

Hürriyet

Gazetecilik ve
Matbaacılık A.Ş.

January 01 - December 31 2021

Board of Directors
Annual Report

MARCH | 2022

Hürriyet

D DEMİRÖREN MEDYA



INDEPENDENT AUDIT REPORT ON THE ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Hürriyet Gazetecilik ve Matbaacılık A.Ş.

1. Opinion

We have audited the annual activity report for the accounting period from January 01 to December 31, 2021, of Hürriyet Gazetecilik ve Matbaacılık A.Ş. (the "Company") and its subsidiaries (all together to be referred to as the "Group").

In our opinion, the financial data contained in the annual report of the board of directors and the examinations made by the Board of Directors by using the information contained in the audited financial statements on the condition of the Group, are, in all their important aspects, consistent with the full set of audited financial statements and the data that we have obtained during the independent audit, and they reflect the truth.

2. Basis of our Opinion

The independent audit we performed was carried out in accordance with the Independent Auditing Standards ("BDS"), which are a part of Turkish Auditing Standards issued by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"), and with the independent auditing standards issued by the Capital Markets Board. Our responsibilities within the scope of these standards are explained in detail in the section of *Responsibilities of Independent Auditor for the Independent Audit of Annual Activity Report*. We hereby represent that, we are independent from the Company in accordance with the *Ethical Codes of Conduct for Independent Auditors* which was published by KGK (Ethical Codes of Conduct), and with the ethical provisions contained in the relevant legislation for independent audit. Ethical Codes of Conduct and other ethical responsibilities within the scope of the legislation have as well been fulfilled. We believe that the independent audit evidence that we collected during the independent audit process constituted a sufficient and proper base for us to reach a conclusion.

3. Our Auditor's Opinion in Respect of Full Set of Financial Statements

We have expressed an affirmative opinion in our auditor's report dated March 08, 2022 on the full set of financial statements of the Group for the accounting period from January 1 to December 31, 2021.

4. Responsibility of the Board of Directors for the Annual Activity Report

In accordance with Articles 514 and 516 of Turkish Commercial Code no. 6102 and the provisions of the Communiqué on Principles of Financial Reporting in Capital Markets NO. II-14.1 of CMB (the "Communiqué"), the Group management is responsible for the following particularities in relation to the annual activity report:

- a) It shall prepare the annual activity report and submit it to the general assembly, within the first three months following the balance sheet date.
- b) It shall prepare the annual activity report in a way to reflect the Group's activities for that year as well as its financial standing in all aspects, correctly, completely, straightforward, realistically and honestly. In this report, the financial standing shall be considered in accordance with the financial statements. The report shall also expressly point out the Group's development as well as the risks that it might possibly be faced with. Assessment of the Board of Directors relating to these issues shall also be included in the report.

4. Responsibility of the Board of Directors for the Annual Activity Report (continued)

c) The activity report shall also include the following:

- Important events occurred in the company after the end of the activity year,
- The company's research and development practices,
- Financial benefits such as salaries, premiums, bonuses and dividends, allowances, travel, accommodation and representation expenses and benefits in kind and in cash, insurances and similar allowances provided to board members and senior executives.

While preparing the activity report, the board of directors shall also take into account secondary legislative regulations issued by the Ministry of Trade and the relevant institutions.

5. Responsibility of Independent Auditor for the Independent Audit of Annual Activity Report

Our purpose is to provide an opinion within the framework of the provisions of the TCC and the Communiqué, on whether the financial data contained in the annual report of the board of directors and the examinations made by the Board of Directors by using the information contained in the audited financial statements on the condition of the Group, are consistent with the Group's audited financial statements and the data that we have obtained during the independent audit, and on whether they reflect the truth, and to issue a report containing this opinion of us.

The independent audit that we conducted, was conducted in accordance with BDS and with the independent auditing standards issued by the Capital Markets Board. These standards require compliance with ethical principles, and that the independent audit is planned and performed to obtain reasonable assurance on whether the financial data contained in the annual report and the examinations made by the Board of Directors by using the information contained in the audited financial statements on the condition of the Group, are consistent with the Group's audited financial statements and the data that we have obtained during the independent audit, and on whether they reflect the truth.

The auditor in charge who conducted and finalized this independent audit is Veysel EKMEN.

Istanbul, March 08, 2022

VİZYON GRUP BAĞIMSIZ DENETİM A.Ş.

Member, MGI Worldwide

Veysel EKMEN, Certified Public Accountant, Auditor in Charge

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“This Activity Report was drawn up under article 8 of the “Communiqué no II - -14.1 on Principles for Financial Reporting in Capital Market” of the Capital Markets Board (“CMB”), which entered into force by being published on the Official Gazette no. 28676, dated 13.06.2013; and it is aimed at assessing and informing our investors of our Company’s activities as of our Company’s accounting period from 01.01.2021 to -31.12.2021.”

1. GENERAL INFORMATION

1.A. Accounting Period to Which the Report is Related

This Activity Report is in respect of the activities of the accounting period from 01.01.2021 to -31.12.2021.

1.B. Company's Trade Name, Trade Registration Number, and Contact Details of its Head Office and Branches



Trade Name:	Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet" or the "Company")
Trade Registry Office:	Istanbul Chamber of Commerce
Trade Registration Number:	78044/19200
Address:	Demirören Medya Center 100. Yıl Mah. 2264. Sokak No:1 34218 Bağcılar Istanbul/Turkey
Phone:	0 (212) 677 00 00
Fax:	0 (212) 677 09 58
Corporate Website:	http://www.hurriyetkurumsal.com
Email:	yatirimciiliskileri@hurriyet.com.tr

**1.B. Company's Trade Name, Trade Registration Number, and Contact Details of its Head Office and Branches
(Continued)**

PRINTING FACILITIES IN TURKEY

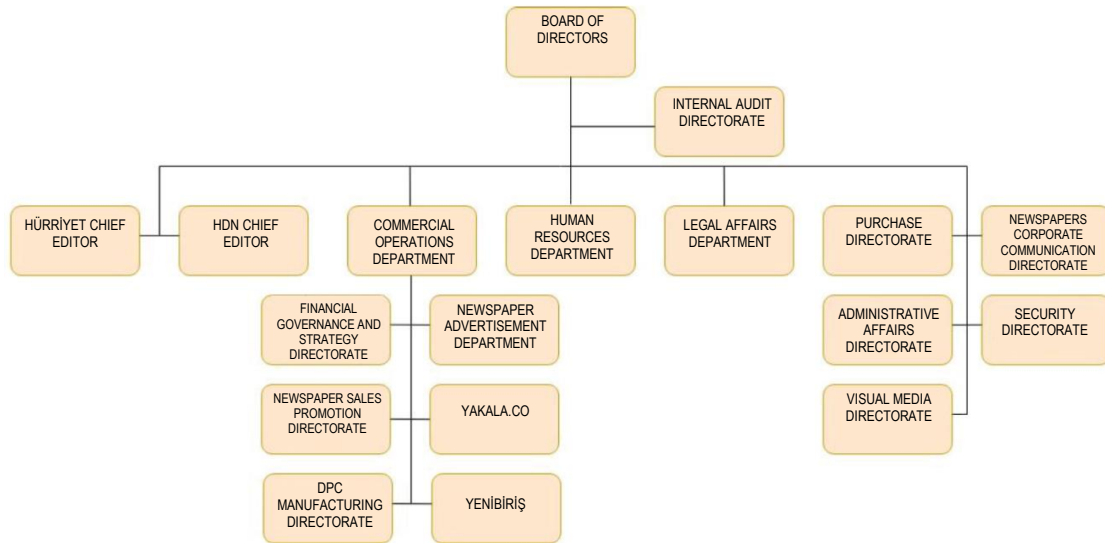


Printing Facilities, Regional Offices		Phone
Istanbul (Head Office)	Demirören Medya Center, 100. Yıl Mahallesi , 2264. Sokak No:1 Bağcılar/Istanbul	0 212 6770000
Istanbul Printing Facility (DPC)	Sanayi Mahallesi, 1650 Sokak, No:2 Demirören Medya Tesisleri 34850 Esenyurt/Istanbul	0 212 6222800
Ankara Printing Facility (DPC)	Osmangazi Mahallesi, Özal Bulvarı, No:120, Esenboğa Yolu Üzeri 15. Km 06150 Sarayköy Pursaklar/Ankara	0 312 3069100
Ankara Regional Office	Söğütözü Mah. 2185. Cadde, No:14 Çankaya/ANKARA	0 312 2070000
Izmir Regional Office	Umur Bey Mahallesi, Şehitler Cad. No:16/1 35230 Alsancak/Izmir	0 232 4886500
Izmir Printing Facility (DPC)	Fatih Mahallesi Ege Cad. No: 36 35414 Gaziemir Sarnıç/Izmir	0 232 2982200
Bursa Regional Office	Odunluk Mahallesi Akpınar Caddesi Green White Plaza No:5 Kat:6 D:16 Nilüfer/Bursa	0224 2500252
Adana Printing Facility (DPC) Regional Office	Yenidoğan Mahallesi Girne Bulvarı No:275/A Adana-Ceyhan Karayolu 5. Km. 01260 Yüreğir/Adana	0 322 3461600
Antalya Printing Facility (DPC) Regional Office	Yenigöl Mah., Serik Cad., No:80 Havalimanı Yolu 8. Km 07300 Muratpaşa/Antalya	0 242 3403838
Trabzon Printing Facility (DPC) Regional Office	Nuroğlu Mah. Organize Sanayi Bölgesi, 10. Cad, No:1 Arsin Yolu 61900 Arsin/Trabzon	0 462 7112500
Frankfurt Printing Facility	An Der Brücke 20-22 D-64546 Mörfelden - Walldorf Frankfurt / Deutschland	496105327130

1.C. Organizational Structure and Capital and Shareholding Structure of the Company, and Changes in the Accounting Period in Relation to Capital and Shareholding Structure

1.C.1 Organizational Structure of the Company

Organizational structure of the Company as of December 31, 2021 is as outlined below:



1.C.2 Capital and Shareholding Structure

As of December 31, 2021, the Company's registered capital ceiling is 800,000,000 Turkish Liras, and its issued capital is 592,000,000 Turkish Liras.

As per the resolution no 21/655 of the CMB dated July 23, 2010, which was amended by the resolution no 31/1059 dated October 30, 2014, according to the entries of the Central Securities Depository of Turkey ("MKK"); as of December 31, 2021, shares corresponding to 20.82% of the capital of Hürriyet (December 31, 2020: 20.82%) are regarded to be in circulation.

Shares are traded in Borsa İstanbul A.Ş. with the transaction symbol of HURGZ.

Shareholder	31.12.2021 (Turkish Lira)	Share (%)	31.12.2020 (Turkish Lira)	Share (%)
Demirören Medya Yatırımları Ticaret A.Ş.	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
Total	592,000,000	100.00	592,000,000	100.00

1.D. Explanations in Relation to Preference Shares and Voting Rights Attached to Shares

Each share in the Company has one voting right. No upper limit is set for the voting right of any shareholder. Implementations making it difficult to exercise the voting right are avoided; and each shareholder is given the opportunity to exercise its voting right in the easiest and most convenient manner. No preference is granted on the Company's shares.

1.E. Company's Direct or Indirect Affiliates and their Share Percentages

Subsidiaries

Subsidiaries and their share percentages, as of December 31, 2021 and December 31, 2020, are shown below.

	Subsidiaries	Voting rights of Hürriyet and its Subsidiaries (%)		Active shareholding percentages (%)	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
1	Yenibiriş	100	100	100	100
2	Hürriyet Zweigniederlassung	100	100	100	100
3	Hürriyet Invest B.V. ⁽⁵⁾	100	100	100	100
4	TME ⁽¹⁾	97.29	97.29	97.29	97.29
5	SporArena	100	100	100	100
6	ID Impress Media LLC ⁽²⁾	91	91	88.53	88.53
7	Mirabridge International B.V.	100	100	97.29	97.29
8	OOO Pronto Samara	100	100	97.29	97.29
9	OOO Rukom ⁽³⁾	100	100	97.29	97.29
10	OOO Pronto Media Holding Ltd	100	100	97.29	97.29
11	OOO SP Belpronto	60	60	58.37	58.37
12	OOO Rektcentr ⁽⁴⁾	100	100	97.29	97.29
13	Publishing House Pennsylvania Inc	100	100	97.29	97.29
14	Publishing International Holding BV	100	100	97.29	97.29

⁽¹⁾ The relevant subsidiary was removed from London Stock Exchange list as of January 2, 2020.

⁽²⁾ The relevant subsidiary entered into the process of bankruptcy as of August 9, 2021.

⁽³⁾ The relevant subsidiary was liquidated as of February 3, 2022.

⁽⁴⁾ The liquidation process of the relevant subsidiary was completed on July 14, 2020.

⁽⁵⁾ With the resolution of the board of directors of the Company's Management, dated November 9, 2021 and numbered 18, it was resolved to add the receivable regarding the subsidiary Hürriyet Invest B.V., corresponding to a total of TL 183,775,066, to the capital of the subsidiary.

Affiliates	Direct and indirect shares owned by Hürriyet and its Subsidiaries (%)	Direct and indirect shares owned by Hürriyet and its Subsidiaries (%)
	31.12.2021	31.12.2020
Demirören Media International GmbH ("Demirören Media") ^(*)	42.42	42.42

1.F. Information on the Company's Own Shares Acquired by Itself

The Company has not acquired any of its own shares in the accounting period from 01.01.2021 to -31.12.2021.

1.G. Information on the Management Body, Senior Managers and the Number of Personnel

1.G.1 Board of Directors and Committees

The new Board Members were appointed at the Ordinary General Assembly meeting of the Company held on March 31, 2021, to hold office for a period of 3 years. With the resolution of the Board of Directors dated 31.03.2021, numbered 2021/08, it was resolved to appoint Yıldırım Demirören as Chairperson and Meltem Oktay as Deputy Chairperson. (You may reach the document for the Ordinary General Assembly Meeting dated March 31, 2021, at www.hurriyetkurumsal.com). With the resolution of the Board of Directors dated 03.05.2021, numbered 2021/10, it was resolved to appoint Mehmet Koray Yanç as executive Board Member.

Detailed biographies of our Board Members who were holding office as of the date of the activity report, can be found at our corporate website "www.hurriyetkurumsal.com". The relevant Board members and their offices are as follows:

Name-Surname	Title	Explanation
Yıldırım Demirören	Chairperson	Has No Executive Function
Meltem Oktay	Deputy Chairperson	Has No Executive Function
Fikret Tayfun Demirören	Member	Has No Executive Function
Mehmet Koray Yanç	Member	Has an Executive Function
Mehmet Soysal	Member	Has No Executive Function
Alaattin Aykaç	Independent Member	Has No Executive Function
Orhan Kırca	Independent Member	Has No Executive Function

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)**1.G.1 The Board of Directors and Committees (Continued)**

Detailed biographies of our Board Members who were holding office as of the date of the activity report, can be found at our corporate website "www.hurriyetkurumsal.com". The relevant Board members and their offices are as follows:

Name-Surname	Title	Explanation	Current Offices Held Outside of the Company
Yıldırım Demirören	Chairperson	Has No Executive Function	Chairperson and Board Member of the Board of Directors in Demirören Medya Yatırımları Ticaret A.Ş. and its Group Companies
Meltem Oktay	Deputy Chairperson	Has No Executive Function	Board Member of the Board of Directors in Demirören Medya Yatırımları Ticaret A.Ş. and its Group Companies
Fikret Tayfun Demirören	Member	Has No Executive Function	Board Member of the Board of Directors in Demirören Medya Yatırımları Ticaret A.Ş. and its Group Companies
Mehmet Koray Yanç	Member	Executive Member	Board Member and Executive Committee Member in Group Companies
Mehmet Soysal	Member	Has No Executive Function	Board Member in Group Companies
Orhan Kırca	Independent Member	Has No Executive Function	Senior manager in a company outside of the Group, and Independent Board Member in Group Companies
Alaattin Aykaç	Independent Member	Has No Executive Function	Independent Board Member in Group Companies

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

G.1 Board of Directors and Committees (Continued)

As of the date of the report, there was no circumstance within our knowledge which caused the Independent Board Members to lose their independent status. The statements of independence of the Independent Board Members who were appointed at the Ordinary General Assembly Meeting that took place on March 31, 2021 are given below:

Date: 03/03/2021

STATEMENT OF INDEPENDENCE

To the Board of Directors of HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.,

I hereby declare that, as a nominee Independent Board Member of Hürriyet Gazetecilik ve Matbaacılık A.Ş., I have the required qualifications of "independent board membership" designated by the Capital Markets Law, the Communiqué on Corporate Governance No. II-17.1 of the Capital Markets Board, Resolutions of the Capital Markets Board and other legislation and the Articles of Association of your Company; and if I am elected, as soon as I become aware that I no longer have the aforementioned independence qualifications, I will immediately inform your Board of Directors, act in accordance with the decision of your Board, and resign from my office in case deemed necessary.

Best regards,

Alaattin Aykaç

(signed)

Date: 03/03/2021

STATEMENT OF INDEPENDENCE

To the Board of Directors of HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.,

I hereby declare that, as a nominee Independent Board Member of Hürriyet Gazetecilik ve Matbaacılık A.Ş., I have the required qualifications of "independent board membership" designated by the Capital Markets Law, the Communiqué on Corporate Governance No. II-17.1 of the Capital Markets Board, Resolutions of the Capital Markets Board and other legislation and the Articles of Association of your Company; and if I am elected, as soon as I become aware that I no longer have the aforementioned independence qualifications, I will immediately inform your Board of Directors, act in accordance with the decision of your Board, and resign from my office in case deemed necessary.

Best regards,

Orhan Kırca

(signed)

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

G.1 Board of Directors and Committees (Continued)

As of the date of the report, there was no circumstance within our knowledge which caused the Independent Board Members to lose their independent status. In the accounting period from 01.01.2021 to -31.12.2021, meetings of the Board of Directors were held by 73% participation in average of the members and 18 resolutions were adopted.

Freedom of the Company's Board Members to take other office(s) outside of the Company was made subject to certain rules as per article 14 of the Company's Articles of Association.

Audit Committee

The Company's Audit Committee Members were elected with the resolution of the Board of Directors, no. 2021/10 and dated 03.05.2021, to hold office until the Ordinary General Assembly where the activity results of the year 2021 will be discussed, and the names of these members and their offices are specified below.

Name-Surname	Position	Explanation
Alaattin Aykaç	Chairperson	Independent Member / Has No Executive Function
Orhan Kırca	Member	Independent Member / Has No Executive Function

The audit committee carries out its activities in accordance with the "Audit Committee Regulations" which sets out its working procedures and principles, the Capital Market Law, Communiqués and regulations/decisions of CMB, and convenes at least 4 times a year and presents the decisions of its meetings to the Board of Directors in writing. The Audit Committee convened 4 times in 2021. The Audit Committee submitted 5 written notifications to the Board of Directors in 2021.

Duties and Working Principles of the Audit Committee are given below.

Hürriyet Gazetecilik ve Matbaacılık A.Ş.

Duties and Working Principles of the Audit Committee

1. Purpose

The Audit Committee (Committee) of Hürriyet Gazetecilik ve Matbaacılık A.Ş. (the Company) shall assist the Board of Directors in supervision of the Company's functioning and effectiveness in relation to its accounting and reporting, finance and independent audit and internal control system. The Committee shall review and evaluate the systems and processes developed by the Company in relation to financial reporting and public disclosure; financial, operational and operating risks; internal control and internal and independent external audit and compliance with laws and regulations, and make proposals to the Board of Directors.

