

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

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

	Note	(Reviewed) Current Period	(Audited) Prior Period
	references	30 June 2020	31 December 2019
ASSETS			
Current Assets			
Cash and cash equivalents		6,578,442	14,156,497
Financial investments		104,015	68,478
Trade receivables			
-Trade receivables from related parties	20	137,517,940	91,340,933
-Trade receivables from non-related parties	5	56,457,894	76,040,408
Other receivables			
-Other receivables from related parties	20	47,340,337	80,876,536
-Other receivables from non-related parties		1,052,374	3,783,770
Inventories		14,920,586	15,964,915
Prepaid expenses		8,096,013	8,153,511
Other current assets		1,823,553	1,733,242
Total Current Asset		273,891,154	292,118,290
Non-current Assets			
Financial investments		313,923	313,923
Other receivables			
-Other receivables from non-related parties		8,560,508	7,829,659
Financial investments accounted for using the equity method	6	-	2,693,603
Investment properties	7	133,059,022	133,364,011
Tangible assets	8	448,841,819	444,901,907
Intangible assets			
-Other intangible assets	9	12,516,520	13,086,985
Deferred tax asset	18	1,803,522	2,321,912
Other non-current assets		277,705	277,705
Total Non-current Assets		605,373,019	604,789,705
Total Assets		879,264,173	896,907,995

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

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	Note references	(Reviewed) Current Period 30 June 2020	(Audited) Prior Period 31 December 2019
LIABILITIES			
Current Liabilities			
Short-term lease liability	4		
-Lease payables to related parties		3,678,679	3,678,679
-Lease payables to others		1,304,192	2,617,539
Short-term portion of long-term borrowings	4	13,065,782	11,713,065
Trade payables			
-Trade payables to related parties	20	22,588,810	23,320,504
-Trade payables to non-related parties	5	43,599,610	36,895,749
Employee benefit payables		11,818,249	3,121,129
Other payables			
-Other payables to non-related parties		11,329,019	4,808,536
Deferred income		10,016,179	10,716,689
Current income tax liabilities	18	179,324	169,198
Short-term provisions			
-Short-term provisions for employment benefits	10	23,244,136	17,148,260
-Other short-term provisions	10	17,069,123	9,092,050
Other short-term liabilities		14,802,620	24,689,718
Total Current Liabilities		172,695,723	147,971,116
Non-current liabilities			
Long-term lease liabilities			
-Lease payables to related parties		10,958,510	11,419,997
-Lease payables to others		423,027	578,583
Deferred income		608,753	195,105
Long-term provisions			
-Long-term provisions for employment benefits	12	55,793,821	52,358,307
Deferred tax liability	18	26,737,192	29,804,588
Total Non-Current Liabilities		94,521,303	94,356,580
Total Liabilities		267,217,026	242,327,696

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

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

	Note references	(Reviewed) Current Period 30 June 2020	(Audited) Prior Period 31 December 2019
EQUITY			
Total Equity		612,047,147	654,580,299
Equity attributable to Equity holders of the parent company		613,362,140	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 remeasurement			
- 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	69,582,969	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		(46,732,336)	(49,397,250)
Non-controlling interests		(1,314,993)	(468,912)
Total Liabilities and Equity		879,264,173	896,907,995

These condensed consolidated interim financial statements as at and for the period ended 30 June 2020 were approved by the Board of Directors on 18 August 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- 30 JUNE 2020**

