

**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 31 MARCH 2021**

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

	Note	(Not Audited) Current Period	(Audited) Prior Period
	references	31 March 2021	31 December 2020
ASSETS			
Current Assets			
Cash and cash equivalents		10,727,003	4,591,178
Financial investments		106,549	104,565
Trade receivables			
-Trade receivables from related parties	19	172,451,820	169,376,055
-Trade receivables from non-related parties	5	47,362,946	53,441,846
Other receivables			
-Other receivables from related parties	19	-	8,328,313
-Other receivables from non-related parties		2,246,736	2,821,212
Inventories		18,042,934	17,577,262
Prepaid expenses		11,287,856	9,780,244
Other current assets		1,480,761	1,381,682
Total Current Asset		263,706,605	267,402,357
Non-current Assets			
Financial investments		313,923	313,923
Other receivables			
-Other receivables from non-related parties		10,293,429	9,604,087
Investment properties	6	157,671,359	156,248,359
Tangible assets	7	519,543,075	517,444,015
Intangible assets			
-Other intangible assets	8	11,428,011	11,445,797
Deferred tax asset	17	2,008,382	2,044,037
Other non-current assets		521,600	260,800
Total Non-current Assets		701,779,779	697,361,018
Total Assets		965,486,384	964,763,375

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

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	Note	(Not Audited) Current Period	(Audited) Prior Period
	references	31 March 2021	31 December 2020
LIABILITIES			
Current Liabilities			
Short-term lease liability			
-Lease payables to related parties	4	2,184,316	2,184,316
-Lease payables to others	4	3,338,402	3,480,863
Trade payables			
-Trade payables to related parties	19	91,499,929	74,509,525
-Trade payables to non-related parties	5	55,910,569	59,163,429
Employee benefit payables		12,455,657	6,883,329
Other payables			
-Other payables to non-related parties		6,553,088	5,422,700
Deferred income		4,857,509	6,353,389
Current income tax liabilities	17	91,759	305,755
Short-term provisions			
-Short-term provisions for employment benefits	9	34,685,551	31,590,195
-Other short-term provisions	9	16,536,958	17,051,578
Other short-term liabilities		12,159,021	12,340,127
Total Current Liabilities		240,272,759	219,285,206
Non-current liabilities			
Long-term lease liabilities			
-Lease payables to related parties	4	7,569,988	7,836,237
-Lease payables to others	4	4,557,507	5,184,568
Deferred income		1,206,056	1,034,238
Long-term provisions			
-Long-term provisions for employment benefits	11	58,456,540	57,141,651
Deferred tax liability	17	34,327,780	34,727,284
Total Non-Current Liabilities		106,117,871	105,923,978
Total Liabilities		346,390,630	325,209,184

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

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

	Note references	(Not Audited) Current Period 31 March 2021	(Audited) Prior Period 31 December 2020
EQUITY			
Total Equity		619,095,754	639,554,191
Equity attributable to Equity holders of the parent company		621,529,662	641,415,420
Share capital	12	592,000,000	592,000,000
Inflation adjustment to share capital	12	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	12	348,347,644	348,347,644
- Gain (loss) on remeasurement of defined benefit plans	12	(22,029,402)	(22,029,402)
Other comprehensive income and expenses that may be reclassified subsequently to profit or loss			
- Currency translation differences	12	69,603,792	76,554,966
Restricted reserves	12	117,176,268	117,176,268
Retained earnings/Accumulated deficit		(547,909,813)	(467,047,129)
Net profit (loss) for the period		(12,934,584)	(80,862,684)
Non-controlling interests		(2,433,908)	(1,861,229)
Total Liabilities and Equity		965,486,384	964,763,375

These condensed consolidated interim financial statements as at and for the period ended 31 March 2021 were approved by the Board of Directors on 10 May 2021.

