

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

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

		(Not Audited)	(Audited)
	Note	Current Period	Prior Period
	references	31 March 2020	31 December 2019
ASSETS			
Current Assets			
Cash and cash equivalents		12,515,086	14,156,497
Financial investments		104,010	68,478
Trade receivables			
-Trade receivables from related parties	20	115,568,831	91,340,933
-Trade receivables from non-related parties	5	66,003,872	76,040,408
Other receivables			
-Other receivables from related parties	20	60,550,082	80,876,536
-Other receivables from non-related parties		997,722	3,783,770
Inventories		15,977,345	15,964,915
Prepaid expenses		8,388,223	8,153,511
Other current assets		1,190,745	1,733,242
Total Current Asset		281,295,916	292,118,290
Non-current Assets			
Financial investments		313,923	313,923
Other receivables			
-Other receivables from non-related parties		8,550,663	7,829,659
Financial investments accounted for using the equity method	6	1,669,321	2,693,603
Investment properties	7	133,059,650	133,364,011
Tangible assets	8	448,597,504	444,901,907
Intangible assets			
-Other intangible assets	9	13,232,449	13,086,985
Deferred tax asset	18	1,731,914	2,321,912
Other non-current assets		555,410	277,705
Total Non-current Assets		607,710,834	604,789,705
Total Assets		889,006,750	896,907,995

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

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2020**

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

	Note	(Not Audited) Current Period 31 March 2020	(Audited) Prior Period 31 December 2019
	references		
LIABILITIES			
Current Liabilities			
Short-term lease liability			
-Lease payables to related parties	4	3,811,668	3,678,679
-Lease payables to others	4	2,189,221	2,617,539
Short-term portion of long-term borrowings	4	12,624,471	11,713,065
Trade payables			
-Trade payables to related parties	20	16,551,361	23,320,504
-Trade payables to non-related parties	5	39,377,274	36,895,749
Employee benefit payables		9,710,683	3,121,129
Other payables			
-Other payables to non-related parties		7,332,240	4,808,536
Deferred income		7,216,429	10,716,689
Current income tax liabilities	18	78,434	169,198
Short-term provisions			
-Short-term provisions for employment benefits	10	18,952,586	17,148,260
-Other short-term provisions	10	14,307,193	9,092,050
Other short-term liabilities		19,495,110	24,689,718
Total Current Liabilities		151,646,670	147,971,116
Non-current liabilities			
Long-term lease liabilities			
-Lease payables to related parties	4	11,062,392	11,419,997
-Lease payables to others	4	572,040	578,583
Deferred income		1,068,858	195,105
Long-term provisions			
-Long-term provisions for employment benefits	12	53,260,897	52,358,307
Deferred tax liability	18	28,494,730	29,804,588
Total Non-Current Liabilities		94,458,917	94,356,580
Total Liabilities		246,105,587	242,327,696

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2020**

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

	Note references	(Not Audited) Current Period 31 March 2020	(Audited) Prior Period 31 December 2019
EQUITY			
Total Equity		642,901,163	654,580,299
Equity attributable to Equity holders of the parent company		643,778,405	655,049,211
Share capital	13	592,000,000	592,000,000
Inflation adjustment to share capital	13	77,198,813	77,198,813
Share premiums (discounts)		76,944	76,944
Other comprehensive income and expenses that will not be reclassified subsequently to profit or loss			
- Gain (loss) on revaluation of property	13	294,701,211	294,701,211
- Gain (loss) on remeasurement of defined benefit plans	13	(23,594,600)	(23,594,600)
Other comprehensive income and expenses that may be reclassified subsequently to profit or loss			
- Currency translation differences	13	82,023,381	64,537,704
Restricted reserves	13	117,176,268	117,176,268
Retained earnings/Accumulated deficit		(467,047,129)	(417,649,879)
Net profit (loss) for the period		(28,756,483)	(49,397,250)
Non-controlling interests		(877,242)	(468,912)
Total Liabilities and Equity		889,006,750	896,907,995

These condensed consolidated interim financial statements as at and for the period ended 31 March 2020 were approved by the Board of Directors on 9 June 2020