2. Basis

These principles for the duties and working principles of the Audit Committee were set out by the resolution no. 2019/02 dated 14.01.2019 of the Board of Directors, in accordance with the Company's Articles of Association, Article 378 of the Turkish Commercial Code no 6102 and the Communiqué on Corporate Governance No. II-17.1 of the Capital Markets Board.

3. Authority and Scope

The Committee is formed and authorized by the Board of Directors. The Committee is authorized by the Board of Directors to invite to the Committee meetings, and to obtain information from, the Company's employees and representatives of the persons and organizations associated with the Company including affiliates, internal and external auditors (Auditors) and those persons who are experts in their area, and to receive external legal and professional advice when required.

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1. G.1 Board of Directors and Committees (Continued)

Duties and Working Principles of the Audit Committee (Continued)

The Committee acts within the framework of its authority and responsibility and makes consultative recommendations to the Board of Directors, but the final decision and implementation responsibility always belong to the Board of Directors.

4. Organization

Membership

The Committee is formed in accordance with the Company's articles of association.

4.1. The Committee's Chairperson is elected from among the independent Board Members.

4.2. In cases where this is not possible, the Committee's Chairperson may be elected from among those third persons who are experts in their area, to the extent allowed by the legislation.

4.3. Those expert persons who have business experience of at least eight years in the areas of accounting, finance, auditing and law, etc. may take office in the Committee.

4.4. The Committee consists of at least two members.

4.5 The Committee members are elected from among those persons who have no executive function. Chairperson of the Company's Executive Committee cannot take office in this Committee.

4.6. When necessary, persons who are not Board of Directors members, and who are experts in their area may also be assigned to the Committee.

4.7. Representatives who are responsible for the financial and internal audit affairs of the Company's public affiliates, or companies having a significant position in the Company's consolidated financial statements although they are not public, may also be Committee members.

4.8. The Committee is re-appointed annually at the first meeting of the Board of Directors to be held after the Ordinary General Assembly meeting.

4.9. The Committee convenes with the attendance of one more than half of the number of its members, and takes decisions with the majority of the attendees.

4.10. The Committee's clerical procedures are fulfilled by the secretariat of the Board of Directors.

4.11. The Committee utilizes independent expert opinions on the matters it deems necessary in relation to its activities. The fees of the consultancy services needed by the Committee are borne by the Company.

Attendance at Meetings

4.12. Except for obligatory circumstances, the Committee convenes, as a principle, at least four times a year, in quarterly periods, at the Company's head office, upon the invitation to be made by the Committee's Chairperson through the Secretariat of the Board of Directors. The Committee's Chairperson may change the date, time and place of the meeting by informing the Committee members in advance.

4.13. In case they deem it necessary, the Auditors may hold a special meeting, by informing the Committee's Chairperson through the Secretariat of the Board of Directors.

4.14. The decisions taken at the Committee meetings are recorded in writing, signed by the members of the Committee and duly kept.

4.15. Meetings of the Committee may be held at the Company's head office or at another place easily accessible by the Committee members.

5. Liability

Internal Control

5.1. The Committee reviews whether the Company's management is informing the Company's employees of the significance of internal control and risk management and whether a correct "control culture" is established within the Company.

5.2. The Committee makes consultative recommendations to the Board of Directors for robust operation of the internal control infrastructure in all the Company's affiliates, for its comprehension by the employees and for provision of support to it by the management.

5.3. The Committee ensures that internal control processes are put in writing and updated periodically to ensure that their effectiveness is maintained.

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Duties and Working Principles of the Audit Committee (Continued)

5.4. *The Committee oversees the robust performance of the coordination and communication between the Company's affiliates and the Internal Control department.*

5.5. *The Committee reviews the accountability of the management regarding the security and operation of the Company's computer system, and the crisis plans for recording and protection of the transactions, in case the computer system's complete failure.*

5.6. *The Committee investigates whether the warnings and recommendations made by Auditors in relation to internal control have been implemented.*

Financial Reporting

a) General

5.7. *Together with the Auditors, the Committee develops recommendations on internal control or similar issues, which ensure that the events causing any misconduct, breach of laws and regulations or deficiency can be identified.*

5.8. *The Committee reviews important accounting and reporting issues and legal issues and investigates their impact on financial statements.*

5.9. *The Committee obtains opinions of the Company's management and the Auditors on the plans in relation to identification of the areas which may pose a financial risk, and elimination of weaknesses.*

5.10. *The Committee gives particular importance to review of complex and extraordinary transactions, including particularly derivative transactions, etc.*

5.11. *The Committee reviews the transactions, of which the entry into the accounting records is up to the consideration and decision of the Company's management, such as valuation of assets and resources; guarantees and surety-ships; performance of social responsibilities; provisions for legal actions; other obligations and contingent events.*

5.12. *The Committee reviews;*

-Significant differences between the financial results realized in the interim period and the budgeted or estimated financial results,

-Significant changes in financial ratios, and whether these changes are consistent with the changes in the Company's operations, and the financing practices,

-Whether any realized or planned change is in question in the accounting or financial reporting practices,

-Whether there is any extraordinary or significant transaction,

-Whether the disclosures made to public in relation to financial information contain sufficient and proper information.

b) Financial Statements, Announcements and Presentations

5.13. *The Committee obtains the opinions of the Company's responsible managers and independent auditors regarding the compliance of the financial statements and their footnotes to be disclosed to the public, with the accounting principles followed by the Company and the relevant facts, and the accuracy of such financial statements and footnotes, and informs the Board of Directors of the same in writing by also submitting its own evaluations.*

5.14. *The Committee reviews the activity report to be disclosed to the public and whether the information therein is accurate and consistent with the information available to the Committee.*

5.15. *The Committee checks whether the analyst presentations and disclosures to be made to the public with regard to the financial information are made in compliance with the Company's "information policy", and particularly with the provisions of the regulations of the Capital Markets Board and other legislation.*

5.16. *The Committee investigates to what extent the disclosures to be made to the public with regard to financial information have been controlled by the Auditors, and how the aforementioned announcements and presentations are prepared.*

Internal Audit

5.17. *The Committee reviews the practices and organizational structure of the internal control department, and informs and makes recommendations to the Board of Directors in relation to the matters which restrict or constitute an impediment to the practices of internal auditors.*

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Duties and Working Principles of the Audit Committee (Continued)

5.18. *The Committee may make recommendations to the Board of Directors in relation to appointment, change of position and dismissal of the personnel employed at the internal control department, by also taking into consideration the qualifications of those persons.*

5.19. *The Committee reviews the “Duties and Working Principles of Internal Audit Directorate” which is prepared by the internal control department, and submits it for the approval of the Board of Directors.*

5.20. *The Committee reviews the effectiveness of internal control activities.*

5.21. *The Committee meets the internal control officials separately, and discusses with them those issues that the Committee or the auditors specifically require(s) to be discussed.*

5.22. *The Committee ensures that the important issues found during or as a result of the audits carried out by internal control department and its recommendations for elimination of these issues are communicated to and discussed by the Committee on time.*

5.23 *The Committee ensures that the recommendations made by the internal control department are communicated to and discussed and answered by the Company’s management.*

Independent External Audit

5.24. *Election of external audit entity, preparation of audit contracts by the relevant departments of the Company and commencement of external audit process, as well as the activities of external audit entity in all phases, are conducted under the supervision of the Committee.*

5.25. *The Committee reviews the audit scope and approach proposed by the independent external auditors, and informs and makes recommendations to the Board of Directors in relation to the matters which restrict or constitute an impediment to their practices.*

5.26. *The Committee evaluates the performance of independent external auditors.*

5.27. *By taking into consideration the consultancy services obtained from the independent audit company or its related organizations as well, the Committee decides on the independence of the independent external auditors.*

5.28. *The Committee meets the independent external auditors separately, and discusses with them those issues that the Committee or the auditors specifically require(s) to be discussed.*

5.29. *The Committee ensures that the important issues found during or as a result of the audits carried out by independent external auditors and their recommendations for elimination of these issues are communicated to and discussed by the Committee on time.*

5.30. *The independent external auditors submit to the information of the Committee the significant issues in relation to the Company’s accounting policy and practices; the alternative practices and public disclosure options under the international accounting standards which were previously communicated to the Company’s management, possible consequences thereof and recommendations for implementation, and in addition, the significant correspondence with the Company’s management.*

5.31. *The Committee ensures that the recommendations made by the independent external auditors are communicated to and discussed and answered by the Company’s management.*

Compliance with Laws and Regulations

5.32. *The Committee reviews the monitoring system developed by the Company for compliance with laws and regulations, and the outcomes of investigations and proceedings filed by the Company’s management on misconduct, unjust enrichment, failure to comply with laws and regulations etc., including disciplinary penalties.*

5.33 *The Committee reviews the significant complaints communicated to the Company on the Company’s accounting, internal control system and independent external audit, etc., ensures their finalization, and ensures that notifications by the Company’s employees in this respect are communicated to the Company’s management within the principle of confidentiality.*

5.34. *On a quarterly basis, the Committee obtains and examines a periodic report from the Company’s management, its in-house legal professionals or outsourced legal consultants, in respect of the lawsuits filed against the Company, the provisions allocated and required to be allocated for such lawsuits, provisions no longer required, and the total risk that may arise.*

5.35. *The Committee obtains and evaluates the necessary information regarding the Company’s compliance with the provisions of the legislation applicable to the Company, in preparation of the financial statements and the footnotes thereof.*

5.36 *The Committee presents information and recommendations to the Board of Directors in relation to the conflicts of interest that may arise and misuse of the Company’s trade secrets.*

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Duties and Working Principles of the Audit Committee (Continued)

5.37. *The Committee reviews the results of the audits and investigations carried out by the regulatory authorities, and presents information and recommendations to the Board of Directors.*

Compliance with the Internal Regulations

5.38. *The Committee ensures that the internal regulations are put into writing, and develops measures which will ensure that they are communicated to all the employees.*

5.39. *The Committee evaluates whether the internal regulations and acceptable code of ethical conduct have been communicated to the employees by the Company's management with a proper method of communication.*

5.40. *The Committee evaluates the activities carried out by the Company's management in relation to monitoring of the compliance with the internal regulations.*

5.41. *The Committee oversees the compliance with the internal regulations which prevent the conflicts of interests that may arise between the Board members, managers and other employees, and misuse of the information with a nature of trade secret.*

5.42. *The Committee develops and presents to the information of the Board of Directors recommendations ensuring protection of the assets of the Company and of its affiliates against incorrect and unauthorized use.*

5.43. *The Committee obtains a periodic report from the Company's management once a year in relation to compliance by the employees with the internal regulations.*

Reporting Responsibility

5.44. *The Committee ensures that the Board of Directors is informed on the matters falling within the scope of its authority and responsibility.*

5.45. *The Committee puts into writing and records all the activities carried out by it.*

5.46. *The Committee compiles its practices and recommendations into a report and submits it to the Board of Directors.*

Other Responsibilities

5.47. *The Committee performs the other overseeing and monitoring activities required by the Board of Directors.*

5.48. *In case it deems necessary, the Committee may initiate special investigations and appoint experts at the Company's expense, as consultants to provide assistance to it in these investigations.*

5.49. *In case it deems necessary, the Committee may ensure that certain issues are put on the agenda of the Company's General Assembly meetings.*

5.50. *The Committee regularly reviews its own performance.*

5.51. *The Committee makes recommendations to the Board of Directors, but these recommendations do not discharge the Board of Directors from its duties and responsibilities arising from the Turkish Commercial Code.*

6. Budget

The Committee is given an annual budget in order for it to perform its activities effectively and efficiently, which is approved by the Board of Directors.

7. Entry into Force

The duties and working principles of the Committee and the amendments thereto enter into force upon a resolution of the Board of Directors.

1.G. Information on the Management Body, Senior Executives and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Corporate Governance Committee

With the resolution of our Board of Directors, no. 2021/10, dated 03.05.2021, it was found appropriate for the Corporate Governance Committee to hold office until the first meeting of the Board of Directors to be held following the Ordinary General Assembly Meeting where the activity results of the year 2021 will be discussed, and for the Corporate Governance Committee to undertake the duties of the "Nomination Committee" and the "Remuneration Committee" as well, as set out by the "Corporate Governance Communiqué" of the CMB (II17.1). Members of the Corporate Governance Committee and their offices as per the resolution of the Board of Directors, no. 2021/10, dated 03.05.2021 are specified below.

Name-Surname	Position	Explanation
Alaattin Aykaç	Chairperson	Independent Member / Has No Executive Function
Orhan Kırca	Member	Independent Member / Has No Executive Function
Elif Özcan	Member	Has No Executive Function

The Corporate Governance Committee convened 4 times in the accounting period from 01.01.2021 to 31.12.2021. The Corporate Governance Committee submitted 4 written notifications to the Board of Directors in 2021.

Duties and Working Principles of the Corporate Governance Committee are given below.

Duties and Working Principles of the Corporate Governance Committee

1. Purpose

The Corporate Governance Committee (Committee) of Hürriyet Gazetecilik ve Matbaacılık A.Ş. (the Company) shall support and assist the Board of Directors by carrying out activities in relation to the Company's compliance with corporate governance principles, appointment, remuneration, rewarding and performance evaluations and career planning of the Board members and senior managers, investor relationships and public disclosure. The Committee shall review and evaluate the systems and processes created or to be created by the Company in implementing the management practices increasing the Company's performance, and make recommendations in relation thereto.

2. Basis

These principles for the duties and working principles of the Corporate Governance Committee were set out by the resolution of the Board of Directors, no. 2019/02 and dated 14.01.2019, in accordance with the Company's Articles of Association, Article 378 of the Turkish Commercial Code no 6102 and the Communiqué on Corporate Governance No. II-17.1 of the Capital Markets Board.

3. Authority and Scope

The Committee is formed and authorized by the Board of Directors. The Committee is authorized to invite to the Committee meetings, and to obtain information from, the Company's employees and representatives of the persons and organizations associated with the Company including affiliates, internal and external auditors (Auditors) and those persons who are experts in their area, and to receive external legal and professional advice when required. In this case, cost of the consultancy services needed by the Committee shall be borne by the Company. The Committee acts within the framework of its authority and responsibility and makes consultative recommendations to the Board of Directors, but the final decision and responsibility always belong to the Board of Directors.

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Duties and Working Principles of the Corporate Governance Committee (Continued)

4. Organization

Membership

- 4.1. *The Committee is formed in accordance with the Company's articles of association.*
- 4.2. *The Committee's Chairperson is elected, as a rule, from among the independent Board Members. In cases where this is not possible, the Committee's Chairperson may be elected from among those third persons who are experts in their area.*
- 4.3 *Those expert persons who have business experience of at least eight years in the areas of accounting, finance, auditing and law, management etc. may take office in the Committee.*
- 4.4. *The Committee consists of at least two members.*
- 4.5. *The Committee members are, within the bounds of possibility, elected from among those persons who have no executive function. Chairperson of the Company's Executive Committee cannot take office in this Committee.*
- 4.6. *When necessary, persons who are not Board of Directors members, and who are experts in their area may also be assigned to the Committee.*
- 4.7. *The Committee is re-appointed annually at the first meeting of the Board of Directors to be held after the Ordinary General Assembly meeting.*
- 4.8. *The Committee convenes with the attendance of one more than half of the number of its members, and takes decisions with the majority of the attendees.*
- 4.9. *The Committee's clerical procedures are fulfilled by the secretariat of the Board of Directors.*
- 4.10. *In case it is deemed necessary, the Committee members may become a member of the Corporate Governance Committees of the Company's public affiliates.*

Attendance at Meetings

- 4.11. *Except for obligatory circumstances, the Committee convenes, as a principle, at least four times a year, in quarterly periods, at the Company's head office, upon the invitation to be made by the Committee's Chairperson through the Secretariat of the Board of Directors.*
- 4.12. *The Committee's Chairperson may change the date, time and place of the meeting by informing the Committee members in advance.*
- 4.13. *The decisions taken at the Committee meetings are recorded in writing, signed by the members of the Committee and duly kept.*

5. Liability

Compliance with Corporate Governance Principles

- 5.1. *The Committee evaluates whether the Company's management informs the Company's employees of the significance of having good governance practices and whether an effective and efficient "corporate governance culture" is established within the Company.*
- 5.2. *The Committee makes recommendations to the Board of Directors for robust operation of the internal control infrastructure for management practices aimed at increasing the Company's performance, in all the Company's affiliates, for its comprehension and adoption by the employees and for provision of support to it by the management.*
- 5.3. *The Committee identifies whether or not the corporate governance principles are implemented, and if not, the reason therefor and the conflicts of interest that arise due to the failure to fully comply with these principles, and makes recommendations to the Board of Directors to improve the practices.*

Governance Control

- 5.4. *The Committee obtains opinions of the management and the related parties on the plans in relation to identification of the areas which may pose a governance risk and weakness, and elimination of deficiencies.*
- 5.5. *The Committee reviews the significant complaints communicated to the Company on management, ensures their finalization, and ensures that notifications by the employees in this respect are communicated to the management within the principle of confidentiality.*

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Duties and Working Principles of the Corporate Governance Committee (Continued)

Disclosures to be Made to Public

5.6. *The Committee reviews the activity report to be disclosed to the public and whether the information therein is accurate and consistent with the information available to the Committee.*

5.7. *The Committee develops recommendations which ensure that the analyst presentations and disclosures to be made to the public are made in compliance with the Company's "information policy", and particularly with the laws and regulations.*

Compliance with the Internal Regulations

5.8. *The Committee ensures that the internal regulations are put into writing, and that they are communicated to all the employees.*

5.9. *The Committee evaluates whether the internal regulations and acceptable code of ethical conduct have been communicated to the employees by the Company's management with a proper method of communication.*

5.10. *The Committee evaluates the activities carried out by the Company's management in relation to monitoring of the compliance with the internal regulations.*

5.11. *The Committee oversees the compliance with the internal regulations which prevent the conflicts of interests that may arise between the Board members, managers and other employees, and misuse of the information with a nature of trade secret.*

Determination of the Nominees to be Elected to the Board of Directors

5.12. *The Committee carries out efforts for creation of a transparent system for determination of suitable nominees to the board of directors and senior management and for development of policies and strategies in this respect. Performance Evaluation, Remuneration and Rewarding Policy and Career Planning of the Board Members and Managers*

5.13. *The Committee carries out efforts aimed at determination of the approaches, principles and practices on performance evaluation, remuneration and rewarding policy and career planning of the board members and senior managers.*

5.14. *The Committee develops recommendations on the number of Board members and managers.*

5.15. *In case it deems necessary, the Committee obtains opinions and suggestions of the Human Resources Committee.*

Investor Relations Department

6.1. *The "Shareholders Relations Department" (the Department) was established for the purpose of monitoring all the relations between the shareholders and the investors and ensuring that the requirements of their right to information are satisfied in full, by acting within the body of the Committee and reporting to the Committee's Chairperson.*

6.2. *The Department consists of a sufficient number of expert personnel.*

6.3. *The Department;*

-Satisfies the information requests of shareholders and investors under the legislation, articles of association, corporate governance principles and information policy;

- Holds periodic investor information meetings at home and abroad under the legislation, articles of association, corporate governance principles and information policy, or attends such meetings held;

- Makes the necessary efforts to make the website an active communication platform for domestic and foreign investors,

- Oversees and monitors realization of the process in relation to public disclosure in compliance with the legislation,

-Ensures that the records in relation to shareholders are kept reliably, safely and in an up-to-date manner,

-Ensures that the activity reports are prepared as prescribed by the legislation and the Corporate Governance Principles of CMB,

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Duties and Working Principles of the Corporate Governance Committee (Continued)

- Monitors the duly performance of the General Assembly meetings,*
- Prepares the documents to be submitted to the shareholders at the General Assembly meetings,*
- Makes the necessary efforts for the purpose of duly taking the minutes of the meetings.*

7. Secretariat of the Board of Directors

7.1. Before, during and after the meetings of the Board of Directors, planning and performance of the meetings in a way to ensure highest level of efficiency and monitoring processes in this respect are made by the "Secretariat of the Board of Directors" (the Secretariat).