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

	Note references	(Reviewed) Current Period 1 January - 30 June 2020	(Not Reviewed) Current Period 1 April - 30 June 2020	(Reviewed) Prior Period 1 January - 30 June 2020	(Not Reviewed) Prior Period 1 April - 30 June 2020
Sales	14	145,304,482	62,440,155	185,762,167	91,345,099
Cost of sales (-)	14	(143,487,776)	(71,924,400)	(160,208,813)	(81,070,799)
Gross profit (loss)		1,816,706	(9,484,245)	25,553,354	10,274,300
General administrative expenses (-)		(37,690,653)	(18,728,297)	(38,060,143)	(18,113,266)
Marketing expenses (-)		(28,415,446)	(14,368,284)	(30,159,784)	(13,944,383)
Other operating income		52,448,257	27,389,886	32,735,338	18,575,512
Other operating expenses (-)		(16,844,171)	(9,065,357)	(19,035,886)	(13,004,396)
Operating profit (loss)		(28,685,307)	(24,256,297)	(28,967,121)	(16,212,233)
Share of (gain) loss of investments accounted by the equity method	6	(2,882,401)	(1,910,643)	(2,504,362)	(1,483,964)
Income from investing activities	15	2,065,075	466,298	13,858,259	2,682,230
Expenses from investing activities (-)	16	(445,569)	(251,398)	(345,526)	(192,594)
Operating profit (loss) before finance income(expense)		(29,948,202)	(25,952,040)	(17,958,750)	(15,206,561)
Finance expenses (-)	17	(9,410,942)	(4,326,156)	(14,827,279)	(7,394,949)
Profit (loss) before tax from continuing operations		(39,359,144)	(30,278,196)	(32,786,029)	(22,601,510)
Tax income (expense) of continuing operations	18	3,869,778	2,143,837	2,679,876	1,583,407
Current tax income (expense)	18	(179,324)	(100,890)	(393,435)	(256,446)
Deferred tax income (expense)	18	4,049,102	2,244,727	3,073,311	1,839,853
Profit (loss) for the period from continuing operations		(35,489,366)	(28,134,359)	(30,106,153)	(21,018,103)
Profit (loss) for the period from discontinued operations		(11,949,722)	10,222,947	5,204,605	713,913
Net profit (loss) for the period		(47,439,088)	(17,911,412)	(24,901,548)	(20,304,190)
Allocation of net profit (loss) for the period					
Attributable to non-controlling interests		(706,752)	64,441	122,221	77,670
Attributable to equity holders of the parent company		(46,732,336)	(17,975,853)	(25,023,769)	(20,381,860)
Loss per share (TRY)					
Attributable to shareholders of the parent company (Loses)		(0.0789)	(0.0304)	(0.0423)	(0.0344)

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 OTHER COMPREHENSIVE
INCOME FOR THE INTERIM PERIOD 1 JANUARY- 30 JUNE 2020**

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

Note references	(Reviewed) Current Period 1 January - 30 June 2020	(Not Reviewed) Current Period 1 April - 30 June 2020	(Reviewed) Prior Period 1 January - 30 June 2020	(Not Reviewed) Prior Period 1 April - 30 June 2020
Other comprehensive income statement				
Net profit (loss) for the period	(47,439,088)	(17,911,412)	(24,901,548)	(20,304,190)
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	4,905,936	(12,942,604)	(12,140,518)	(3,939,086)
Other comprehensive income (expense)	4,905,936	(12,942,604)	(12,140,518)	(3,939,086)
Total comprehensive income (expense)	(42,533,152)	(30,854,016)	(37,042,066)	(24,243,276)
Allocation of total comprehensive				
Income (expense)				
Attributable to non-controlling interests	(846,081)	(437,751)	(339,277)	(57,107)
Attributable to shareholders of the parent company	(41,687,071)	(30,416,265)	(36,702,789)	(24,186,169)

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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 JUNE 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 shareholders		Non-controlling interests	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	of the parent company			
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)		-	-	-	(11,679,020)	-	-	-	-	(25,023,769)	(36,702,789)	(339,277)	(37,042,066)	
-Other comprehensive income (expense)		-	-	-	(11,679,020)	-	-	-	-	-	(11,679,020)	(461,498)	(12,140,518)	
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	(25,023,769)	(25,023,769)	122,221	(24,901,548)	
Balances at 30 June 2019	13	592,000,000	77,198,813	76,944	68,695,507	212,241,738	(21,093,944)	116,833,222	(417,649,877)	(25,023,769)	603,278,634	(157,141)	603,121,493	
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)		-	-	-	5,045,265	-	-	-	-	(46,732,336)	(41,687,071)	(846,081)	(42,533,152)	
-Other comprehensive income (expense)		-	-	-	5,045,265	-	-	-	-	-	5,045,265	(139,329)	4,905,936	
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	(46,732,336)	(46,732,336)	(706,752)	(47,439,088)	
Balances at 30 June 2020	13	592,000,000	77,198,813	76,944	69,582,969	294,701,211	(23,594,600)	117,176,268	(467,047,129)	(46,732,336)	613,362,140	(1,314,993)	612,047,147	

⁽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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HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
INTERIM PERIOD 1 JANUARY – 30 JUNE 2020**