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 2021**

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

	Note references	(Not Audited) Current Period 1 January - 31 March 2021	(Not Audited) Prior Period 1 January- 31 March 2020
Sales	13	79,368,838	82,864,327
Cost of sales (-)	13	(75,221,074)	(71,563,376)
Gross profit (loss)		4,147,764	11,300,951
General administrative expenses (-)		(22,533,510)	(18,962,356)
Marketing expenses (-)		(15,428,222)	(14,047,162)
Other operating income		31,328,487	25,058,371
Other operating expenses (-)		(7,863,628)	(7,778,814)
Operating profit (loss)		(10,349,109)	(4,429,010)
Share of (gain) loss of investments accounted by the equity method		-	(971,758)
Income from investing activities	14	1,350,334	1,598,777
Expenses from investing activities (-)	15	(71,755)	(194,171)
Operating profit (loss) before finance income(expense)		(9,070,530)	(3,996,162)
Finance expenses (-)	16	(2,005,495)	(5,084,786)
Profit (loss) before tax from continuing operations		(11,076,025)	(9,080,948)
Tax income (expense) of continuing operations		1,170,292	1,725,941
Current tax income (expense)	17	(91,759)	(78,434)
Deferred tax income (expense)	17	1,262,051	1,804,375
Profit (loss) for the period from continuing operations		(9,905,733)	(7,355,007)
Profit (loss) for the period from discontinued operations		(3,502,854)	(22,172,669)
Net profit (loss) for the period		(13,408,587)	(29,527,676)
Allocation of net profit (loss) for the period			
Attributable to non-controlling interests		(474,003)	(771,193)
Attributable to equity holders of the parent company		(12,934,584)	(28,756,483)
Loss per share (TRY)			
Attributable to shareholders of the parent company (Loses)		(0.0218)	(0.0486)

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- 31 MARCH 2021**

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

Note references	(Not Audited) Current Period 1 January - 31 March 2021	(Not Audited) Prior Period 1 January- 31 March 2020
Other comprehensive income statement		
Net profit (loss) for the period	(13,408,587)	(29,527,676)
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	(7,049,850)	17,848,540
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)	(7,049,850)	17,848,540
Total comprehensive income (expense)	(20,458,437)	(11,679,136)
Allocation of total comprehensive Income (expense)		
Attributable to non-controlling interests	(572,679)	(408,330)
Attributable to shareholders of the parent company	(19,885,758)	(11,270,806)

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

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 2021

(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		Other comprehensive Income (expense) that will not be subsequently Reclassified to		Accumulated Profits		Equity attributable to		Total equity
					Currency translation differences ⁽¹⁾	Gain (losses) on property revaluation	Gain (losses) on rereasurement 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 2020	12	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	12	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
Balances at 1 January 2021	12	592,000,000	77,198,813	76,944	76,554,966	348,347,644	(22,029,402)	117,176,268	(467,047,129)	(80,862,684)	641,415,420	(1,861,229)	639,554,191
Transfers		-	-	-	-	-	-	-	(80,862,684)	80,862,684	-	-	-
Total comprehensive income / (expense)		-	-	-	(6,951,174)	-	-	-	-	(12,934,584)	(19,885,758)	(572,679)	(20,458,437)
-Other comprehensive income (expense)		-	-	-	(6,951,174)	-	-	-	-	-	(6,951,174)	(98,676)	(7,049,850)
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	(12,934,584)	(12,934,584)	(474,003)	(13,408,587)
Balances at 31 March 2021	12	592,000,000	77,198,813	76,944	69,603,792	348,347,644	(22,029,402)	117,176,268	(547,909,813)	(12,934,584)	621,529,662	(2,433,908)	619,095,754

