



PUBLIC DISCLOSURE PLATFORM

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş. Report on Application of the Funds Obtained - To Be Obtained from Capital Increase

Summary Information

Fund Application Report





Report on Application of the Funds Obtained/To Be Obtained from Capital Increase

Relevant Companies []

Relevant Funds []

Report on Application of the Funds Obtained/To Be Obtained from Capital Increase	
Is the Disclosure an Update?	Yes
Is the Disclosure a Correction?	No
Date of the Previous Disclosure Made on the Subject	22.05.2019
Disclosure Content	
Disclosures	

The second report of the Audit Committee regarding the purpose of application of the funds to be obtained from the Capital Increase is annexed to this report.

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

AUDIT COMMITTEE REPORT ON THE PURPOSE OF APPLICATION OF THE FUNDS TO BE OBTAINED FROM THE CAPITAL INCREASE

Purpose of the Report

Pursuant to article 33 of the Communiqué on Shares No. VII-128.1 (“Communiqué”) issued by the Capital Markets Board (“CMB”), regarding the purpose of application of the funds obtained from capital increase through capital subscription method, made by public companies the shares of which are traded on the stock exchange;

It is mandatory that the Audit Committee prepares a report and publishes it on the Public Disclosure Platform and the Company's website within ten business days following the announcement of the first two financial statements, including the results of the capital increase which has been publicly disclosed.

Our Company's Financial Statements and Footnotes for the Interim Fiscal Period from 01.01.2019 to 31.03.2019 were announced on the Public Disclosure Platform on 09.05.2019.

This report is issued by the Audit Committee within the period prescribed as per the above-mentioned provision of the Communiqué, in order to check and evaluate whether the funds obtained from the capital increase complies with the issues specified in the report regarding the areas of application of the funds approved in the annex of our Company's resolution of the Board of Directors dated 19/11/2018 and numbered 2018/51.

The capital movements of the Company subject to the report are as follows;

Paid-in Capital Before the Capital Increase	: TL 552.000.000
Capital Increase Amount (All in cash)	: TL 40.000.000
Paid-in Capital After the Capital Increase	: TL 592.000.000

Application of the Funds obtained from the capital increase:

The transactions regarding the increase of the issued capital of TL 552.000.000 to TL 592.000.000 by the amount of TL 40.000.000 (%7.24 by capital subscription), to be fully covered in cash, in accordance with the resolution of the Board of Directors of our Company dated 19.11.2018 and numbered 2018/50 were completed as of 03.01.2019, and the new version of Article 6 titled “Capital Increase” of the Company's articles of association showing the Company's issued capital of TL 592.000.000 was registered on 15.01.2019 and published in the Turkish Trade Registry Gazette's Issue No. 9749 dated 21.01.2019.

The increased capital of our Company of TL 552.000.000 (Five Hundred and Fifty Two Million Turkish Liras), within our Company's registered capital upper limit of TL 800,000,000 (Eight Hundred Million Turkish Liras), divided into 552,000,000 (Five Hundred and Fifty Two Million) shares, each with a nominal value of TL 1,00, is increased by TL 40,000,000 (Forty Million Turkish Liras) (by 7.24%), to TL 592,000,000 (Five Hundred and Ninety Two Million Turkish Liras) to be fully covered in cash (by capital subscription).

Pursuant to article 33 of the Communiqué on Shares (“Communiqué”) issued by the Capital Markets Board (“CMB”) regulating the disclosures to be made regarding the application of the funds generated from capital increase realized through capital subscription; it is mandatory that a report is issued explaining the purposes of application of the funds to be obtained from capital increase through capital subscription to be performed by public companies the shares of which are traded in the stock exchange, and that this report is resolved on by the Board of Directors and is submitted in the application to be made to CMB for the approval of the offering circular or the certificate of issuance, and is disclosed to the public.

The Report, which is prepared by the Board of Directors of our Company within the scope of the above-mentioned mandatory provision of the Communiqué, was approved by the Resolution of Board of Directors no. 2018/51, dated 19/11/2018 and announced on the Public Disclosure Platform as of the same date.

It was stated in the Report that TL 29,866,500 constituting % 75 of the estimated amount of the funds to be obtained from capital increase is planned to be applied for enhancing the operating capital of our Company and the remaining portion of the funds to be obtained shall be applied for the minimization of the financing costs of our Company, enhancing the collateral structure and cash flow of our Company and for ensuring that the Company operations are conducted more smoothly.

In this context, the first report of the Audit Committee, regarding the purposes for which the funds obtained from the capital increase through capital subscription method will be used, was published on the Company's website and the Public Disclosure Platform on 22.05.2019, by taking into consideration the usages as of 31.03.2019. As it has been announced to the public and our investors within the scope of the Relevant Report, the portion in the total amount of TL 37.904.337.23 was applied for the supplier and debt payments, as detailed in the relevant report, within the interim period of 01.01.2019-31.03.2019, as of 16.01.2019 which is the date on which the capital increase amount was received in the accounts of our Company.

The remaining TL 2.095.662.77 of the capital increase amount was applied to make supplier payments which are important for the Company's operating capital, within the interim fiscal period from 01.04.2019 to 30.06.2019.

Respectfully submitted to the information of
the public and our investors. 27.08.2019

Best regards,

Chairman of the Audit Committee Alaattin AYKAÇ	Audit Committee Member Orhan KIRCA
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