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

	Note Reference	(Reviewed) 1 January - 30 June 2020	(Reviewed) 1 January - 30 June 2020
CASH FLOWS FROM OPERATING ACTIVITIES		8,059,964	(17,499,898)
Net profit (loss) for the period		(47,439,088)	(24,901,548)
Profit (loss) from continuing operations		(35,489,366)	(30,106,153)
Profit (loss) from discontinued operations		(11,949,722)	5,204,605
Adjustments to reconcile profit (loss) for the period		54,128,474	43,347,096
Adjustments related to depreciation and amortization expenses	8, 9	7,746,494	16,696,343
Adjustments related to impairment / (reversal)			
Adjustments related to impairment (reversal) of receivables	5	2,342,657	3,356,831
Adjustments related to provision for impairment of inventories		635,755	539,870
Adjustments related to impairment (reversal) of investment property	7	304,989	-
Adjustments related to provision			
Adjustments related to (reversal) of provision for employment benefits	10, 12	11,886,507	6,349,409
Adjustments related to litigation and legal provisions (reversal)	10	8,539,687	2,737,696
Adjustment related to general provisions (reversals)		(111,686)	371,712
Adjustment related to other provisions (reversals)		(439,192)	1,076,591
Adjustments related to interest (income) expense			
Adjustments related to interest income		(118,468)	(600,887)
Adjustments related to interest expense	17	8,209,751	7,352,808
Deferred Financial Expense from Credit Purchases		12,704,865	(14,761,908)
Unearned Financial Income from Credit Sales		(931,319)	288,084
Adjustments related to undistributed profits of investments accounted at equity method			
Adjustments related to undistributed profits of associates	6	2,882,401	2,504,362
Adjustments related to tax (income) expense	18	(3,869,778)	(2,679,876)
Adjustments related to (gain) loss on sale of tangible assets	8,9	-	7,949
Adjustments related to profit (loss) confirmation		4,345,811	20,108,112
Changes in working capital		3,883,722	(31,349,862)
Adjustments related to (increase) decrease in trade receivables			
(Increase) decrease in trade receivables from related parties		(46,177,007)	(23,582,600)
(Increase) decrease in trade receivables from third parties		4,889,830	19,099,689
Adjustments related to (increase) decrease in inventories		581,546	645,946
(Increase) decrease in prepaid expenses		57,498	(1,302,019)
Adjustments related to increase (decrease) in trade payables			
Increase (decrease) in trade payables to related parties		(731,694)	3,267,276
Increase (decrease) in trade payables to third parties		6,703,861	(8,136,785)
Increase (decrease) in payables related to employee benefits		8,697,120	2,162,173
Increase (decrease) in deferred income		(286,862)	(5,027,418)
Adjustments related to other increase (decrease) in working capital			
(Increase) decrease in other assets related to operating activities		35,446,436	(14,292,906)
Increase (decrease) in other liabilities related to operating activities		(5,297,006)	(4,183,218)

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INTERIM PERIOD 1 JANUARY – 30 JUNE 2020**

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

	Note Reference	(Reviewed) 1 January - 30 June 2020	(Reviewed) 1 January - 30 June 2020
Cash generated from operations		10,573,108	(12,904,314)
Employment benefits paid	10, 12	(2,588,515)	(4,242,945)
Payments related to other provisions	10	(18,501)	(359,000)
Taxes returns (payments)	18	(169,198)	(908,175)
Other cash inflows (outflows)	5	263,070	914,536
CASH FLOWS FROM INVESTING ACTIVITIES		(1,368,689)	1,010,901
Cash inflows from sale of tangible and intangible assets	8, 9	25,115	95,303
Cash outflows from purchase of tangible and intangible assets			
Cash outflows from purchases of tangible assets	8	(1,512,272)	(2,759,062)
Cash outflows from purchases of intangible assets	9	-	-
Cash inflows from sale of investment property	7	-	4,254,764
Cash outflows from purchases of investment property	7	-	(1,180,991)
Interests received		118,468	600,887
CASH FLOWS FROM FINANCING ACTIVITIES		(12,591,099)	(17,334,747)
Cash outflow from rent agreements		(4,345,811)	(2,111,479)
Cash outflow related to payments of debt bank borrowings paid		-	(7,869,471)
Interests paid	17	(8,209,751)	(7,352,808)
Other cash inflows (outflows)		(35,537)	(989)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES		(5,899,824)	(33,823,744)
Effects of currency translation rate changes on cash and cash equivalents		(1,678,231)	(13,893,378)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(7,578,055)	(47,717,122)
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		6,578,442	9,150,774

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