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- 31 MARCH 2020**

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

	Note references	(Not Audited) Current Period 1 January - 31 March 2020	(Not Audited) Prior Period 1 January- 31 March 2019
Sales	14	82,864,327	94,417,068
Cost of sales (-)	14	(71,563,376)	(79,138,014)
Gross profit (loss)		11,300,951	15,279,054
General administrative expenses (-)		(18,962,356)	(19,946,877)
Marketing expenses (-)		(14,047,162)	(16,215,401)
Other operating income		25,058,371	14,159,826
Other operating expenses (-)		(7,778,814)	(6,031,490)
Operating profit (loss)		(4,429,010)	(12,754,888)
Share of (gain) loss of investments accounted by the equity method	6	(971,758)	(1,020,398)
Income from investing activities	15	1,598,777	11,176,029
Expenses from investing activities (-)	16	(194,171)	(152,932)
Operating profit (loss) before finance income(expense)		(3,996,162)	(2,752,189)
Finance expenses (-)	17	(5,084,786)	(7,432,330)
Profit (loss) before tax from continuing operations		(9,080,948)	(10,184,519)
Tax income (expense) of continuing operations		1,725,941	1,096,469
Current tax income (expense)	18	(78,434)	(136,989)
Deferred tax income (expense)	18	1,804,375	1,233,458
Profit (loss) for the period from continuing operations		(7,355,007)	(9,088,050)
Profit (loss) for the period from discontinued operations		(22,172,669)	4,490,692
Net profit (loss) for the period		(29,527,676)	(4,597,358)
Allocation of net profit (loss) for the period			
Attributable to non-controlling interests		(771,193)	44,551
Attributable to equity holders of the parent company		(28,756,483)	(4,641,909)
Loss per share (TRY)			
Attributable to shareholders of the parent company (Losses)		(0.0486)	(0.0078)

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2020**

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

Note references	(Not Audited) Current Period 1 January - 31 March 2020	(Not Audited) Prior Period 1 January - 31 March 2019
Other comprehensive income statement		
Net profit (loss) for the period	(29,527,676)	(4,597,358)
Other comprehensive income		
Other comprehensive income (expense) that will not be subsequently reclassified to profit and loss		
- Gain (loss) on revaluation of property	-	-
- Gain (loss) on revaluation for defined benefits	-	-
Taxes related to other comprehensive income (expense) that will not be subsequently reclassified to profit and loss		
- Gain (loss) on revaluation of property, tax effect	-	-
- Gain (loss) on revaluation for defined benefits, tax effect	-	-
Other comprehensive Income (expense) that will be subsequently reclassified to profit and loss		
- Currency translation differences	17,848,540	(8,201,432)
- Other comprehensive income (expense) from cash flow hedges	-	-
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	-	-
Other comprehensive income (expense)	17,848,540	(8,201,432)
Total comprehensive income (expense)	(11,679,136)	(12,798,790)
Allocation of total comprehensive Income (expense)		
Attributable to non-controlling interests	(408,330)	(282,170)
Attributable to shareholders of the parent company	(11,270,806)	(12,516,620)

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 CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY- 31 MARCH 2020

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

	Note references	Share capital	Inflation adjustment to share capital	Share premiums (discounts)	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 to		Total equity
					Currency translation differences ⁽¹⁾	Gain (losses) on property revaluation	Gain (losses) on remeasurement of defined benefit plan	Restricted reserves ⁽²⁾	Retained earnings / (losses)	Net profit / (loss) for the period	shareholders of the parent company	Non-controlling interests	
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)		-	-	-	(7,874,711)	-	-	-	-	(4,641,909)	(12,516,620)	(282,170)	(12,798,790)
-Other comprehensive income (expense)		-	-	-	(7,874,711)	-	-	-	-	-	(7,874,711)	(326,721)	(8,201,432)
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	(4,641,909)	(4,641,909)	44,551	(4,597,358)
Balances at 31 March 2019	13	592,000,000	77,198,813	76,944	72,499,816	212,241,738	(21,093,944)	116,833,222	(417,649,877)	(4,641,909)	627,464,803	(100,034)	627,364,769
Balances at 1 January 2020	13	592,000,000	77,198,813	76,944	64,537,704	294,701,211	(23,594,600)	117,176,268	(417,649,879)	(49,397,250)	655,049,211	(468,912)	654,580,299
Transfers		-	-	-	-	-	-	-	(49,397,250)	49,397,250	-	-	-
Total comprehensive income / (expense)		-	-	-	17,485,677	-	-	-	-	(28,756,483)	(11,270,806)	(408,330)	(11,679,136)
-Other comprehensive income (expense)		-	-	-	17,485,677	-	-	-	-	-	17,485,677	362,863	17,848,540
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	(28,756,483)	(28,756,483)	(771,193)	(29,527,676)
Balances at 31 March 2020	13	592,000,000	77,198,813	76,944	82,023,381	294,701,211	(23,594,600)	117,176,268	(467,047,129)	(28,756,483)	643,778,405	(877,242)	642,901,163

⁽¹⁾ 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.

⁽²⁾ In 2019, The transfer is subjected to the restricted reserves.