7.2. Basically, the Secretariat ensures communication among the Board members, makes preparations of the meetings of the Board of Directors and Committees, takes the minutes of meetings, and regularly archives the correspondence made including the announcements of the Board of Directors.

Timely access by the Board members to any information is ensured under the Secretariat's coordination.

7.3 Records kept by the Secretariat are always kept available to the review of the board members.

7.4. The Secretariat consists of a secretary within the body of Business Development and Investor Relations Coordinatorship.

8. Reporting Responsibility

8.1. The Committee ensures that the Board of Directors is informed on the matters falling within the scope of its authority and responsibility.

8.2. The Committee puts into writing and records all the activities carried out by it.

8.3. The Committee compiles its practices and recommendations into a report and submits it to the Board of Directors.

8.4. The Committee follows up the developments in the literature on corporate governance and researches their effect on the Company's governance.

8.5. The Committee performs the other activities required by the Board of Directors, which can be regarded to be within the framework of corporate governance.

8.6. In case it deems necessary, the Committee may initiate special reviews and appoint experts as consultants to provide assistance to it in these reviews.

8.7. The Committee regularly reviews its own performance.

9. Budget

The Committee is given an annual budget in order for it to perform its activities effectively and efficiently, which is approved by the Board of Directors.

10. Entry into Force

The duties and working principles of the Committee and the amendments thereto enter into force upon a resolution of the Board of Directors.

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Investor Relations Department

It was seen that Süleyman Fatih Aydın, who was appointed as the Investor Relations Department Manager and Corporate Governance Committee Member under the resolution no. 2020/28, dated 16.09.2020 of our Board of Directors, has resigned from his office, and it was resolved by the resolution of our Board of Directors, no. 2021/09, dated 03.05.2021, that Elif Özcan, who was understood to have satisfied the minimum requirements under article 11 titled "Investor Relations Department" of the Corporate Governance Communiqué No. II-17.1 ("Communiqué") of the Capital Markets Board, which entered into force by being published on the Official Gazette No. 28871 dated 03.01.2014, be appointed in his place as the Investor Relations Department Manager and Corporate Governance Committee Member and that Emre Güldür be appointed as the Investor Relations Department Officer. Investor Relations Department's officials are specified below.

Name-Surname	Title
Elif Özcan	Investor Relations Department Manager
Emre Güldür	Investor Relations Department Officer

Committee for Early Detection of Risk

Members of the Committee for Early Detection of Risk, who were elected with the resolution no. 2021/10, dated 03.05.2021 of the Board of Directors to hold office until the Ordinary General Assembly Meeting where the activity results of 2021 will be discussed, are as follows:

Name-Surname	Title	Explanation
Alaattin Aykaç	Chairperson	Independent Board Member
Hüseyin Emrah Kurtoglu	Member	Demirören Medya-Head of Commercial Operations Department
Mustafa Çelik	Member	Newspaper Group Finance Director

The Committee for Early Detection of Risk carries out its activities in accordance with the "Committee for Early Detection of Risk Regulations" which sets out its working procedures and principles, the Capital Market Law, and the communiqués and regulations/resolutions of CMB, and convenes at least 6 times a year and presents the decisions of its meetings to the Board of Directors in writing. The Committee for Early Detection of Risk convened 6 times in 2021 and presented 6 written notifications to the Board of Directors.

Duties and Working Principles of the Committee for Early Detection of Risk are given below.

Duties and Working Principles of the Committee for Early Detection of Risk

1. Purpose

The purpose of the Committee for Early Detection of Risk (the "Committee"), which holds office within the body of Hürriyet Gazetecilik Ve Matbaacılık A.Ş. (the "Company"), is to develop policies necessary for early detection of operational, strategic, financial and compliance risks which may endanger the Company's existence, improvement and continuation, calculation of their impact and possibility, taking and implementing the necessary precautions in relation to the risks detected, and performance of the risk management processes, and to manage and report the risks in accordance with the Company's risk taking profile.

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Duties and Working Principles of the Committee for Early Detection of Risk (Continued)

2. Basis

These principles for the duties and working principles of the Committee for Early Detection of Risk were set out by the resolution of the Board of Directors, no. 2019/02 and dated 14.01.2019, in accordance with the Company's Articles of Association, Article 378 of the Turkish Commercial Code no 6102 and the Communiqué on Corporate Governance No. II-17.1 of the Capital Markets Board.

3. Structure of the Committee and Members

The Committee is constituted and authorized by the Board of Directors in compliance with the Company's articles of association and with the relevant legislation. The Committee performs a situation assessment with the report that it shall present to the Board of Directors every two months, points out the dangers if any, and indicates the remedies.

It carries out efforts for the purpose of early detection of the risks which may endanger the Company's existence, improvement and continuation, calculation of their impact and possibility, implementation of the necessary precautions in relation to the risks detected, and management of risk.

It reviews the risk management systems at least once a year.

Attention shall be paid not to allow the Board members who are also members of this Committee to have a membership in other committees. The Committee consists of members who are competent in evaluation of operational, financial, compliance and strategic risks. The Committee may invite guest attendees to its meetings from among the relevant employees according to the agenda items. The Committee may also utilize independent expert opinions on the matters it deems necessary in relation to its activities. The fees of the consultancy services needed by the Committee are borne by the Company.

4. Sub-Working Groups

For the purpose of increasing the efficiency of its practices, the Committee for Early Detection of Risk may constitute sub-working groups consisting of persons having sufficient experience and knowledge in Corporate Risk Management, which it will elect from among its members and/or externally.

5. Meeting and Reporting

The Committee convenes at least six times a year, once in every two months, before the meetings of the Board of Directors. The Committee may convene in cases where it deems necessary for the efficiency of its practices. The timing of the Committee meetings is scheduled, as far as possible, in line with the timing of the Board meetings.

All practices of the Committee are put into writing with minutes, which are signed by the members of the Committee and kept. In cases of emergency, the Committee for Early Detection of Risk may hold an extraordinary meeting upon the call of the Chairperson of the Board of Directors or the Chairperson or any member of the Committee for Early Detection of Risk.

The Committee's Chairperson presents a written report to the Board of Directors following the Committee meeting, on the activities of the Committee, and informs the Board members and the auditor of the summary of the Committee meeting in writing, or ensures that they are informed of the same. In cases where it is deemed necessary, the Committee may hold separate discussions and meetings with the Company's senior management and the Company's employees at any level, within the principle of confidentiality.

5. Duties and Responsibilities

Duties and responsibilities of the Committee for Early Detection of Risk are:

To carry out efforts for the purpose of early detection of the risks which may endanger the Company's existence, improvement and continuation, calculation of their impact and possibility, implementation of the necessary precautions in relation to the risks detected, and management of risk,

Based on the risk management strategies and in line with the opinions of the Board of Directors, to design efficient internal control systems for the purpose of ensuring identification and implementation of and compliance with the risk management policies, application methods and systems,

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Duties and Working Principles of the Committee for Early Detection of Risk (Continued)

- *To design and monitor the implementation of the necessary measures and actions in relation to the risks identified,*
 - *To monitor the risk management practices on company basis for the sake of identification and efficient management of risks,*
 - *For the purpose of performing the risk monitoring function efficiently, to request information, opinions and reports from the relevant departments when deemed necessary,*
 - *To review and evaluate the risk management system at least once a year,*
 - *To periodically (once every two months) inform the Board of Directors of the risk management practices,*
 - *To perform the other duties given/to be given to the Committee pursuant to the relevant legislation.*
- The Committee makes recommendations to the Board of Directors, but these recommendations do not discharge the Board of Directors from its duties and responsibilities arising from the Turkish Commercial Code.*

7. Entry into Force

These rules governing the duties and working principles of the Committee and the amendments thereto enter into force upon a resolution of the Board of Directors.

Evaluation of the Board of Directors in Relation to the Working Principles and Efficiency of the Audit Committee, the Corporate Governance Committee and the Committee for Early Detection of Risk:

With its resolution no. 2021/10, dated 03.05.2021, our Board of Directors decided that the committees constituted to assist the activities of the Board of Directors in accordance with the relevant provisions of the Turkish Commercial Code, Capital Market Law, the Regulations and Resolutions of the Capital Markets Board ("CMB") and the Company's Articles of Association, shall be constituted to hold office until the Ordinary General Assembly where the activity results of 2021 will be discussed, except for the Corporate Governance Committee. With this resolution, it was decided to elect the Independent Member Alaattin Aykaç as the Chairperson and the Independent Member Orhan Kırca as the member of the Audit Committee, and the Independent Member Alaattin Aykaç as the Chairperson, and the Independent Member Orhan Kırca and the Investor Relations Department Manager Elif Özcan as the members of the Corporate Governance Committee. It was decided to elect the Independent Member Alaattin Aykaç as the Chairperson and Hüseyin Emrah Kurtoğlu and Mustafa Çelik as the members of the Committee for Early Detection of Risk.

In the accounting period from 01.01.2021-31.12.2021, the Committees of the Board of Directors have performed their duties and responsibilities that they are required to perform in accordance with the Corporate Governance Principles, and they have carried out their activities efficiently. In the accounting period from 01.01.2021 to 31.12.2021, meetings have been held for efficiency of their practices, and the decisions taken at these meetings have been submitted to the Board of Directors in writing.

1.G. Information on the Management Body, Senior Managers and the Number of Personnel (Continued)

1.G.1 The Board of Directors and Committees (Continued)

Evaluation of the Board of Directors in Relation to the Working Principles and Efficiency of the Audit Committee, the Corporate Governance Committee and the Committee for Early Detection of Risk:

The "Audit Committee", which is responsible for taking all the measures for performance of any internal controls and independent audits in a sufficient transparency as well as implementing the internal control system efficiently, has overseen the internal audit and internal control system processes that it is obliged to carry out within the framework of Capital Market Legislation. It has overseen the compliance of the Company with the Corporate Governance Principles and works of the Investor Relations Department. The Committee for Early Detection of Risk, which carries out efforts for the purpose of early detection of risks which may endanger the Company's existence, improvement and continuation, implementation of the necessary precautions in relation to the risks detected, and management of risk, has also reviewed the Company's risk management systems in accordance with Corporate Governance Principles and the Regulation of the Committee for Early Detection of Risk. In addition, the Committee submits a report to the Board of Directors through the Committee's Decisions once in every two months, which report must be prepared pursuant to Article 378 of the Turkish Commercial Code no 6102.

1.G.2 Senior Managers

As of December 31, 2021, the Company's senior managers are as follows:

Name and Surname:	Position
Ahmet Hakan Coşkun	Chief Editor
Burçak Ildır	Newspaper Group Legal Director / Deputy General Counsel
Elif Karacaoğlu	Demirören Medya - Head of Human Resources Department
Hüseyin Emrah Kurtuluş	Demirören Medya - Head of Commercial Operations Department
Mustafa Çelik	Newspaper Group Finance Director
Orçun Çevikoğulları	Demirören Medya Newspaper Advertisement Department Head

1.G.3 Number of Personnel

Number of personnel of the Company and its subsidiaries as of December 31, 2021 is 1,340.
(December 31, 2020: 1,233).

1.H. Information on the Transactions carried out by the Members of the Company's Board of Directors with the Company On their Own Behalf and On Behalf of Others, within the scope of the Permission Granted by the Company's General Assembly, and their Activities within the Scope of the Non-Competition Rule

The General Assembly's permission is obtained to enable the Board members of Hürriyet to carry out the transactions written in articles 395 and 396 of the Turkish Commercial Code (TCC), other than in relation to those matters prohibited by TCC. According to the information in possession of the Company, the Board Members did not carry out any commercial activity on their own behalf in the areas falling within the scope of activity of Hürriyet, in the accounting period from 01.01.2021-31.12.2021.

1.I. Administrative and Judicial Sanctions Imposed on the Company and the Members of the Board of Directors due to Practices which are In Breach of Legislative Provisions

No administrative or judicial sanctions have been imposed within the relevant period on the Company and the members of the Board of Directors due to practices which are in breach of legislative provisions.

1.J. Amendments Made in the Relevant Period to the Articles of Association, and the Reasons Therefor

No amendment was made to the Articles of Association in the accounting period from 01.01.2021 to 31.12.2021.

2. FINANCIAL RIGHTS GRANTED TO BOARD MEMBERS AND SENIOR MANAGERS

All financial rights, benefits and remunerations granted to the Board members are determined annually at the Company's Ordinary General Assembly Meeting. The Company designated its key management personnel as Board Members and Executive Committee Members. Benefits granted to the key management personnel consist of remuneration, premium, health insurance, transportation and post- employment benefits.

At the Ordinary General Assembly meeting held on March 31, 2021, it was decided by majority of votes not to pay any remuneration to the Board members (including the Independent Board members). There is no performance-based rewarding mechanism for the Board members.

	January 1 - December 31, 2021	January 1 - December 31, 2020
Remunerations and other short term benefits	4,016,299	6,043,934
Total	4,016,299	6,043,934

RESEARCH AND DEVELOPMENT ACTIVITIES

No research/development activity and cost occurred in our Company in the accounting period from 01.01.2021 to 31.12.2021.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES

4.A. The Company's Field and Sector of its Activities and its Position in this Sector

PRINTED MEDIA

HÜRRİYET GAZETESİ (NEWSPAPER HÜRRİYET)

Since 1948 when it was incorporated, the Newspaper Hürriyet has been continuing on its path in journalism as the leading organization of Turkish media. What lies behind this success is an accurate, reliable and impartial journalism understanding maintained within the framework of universal media principles.

Hürriyet draws its power of setting the agenda, from its news covering every aspect of life from economy to policy and from magazine to sports, and from its efficient writer staff.

Having been always among the leaders of innovations and modern initiatives in Turkish media, Hürriyet has carried its power in printed media also to the digital platform with the development of technology, and taken the lead there as well. Thanks to hürriyet.com.tr which is in publication for more than 20 years, reliable news reach out to millions of people far more rapidly.

News produced by Hürriyet's staff can be viewed 7 days a week and 24 hours a day through the newspaper, hürriyet.com.tr, and social media. Thus, readers who do not want to get lost in the 'news pollution' in the Internet environment consider Hürriyet as the safest harbor. Likewise, based on this reality, advertisers also prefer Hürriyet to reach their target audience.



HÜRRİYET KELEBEK

For 47 years, "Kelebek", a magazine and life newspaper, has been introducing to the readers of Hürriyet various content which will move them away from the stress of daily life and color up their life. Having an editorial team consisting of writers such as Onur Baştürk, Ömür Gedik, Savaş Özbey and Orkun Ün, Kelebek provides its readers with the most up-to-date news on a wide range of issues from magazine to fashion, and from night life to the television world.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES

4.A. The Company's Field and Sector of its Activities and its Position in this Sector



HÜRRİYET CUMARTESİ

With its writers who are experts in their fields such as cinema, theater, music, fashion, health, children, astrology and urban life, Hürriyet Cumartesi provides a guide on many subjects ranging from culture and arts to shopping.

With its special interviews and topics, and top 10 selections, it adds color not only to weekends but to the entire week and gives tips for a better lifestyle.

HÜRRİYET PAZAR

Hürriyet Pazar, one of the most prestigious brands in Turkey, not only follows the agenda but also sets it with its unique way of addressing issues, and its special articles and interviews. Providing content that sparks a lot of interest throughout the entire week, it ensures that the newspaper reading habits of people continue on Sundays as well.



HÜRRİYET SEYAHAT

Hürriyet Seyahat 'offers the world' to travelers of all ages, via its own travelers as well as writers who are experts in their fields. The newspaper that urges its readers to discover more shares the best, the most special, the newest, and the most beautiful suggestions with its readers, and also meets with travel enthusiasts on its social media account.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES

4.A. The Company's Field and Sector of its Activities and its Position in this Sector

HÜRRİYET KİTAP SANAT

Hürriyet Kitap Sanat unites with its readers every week since February 3, 2017, with its content feeling the pulse of the literature and art world. Hürriyet Kitap Sanat, which introduces and evaluates new books and the latest works of art of the literature world every Friday, and the content of which extends to every sphere of art and creativity from music to theater, painting and sculpture, and from photography to architecture, has become a source followed both by the readers and big names that influence the world of literature and art from the first day it was launched. Articles of literature, jazz, classical music, plastic arts, architecture, cinema and theater carry the signatures of names who are experts in their area such as Doğan Hızlan, A.Ömer Türkeş, Metin Celâl, Haydar Ergülen, Ömer Erdem, Ayşegül Sönmez, Uğur Vardan, Hasan Bülent Kahraman, Elif Türkölmez, Efnan Atmaca, Murat Özer, Yücel Kayıran, Murat Meriç, Burcu Pelvanoğlu, Eda Solmaz, Elvin Vural, İhsan Yılmaz, Bahar Çuhadar and Erkan Aktuğ. By introducing to its readers all the colors of the world of art ranging from newly published books to exhibitions, theater plays and concerts, with the commentaries of the competent names, it has proven its unrivaled position in a short time.

The most significant values behind the success of Hürriyet Kitap Sanat, are the trust placed in the content created by its editorial offices, its rich content, and the fact that the news/advertisement ratio is kept at an optimum level. The contribution made by it to the prestige of the newspaper from this aspect is also supported by the level of circulation achieved throughout Turkey.



HÜRRİYET KİTAP

Having uninterruptedly met the need of Turkey for daily political and social news from 1948 up until today, the Newspaper Hürriyet is continuing to communicate to large masses its existing archive power and communication channels with its Hürriyet Kitap project. In this context, Hürriyet Kitap makes a difference with the social responsibility projects generated by it and with its digital identity, by seriously contributing to Turkish people in reading books, using the information and in its social development. It assumes a social responsibility with a broad perspective in every issue that affects and shapes the society, ranging from health to culture-arts, and from history to sports.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)



THE MAGAZINE HÜRRİYET GÖSTERİ

Hürriyet Gösteri is an art/literature magazine which has been publishing the newest and most powerful literature/art types for more than 40 years. With the files it prepares, it is a reference magazine of history of literature/art from past to today.

Seeking upon what is up-to-date, it produces files with the contributions of persons, experts, authors and academicians who are well-known in this area.

One of the most significant principles of the publication policy of Hürriyet Gösteri, is to carry the modern-day over to the future.

In addition, it is a concept which has been implemented by the magazine from its first day, to make every generation heard and to communicate to readers the works of both the old masters and new talents.

The purpose of the magazine, Chief Editor of which is Doğan Hızlan, is to satisfy both today's readers and the readers of the future with an aesthetic integrity.

HÜRRİYET REGIONAL NEWSPAPERS

HÜRRİYET AKDENİZ

Hürriyet Akdeniz has been the Leader of the Region this year as well. With its distribution area of Antalya, Burdur and Isparta, Hürriyet Akdeniz continues to renew its content according to the developments in the media sector. In 2021, "Hürriyet Akdeniz Editor's Table" again hosted the leading names of the city. In addition, with the special news/interviews prepared by our experienced reporters and editors aimed at the coronavirus period, it both communicated quick and correct information and assisted in the awareness of society. Again, news prepared in the areas of tourism and environment changed the agenda of Turkey. By concentrating on the news specific to Burdur and Isparta in 2021, the characteristics of Hürriyet Akdeniz as a 'regional newspaper' were emphasized. Special page designs prepared for special days, have become one of those things which are mostly spoken about in social media. In 2020, Hürriyet Akdeniz was granted an award by Antalya Association of Journalists (AGC) in the area of Tourism, and the winner of the media award of 'Those Who Added Importance to the City', which was granted by the Antalya Chamber of Commerce and Industry (ATSO), was again Hürriyet Akdeniz.



