<b>22,214,489</b>	<b>(165,583)</b>	<b>151,194</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>22. Fair value of foreign currency hedged financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTE 21 - NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

**Foreign currency risk (Continued)**

**22.1 Financial Risk Management (Continued)**

The Group is exposed to foreign currency risk of US Dollar, Euro, and other foreign currency.

**30 September 2019**

	<b>Profit/(Loss)</b>	
	<b>Foreign currency appreciations</b>	<b>Foreign currency depreciations</b>
<b>If the US dollar had changed by 20% against the TRY</b>		
USD net (liabilities)/assets	23,412,314	23,412,314
Hedging amount of USD	-	-
<b>USD net effect on (loss)/income</b>	<b>23,412,314</b>	<b>23,412,314</b>
<b>If the EUR had changed by 20% against the TRY</b>		
Euro net (liabilities)/assets	1,776,648	(1,776,648)
Hedging amount of Euro	-	-
<b>Euro net effect on (loss)/income</b>	<b>1,776,648</b>	<b>(1,776,648)</b>

**31 December 2018**

	<b>Profit/Loss</b>	
	<b>Foreign currency appreciation</b>	<b>Foreign currency depreciation</b>
<b>If the US dollar had changed by 20% against the TRY</b>		
USD net (liabilities)/assets	23,373,411	(23,373,411)
Hedging amount of USD	-	-
<b>USD net effect on (loss)/income</b>	<b>23,373,411</b>	<b>(23,373,411)</b>
<b>If the EUR had changed by 20% against the TRY</b>		
Euro net (liabilities)/assets	(199,627)	199,627
Hedging amount of Euro	-	-
<b>Euro net effect on (loss)/income</b>	<b>(199,627)</b>	<b>199,627</b>
<b>If other foreign currency had changed by 20% against the TRY</b>		
Other foreign currency net (liabilities)/assets	30,239	(30,239)
Hedging amount of other foreign currency	-	-
<b>Other foreign currency net effect on (loss)/income</b>	<b>30,239</b>	<b>(30,239)</b>

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**NOTE 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)**

<b>30 September 2019</b>	Financial assets measured at	Financial liabilities measured at	Financial assets at fair value through other	Carrying Value	Note
<b>Financial assets</b>	amortized cost	amortized cost	comprehensive income		
Cash and cash equivalents	13,358,757	-	-	13,358,757	-
Trade receivables	81,310,371	-	-	81,310,371	5
from non-related parties					
Trade receivables from related parties	76,064,762	-	-	76,064,762	20
Other receivables	10,467,327	-	-	10,467,327	-
from non-related parties					
Other receivables	104,741,609	-	-	104,741,609	20
from related parties					
Derivates	-	-	-	-	-
Financial investments	72,930	-	313,923	386,853	-
<b>Financial liabilities</b>					
Financial borrowings	-	15,631,886	-	15,631,886	4
Trade payables	-	38,901,487	-	38,901,487	5
ton on-related parties					
Trade payables to related parties	-	12,428,662	-	12,428,662	20
Employee benefit payables	-	3,859,918	-	3,859,918	-
Other payables	-	5,544,897	-	5,544,897	-
to non-related parties					
Other short-term liabilities	-	42.194.392	-	42.194.392	-

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**NOTE 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)**

<b>31 December 2018</b>	<b>Financial assets</b>	<b>Financial liabilities</b>	<b>Financial assets at</b>		
<b>Financial assets</b>	<b>measured at</b>	<b>measured at</b>	<b>fair value through other</b>	<b>Carrying Value</b>	<b>Note</b>
	<b>amortized cost</b>	<b>amortized cost</b>	<b>comprehensive income</b>		
Cash and cash equivalents	56,867,896	-	-	56,867,896	-
Trade receivables	103,180,193	-	-	103,180,193	5
from non-related parties					
Trade receivables from related parties	59,248,328	-	-	59,248,328	20
Other receivables	9,689,985	-	-	9,689,985	-
from non-related parties					
Other receivables	117,323,015	-	-	117,323,015	20
from related parties					
Financial investments	72,133	-	313,923	386,056	-
<b>Financial liabilities</b>					
Financial borrowings	-	27,383,928	-	27,383,928	
Trade payables	-	50,890,149	-	50,890,149	5
to non-related parties					
Trade payables to related parties	-	15,420,957	-	15,420,957	20
Employee benefit payables	-	715,049	-	715,049	-
Other payables	-	4,656,574	-	4,656,574	-
to non-related parties					
Other short-term liabilities	-	35,166,801	-	35,166,801	-

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

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**NOTE 22 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND  
EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)**

Fair value of financial instruments

The fair value of financial assets and liabilities is assigned as below:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- Level 3: the fair value of the financial assets and financial liabilities are determined where there is no observable market data.

**NOTE 23 - EVENTS AFTER REPORTING PERIOD**

*Approval of Financial Statements*

The consolidated financial statements for the period ended 30 September 2019 were approved by the Board of Directors on 7 November 2019.

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