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
INTERIM PERIOD 1 JANUARY – 31 MARCH 2020**

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

	Note Reference	(Not Audited) Current period 1 January - 31 March 2020	(Not Audited) Prior Period 1 January - 31 March 2019
CASH FLOWS FROM OPERATING ACTIVITIES		(2,303,271)	(4,535,512)
Net profit (loss) for the period		(29,527,676)	(4,597,358)
Profit (loss) from continuing operations		(7,355,007)	(9,088,050)
Profit (loss) from discontinued operations		(22,172,669)	4,490,692
Adjustments to reconcile profit (loss) for the period		31,424,880	43,943,389
Adjustments related to depreciation and amortization expenses	8 9	4,086,955	8,484,371
Adjustments related to impairment / (reversal)			
Adjustments related to impairment (reversal) of receivables	5	721,905	1,764,039
Adjustments related to provision for impairment of inventories		480,297	116,737
Adjustments related to impairment (reversal) of investment property	7	54,362	-
Adjustments related to provision			
Adjustments related to (reversal) of provision for employment benefits	10 12	4,392,619	1,036,722
Adjustments related to litigation and legal provisions (reversal)	10	6,353,373	2,303,648
Adjustment related to general provisions (reversals)		(221,442)	75,061
Adjustment related to other provisions (reversals)		(961,839)	(536,254)
Adjustments related to interest (income) expense			
Adjustments related to interest income		(82,073)	(391,909)
Adjustments related to interest expense		4,846,937	7,135,446
Unearned finance income due to term purchases		6,084,768	6,503,068
Unearned finance expense due to term sales		(496,813)	(129,321)
Adjustments related to undistributed profits of investments accounted at equity method			
Adjustments related to undistributed profits of associates	6	971,758	1,020,398
Adjustments related to tax (income) expense		(1,725,941)	(1,096,469)
Adjustments regarding to (gain) loss on sale of fixed assets			
Adjustments related to (gain) loss on sale of tangible assets	15 16	(606,806)	(116,633)
Adjustments related to profit (loss) confirmation		7,526,820	17,774,485
Changes in working capital		(2,451,141)	(39,973,894)
Adjustments related to (increase) decrease in trade receivables			
(Increase) decrease in trade receivables from related parties		(24,227,898)	(24,021,839)
(Increase) decrease in trade receivables from third parties		3,225,897	(903,173)
Adjustments related to (increase) decrease in inventories		(344,652)	2,460,811
(Increase) decrease in prepaid expenses		(234,712)	(220,848)
Adjustments related to increase (decrease) in trade payables			
Increase (decrease) in trade payables to related parties		(6,769,143)	1,446,515
Increase (decrease) in trade payables to third parties		2,481,525	(5,618,815)
Increase (decrease) in payables related to employee benefits		6,589,554	5,222,068
Increase (decrease) in deferred income		(2,626,507)	(4,162,267)
Adjustments related to other increase (decrease) in working capital			
(Increase) decrease in other assets related to operating activities		22,657,215	(11,961,462)
Increase (decrease) in other liabilities related to operating activities		(3,202,420)	(2,214,884)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
INTERIM PERIOD 1 JANUARY – 31 MARCH 2020**

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

	Note Reference	(Not Audited) Current period 1 January - 31 March 2020	(Not Audited) Prior Period 1 January - 31 March 2019
Cash generated from operations		(553,937)	(627,863)
Employment benefits paid	10 12	(1,814,588)	(3,408,269)
Payments related to other provisions	10	(19,311)	(544,508)
Taxes returns (payments)	18	(169,198)	(597,020)
Other cash inflows (outflows)		253,763	642,148
CASH FLOWS FROM INVESTING ACTIVITIES		365,434	(16,883,581)
Cash inflows from sale of tangible and intangible assets	8 9	831,863	128,567
Cash outflows from purchase of tangible and intangible assets			
Cash outflows from purchases of tangible assets	8	(1,218,772)	(19,741,829)
Cash outflows from purchases of intangible assets	9	(760,720)	(30,001)
Cash inflows from sale of investment property	7	1,430,990	3,550,000
Cash outflows from purchases of investment property	7	-	(1,182,227)
Interests received		82,073	391,909
CASH FLOWS FROM FINANCING ACTIVITIES		(12,409,290)	(5,435,837)
Cash outflow from rent agreements		(7,526,821)	(1,164,298)
Interests paid	17	(4,846,937)	(4,271,539)
Other cash inflows (outflows)		(35,532)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES		(14,347,127)	(26,854,930)
Effects of currency translation rate changes on cash and cash equivalents		12,705,716	(13,422,282)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,641,411)	(40,277,212)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		14,156,497	56,867,896
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		12,515,086	16,590,684

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