4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)

HÜRRİYET REGIONAL NEWSPAPERS (Continued)



HÜRRİYET ANKARA

Hürriyet Ankara keeps its finger on the pulse in order to report on the latest developments in the capital Ankara, with the slogan "The Newspaper That Reads Its City Well". The website www.hurriyet.com.tr/ankara brings local news to the digital platform. The readers' corner called "Readers-Writers Right Here", prepared with the messages sent to the Hürriyet Ankara WhatsApp City Line and e-mail address, sets an example in urban journalism. Hürriyet Ankara also builds a bridge between local governments and Ankara residents with its series of articles called "City Desk".

HÜRRİYET BURSA

Hürriyet Bursa, which was started to be published on April 19, 2004, has become a regional newspaper by expanding its journalism to also cover the latest developments of the Southern Marmara. With its distribution network covering Bursa, Bandırma, Susurluk and Yalova, it carries out effective journalism activities in these regions as well.

With its resources being based in the Bursa region, pages of Health, Education, PET, Districts, Yalova, Football Council, Bandırma and Maritime, Culture and Art, Gastronomy and Magazine in Business have been launched in the newspaper. In 2020, conversations were made for 4 months with the leading names of Bursa in relation to the Covid-19 pandemic, and opinion leaders were brought together with people of Bursa. In addition thereto, article series in relation to economy, environment and the New Normal period were prepared.

Among the new practices implemented in 2021 are the Business-Management for the business world, the Salon Sports Page to keep the pulse of the gym trend that is on the rise in Bursa, and the series of articles titled "They grew with BEBKA", in which the projects developed with loans obtained from BEBKA, the development agency of the Region, are featured.



4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)

HÜRRİYET REGIONAL NEWSPAPERS (Continued)



NEW FACES, NEW COLUMNS

The Gastronomy columns of “Hürriyet is Writing and Problems are Being Solved”, “Football Council” and “Magazine in Business”, which do not require an additional cost in regions, have continued. In addition, the weekly page titled “You are the Recipe”, where both amateur and professional chefs share their recipes together with their story, was prepared in cooperation with Bursa Gastronomy Tourism Association. Thanks to the conversations which were made for 4 months with the leading faces of Bursa with regard to the pandemic period under the title of ‘Covid-19 and New Normal’, opinion leaders of the city were brought together with the readers.

HÜRRİYET ÇUKUROVA-GAP

Hürriyet Çukurova started to be published on October 29, 1989, and entered its 33rd year with its ups and downs. Having been the leading and only newspaper of the region, Hürriyet Çukurova GAP will continue to be the voice of its reasons hereinafter, like in previous years. As it always has been, Hürriyet Çukurova GAP will continue to give a back to art, artists, sports, sportspersons, teachers, students, briefly to the people.

Being distributed in 25 provinces from Anamur to Van, Hürriyet Çukurova-GAP is the voice of the region.



4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)

HÜRRİYET REGIONAL NEWSPAPERS (Continued)



HÜRRİYET EGE

Hürriyet Ege started its publication life on October 2, 1985. Hürriyet Ege has also left a mark in history as the first regional newspaper published nationally. Being published on every weekday in a broad geography extending from Çanakkale to Antalya, Hürriyet Ege continues to be the voice, ear, and spokesperson of 20 million people living in Aegean Region. Having a broad staff of writers who are known well by people of the region, Hürriyet Ege attracts the attention of the readers also with its thematic supplements on many issues ranging from economy to sports. Hürriyet Ege is prepared by an experienced editorial staff at the head office in İzmir Alsancak.

OTHER REGIONAL NEWSPAPERS

Apart from the daily regional newspapers above, special newspapers and local pages are prepared for provinces and regions such as the Black Sea, Kayseri, Konya, and Eskişehir, depending on the advertisement projections. The newspapers of these regions are prepared and made ready to printing fully in Ankara. Also in Bursa, East Marmara (Yalova, Sakarya and Kocaeli) newspapers are prepared depending on the advertisement-taking rate. Special separate supplements are also being published in Aegean and Mediterranean regions and in Adana for the different cities in the region, in coordination with advertisement.

PRIVATE SECTOR NEWSPAPERS

In addition, Education, Construction and Economy pages and pages dedicated to special days with the titles such as Valentine's Day or Christmas, etc. are prepared in regions.

They are published as a separate supplement depending upon purchasing advertisings.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)

HÜRRİYET DAILY NEWS

Celebrating its 60th anniversary last year, Hürriyet Daily News continued its mission of becoming Demirören Medya Holding's prestigious publication in the international arena also in 2021 as Turkey's oldest and well-established English-language newspaper.

Having communicated to foreign readers the developments in the agenda of Turkey and the region with its journalism of international standards, Hürriyet Daily News continued to communicate the developments which occurred in 2021 in the fastest and most efficient manner.

In 2021, when the impact of the pandemic continued on the global economy and politics, Hürriyet Daily News both aimed to protect the health of employees and reduced some important cost items by applying the remote working method under the coordination of HR and technical units.

In this process, while the newspaper reached its monthly advertising targets, Hurriyetaidailynews.com succeeded in increasing its international reach.

Despite the fact that 2021 was concluded in the shadow of the COVID 19 pandemic, it has also brought many political and economic developments on a global scale.

While diplomatic traffic after the war of independence of Azerbaijan that ended the occupation in Karabakh,

Donald Trump's eventful farewell to the US presidency, the controversial moves of the new president Biden in international affairs, Turkey's new initiatives concerning countries in the region such as the United Arab Emirates, Israel and Greece, and developments in the global and local economy left their mark on 2021, Hürriyet Daily News continued to be the most important source of English news during this period for diplomats, resident foreigners and international business representatives in Turkey.

In 2021, the website Hurriyetaidailynews.com also managed to reach a monthly average of almost two million international readers. The reader profile of the website comprising readers from different regions of the world still constitutes a significant potential in terms of getting a slice of the international advertising cake.

The 5 countries where Hürriyet Daily News was most read digitally in 2021 are as follows:

1. USA
2. Turkey
3. United Kingdom
4. Canada
5. India



4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)



HÜRRİYET GERMANY (HÜRRİYET ALMANYA)

Having been carrying on business also in Europe with the publication center and printing facility established in Mörfelden-Walldorf, which is in the vicinity of the city of Frankfurt of the Federal Republic of Germany, Hürriyet united with its readers in Germany in 1960s, a while after the first labor migration to Europe started. The newspapers which were brought to Munich by plane, have been transported and distributed from here to the regions where Turks were living extensively. Upon the increase in Turkish population and after those who came as guest workers have started to settle in Germany, it was decided to produce the newspaper at a printing house in Germany. On April 17, 1969, Hürriyet was started to be published in Munich and made available to the readers by being sent to the newspaper and magazine dealers particularly in Germany, and also in various Western European countries.

From those years onwards, Hürriyet, through its European editions, has been the longest-running Turkish newspaper which provided uninterrupted service to Turkish citizens and people of Turkish origin living in Europe, and it is offered for sale in Belgium, France, the Netherlands, Austria, Switzerland and Denmark in addition to Germany. The newspaper reinforces its services in Turkish language on the website of the main newspaper, on the sub-page "hurriyet.com.tr/avrupa". This page contains news that appeal to everyone living in Europe and speaking Turkish.

Hürriyet, which is the most powerful newspaper of Turkey, maintains its publishing and advertisement practices in Europe under the umbrella of Demirören Media International GmbH which carries on business as Demirören Medya Group's window to Europe.

Being the most renowned Turkish media brand in Germany, Hürriyet also pioneers in the area of corporate social responsibility with the social campaigns it organizes jointly with non-governmental organizations such as the Turkish-German Health Foundation. It gives support to various projects including in particular in education, health and sports, cultural events such as Frankfurt Film Festival and Turkish Theater Festival, and youth-related projects of Frankfurt Consulate General of the Republic of Turkey and associations such as Germany Turkish Community or Hessen Turkish Community.

On the other hand, the printing facility which prints approximately 30 publications in five different alphabets and eight different languages, is carrying on business as the Germany Branch of Hürriyet. Ensuring short printing intervals with its machine park structure using single-width spool, this facility is ideal for international and ethnic publications with low and mid-size circulation.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)

HÜRRİYET GERMANY (Continued)

In the facility where each of the three printing machines can make 24 pages of colored production and has the capacity to include 6 supplements in the master newspaper; the editions of the English international daily economy newspaper "The Financial Times", prepared for Germany and countries in its vicinity; the Saarland, Ren/Main Region and Frankfurt City Center circulations of German "Bild", the most-read newspaper of Europe from Axel Springer Printing House; Continental Europe editions of the American publication "Stars&Stripes"; "Sportwelt" which sets the agenda for German horse-riding sports; "Asharq Al-Awsat" from Arabian world; Western Europe publications of "Sözcü", "Sabah" and "Milli Gazete" from our country, as well as the global edition of "China Daily" from China in English are also printed in addition to the "Newspaper Hürriyet".

"Bild am Sonntag", "Welt am Sonntag" and "Welt am Sonntag kompakt" from Germany, "Info&Tips" from Poland, "Express" from Japan in German, Chinese representatives "China Weekly" in English, "Chinesische Handelszeitung" in Chinese, "Global Times" in Chinese/English, "Mega Crossword", free publications "Trigonal", "Hayat" and "Nokta", and "The Security Times" which is accepted as a significant resource among opinion leaders are among the periodical productions of the printing house. Being active 7 days a week, the printing house's daily printing circulation exceeds 350 thousand pcs. on average.

DIGITAL MEDIA

Hurriyet.com.tr

Being a leading media organization of Turkey, Hürriyet became one of the first newspapers of Turkey carried into Internet environment, with hurriyet.com.tr that it launched in 1997. Starting from 2000, hurriyet.com.tr went beyond being a publication of the Newspaper Hürriyet, and started to provide service as a news portal which publishes the daily developments 24 hours nonstop.



Continuing to be leader on digital platform with the innovations it made in mobile and e-newspaper and its power in social media, and having adopted providing opportunity of access to its users from all devices, as a principle, Hürriyet remained among the global leaders of digital media also in the 22nd year of its Internet journalism with its monthly visitor and page-view numbers. With the most widely read, shared and talked-about news, hurriyet.com.tr continued to be the leader among the media organizations in digital sphere. Also with its digital channels, Hürriyet continued to carry its new generation journalism and digital innovation projects into effect during 2021. Having a powerful position in digital publishing, hurriyet.com.tr's number of individual visitors reached in 2021 to 2.6 million daily and 78.3 million monthly, and its average daily page-view reached to 31.5 million. Monthly average number of active users of Hürriyet Mobile application reached to 235 thousand.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)

DIGITAL MEDIA (Continued)

Hürriyet TV

Being both a video broadcasting portal and the video infrastructure platform of hurriyet.com.tr on its own, Hürriyet TV produces 1,551 videos on average every month. In addition to its Agenda and News contents, Hürriyet TV satisfies any and all needs of the visitors with its entertaining, informative and creative video contents. Broadcasting in 8 main categories, Hürriyet TV reached to an average monthly video viewing rate of 26 million in 2021 and created a significant audience group.



With its special content formats, expert videos, sponsored video broadcasts, hot news contents on the agenda and up-to-date sports videos, Hürriyet TV will continue its mission of being informative, entertaining and useful also in 2021 and diversify its revenue models with its new formats which will appeal to different brands and different areas of interest of the audience.



Bigpara

Having continued its publication life for over 20 years, bigpara.com has been providing service to its users with market data, various technical analyzes and finance and economy news as well as original and high-quality contents from writers who are experts in their area, and increased its number of individual visitors by approximately 6 percent in the last year. Having increased its recognition by strengthening its brand perception under Hürriyet, Bigpara's monthly average number of individual visitors has reached to 11 million, and the number of its page-viewing has reached to 159 million. It continues to serve its users also in 2022 with its real-time and advert-free Live Stock Exchange screens.

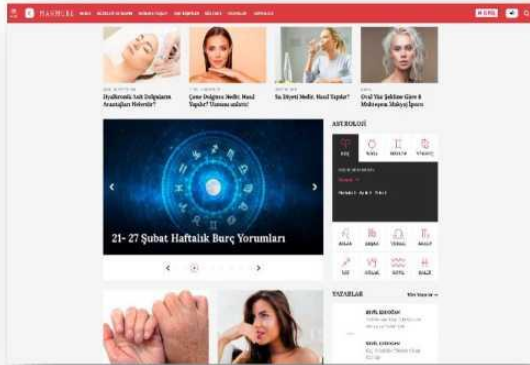
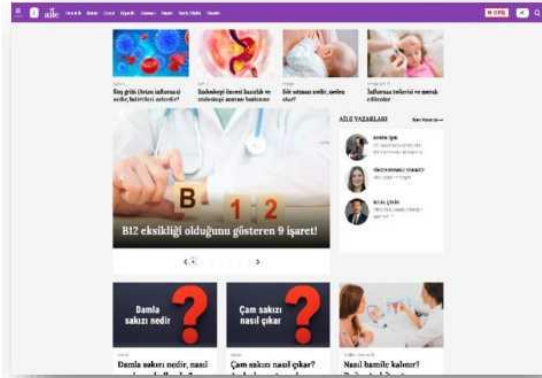
4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)

DIGITAL MEDIA (Continued)

Hürriyet Aile

Hürriyet Aile (Hürriyet Family), which is a complete family portal with its original content it provides in relation to pregnancy period, mother and baby health, and child development and psychology, makes a difference with its powerful writers consisting of names who are experts in their area. It provides contents on any matter touching upon family life from A to Z, focusing on women, mother and baby health, from general health issues to psychology, from nutrition to exercise, from sexual health to adolescence, and from baby and child foods to recommendations that make life easier. The 2022 target of Hürriyet Aile is to reinforce its brand image, to take part in sponsored projects by prioritizing the expectations of readers, and to continue its publications without compromising on its content quality while increasing its target audience.

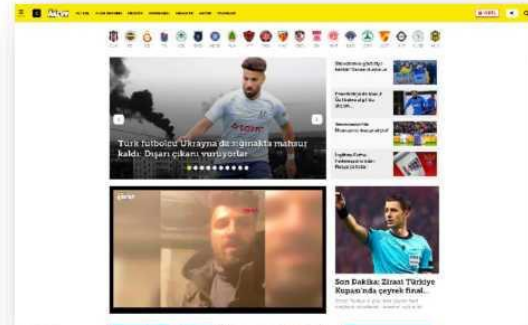


Mahmure.com

The first women's portal of Turkey, Mahmure.com appeals to its reader group with its expert writers on many different issues with its content extending from fashion to good life, from beauty and care to decoration, and from astrology to nutrition and diet. Just like in 2021, Mahmure.com will continue in 2022 with its publishing focused on women, with its original content and sponsored projects. Among its targets for 2022 are increasing interaction with the reader, addressing broader audiences, and continuing a useful, informative and entertaining publication strategy in the triangle of Brand-Channel-Reader.

Sporarena

Sporarena, the sports portal of Hürriyet digital publishing latest transfer news, last minute developments in all sports branches and assessments of its expert staff of writers, will now further enrich its content in 2022 with live match commentary. Having increased its level of recognition among sports-enthusiasts in 2021, Sporarena's monthly average single-visitor number is 5 million. The number of views of its pages, on the other hand, is 45 million.



4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.A. The Company's Field and Sector of its Activities and its Position in this Sector (Continued)

DIGITAL MEDIA (Continued)

Yenibiris.com

Yenibiris.com is the first human resources and job application website of Turkey which brings together the candidates and companies. By continuously modernizing itself in the area of employment technologies over 20 years, it ensures that both applicants and companies set themselves apart in the employment processes. It provides companies with the support to reach the correct employees and digital employer brand consultancy, as well as services in the areas such as digital marketing services and employee candidates process management.



yakala.co

Being included in the group purchasing category of the e-trade field, and defined, in general, as an "opportunity site / discount site / coupon site", yakala.co both allows individual users to live their social life under more economic conditions, and provides "online advertisement and direct sales" opportunity to those local-global companies which it cooperates with, in increasing their recognition and revenues.

Turkey-wide and city-based opportunities of yakala.co consist of many elements and sub-categories such as domestic-abroad holiday packages, city hotels, restaurants, spas, beauty centers, entertainment venues, events on theater-cinema-concert basis, courses, activities embellishing the life, various technological and need-based products, means of transport (sea bus, seaplane, helicopter and intercity bus services) and car rental services.

Yakala.co, which follows the international trends on digital platforms, ensures its technological compatibility simultaneously with the developments, for reliable, fast and easy shopping. Having always kept up-to-date with its desktop-mobile views and Android-iOS applications, yakala.co has achieved the value it has created from 2010 up to date by continuously increasing it.

In addition to all its technological activities aimed at sales, yakala.co reflects a sensible service mentality for answering questions and resolving problems in terms of satisfaction of users, by using telephone, website live support, email, and social media channels. According to 2021 data, yakala.co published 7,997 new opportunities (cooperation - sales contract), made more than 50,000 coupon sales, and gained over 40,000 new subscribers (users).

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.B. Qualifications and Capacity Utilization Rates of the Company's Manufacturing Units and the Developments Therein; General Capacity Utilization Rate; Developments in Manufacturing of the Goods and Services Covered by the Area of Activity, and Comparison of the Quantities, Quality, Versions and Prices with the Previous Periods' Figures

DEMİRÖREN PRINTING CENTER

Carrying on business in the areas of journalism, printing, advertisement, advertising and Internet publishing, Hürriyet has 7 printing facilities in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon and Germany.

The DPC Facilities which undertake printing of Hürriyet Group's newspapers are located in Turkey in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon. The printing activities in abroad are being carried out in Frankfurt, within the body of Hürriyet's Germany Branch (Hürriyet Zweigniederlassung GmbH).



While all the investment expenditures of Hürriyet Gazetecilik ve Matbaacılık A.Ş. from 1997 to 2013 are approximately 484.2 million US Dollars, the amount of the investment expenditures made for DPC facilities in the same period is approximately 296.7 million US Dollars. At Demirören Printing Center (DPC) Facilities, in addition to the Newspaper Hürriyet and Hürriyet Daily News and the supplements thereof, contracted intra-group and external newspapers and the supplements thereof are printed daily, weekly and monthly.

The most widespread printing facility network in our country belongs to DPC. DPC has significant competitive advantages with its qualified man-power, machine park, and technical infrastructure. Its qualifications such as the ability to put the products on the market in time, to rush the latest news to printing, and to significantly decrease the transportation costs, are the fundamental superiorities of DPC which bring it to its target of becoming the common printing center of Turkey.