⁽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 2021**

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

	Note Reference	(Not Audited) 1 January - 31 March 2021	(Not Audited) 1 January - 31 March 2020
CASH FLOWS FROM OPERATING ACTIVITIES		26,572,762	(2,303,271)
Net profit (loss) for the period		(13,408,587)	(29,527,676)
Profit (loss) from continuing operations		(9,905,733)	(7,355,007)
Profit (loss) from discontinued operations		(3,502,854)	(22,172,669)
Adjustments to reconcile profit (loss) for the period		23,906,511	31,424,880
Adjustments related to depreciation and amortization expenses	7,8	3,823,845	4,086,955
Adjustments related to impairment / (reversal)			
Adjustments related to impairment (reversal) of receivables	5	878,916	721,905
Adjustments related to provision for impairment of inventories		29,754	480,297
Adjustments related to impairment (reversal) of investment property	6	(171,008)	54,362
Adjustments related to provision			
Adjustments related to (reversal) of provision for employment benefits	9,11	5,221,435	4,392,619
Adjustments related to litigation and legal provisions (reversal)	9	488,000	6,353,373
Adjustment related to general provisions (reversals)		(205,384)	(221,442)
Adjustment related to other provisions (reversals)		(784,452)	(961,839)
Adjustments related to interest (income) expense			
Adjustments related to interest income		(55,888)	(82,073)
Adjustments related to interest expense		2,067,132	4,846,937
Deferred Financial Expense from Credit Purchases		(2,062,113)	(496,813)
Unearned Financial Income from Credit Sales		8,346,221	6,084,768
Adjustments related to undistributed profits of investments accounted at equity method			
Adjustments related to undistributed profits of associates		-	971,758
Adjustments related to tax (income) expense		(1,170,292)	(1,725,941)
Adjustments related to undistributed profits of associates	14,15	(26,475)	(606,806)
Adjustments related to profit (loss) confirmation		7,526,820	7,526,820
Changes in working capital		17,061,997	(2,451,141)
Adjustments related to (increase) decrease in trade receivables			
(Increase) decrease in trade receivables from related parties		(3,075,765)	(24,227,898)
(Increase) decrease in trade receivables from third parties		(3,750,968)	3,225,897
Adjustments related to (increase) decrease in inventories		(477,546)	(344,652)
(Increase) decrease in prepaid expenses		(1,507,612)	(234,712)
Adjustments related to increase (decrease) in trade payables			
Increase (decrease) in trade payables to related parties		16,990,404	(6,769,143)
Increase (decrease) in trade payables to third parties		(3,252,860)	2,481,525
Increase (decrease) in payables related to employee benefits		5,572,328	6,589,554
Increase (decrease) in deferred income		(1,324,062)	(2,626,507)
Adjustments related to other increase (decrease) in working capital			
(Increase) decrease in other assets related to operating activities		7,854,493	22,657,215
Increase (decrease) in other liabilities related to operating activities		33,585	(3,202,420)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
INTERIM PERIOD 1 JANUARY – 31 MARCH 2021**

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

	Note Reference	(Not Audited) 1 January - 31 March 2021	(Not Audited) 1 January - 31 March 2020
Cash generated from operations		27,559,921	(553,937)
Employment benefits paid	9,11	(932,188)	(1,814,588)
Payments related to other provisions	9	(12,998)	(19,311)
Taxes returns (payments)	17	(305,755)	(169,198)
Other cash inflows (outflows)		263,782	253,763
CASH FLOWS FROM INVESTING ACTIVITIES		(213,376)	365,434
Cash inflows from sale of tangible and intangible assets	7,8,14	26,475	831,863
Cash outflows from purchase of tangible and intangible assets			
Cash outflows from purchases of tangible assets	7	(195,739)	(1,218,772)
Cash outflows from purchases of intangible assets	8	(100,000)	(760,720)
Cash inflows from sale of investment property	6	-	1,430,990
Interests received		55,888	82,073
CASH FLOWS FROM FINANCING ACTIVITIES		(9,595,937)	(12,409,290)
Cash outflow from rent agreements		(7,526,821)	(7,526,821)
Interests paid	16	(2,067,132)	(4,846,937)
Other cash inflows (outflows)		(1,984)	(35,532)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES		16,763,449	(14,347,127)
Effects of currency translation rate changes on cash and cash equivalents		(10,627,624)	12,705,716
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		6,135,825	(1,641,411)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		4,591,178	14,156,497
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		10,727,003	12,515,086

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