DPC Istanbul

This is the largest newspaper printing facility of Turkey with a closed area of approximately 18.000 m² and a storage area of 15.000 m². With its capacity and machine park, DPC Istanbul has been ranked among the first three largest newspaper printing facilities of Europe, at the time when it was established. The DPC Istanbul Facility, where all the mechanical and electrical installation systems are controlled by building automation system, has an installed transformer capacity of 10.000 KVA and an existing generator output of 11.000 KVA. Daily average paper use of the facility in 2021 was 31.3 tons. Share in total printing of DPC Istanbul Facility is 43%. In 2012, with the furnaces added to two Man Colorman printing machines, DPC Istanbul Facility gained the capability of making on-demand dry printing on enamel paper and/or newsprint paper. Thus, both blotch of hands with ink from newspaper was prevented and the quality was increased. Like in all the regions, the page width of newspaper has been reduced from 38 cm to 35 cm in Istanbul as well in 2012, and prints have been continued in this size until 2017. In 2017, the page width of newspaper has been further narrowed by 1.5 cm, and is thus reduced from 35 cm to 33.5 cm, again simultaneously with all the regions. Again in 2017, together with the paper sizes, the mold sizes have also been narrowed at DPC Istanbul Facility. Significant saving has been made with the narrowing of newspaper page width and narrowing of mold width. In July 2017, 2 down-level GOSS HT 70 printing machines in DPC Istanbul facility were deactivated, and all production was shifted to MAN and GOSS Uniliner machines which are more modern. With these three machines, 6 publications can be printed at the same time in a compatible configuration, and additional and commercial inserts can be placed in the products printed online.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

B. Qualifications and Capacity Utilization Rates of the Company's Manufacturing Units and the Developments Therein; General Capacity Utilization Rate; Developments in Manufacturing of the Goods and Services Covered by the Area of Activity, and Comparison of the Quantities, Quality, Versions and Prices with the Previous Periods' Figures (Continued)

DPC Ankara

This is the facility that is established on the widest area following the DPC Istanbul Facility. Being located on the Esenboğa Airport highway and established on an area of approximately 58.000 m², DPC Ankara Facilities have a closed area of approximately 16.000 m². The facility was constructed in steel construction. In 2018, 5 units have been dismantled from the Goss Universal printing machines at the facility and sent to the Germany printing house. The Facility is currently continuing its production with 115 units and 4 folding.

With its printing machine which is designed in a way to be capable of printing 4 newspapers at the same time with its 4 folding, the Facility is capable of producing 180 thousand newspapers in an hour. The facility has 3 automatic inserting machines which were installed in 2007. The Facility has an installed transformer capacity of 4.500 KVA and an existing generator output of 4.500 KVA. Daily average paper use of the facility in 2021 was 12 tons. Share of DPC Ankara Facility within the total print is 17%. In 2018, we launched the mold width narrowing project in DPC Ankara Facility with our own means to make saving from mold costs. In August 2018, narrow-size molds were put into use step by step. With this practice, mold used in Ankara region were downsized by 4.32%.

DPC Izmir

DPC Izmir Facility moved to its new buildings in January 2007. The new DPC Facility is at a distance of 20 km to Izmir city center and 2 km to Izmir Adnan Menderes Airport. The facility is constructed on an area of approximately 35.000 m². Having a closed area of 16.000 m² in total, the facility has a green area of approximately 12.000 m². The Facility has an installed transformer capacity of 5 MVA. It has 2 transformers with a capacity of 2.500 KVA and 2 generators with a capacity of 2 thousand KVA and 2.500 KVA, respectively. At the time when it was established, it had one of the longest Goss Universal printing machine lines in the world. In 2018, 4 units have been dismantled from the Goss Universal printing machines at the facility and sent to the Germany printing house. The Facility is currently continuing its production with 116 units and 4 folding. With its printing machine which is designed in a way to be capable of printing 4 newspapers at the same time with its 4 folding, the Facility is capable of producing 180 thousand newspapers in an hour. The facility has 3 automatic inserting machines which were installed in 2007. Daily average paper use of the facility in 2021 was 16 tons. Share in total printing of DPC Izmir Facility is 21%.

In 2018, we launched the mold width narrowing project with our own means to make saving from mold costs. In October 2018, narrow-size molds were put into use step by step. With this practice, mold used in Izmir region were downsized by 4.32%.

DPC Antalya

DPC Antalya Facility is constructed on a land of approximately 11.000 m², with a closed area of 4.900 m² in total. The Facility has a transformer capacity of 2.500 KVA and an existing generator output of 2.000 KVA. The Tensor T1400 printing machine which is installed in the Facility, is capable of making 40 pages of newspaper printing, 32 of which are colored, and one of the Goss Community printing machines is capable of making 40 pages of newspaper printing, 28 of which are colored, and the other one is capable of making 32 pages of newspaper printing, 24 of which are colored. DPC Antalya Facility is capable of printing 3 different newspapers at the same time. Using the 3 folding in the machine park, 105 thousand newspapers can be produced in an hour. Daily average paper use of the facility in 2021 was 4 tons. Share in total printing of DPC Antalya Facility is 5%. In 2011, DPC Antalya Facility fulfilled the necessary obligations and obtained an "Environmental Permit Certificate" from Antalya Provincial Directorate of Environment and Forestry. In 2019, narrow-size molds were put into use step by step. With this practice, mold used in Antalya region were downsized by 4.32%.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

B. Qualifications and Capacity Utilization Rates of the Company's Manufacturing Units and the Developments Therein; General Capacity Utilization Rate; Developments in Manufacturing of the Goods and Services Covered by the Area of Activity, and Comparison of the Quantities, Quality, Versions and Prices with the Previous Periods' Figures (Continued)

DPC Adana

Having been constructed on a land of approximately 11.000 m², DPC Adana Facility makes production in a closed area of 5.800 m² in total. The Facility has an installed transformer capacity of 2.500 KVA and it has two generators, being 1.600 KVA and 2.000 KVA DPC Adana Facility has 3 Tensor printing machines, having a maximum printing capacity of 35 thousand prints in an hour. From among these machines, the first line can print a newspaper with a total of 40 pages, 28 of which are colored, the second line can print a total of 36 pages, 28 of which are colored, and the third line can print a total of 40 pages, 32 of which are colored. Daily average paper use of the facility in 2021 was 7 tons. Share in total printing of DPC Adana Facility is 10%. In 2019, narrow-size molds were put into use step by step. With this practice, the mold used in Adana region was downsized by 4.32%.

DPC Trabzon

Being the first facility constructed during DPC's organization, DPC Trabzon Facility carries on business on a land of approximately 15.000 m², with a closed area of 3.500 m² in total. The Facility has a transformer capacity of 2.000 KVA and an existing generator output of 1.054 KVA. 1 Goss Community printing machine is capable of printing a newspaper of 40 pages in total, 32 of which are colored. 2 Goss Community printing machines are capable of printing a newspaper of 40 pages in total, 28 of which are colored. The Facility is capable of producing up to 70 thousand newspapers.

As of the end of 2012, installation of 4 CTPs (computer to plate) has been completed. Daily average paper use of the facility in 2021 was 3 tons. Share in total printing of DPC Trabzon Facility is 4%.

In 2018, we launched the mold width narrowing project with our own means to make saving from mold costs. In July 2018, narrow-size molds were put into use step by step. With this practice, the molds used in Trabzon region were downsized by 4.30%.

Capacity Utilization Rates at DPCs

Capacity utilization rates for 2020 and 2021 are given below on regional basis:

Region	2021 (%)	2020 (%)
Istanbul	52	56
Ankara	34	39
Izmir	47	46
Adana	35	37
Antalya	23	24
Trabzon	28	39

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

4.B. Qualifications and Capacity Utilization Rates of the Company's Manufacturing Units and the Developments Therein; General Capacity Utilization Rate; Developments in Manufacturing of the Goods and Services Covered by the Area of Activity, and Comparison of the Quantities, Quality, Versions and Prices with the Previous Periods' Figures

DEMİRÖREN PRINTING CENTER (Continued)

The developments in production of goods and services can be monitored from the number of pages printed which is shown below:

Production activity	2021	2020
Total number of pages	6,380 million	6,946 million

Number of pages produced decreased 8% compared to the previous year. Number of pages produced consists of the number of pages of the Company's newspapers Hürriyet and Hürriyet Daily News and those newspapers which are provided with contract services. The decrease in the number of printing arises from the reduction in the circulation of the company and of the printing customers to which it provides contract services, due to the shrinking in Turkish newspaper market.

While average daily newspaper sale throughout Turkey was 1,992 thousand in 2020, it was 1,902 thousand in 2021, with a decrease of 5% in the market. Number of daily average net sales of the Newspaper Hürriyet, which was 196 thousand in 2020, was 192 thousand in 2021.

Paper, which constitutes the most significant portion of the expenses of costs of the goods sold, is being imported predominantly from USA, Canada, Northern European countries and Russia, and its cost is affected both by the paper prices in the world and by the rate of exchange of US Dollar/Turkish Lira. While the price of paper used in production of the newspaper was 473 US Dollars per ton in average in 2020, it was 508 US Dollars in 2021 with an increase of 7%. While the paper used for newspaper was 13 thousand tons in 2020, it regressed to 11.37 thousand tons in 2021 due to the decrease in circulation numbers and number of pages.

Breakdown of the incomes from consolidated sales of Hürriyet Gazetecilik ve Matbaacılık A.Ş., on category basis, is as follows:

Incomes	2021 (Thousand ₺)	Share (%)	2020 (Thousand ₺)	Share (%)
Advertisement	130,959	37%	127,965	41%
Circulation and Printing	190,105	54%	161,771	51%
Other Income	29,892	9%	26,076	8%
Total	350,956		315,812	

As it can be seen from the above table, 37% of the Company's consolidated incomes arise from printed media and digital publication advertising incomes. Advertisement incomes increased by 2% in 2021 compared to 2020.

4.D. Information and Evaluations as to Whether or Not the Targets Defined in Previous Periods were Achieved, Whether or Not the General Assembly Decisions were Enforced, and the Reasons in Case the Targets were not Achieved and the Decisions were not Enforced

The Company fulfilled all the resolutions of the General Assembly in the relevant accounting period.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

E. Predictions on the Company's Development

In the domestic printed media activities, the Company continues to concentrate on product development and on the efforts of productivity in production and distribution. In its digital activities, it maintains its leading position in Turkey as hurriyet.com.tr in the area of Internet journalism. In addition to this, it provides to its users the richness of printed sub-publications and much more, in the Internet environment. The goal is to be in the leading position in also those areas other than news, and to become a content portal touching upon every aspect of life and appealing to all segments of the society. For this purpose, digital contents and product development in various verticals were focused on. Working specifically for every vertical; product and content projects which will bring the user's experience to perfection are put into practice.

F. Predictable Risks in Relation to the Activity

These risks can be summarized as the risks to occur in the Company's work plan due to the global developments in import-based raw material price and supply, the possibility of increase in the exchange rates due to imported entries, the scenario of an adverse effect on the advertisement incomes more than expected against a stagnation arising from external or internal reasons, in case of economic stagnation, possibility of a deterioration to arise in collectability from agencies and advertisers of the receivables, operational risks such as ensuring business continuity in emergency cases, and risks which might occur in relation to protecting the brand value. The relevant departments are closely monitoring the developments in these areas and taking the necessary measures. The Covid-19 pandemic, which spread throughout the world and impacted our country starting from the first quarter of 2020, continued its impact in 2021 as well. Depending upon the ongoing pandemic conditions, the changes in the channel use preferences of advertisers and in the habits of users, involve a potential of causing a loss of profit in the upcoming period as well.

G. Information on the Investments Made by the Company in the Relevant Accounting Period

Consolidated tangible and intangible fixed asset investments of Hürriyet and its Subsidiaries for 2021 are at an amount of 13,3 million Turkish Liras (except for immovable properties for investment purposes). (2020: 3.2 million Turkish Liras)

4.H. Information on the Lawsuits Brought Against the Company which may Affect the Financial Position and Operations of the Company, and the Possible Outcomes Thereof

As of December 31, 2021, total claim amount in the lawsuits filed against the Group is TL 17,308,263. (December 31, 2020: TL 18,034,500) Provisions set aside for these lawsuits as of December 31, 2021 are at an amount of TL 18,481,397. (December 31, 2020: TL 17,051,578)

4.İ. Information on Extraordinary General Assembly

No Extraordinary General Assembly meeting was held within the period.

4.J. Remarks on the Private Audit and Public Audit Conducted During the Accounting Period

No private and/or public audit was made in 2021 accounting period.

4.k. Information on the Donations and Aid that the Company has Made within the Year, and Expenses Made within the Framework of Social Responsibility Projects

Hürriyet Group donated TL 110,999 in 2021 to various foundations and associations for the public weal.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

ENVIRONMENTAL ACTIVITIES

Projects of Hürriyet in the Areas of Environment Protection and Environmental Sustainability

Sustainability may be referred to as the ability to be permanent. According to the definition made in 1987 by the Environment and Development Commission of United Nations, it is “provision of the daily needs of mankind and having the ability to make the development sustainable, without jeopardizing the ability to meet the needs of future generations”. Environmental sustainability is defined as the process of ensuring that the relationship established with the environment is based on preserving the environment in its pure state as far as possible.

Due to its respect for mankind, Hürriyet Group regards protection of the environment for healthy future of mankind and wildlife, as one of its primary missions. In line with the sustainability policies, endeavors are being implemented for protection of the environment and correct use of resources in compliance with all the regulations and laws in relation to environmental protection.

It is considered that high-quality products can be produced in reliable and clean environments.



From this point of view, in order to have a healthy environment and to carry this to future generations, a policy is pursued to consume less consumables and less energy in every stage of production from project and equipment selection to personnel who gained an environmental consciousness, and to daily manufacturing activities, and to adopt and implement environment-friendly manufacturing equipment and techniques insofar as circumstances permit.

In this context, having developed a policy focusing on not to pollute the nature and environment from the early production stages, to place importance on human and environmental health and to leave a green world to the future generations, Hürriyet Gazetecilik ve Matbaacılık A.Ş. established and operated an “Environmental Management Department” in the past for the printing facilities (DPC) within its body. As of 2019, Environmental Consultancy Service is being procured and endeavors are being implemented aimed at preventing and reducing the environmental effects which might arise as a result of production activities, and increasing the environmental consciousness of employees.

- In its terms of office, the Environmental Management Department continuously monitored the renewed and updated Environmental Legislation and made environmental practice improvements in the activities carried out at printing houses and offices.
- Starting from 2015, separate Environmental Consultancy Services and General Environmental Coordinatorship Services are being procured for the printing facilities (DPC), the renewed and updated Environmental Legislation is continuously being monitored, and all the obligations are being fulfilled and environmental consciousness is always being increased.

Various energy activities, including in particular efficient equipment use, are being implemented in all units for the purpose of reducing consumption of energy resources such as electricity and natural gas, and in addition, various endeavors for reducing CO2 emission are also being maintained.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

ENVIRONMENTAL ACTIVITIES (Continued)

Environmental Permits and Licenses

Under the Environmental Legislation, Environmental Permit and License processes of industrial facilities (those which are included in the relevant scope) are being carried out under the Environmental Permit and License Regulation (Abolished: Regulation on the Permits and Licenses Required to be Obtained Under the Environmental Law) published on the Official Gazette no. 29115 dated 10.09.2014, which is in force following a few amendments.

Istanbul and Antalya DPCs satisfied all the relevant conditions under this regulation and obtained Environmental Permit and License Certificate from Directorates of Environment and Urbanization, which is valid for 5 years.

Istanbul DPC facility obtained the environmental permit for "Air Emission", valid for 04.05.2021-04.05.2026 and is satisfying the environmental permit conditions.

Antalya DPC facility renewed the environmental permit for "Waste Water Discharge", to be valid for 14.12.2021-14.12.2026 and is satisfying the environmental permit conditions. Wastewater sample analyses are performed every four months.

For Trabzon DPC branch, there is an opinion dated 22.09.2016 and numbered 7792 that it is outside of the scope of Environmental permit pursuant to the Regulation on Environmental Permits and Licenses published in the official gazette dated 10.09.2014, numbered 29115.

For Adana DPC branch, there is an opinion dated 30.10.2013 and numbered 942629 that it is outside of the scope of Environmental permit pursuant to the Regulation on Environmental Permits and Licenses published in the official gazette dated 10.09.2014, numbered 29115.

For Ankara DPC branch, there is a letter dated 31.05.2010, numbered 5815 that it is outside of the scope of Environmental Permit and License pursuant to the Regulation on Environmental Permits and Licenses published in the official gazette dated 10.09.2014, numbered 29115.

For Izmir DPC Branch, there is a letter dated 18.12.2013 and numbered 28900 that it is outside of the scope of Environmental Permit and License pursuant to the Regulation on Environmental Permits and Licenses published in the official gazette dated 10.09.2014, numbered 29115.

Management of Water Use

Within the scope of environmental sustainability activities, for the purpose of using water efficiently, water consumption is being monitored by instructions, warning labels, and daily water consumption reports at production and office floors.

Prevention of Environmental Pollution

Hürriyet Gazetecilik takes actions with a continuous improvement philosophy, in order

- To comply with all the legal legislation and standards in relation to environment, to pay attention to protection of the environment and wildlife beyond the legal requirements,
- To control the environmental factors arising from all the processes within the frame of approaches preventing and correcting their effects on climate change, air, soil and water and to reduce their negative effects. While carrying this philosophy into effect, it takes its power from full participation of its employees, line management, and the environmental officials who are an expert in their area, from whom it procures services.

The practices for reduction of the wastes from the Company's activities at source are continuously questioned, and improving practices are being made in this respect. Accordingly, effective production planning, minimum stock use and practices for improving the working methods are being made.

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

ENVIRONMENTAL ACTIVITIES (Continued)

In this context, pursuant to the Packing Wastes Regulation, in 2011, for the purpose of collection according to their quota, and recycling, of the packing materials put on the market by Hürriyet Group, which have been declared on the online system of the Ministry of Environment and Urbanization in the declaration periods from 2005 up until today, a transfer of authority was made with the authorized organization TUKÇEV Foundation (the Foundation for Consumers and Environmental Education). As of 01.01.2020, export/import packaging data were monthly recorded with the approval of the Environmental Consultant, within the scope of GEKAP (Recycling Contribution) declaration. GEKAP declarations are made periodically.

Major practices being carried out in this field are as follows:

First of all, creating an awareness for less waste production,

- Placing paper recycling boxes on the office floors,
- Placing paper, glass, plastic, composite and waste battery collection units at office and production areas,
- Placing contaminated materials collection units at production areas, and collecting the valuable wastes separate from hazardous wastes,
- Placing HP toner and cartridge collection containers,
- Placing packing waste collection containers.

Waste Management, Disposal and Recycling

In the studies made for waste management, the following activities are planned:

- Preventing creation of waste at source,
- Reusing waste in process,
- Recovery of waste.

Istanbul DPC and Antalya DPC are inspected regularly every month, and other facilities at certain intervals, by authorized companies serving as Environmental Consultant.

The facilities in all the regions periodically prepare "Industrial Waste Management Plans" for their hazardous and non-hazardous wastes created as a result of their activities, and submit these plans for approval of the relevant Provincial Directorate of Environment and Urbanization. Istanbul DPC has a Waste Management Plan Approval valid until 31.03.2023, which satisfies the conditions of the Waste Management Regulation.

Approved "Temporary Hazardous Waste Storage Areas" have been set up in the regions. Waste collected in these storages are being sent for evaluation to the authorized disposal or recycling companies licensed by the Ministry of Environment and Urbanization, and their records are being kept. In addition, under guidance of the Environmental Consultants, continuous improvement endeavors are made at the existing waste storages. For indemnification of third persons for the damages they may incur due to temporary hazardous waste storages, the "Compulsory Financial Liability Insurance for Hazardous Substances and Hazardous Wastes", which must be placed as required by law, is taken out every year and renewed on expiry. Every year, waste sent in the previous year to the recycling and/or disposal companies are reported to the Ministry of Environment and Urbanization through the Hazardous Wastes Declaration System (TABS).

4. ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

ENVIRONMENTAL ACTIVITIES (Continued)

Audits by the Authorized Body

On certain dates and upon the applications made by the facilities in the relevant matters, the authorized body performed many audits. The last audit was the Joint Audit at Istanbul DPC, which was performed on December 9, 2017. Istanbul DPC passed this audit where a detailed document and site examination was made, with no shortfall. No significant unfavorable findings were detected on the audits of other facilities.



T.C.
İSTANBUL VALİLİĞİ
Çevre Şehircilik İl Müdürlüğü
ÇEVRE İZİN BELGESİ

Belge No : 228505136.0.1
Başlangıç Tarihi : 04.05.2021
Bitiş Tarihi : 04.05.2026
Tesis Adı : HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
Tesis Adresi : İSTANBUL, ORHAN GAZİ Mahallesi, 1650. SOKAK, No: 2-, ESENYURT, Türkiye
İşletme Vergi No : 4640061273
Çevre İzin ve Lisans Konusu : Hava Emisyon

Yukarıda adı ve açık adresi belirtilen tesise Çevre İzin ve Lisans Yönetmeliği kapsamında ÇEVRE İZİN BELGESİ verilmiş olup 03.05.2021 tarihli ve 35848554-150/E.822 sayılı yazı ile birlikte geçerlidir. Aynı kullanılmaz.

 e-imza ile
Hacı Mehmet GÜNER
İl Müdürü

5070 sayılı Elektronik İmza Kanunu gereği bu belge elektronik imza ile imzalanmıştır.



T.C.
ANTALYA VALİLİĞİ
Çevre Şehircilik İl Müdürlüğü
ÇEVRE İZİN BELGESİ

Belge No : 223452974.0.1
Başlangıç Tarihi : 14.12.2021
Bitiş Tarihi : 14.12.2026
Tesis Adı : HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş. ANTALYA DPC ŞUBESİ
Tesis Adresi : Yenigöl Mahallesi Serik Caddesi No: 80 Muratpaşa/ANTALYA
İşletme Vergi No : 4640061273
Çevre İzin ve Lisans Konusu : Atık Su Deşarjı

Yukarıda adı ve açık adresi belirtilen tesise Çevre İzin ve Lisans Yönetmeliği kapsamında ÇEVRE İZİN BELGESİ verilmiş olup 14.12.2021 tarihli ve 87829586-150/E.384 sayılı yazı ile birlikte geçerlidir. Aynı kullanılmaz.

 e-imza ile
Yavuz ALTINAY
İl Müdürü

5070 sayılı Elektronik İmza Kanunu gereği bu belge elektronik imza ile imzalanmıştır.

4.L. Legal Transactions Made by the Company for the Benefit of the Controlling Company or Group of Companies, and Actions Taken or Avoided from Being Taken for the Benefit of the Group of Companies

The Company has no legal transactions carried out with the controlling company, with a company affiliated to the controlling company, or with the direction of the controlling company in favor of it or a company affiliated to it, or any precautions taken or avoided or any transaction which should be offset in the previous activity period in favor of the controlling company or a company affiliated to it.

4.M. Whether the Company Obtained a Proper Consideration in the Legal Transactions Mentioned in Sub-paragraph (4.L), Whether the Action Taken or Avoided from Being Taken Caused any Damage to the Company, and if the Company Incurred any Damage, Whether this was Offset

Our Company has no transaction which should be offset.

5. FINANCIAL POSITION

5.A. The Analysis and Evaluation of the Board of Directors with Regard to Financial Position and Results of Activities Carried Out, the Extent to which the Planned Activities Were Realized, and the Company's Position in Relation to the Strategic Targets Determined

The status of the activity results of the company according to the planned strategic goals is reviewed in certain periods by management bodies and corrective/improvement actions are taken, if needed.

5.B. In Comparison with the Previous Years, the Company's Sales During the Year, its Efficiency, its Capacity to Generate Income, its Profitability, Debt/Equity Ratio and Information on Other Matters that May Give an Idea on the Results of the Company's Operations, and Prospective Expectations

Our consolidated advertisement revenue which was 128 million TL in 2020 became 131 million TL in 2021. With the reorganization that it has made in its digital channels, the Company aims to be at the forefront in the competition in this area. In addition to this, we have shrunk the activities of unproductive foreign operations and aimed to eliminate their adverse financial impacts.

Key Indicators and Ratios

SUMMARY STATEMENT OF FINANCIAL POSITION	January 1 - December -31, 2021	January 1 - December -31, 2020
	(Thousand TL)	(Thousand TL)
Current Assets	221,974	267,402
Non-Current Assets	1,108,138	697,361
TOTAL ASSETS	1,330,112	964,763
Short-Term Liabilities	283,777	219,285
Long-Term Liabilities	162,675	105,924
Shareholders' Equity	883,661	639,554
TOTAL LIABILITIES	1,330,112	964,763

NET LIABILITIES	January 1 - December -31, 2021	January 1 - December -31, 2020
	(Thousand TL)	(Thousand TL)
Short-term financial liabilities	0	0
Long-term financial liabilities	0	0
Total Financial Liabilities	0	0
Cash and Cash Equivalents (-)	-2,490	-4,591
NET SALES	350,956	315,812
GROSS PROFIT	-6,951	9,529
REAL OPERATING PROFIT/(LOSS)	-53,875	-67,885
(LOSS)/PROFIT BEFORE TAX FROM ONGOING ACTIVITIES	62,099	-64,023
NET PROFIT/(LOSS) OF THE PERIOD	55,033	-82,047

5. FINANCIAL POSITION (Continued)

5.B. In Comparison with the Previous Years, the Company's Sales During the Year, its Efficiency, its Capacity to Generate Income, its Profitability, Debt/Equity Ratio and Information on Other Matters that May Give an Idea on the Results of the Company's Operations, and Prospective Expectations (Continued)

Key Indicators and Ratios (Continued)

RATIOS	2021	2020
Current Ratio	0.78	1.22
Liabilities/Shareholders' Equity	50.5%	50.8%
Gross Profit Margin	-2.0%	3.0%
Real Operating Profit Margin	-15.4%	-21.5%

5. C. Nature and Amount of the Issued Capital Market Instruments

There are no capital market instruments issued in the accounting period from 01.01.2021 to 31.12.2021.

5. D. Determination and Management Body's Evaluations on Whether or Not the Company's Capital Became Uncovered or Whether the Company is Financially Insolvent

The Company's capital did not become uncovered and it is not heavily in debt.

5.E. Precautions Intended to be Taken to Improve the Company's Financial Structure

While we are working on the efforts to create alternative income, on the one hand, against the decrease in the Company's advertisement incomes, we are on the other hand reviewing the areas of saving in raw materials, services, personnel, office and operating expenses, and taking the necessary measures. The balance between payments and collections is monitored and improvement efforts are carried out in this area.

5. F. Information on Dividend Distribution Policy and, If No Dividend will be Distributed, the Reason Therefor, and Proposals as to How the Undistributed Profit will be Used

By taking into consideration the provisions of the Turkish Commercial Code ("TCC"), Capital Market Legislation and the Regulations of the Capital Markets Board ("SPK"), Corporate Tax, Income Tax and the other applicable legislation, as well as the relevant provisions of our Company's Articles of Association and our publicly disclosed "Dividend Distribution Policy";

our Company's Board of Directors unanimously decided that according to the Consolidated Financial Statements for the accounting period from 01.01.2021 to 31.12.2021, which have been prepared in conformity with the Turkish Accounting Standards ("TAS") and the Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting and Auditing Standards Authority ("KGK") as per the "Communiqué on Principles of Financial Reporting in Capital Markets" ("II14.1") of CMB, and of which principles of presentation have been determined pursuant to the Resolutions of CMB in this regard, and which have undergone an independent audit; a "Net Period Profit" of 55,218,092 Turkish Lira emerged, when the "Deferred Tax Income", "Period Tax Expense", "Post-Tax Period Loss of Discontinued Operations" and "Non-controlling Shares of Consolidated Equity of Participations" are taken into account all together; and when "Previous Years' Losses" of (488,566,896) Turkish Lira, which was calculated as per the SPK Profit Share Guide announced in CMB's Weekly Bulletin No. 2014/2 dated 27.01.2014, is also taken into account, no dividend can be distributed in the fiscal period from 01.01.2021 to 31.12.2021 in accordance with CMB's regulations on dividend distribution; and the shareholders shall be informed of this circumstance and this circumstance shall be submitted to the approval of the General Assembly,

that in our financial records for the fiscal period from 01.01.2021 to 31.12.2021, kept under the Tax Legislation and according to the Uniform Chart of Accounts published by the Ministry of Finance of the Republic of Turkey, a "Loss for the Period" of TL (48,992,148.69) occurred, and that this amount be transferred to the 'Losses From Previous Years' account; that in addition, pursuant to provision of sub-paragraph 1-e of article 5 of the Corporate Tax Law no 5520, TL 1,779,004.44 from the aforementioned sales of real estates has been kept in liabilities in a special fund account until the end of the fifth year following the year in which such transaction has been made, and that it be transferred to the "Extraordinary Reserves" account, and that this circumstance be submitted to the approval of the General Assembly.

6. RISKS AND ASSESSMENTS OF BOARD OF DIRECTORS

A. Information on the Company's Internal Control System and Internal Audit Activities, and Views of the Board of Directors in this Respect

Our financial statements are prepared under the "Communiqué no II-14.1 on Principles for Financial Reporting in Capital Market" of the Capital Markets Board ("CMB") and in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards published by Public Oversight, Accounting And Auditing Standards Authority, and the principles of presentation thereof are designated pursuant to the regulations and resolutions of CMB. Our financial statements are put to independent audit in accordance with the Independent Audit Standards which are a part of Turkish Audit Standards, and they are examined by our Audit Committee and approved by our Board of Directors, by also obtaining the opinions of those managers who are responsible for preparation of the financial statements. On the other hand, internal audit activities are ongoing at group level.

6. B. The Risk Management Policy to be Implemented by the Company Against the Predictable Risks

Our Company's risk management is carried out by the "Committee for Early Detection of Risk". The purpose of the Committee is to develop policies necessary for early detection of operational, strategic, financial and compliance risks which may endanger the Company's existence, improvement and continuation, calculation of their impact and possibility, taking and implementing the necessary precautions in relation to the risks detected, and performance of the risk management processes, and to manage and report the risks in accordance with the Company's risk taking profile.

6. RISKS AND ASSESSMENTS OF THE BOARD OF DIRECTORS (Continued)

6. C. Practices and Reports of the Committee for Early Detection of Risk

The Committee for Early Detection of Risk makes practices for the purpose of early detection of the risks which may endanger the Company's existence, improvement and continuation, implementation of the necessary precautions in relation to the risks detected, and management of risk, makes improvements and arrangements in accordance with the report presented to it every two month, and presents the results thereof the Board of Directors.

7. DETAILS OF THE CONTROLLING COMPANY

7. A. Capital Increases/Decreases in Subsidiaries and the Reasons Therefor

No capital increase/decrease occurred in our subsidiaries in 2021.

7. B. Information on the Shares of the Enterprises Included in the Group, in the Parent Company's Capital

Our controlling shareholder is Demirören Medya Yatırımları Ticaret A.Ş., and our Company has no share in the capital of our controlling shareholder.

7.C. Explanations on the Group's Internal Audit and Risk Management Systems with Respect to the Process of Preparation of Consolidated Financial Statements

Our consolidated financial statements are prepared under the "Communiqué no II-14.1 on Principles for Financial Reporting in Capital Market" of the Capital Markets Board ("CMB") and in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards published by Public Oversight, Accounting And Auditing Standards Authority, and the principles of presentation thereof are designated pursuant to the regulations and resolutions of CMB. Our financial statements are put to independent audit in accordance with the Independent Audit Standards which are a part of Turkish Audit Standards, and they are examined by our Audit Committee and approved by our Board of Directors, by also obtaining the opinions of those managers who are responsible for preparation of the financial statements. Our Company's risk management is carried out by the "Committee for Early Detection of Risk".

7.D. Information on the Reports Prescribed by Article 199 of TCC

The Company's Activity Report and Affiliation Report are drawn up in accordance with the provisions of Turkish Commercial Code. The Board members made no request under article 199/4 of TCC.

8. OTHER ISSUES

You may find the information on the Related Party Transactions and balances on the footnote 32 of our Company's consolidated financial statements for the accounting period which ended on December 31, 2021.

Our Company has no conflict of interest or dispute with the companies from which it procured services in relation to investment consultancy, rating and other issues in the period from 01.01.2021 to 31.12.2021. In accordance with the Company's Code of Ethical Conduct, we meticulously observe the principle of avoiding any conflict of interest both in the contracts made and in our internal working order.

8. OTHER ISSUES (Continued)

POST-PERIOD DEVELOPMENTS

Under the Share Acquisition Proposal Communiqué No. II-26.1 of the Capital Markets Board, the process of mandatory share acquisition proposal, which was made by Demirören Medya Yatırımları Ticaret A.Ş., our controlling shareholder, through Ziraat Yatırım Menkul Değerler A.Ş., between January 28, 2022 and February 10, 2022, to the holders of other publicly-traded shares, representing the capital of Hürriyet and meeting the conditions specified in the Weekly Bulletin of the Capital Markets Board, dated 06.01.2022, has been completed and as a result, within the scope of the share acquisition proposal procedure, 12,017,987.48 shares were purchased from 291 investors outside the Stock Exchange. The total value of the shares purchased is TL 88,946,447.24. There is no share purchased from the Stock Exchange within the scope of the share purchase proposal procedure. Upon completion of the repurchase process; according to MKK's records, the ratio of actual shares of Hürriyet Gazetecilik ve Matbaacılık A.Ş. that were in circulation as of 10.02.2022 was 18.79% and the ratio of shares of Demirören Medya Yatırımları Ticaret A.Ş., our controlling shareholder, was 81.21%. The explanations regarding the process were provided in the public disclosures made on behalf of Hürriyet Gazetecilik ve Matbaacılık A.Ş. between 11.11.2021 and 11.02.2022 on the Public Disclosure Platform in accordance with the capital market legislation.

Our Company's Board of Directors resolved on 27.01.2022 to extend the term of the existing Registered Capital Ceiling of our Company for another 5 (five) years until 2026 (inclusive), starting as of 2022. As a result of the said resolution, the necessary application was filed with the Capital Markets Board, and our application was approved with the letter of authorization dated 14.02.2022 and numbered E-29833736-110.04.04-17286 of the Capital Markets Board ("CMB") and the letter of authorization dated 01.03.2022 and numbered E-50035491-431.02-00072383775 of the Republic of Turkey Ministry of Commerce. As a result of the mentioned approval, the amendment to the Company's Articles of Association will be submitted to the shareholders at the next General Assembly Meeting for their approval.

8.A. Personnel and Labor Movements, Collective Bargaining Implementations, and Rights and Benefits Granted to Personnel and Workers



Human Resources

As it has been the case for 70 years, within the framework of new needs of new generation, the digital world's values and changing sense of leadership, 2021 Human Resources strategy was formed without deviating from the aim of introducing new talents to the organization, on the one hand, and on the other hand, by focusing on optimization of the company's organizational structure following the purchasing transaction that occurred.

For the sake of increasing the agility and productivity of the organization under the roof of Demirören Medya, we have conducted studies for consolidation and coordination of units in common. The discretion and evaluation processes of those teams doing the same job under different brands and in different channels have been reviewed, and the necessary revisions and improvements have been made in accordance with the needs. While carrying out practices for reduction of different organizational cultures, processes and functions, into a single standard, organizational structures were also reviewed. In 2020, we have started working towards the Human Resources ERP system, and we switched to Bilin Humanist system as of July 2020.

8. OTHER ISSUES (Continued)

8.A. Personnel and Labor Movements, Collective Bargaining Implementations, and Rights and Benefits Granted to Personnel and Workers

Human Resources (Continued)

In addition to this, a total of 132 persons have been hired as full time employees in 2021 for the new and substituting positions created within the body of Hürriyet's organizations. In order to bring correct human resources in the organization, in addition to traditional hiring methods, we used different channels specific to the digital sector followed by the target audience and aimed at efficient and rapid finalization of the hiring process. With these new channel preferences, while the periods for hiring were reduced, at the same time an improvement was achieved in the rates of reaching to the correct applicants at first time. In social media communications, LinkedIn, Facebook and Instagram applications for existing employees have been used.

Main titles of the 2021 activities of Hürriyet's Human Resources Directorate can be summarized as follows:

Hiring

With the digital technologies developing every passing day, it was made possible for the users to have different experiences, and the new media understanding where they can interact independent of the time and space, maintained its effect.

The need for different experiences and different competencies continued in 2021 as well. In order to bring correct human resources in the organization, in addition to traditional hiring methods, we used different channels specific to the digital sector followed by the target audience, where interaction is faster and more intense, and aimed at efficient and rapid finalization of the hiring process. With these new channel preferences, while the periods for hiring were reduced, improvement was also achieved in the rates of reach to the correct applicants at the first attempt.



As is the case every year, university and high school students have been given the opportunity of internship in 2021 as well during both the summer and winter periods, and a total of 27 students have served their internship in the World of Hürriyet. The interns who displayed a high performance during the internship are preferentially evaluated in the hiring process in case there is a proper position. In order to make the dynamic and agile structure of the Newspaper Hürriyet, focused on continuous development and success, known to large audiences and to bring correct human resources in the organization, 360 degree employer brand strategies continued in 2021 as well. In accordance with this target, we participated as speakers and audience into conferences where the most up-to-date implementations, problems and opportunities in the area of Human Resources were discussed, and made serious contributions to strengthening of our employer brand by sharing with the sector's professionals the role of HR in the digital transformation of Hürriyet and in creating an employer brand, and the changing management of the employer brand, as well as talent management and employee experience in the hiring process.

8.A. Personnel and Labor Movements, Collective Bargaining Implementations, and Rights and Benefits Granted to Personnel and Workers

Training

Within the frame of accelerated practices for collaboration of our newspaper and digital publishing teams, our internal instructors provided Social Media, SEO, Google Analytics, Digital Content-CMS Information and Video trainings to all our publishing teams.

Social Media Management

Occupational Health and Safety Trainings, which include the risks which might be encountered in working life and the measures which can be taken against these risks and which aim to inform and raise awareness of our employees in respect of their legal rights and responsibilities, are continuing online.



The Orientation Program, which is carried out for the purpose of ensuring adaptation in the shortest time of all the newly-hired employees of Hürriyet and its affiliates by learning the mission, vision, purposes, functioning and procedures of the organization, has also continued in 2021.

The “Best of” rewarding program designated every month for employees of Publishing Group in the best page, photo and news categories, has continued in 2021 as well.

8. OTHER ISSUES (Continued)

8.A. Personnel and Labor Movements, Collective Bargaining Implementations, and Rights and Benefits Granted to Personnel and Workers

Human Resources (Continued)

Hürweb

Information-sharing through Hürweb has continued, and raffles for cinema, theater and concert tickets have also continued in 2021 as well.

Practices for Business Processes

Within the scope of improvement and optimization of business processes, we made interviews with department managers and issued a process document for each department. We made descriptions of business processes, created proposals for processes, and identified the KPIs for monitoring the performance of the processes of the departments. In addition to this, in order to gather the similar functions of different brands under a single management and functioning understanding, we also carried out organizational restructuring practices.



Human Resources Policy

1. While establishing the hiring policies and making career plans, we adopt the principle of providing equal opportunities to those persons under equal conditions. In cases where change of managing positions is predicted to cause interruption in the company's management, we prepare a succession planning for designation of those managers to be newly appointed.
2. The criteria in relation to hiring of personnel are determined in writing and these criteria are complied with. Hiring processes are described by procedures.
3. We treat employees fairly in terms of all the rights granted to them, and carry out training and improvement programs and establish training policies aimed at increasing the knowledge, ability and competency of the employees. Meetings are held about Occupational Health and Safety. Digital environments are provided where the employees may share their demands, complaints and proposals in writing.
4. Measures are taken in order not to make any discrimination based on race, religion, language and gender among the employees and to protect employees against intra-company physical, mental and emotional ill-treatment.
5. Employees are provided with a safe working environment and conditions in accordance with the principles of the Occupational Health and Safety regulation.

9. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş. STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Hürriyet Gazetecilik ve Matbaacılık A.Ş. (the "Company") adopted the universal principles of the Corporate Governance Principles such as equality, transparency, accountability and responsibility, and aims to comply in its activities to the maximum extent with the Capital Markets Law ("CML"), the Regulations and Resolutions of CMB, the Corporate Governance Communiqué no. II-17.1 of CMB (the "Communiqué") and the Corporate Governance Principles of CMB. Within the framework of this target, having been included in the Corporate Governance Index ("XKURY") of Borsa İstanbul A.Ş. ("Borsa İstanbul") starting from November 4, 2009, our Company is being subjected to a corporate governance rating every year by the rating agency SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. ("SAHA"), which has an operating license to make ratings in Turkey in accordance with the methodology approved by CMB. The Corporate Governance Rating and Corporate Governance Principles Compliance Report can be accessed from the Company's Corporate Website ("www.hurriyetkurumsal.com"). The Company's Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the period from 01.01.2021 to 31.12.2021, were prepared in accordance with the principles of presentation which were designated by the Decision no 2/49, dated 10.01.2019 of CMB and announced on the Weekly Bulletin no. 2019/02, dated 10.01.2019 of CMB, and the "Corporate Governance Communiqué" no. II-17.1 of CMB.

The Corporate Governance Principles Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the period from 01.01.2021 to 31.12.2021, can be accessed from the Company's Corporate Website ("www.hurriyetkurumsal.com"), on the "Corporate Governance"/"Corporate Governance Principles Compliance Report" section and from the Corporate Website (www.kap.org.tr) of the Public Disclosure Platform ("KAP"). Our Corporate Governance Committee is continuing with its practices aimed at improving our corporate governance implementations. In our Company's operating period which ended on 31.12.2021, all the "mandatory" principles of CML, the Regulations and Decisions of CMB and the Communiqué have been complied with. We are paying maximum attention to compliance with the non-mandatory principles, and with regard to the matters where full compliance has not been achieved yet, we consider that no significant conflict of interest shall arise in the current situation.

Best regards,

Yıldırım DEMİRÖREN
Chairperson of Board of Directors

Meltem OKTAY
Deputy Chairperson of Board of Directors

Access Links:

- 1) Corporate Governance Compliance Report ("URF") <https://www.kap.org.tr/tr/Bildirim/1008558>
- 2) Corporate Governance Information Form ("KYBF") <https://www.kap.org.tr/tr/Bildirim/1008559>

10. ASSESSMENT OF THE FRAMEWORK FOR COMPLIANCE WITH THE SUSTAINABILITY PRINCIPLES

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

ASSESSMENT OF THE FRAMEWORK FOR COMPLIANCE WITH THE SUSTAINABILITY PRINCIPLES 01.01.2021-31.12.2021

The Framework for Compliance with the Sustainability Principles, which was determined by the Capital Markets Board ("CMB"), contains the fundamental principles that public corporations are expected to declare while carrying out their Environmental, Social and Corporate Governance ("ÇSY") practices. While the implementation of these principles is voluntary, it is made obligatory to report whether or not they are implemented, with the principle of "Comply or Explain". Our Company, which is considered to be within the scope of paragraph 5 of article 1 of the Corporate Governance Communiqué no. II-17.1 of CMB, shall, starting from 2021, include in its activity report the "Framework for Compliance with the Sustainability Principle" in a way to include the data of 2020.

A. General Principles

A1. Strategy, Policy and Objectives

The Board of Directors is making plans to generate ÇSY policies in the upcoming period suitable for the Company's activities and to set its short and long-term objectives in this framework, and carrying out practices for the purpose of determining the risks and opportunities.

A2. Implementation/Monitoring

It is considered to hold the Corporate Governance Committee responsible for the implementation of ÇSY policies. It is planned that the Corporate Governance Committee will generate and disclose to the public the implementation and action plans in accordance with the short and long-term objectives. It is planned to present the ÇSY Key Performance Indicators ("KPG") to be determined, in comparison and with reference to the generally accepted standards to the greatest extent possible. We aim to disclose to the public all the developing activities in this respect.

A3. Reporting

We aim that the Company will report its activities within the scope of ÇYS every year in the upcoming periods, transparently, and taking into account the generally accepted standard presentations. There are no lawsuits within the scope of ÇSY, filed and/or finalized against the Company during the period.

A4. Verification

The Company will use its best efforts to ensure that its activities within the scope of ÇSY are reported and put to audit.

B. Environmental Principles

Our Company complies with the laws in relation to environment and other relevant regulations. The Company's activities are not included in any carbon pricing system. There are no carbon credits accumulated or purchased in the reporting period. No carbon pricing is applied within the Company. Since the environmental impact of the Company's activities is limited, there is no platform where it discloses its environmental information.

C. Social Principles

C1. Human Rights and Employee Rights

Our Company is in full compliance with the Labor Law with all its procedures and implementations. The equality of opportunity is ensured in the recruitment processes, and our Corporate culture has adopted the properties such as discrimination of nationality, belief, ethnic origin, gender, disability and age, as a richness of human resources.

C. Social Principles

C1. Human Rights and Employee Rights

Opportunities provided to employees are announced and granted under the determined policy, and implementations observing employee satisfaction are included. In case of complaints and disputes of employees, the solution processes are determined with the methods set out in the relevant procedures. Hürriyet Gazetecilik ve Matbaacılık A.Ş. Human Resources Policy is implemented. The Human Resources Policy can be reached from our corporate website.

<https://www.hurriyetkurumsal.com/insan-kaynaklari/insan-kaynaklari-politikasi/>

Our Company also adopted the Compensation Policy.

<https://www.hurriyetkurumsal.com/kurumsal-yonetim/tazminat-politikasi/>

Our Company has no union. We sensitively deal with the solution of complaints and disputes of employees, and endeavor to manage the dispute solution processes in the best manner.

Hürriyet Gazetecilik ve Matbaacılık A.Ş. is subject to Demirören Medya Publication Principles which were issued in 2018. The aforementioned principles can be reached from our corporate website.

https://www.hurriyetkurumsal.com/wp-content/uploads/2020/12/yazili_yayin_ilkeleri.pdf

Hürriyet Gazetecilik ve Matbaacılık A.Ş. is subject to Demirören Medya Group Ethical Principles. The aforementioned principles can be reached from our corporate website.

https://www.hurriyetkurumsal.com/wp-content/uploads/2021/01/etik_ilkeler.pdf

C2. Stakeholders, International Standards and Initiatives

The Company shows utmost care to the needs and rights of all the stakeholders, and in this context, it replies any requests of stakeholders and take their complaints and proposals into account, by contacting with them through all the departments in contact with them (Investor Relations, Departments of Communication with Readers, etc.). The Company is not a member of any international institution or initiative in relation to sustainability.

D. Corporate Governance Principles

The Company adopted the universal principles of the Corporate Governance Principles such as equality, transparency, accountability and responsibility, and aims to comply in its activities to the maximum extent with the Capital Markets Law ("CML"), the Regulations and Resolutions of CMB, the Corporate Governance Communiqué no II-17.1 of CMB (the "Communiqué") and the Corporate Governance Principles of CMB. The Company's Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the period from 01.01.2021 to 31.12.2021, were prepared in accordance with the principles of presentation which were designated by the Decision no 2/49, dated 10.01.2019 of CMB and announced on the Weekly Bulletin no. 2019/02, dated 10.01.2019 of CMB, and the "Corporate Governance Communiqué" No. II-17.1 of CMB. The Company's Corporate Governance Principles Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the accounting period from 01.01.2021 to 31.12.2021, can be reached from the Company's Corporate Website www.hurriyetkurumsal.com, and from the Corporate Website (www.kap.org.tr) of the Public Disclosure Platform ("KAP"). Our Corporate Governance Committee is continuing, also prioritizing the sustainability issues, with its practices aimed at improving our corporate governance implementations. In our Company's operating period which ended on 31.12.2021, all the "mandatory" principles of CML, the Regulations and Decisions of CMB and the Communiqué have been complied with. We are paying maximum attention to compliance with the non-mandatory principles, and with regard to the matters where full compliance has not been achieved yet, we consider that no significant conflict of interest shall arise in the current situation.

11. RESOLUTION OF BOARD OF DIRECTORS FOR ACCEPTANCE OF FINANCIAL REPORTS, ACTIVITY REPORT AND CORPORATE GOVERNANCE REPORT

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

RESOLUTION OF THE BOARD OF DIRECTORS

Date of Meeting : 08.03.2022
Resolution No. : 2022/05
Meeting Venue : Company Headquarters

AGENDA:

About discussion and acceptance of the Consolidated Financial Report, Activity Report, Corporate Governance Compliance Report and Corporate Governance Information Form for the period from 01.01.2021 to 31.12.2021.

RESOLUTION:

The Board of Directors of the Company convened at the address and on the date specified above with participation of its members whose signatures are appended below, and resolved as follows:

It was unanimously resolved to accept the Consolidated Financial Report for the accounting period from 01.01.2021 to 31.12.2021, which was submitted to our Board of Directors with the assent of our Audit Committee and relevant managers with their correction recommendations, which was prepared under the provisions of the "Communiqué No. II-14.1 on Principles for Financial Reporting in Capital Market" of the Capital Markets Board ("CMB"), in accordance with Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") published by Public Oversight, Accounting And Auditing Standards Authority ("KGG"), principles of presentation of which were in compliance with the procedure which was developed by KGG based on sub-paragraph (b) of article 9 of the Decree Law no. 660 ("Decree Law") and designated and made public with the Decision no. 30, dated 02.06.2016 of KGG, and, which was determined with the Decision no. 22/805, dated 15.07.2016 of CMB and made public on the Weekly Bulletin no. 2016/22, dated 15.07.2016 of CMB, and which was prepared in accordance with TAS Taxonomy 2016 and updated in accordance with TFRS Taxonomy 2019 disclosed to public on 15.04.2019 by the Public Oversight Authority, and which was put to independent audit, and which was comparative with the previous period,

To accept the Activity Report for the period from 01.01.2021 to 31.12.2021, which was submitted to approval of the Board of Directors with the assent of our Audit committee and relevant managers with their correction recommendations, which was prepared in accordance with Turkish Commercial Code ("TCC"), the "Regulation on Determination of the Minimum Content of the Annual Activity Reports of Companies" of the Ministry of Customs and Trade (the "Ministry") and the "Communiqué on Principles for Financial Reporting in Capital Market" no. II- 14.1 of CMB, which is consistent with the financial statements and the footnotes thereto, and which was put to independent audit,

To accept the Corporate Governance Compliance Report ("URF") which shows our Company's compliance with the voluntary principles pursuant to the decision no. 2/49, dated 10.01.2019 of the Capital Markets Board and the Corporate Governance Information Form ("KYBF") which gives information on our existing corporate governance implementations, for the period from 01.01.2021 to 31.12.2021, which were announced on 08.03.2022, and which can be accessed from the Corporate Governance Compliance Report and Information Form for 2021 from our Company's Public Disclosure Platform page, under the tab of Corporate Governance Principles Compliance Report.

Chairperson of Board of Directors Yıldırım Demirören	Board of Directors Deputy Chairperson Meltem Oktay	Board Member Fikret Tayfun Demirören	Board Member Mehmet Koray Yanç
	Board Member Mehmet Soysal	Board of Directors Independent Member Alaattin Aykaç	Board of Directors Independent Member Orhan Kırca

12. DECISION OF CORPORATE GOVERNANCE COMMITTEE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

DECISION OF CORPORATE GOVERNANCE COMMITTEE

DATE : 07.03.2022

SUBJECT : Discussion and evaluation of the Activity Report and the Corporate Governance Compliance Report and the Corporate Governance Information Form for the period from 01.01.2021 to 31.12.2021.

The Activity Report for the period from 01.01.2021 to 31.12.2021, which was prepared in accordance with Turkish Commercial Code ("TCC"), the "Regulation on Determination of the Minimum Content of the Annual Activity Reports of Companies" of the Ministry of Trade (the "Ministry") and the "Communiqué on Principles for Financial Reporting in Capital Market" no II-14.1 of CMB, which is consistent with the financial statements and the footnotes thereto for the period from 01.01.2021 to 31.12.2021, which is prepared in accordance with the provisions of the relevant legislation and will be submitted for the approval of the general assembly, and which was put to independent audit, and the Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the period from 01.01.2021 to 31.12.2021, the principles of presentation of which were designated by the Decision no. 2/49, dated 10.01.2019 of CMB and announced on the Weekly Bulletin no. 2019/02, dated 10.01.2019 of CMB, and in this framework, which were prepared in accordance with the "Corporate Governance Communiqué" No. II-17.1 of CMB, were examined by also obtaining the opinions of those managers who are responsible for preparation of the Company's Activity Report, URF and KYBF; and limited to the information which we have and which were communicated to us, our opinion in relation to the aforementioned Reports was communicated to those managers who are responsible for preparation of these Reports; and in this framework, it was concluded that the Activity Report, URF and KYBF are reflecting the factual situation on the Company's operating results, they don't contain a significant deficiency which will cause them to be misleading, and they are in compliance with TCC and the regulations of the Ministry and CMB.

Alaattin AYKAÇ

Chairperson

Orhan KIRCA

Member

Elif Özcan

Member

13. DECISION OF AUDIT COMMITTEE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş. DECISION OF AUDIT COMMITTEE

DATE : : 07.03.2022

SUBJECT : Discussion and evaluation of the Financial Report for the period from 01.01.2021 to 31.12.2021.

The Consolidated Financial Report for the period from 01.01.2021 to 31.12.2021, which was prepared under the provisions of the "Communiqué No. II-14.1 on Principles for Financial Reporting in Capital Market" of the Capital Markets Board ("CMB") and in accordance with the Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"), the principles of presentation of which were in compliance with the procedure which was developed by KGK based on sub-paragraph (b) of article 9 of the Decree Law no. 660 ("Decree Law") and designated and made public with the Decision no. 30, dated 02.06.2016 of KGK, and, which was determined with the Decision no. 22/805, dated 15.07.2016 of CMB and made public on the Weekly Bulletin no. 2016/22 dated 15.07.2016 of CMB, and which was prepared in accordance with TAS Taxonomy 2016 and updated in accordance with TFRS Taxonomy 2019 disclosed to public on 15.04.2019 by the Public Oversight Authority, and which was put to independent audit, and which was comparative with the previous period, was examined by also obtaining the opinions of those managers who are responsible for preparation of the Company's Financial Reports.

Limited to the information which we have and which was communicated to us, our opinion in relation to the aforementioned Consolidated Financial Report was communicated to those managers who are responsible for preparation of the financial statements and the footnotes thereto which constitute the Financial Report; and within the frame of this opinion, it was concluded that the aforementioned Financial Report is reflecting the factual situation on the Company's operating results, that it does not contain a significant deficiency which will cause it to be misleading, and it is in compliance with TCC and the regulations of CMB.

Alaattin AYKAÇ

Chairperson

Orhan KIRCA

Member

14. STATEMENT OF RESPONSIBILITY REGARDING THE FINANCIAL REPORT, BOARD OF DIRECTORS' ACTIVITY REPORT, CORPORATE GOVERNANCE COMPLIANCE REPORT AND CORPORATE GOVERNANCE INFORMATION FORM

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
RESOLUTION OF BOARD OF DIRECTORS FOR ACCEPTANCE OF FINANCIAL REPORT AND ACTIVITY REPORT**

**DATE OF
RESOLUTION : 08.03.2022
RESOLUTION NO. : 2022/05**

**STATEMENT OF RESPONSIBILITY
AS PER ARTICLE 9 OF SECTION TWO OF THE COMMUNIQUÉ NO. II-14.1 OF THE CAPITAL MARKETS BOARD**

The Consolidated Financial Report of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the period from 01.01.2021 to 31.12.2021, which was prepared under the provisions of the "Communiqué No. II-14.1 on Principles for Financial Reporting in Capital Market" of the Capital Markets Board ("CMB") and in accordance with the Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"), the principles of presentation of which were in compliance with the procedure which was developed by KGK based on sub-paragraph (b) of article 9 of the Decree Law no. 660 ("Decree Law") and designated and made public with the Decision no. 30, dated 02.06.2016 of KGK, and which was determined with the Decision no. 22/805, dated 15.07.2016 of CMB and made public on the Weekly Bulletin no. 2016/22 dated 15.07.2016 of CMB, and which was prepared in accordance with TAS Taxonomy 2016 and updated in accordance with TFRS Taxonomy 2019 disclosed to public on 15.04.2019 by the Public Oversight Authority, and which was put to independent audit; its Activity Report for the period from 01.01.2021 to 31.12.2021, which was prepared in accordance with the Turkish Commercial Code ("TCC"), the "Regulation on Determination of the Minimum Content of the Annual Activity Reports of Companies" of the Ministry of Customs and Trade (the "Ministry") and the "Communiqué No II-14.1 on Principles for Financial Reporting in Capital Market" of CMB, which is consistent with the financial statements and the footnotes thereto for the period from 01.01.2021 to 31.12.2021 which will be submitted for the approval of the General Assembly, and which was put to independent audit, and its Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the period from 01.01.2021 to 31.12.2021, the principles of presentation of which were designated by the Decision no. 2/49, dated 10.01.2019 of CMB and announced on the Weekly Bulletin no. 2019/02, dated 10.01.2019 of CMB, and which, in this framework, were prepared in accordance with the "Corporate Governance Communiqué No. II-17.1" of CMB, were examined by us, and within the framework of the information which we have in our area of duty and responsibility;

it was identified that, the Consolidated Financial Report, the Activity Report, the Corporate Governance Compliance Report and the Corporate Governance Information Form do not contain any incorrect explanation on significant matters or any significant deficiency which will cause the explanation to be misleading as of the date when it was made,

the Consolidated Financial Report, which was prepared in accordance with the Financial Reporting Standards in force, honestly reflects the facts in relation to the Company's assets, liabilities, profit and loss and financial position, and the Activity Report honestly reflects the development and performance of the Company's business and its financial position, together with the significant risks and uncertainties it is faced with.

Alaattin AYKAÇ
Chairperson of the Audit Committee

Orhan KIRCA
Member of the Audit Committee

Hüseyin Emrah KURTOĞLU
Head of Commercial Operations Department

Mustafa ÇELİK
Newspaper Group Finance Director

15. RESOLUTION OF BOARD OF DIRECTORS FOR DISTRIBUTION OF PROFIT AND TABLE OF DISTRIBUTION OF PROFIT

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş. RESOLUTION OF THE BOARD OF DIRECTORS

Date of Meeting : 08.03.2022
Resolution No. : 2022/06
Meeting Venue : Company Headquarters

AGENDA:

Discussion and acceptance of the Profit Distribution Proposal for the fiscal period from 01.01.2021 to 31.12.2021

RESOLUTION:

By taking into consideration the provisions of the Turkish Commercial Code ("TCC"), Capital Market Legislation and the Regulations of the Capital Markets Board ("SPK"), Corporate Tax, Income Tax and the other applicable legislation, as well as the relevant provisions of our Company's Articles of Association and our publicly disclosed "Dividend Distribution Policy";

our Company's Board of Directors unanimously decided that according to the Consolidated Financial Statements for the accounting period from 01.01.2021 to 31.12.2021, which have been prepared in conformity with the Turkish Accounting Standards ("TAS") and the Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting and Auditing Standards Authority ("KGK") as per the "Communiqué on Principles of Financial Reporting in Capital Markets" ("II14.1") of CMB, and of which principles of presentation have been determined pursuant to the Resolutions of CMB in this regard, and which have undergone an independent audit; a "Net Period Profit" of 55,218,092 Turkish Lira emerged, when the "Deferred Tax Income", "Period Tax Expense", "Post-Tax Period Loss of Discontinued Operations" and "Non-controlling Shares of Consolidated Equity of Participations" are taken into account all together; and when "Previous Years' Losses" of (488,566,896) Turkish Lira, which was calculated as per the SPK Profit Share Guide announced in CMB's Weekly Bulletin No. 2014/2 dated 27.01.2014, is also taken into account, no dividend can be distributed in the fiscal period from 01.01.2021 to 31.12.2021 in accordance with CMB's regulations on dividend distribution; and the shareholders shall be informed of this circumstance and this circumstance shall be submitted to the approval of the General Assembly,

that in our financial records for the fiscal period from 01.01.2021 to 31.12.2021, kept under the Tax Legislation and according to the Uniform Chart of Accounts published by the Ministry of Finance of the Republic of Turkey, a "Loss for the Period" of TL (48,992,148.69) occurred, and that this amount be transferred to the 'Losses From Previous Years' account; that in addition, pursuant to provision of sub-paragraph 1-e of article 5 of the Corporate Tax Law no 5520, TL 1,779,004.44 from the aforementioned sales of real estates has been kept in liabilities in a special fund account until the end of the fifth year following the year in which such transaction has been made, and that it be transferred to the "Extraordinary Reserves" account, and that this circumstance be submitted to the approval of the General Assembly.

Annex: Dividend Distribution Table

Chairperson of Board of Directors Yıldırım Demirören	Board of Directors Deputy Chairperson Meltem Oktay	Board Member Fikret Tayfun Demirören	Board Member Mehmet Koray Yanç
	Board Member Mehmet Soysal	Board of Directors Independent Member Alaattin Aykaç	Board of Directors Independent Member Orhan Kırca

ANNEX: DIVIDEND DISTRIBUTION TABLE

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş. DIVIDEND DISTRIBUTION TABLE FOR 2021 (Turkish Lira)			
1	Issued Capital	592,000,000.00	
2	General Legal Reserve (According to Legal Records) ⁽¹⁾	59,265,973.00	
	If distribution of profit involves any privilege pursuant to the articles of association, information on the mentioned privilege	None.	
		According to CMB	According to Legal Records (LR)
3	Profit/Loss for the Period (+/-) ⁽²⁾	62,099,478.00	-48,992,148.69
4	Taxes (+/-) ⁽³⁾	-6,418,026.00	0.00
	Non-Controlling Consolidated Equity of Participations (-)	-185,347.00	0.00
	Post-Tax Period Loss of Discontinued Operations (-) ⁽⁴⁾	-648,707.00	0.00
5	Net Profit/Loss for the Period (+/-)	55,218,092.00	-48,992,148.69
6	Losses from Previous Years (-) ⁽⁵⁾	-488,566,896.00	-52,248,090.64
7	General Legal Reserve (-)	0.00	0.00
	"Profit from Sales of Shares and R&D Incentive" Taken into a "Special Fund" Temporarily in Order not to be Put Through Distribution (According to Legal Records) (-)	0.00	0.00
8	NET DISTRIBUTABLE PROFIT/LOSS FOR THE PERIOD (+/-)	-433,348,804.00	-101,240,239.33
9	Donations Made within the Year (+)	110,999.00	
10	Net distributable profit/loss for the period inclusive of donations (+/-) ⁽⁶⁾	-433,237,805.00	
11	First Dividend Distribution to Shareholders	0.00	
	Cash	0.00	
	Bonus	0.00	
	Total	0.00	
12	Dividend Distributed to Shareholders Holding Preference Shares	0.00	
13	Other Dividends Distributed	0.00	
	To Board Members	0.00	
	To Employees	0.00	
	To Non-Shareholders	0.00	
14	Dividend Distributed to Holders of Dividend Right Certificates	0.00	
15	Second Dividend Distribution to Shareholders	0.00	
16	General Legal Reserve	0.00	
17	Reserves set aside based on Articles of Association	0.00	
18	Special Reserves	0.00	
19	EXTRAORDINARY RESERVES	0.00	0.00
20	Other Resources Envisaged to be Distributed	0.00	0.00
	Retained Earnings From Previous Years	0.00	0.00
	Extraordinary Reserves	0.00	0.00
	Other Reserves Distributable Pursuant to TCC and Articles of Association	0.00	0.00

(1) "Inflation Differences" were not included.

(2) Consists of the total of "Pre-Tax Profit/(Loss) From Ongoing Activities".

(3) Consists of the total of "Period Tax Expense" and "Deferred Tax Income".

(4) Consists of the post-tax net loss arising from the termination of the activities of digital platforms operating within Pronto Media Holding resident in Russia, which is an indirect subsidiary of Trader Media East Ltd, and the post-tax net loss belonging to ID Impress Media LLC which fell into the category of terminated activities as it entered into bankruptcy process on August 9, 2021.

(5) Calculated as per the CMB Profit Share Guide announced in CMB's Weekly Bulletin No. 2014/2 dated 27.01.2014. Consists of the portion which remains after addition of "Premiums for Shares" and "General Legal Reserve" to the "Accumulated Losses from Previous Years".

(6) No distributable profit for the period occurred.

	GROUP	TOTAL DIVIDEND DISTRIBUTED		TOTAL DIVIDEND DISTRIBUTED / NET DISTRIBUTABLE	DIVIDEND CORRESPONDING TO A SHARE WITH A NOMINAL VALUE OF TL 1	
GROSS	TOTAL	0.00	0.00		0.00000	0.00000
		0.00	0.00	-	0.00000	0.00000
		CASH (TL)	BONUS (TL)	PERCENTAGE (%)	AMOUNT (TL)	PERCENTAGE (%)
NET	TOTAL	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00

16. CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD FROM JANUARY 01, 2021 TO DECEMBER 31, 2021 AND INDEPENDENT AUDITOR'S REPORT

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

EXPLANATORY FOOTNOTES REGARDING CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD FROM JANUARY 1, 2021 TO DECEMBER 31, 2021 AND INDEPENDENT AUDITOR'S REPORT

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY- 31 DECEMBER 2021**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH**

**INDEPENDENT AUDIT REPORT
RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ACCOUNT PERIOD ENDED 31 DECEMBER 2021**

To the General Assembly of Hürriyet Gazetecilik ve Matbaacılık A.Ş.

A. Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Hürriyet Gazetecilik ve Matbaacılık A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated statement of balance sheet as at 31 December 2021 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards (“TMS”).

Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
<p>Investment properties are measured by using the fair value method</p> <p>As explained in Note 11, as of 31 December 2021, the Group's investment properties, which have a carrying amount of TRY 289,301,555 and represent a significant share of total assets, comprise of land and buildings.</p> <p>The accounting policy for investment properties used by the Group management is the "fair value method", as described in Note 2.2. The fair values of these assets are determined by independent valuation experts authorized by the Capital Markets Board ("CMB") and are recognised in the consolidated financial statements after being assessed by the Group management. Fair values of the investment properties depend on the valuation method used as well as the input and assumptions used in the valuation model. Fair values are directly affected by factors such as market conditions, specific characteristics, physical condition and the geographic location of each investment property.</p> <p>The reasoning of our focus in this area;</p> <ul style="list-style-type: none"> • The quantitative materiality of the investment properties in the financial statements, • When determining the fair values of the investment properties, methods such as the benchmarking analysis approach, cost approach and direct capitalization approach are used, and these methods include variables that may lead to changes in the fair values. 	<p>We assessed the qualifications, competencies and Independence of the Professional appraisers engaged by the management.</p> <p>Deeds and ownership ratios of investment properties were tested on a sample basis.</p> <p>We compared the consistency of the inputs which have a significant impact on the property value determined and were stated in the valuation reports, such as unit sales value, against observable market prices, and then tested whether the appraised values are within an acceptable range.</p> <p>Fair values stated in the valuation reports were compared with the disclosures in the consolidated financial statements to assess if the values in the disclosures and accounting records are consistent with the valuation report and the disclosures are sufficient based on the requirements of TFRS.</p> <p>We had no material findings in our audit procedures related to the investment properties accounted for using the fair value method.</p>

Key Audit Matters	How our audit addressed the key audit matter
<p>Fair value of land and buildings recognised using the fair value method</p> <p>As explained in Note 12, the Group recognized land and buildings accounted under property, plant and equipment at their fair value as of 31 December 2021. The fair value of land and buildings was TRY 790,156,270 as of 31 December 2021, and a fair value increase of TRY 189,148,140 was recognized under equity.</p> <p>The accounting policy Group management applies when recognizing these lands and buildings is the “fair value method”, as described in detail in Note 2.2. The fair values of these assets are determined by independent valuation institutions authorized by the Capital Markets Board (“CMB”) and are recognised in consolidated financial statements after being assessed by Group management. Fair values of the investment properties depend on the valuation method used as well as the input and assumptions in the valuation model. Fair values are directly affected by factors such as market conditions, specific characteristics, physical condition and the geographic location of each investment property.</p> <p>Reasons we emphasized this topic are as follows;</p> <ul style="list-style-type: none"> • The significance of land and buildings in the financial statements in terms of amount • When determining the fair values of the land and buildings, methods such as the benchmarking analysis approach, cost approach and direct capitalization approach are used, and these methods include variables that can lead to changes in the fair values of the properties. 	<p>Valuation reports prepared by the independent property valuation institutions assigned by the Group are obtained and the property valuation accreditations and licenses of these institutions granted by the Capital Markets Board are checked based on Independent Audit Standards.</p> <p>Deeds and ownership ratios of land and buildings were tested on a sample basis</p> <p>We compared the consistency of the inputs which have a significant impact on the property value determined and were stated in the valuation reports, such as unit sales value, against observable market prices, and then tested whether the appraised values are within an acceptable range.</p> <p>Fair values stated in the valuation reports were compared with the disclosures in the consolidated financial statements to assess if the values in the disclosures and accounting records are consistent with the valuation report and the disclosures are sufficient based on the requirements of TFRS.</p> <p>We had no material findings in our audit procedures related to the land and buildings accounted for using the fair value method.</p>

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (continued)

· Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

B. Other Responsibilities Arising from Regulatory Requirements

- i. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
- ii. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
- iii. In accordance with subparagraph 4 Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 8 March 2022.

The name of the engagement partner who supervised and concluded this audit is Veysel EKMEN.

VİZYON GRUP BAĞIMSIZ DENETİM A.Ş.
Member firm of MGI Worldwide

Veysel EKMEN
Partner, SMMM

8 March 2022, Istanbul

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**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 DECEMBER 2021**

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

	Note references	(Audited) Current Period 31 December 2021	(Audited) Prior Period 31 December 2020
ASSETS			
Current assets			
Cash and cash equivalents	4	2,490,122	4,591,178
Financial investments	5	89,831	104,565
Trade receivables			
- Trade receivables from related parties	32	75,639,500	155,865,726
- Trade receivables from non-related parties	7	56,288,894	53,441,846
Other receivables			
- Other receivables from related parties	32	46,734,640	21,838,642
- Other receivables from non-related parties	8	2,868,599	2,821,212
Inventories	10	27,323,938	17,577,262
Prepaid expenses	18	8,322,561	9,780,244
Other current assets	19	2,216,070	1,381,682
Total current asset		221,974,155	267,402,357
Non-current assets			
Financial investments	5	313,923	313,923
Other receivables			
- Other receivables from non-related parties	8	9,652,922	9,604,087
Investment properties	11	289,301,555	156,248,359
Tangible assets	12	790,156,270	517,444,015
Intangible assets			
- Other intangible assets	13	13,602,754	11,445,797
Prepaid Expenses	18	2,531,489	-
Deferred tax asset	29	2,396,928	2,044,037
Other non-current assets	19	182,386	260,800
Total non-current assets		1,108,138,227	697,361,018
Total assets		1,330,112,382	964,763,375

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

**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 DECEMBER 2021**

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

	Note references	(Audited) Current Period 31 December 2021	(Audited) Prior Period 31 December 2020
LIABILITIES			
Current liabilities			
Short-term payables from rental services	6		
- Payables from rental services to related parties		2,334,751	2,184,316
- Payables from rental services to non-related parties		8,250,956	3,480,863
Trade payables			
- Trade payables to related parties	32	24,500,067	16,705,819
- Trade payables to non-related parties	7	76,320,402	59,163,429
Employee benefit payables	9	14,232,719	6,883,329
Other payables			
- Other payables to related parties	32	-	57,803,706
- Other payables to non-related parties	8	44,321,510	5,422,700
Deferred income	18	7,556,409	6,353,389
Current income tax liabilities	29	517,434	305,755
Short-term provisions			
- Short-term provisions for employment benefits	17	43,561,603	31,590,195
- Other short-term provisions	15	18,481,397	17,051,578
Other short-term liabilities	19	43,699,606	12,340,127
Total current liabilities		283,776,854	219,285,206
Non-current liabilities			
Long-term payables from rental services	6		
- Payables from rental services to related parties		11,589,120	7,836,237
- Payables from rental services to non-related parties		25,621,868	5,184,568
Deferred income	18	1,344,059	1,034,238
Long-term provisions			
- Long-term provisions for employment benefits	17	58,177,148	57,141,651
Deferred tax liability	29	60,890,640	34,727,284
Other long-term liabilities	19	5,051,679	-
Total non-current liabilities		162,674,514	105,923,978
Total liabilities		446,451,368	325,209,184

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

**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 DECEMBER 2021**

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

	Note	(Audited) Current Period 31 December 2021	(Audited) Prior Period 31 December 2020
	references		
EQUITY			
Total equity		883,661,014	639,554,191
Equity attributable to equity holders of the parent company		887,685,118	641,415,420
Share capital	20	592,000,000	592,000,000
Inflation adjustment to share capital	20	77,198,813	77,198,813
Share premiums (discounts)	20	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	20	543,697,494	348,347,644
- Gain (loss) on remeasurement of defined benefit plans	20	(25,908,521)	(22,029,402)
Other comprehensive income and expenses that may be reclassified subsequently to profit or loss			
- Currency translation differences	20	76,135,841	76,554,966
Restricted reserves	20	117,176,268	117,176,268
Retained earnings/Accumulated deficit		(547,909,813)	(467,047,129)
Net profit (loss) for the period		55,218,092	(80,862,684)
Non-controlling interests		(4,024,104)	(1,861,229)
Total liabilities and equity		1,330,112,382	964,763,375

These consolidated financial statements as at and for the period ended 31 December 2021 were approved by the Board of Directors on 8 March 2022.

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2021**

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

	Note references	(Audited) Current Period 1 January - 31 December 2021	(Audited) Prior Period 1 January - 31 December 2020
Sales	21	350,955,516	315,812,065
Cost of sales (-)	21	(357,906,887)	(306,283,358)
Gross profit/(loss)		(6,951,371)	9,528,707
General administrative expenses (-)	22	(66,394,332)	(85,245,093)
Marketing expenses (-)	22	(55,344,235)	(59,766,766)
Other operating income	24	116,428,238	107,016,208
Other operating expenses (-)	25	(41,613,145)	(39,418,188)
Operating profit/(loss)		(53,874,845)	(67,885,132)
Share of (loss)/gain of investments accounted by the equity method		-	(2,834,017)
Income from investing activities	26	141,781,793	28,779,243
Expenses from investing activities (-)	27	(212,394)	(438,531)
Operating profit/(loss) before finance income/(expense)		87,694,554	(42,378,437)
Finance expenses (-)	28	(25,595,076)	(21,644,368)
Profit/(loss) before tax from continuing operations		62,099,478	(64,022,805)
Tax income/(expense) of continuing operations		(6,418,026)	3,330,708
Current tax income (expense)	29	(517,434)	(305,755)
Deferred tax income (expense)	29	(5,900,592)	3,636,463
Profit/(loss) for the period from continuing operations		55,681,452	(60,692,097)
Profit/(loss) for the period from discontinued operations	30	(648,707)	(21,354,739)
Net profit/(loss) for the period		55,032,745	(82,046,836)
Allocation of net profit/(loss) for the period			
Attributable to non-controlling interests		(185,347)	(1,184,152)
Attributable to equity holders of the parent company		55,218,092	(80,862,684)
Loss per share			
Attributable to shareholders of the parent company	31	0.0933	(0.1366)

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2021**

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

	Note references	(Audited) Current Period 1 January - 31 December 2020	(Audited) Prior Period 1 January - 31 December 2019
Other comprehensive income statement			
Net profit (loss) for the period		55,032,745	(82,046,836)
Other comprehensive income			
Other comprehensive income (expense) that will not be subsequently reclassified to profit and loss			
- Gain/(loss) on revaluation of property	12	210,164,600	59,607,148
- Gain/(loss) on revaluation for defined benefits	17	(4,973,229)	2,006,665
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	29	(14,814,750)	(5,960,715)
- Gain/(loss) on revaluation for defined benefits. tax effect	29	1,094,110	(441,467)
Other comprehensive income (expense) that will be subsequently reclassified to profit and loss			
- Currency translation differences		(2,396,653)	11,809,097
Other comprehensive income (expense)		189,074,078	67,020,728
Total comprehensive income (expense)		244,106,823	(15,026,108)
Allocation of total comprehensive income (expense)			
Attributable to non-controlling interests		(2,162,875)	(1,392,317)
Attributable to shareholders of the parent company		246,269,698	(13,633,791)

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY-31 DECEMBER 2021

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

	Note references	Share capital	Inflation Adjustment to share capital	Share premium (discounts)	Hedge instrument gain (loss)	Currency translation differences ⁽¹⁾	Gain (losses) on property revaluation	Gain (losses) on remeasurement of defined benefit plan	Restricted reserves ⁽²⁾	Accumulated profits		Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
										Retained earnings / (losses)	Net profit / (loss) for the period			
Balances at 1 January 2020		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)		-	-	-	-	12,017,262	53,646,433	1,565,198	-	-	(80,862,684)	(13,633,791)	(1,392,317)	(15,026,108)
-Other comprehensive income (expense)		-	-	-	-	12,017,262	53,646,433	1,565,198	-	-	-	67,228,893	(208,165)	67,020,728
-Gain (loss) on remeasurement of defined benefit plans		-	-	-	-	-	-	1,565,198	-	-	-	1,565,198	-	1,565,198
-Gain (loss) on remeasurement		-	-	-	-	-	53,646,433	-	-	-	-	53,646,433	-	53,646,433
-Currency translation differences		-	-	-	-	12,017,262	-	-	-	-	-	12,017,262	(208,165)	11,809,097
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	-	(80,862,684)	(80,862,684)	(1,184,152)	(82,046,836)
Balances at 31 December 2020	20	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
Balances at 1 January 2021	20	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)		-	-	-	-	(419,125)	195,349,850	(3,879,119)	-	-	55,218,092	246,269,698	(2,162,875)	244,106,823
-Other comprehensive income (expense)		-	-	-	-	(419,125)	195,349,850	(3,879,119)	-	-	-	191,051,606	(1,977,528)	189,074,078
-Gain (loss) on remeasurement of defined benefit plans		-	-	-	-	-	-	(3,879,119)	-	-	-	(3,879,119)	-	(3,879,119)
-Gain (loss) on remeasurement		-	-	-	-	-	195,349,850	-	-	-	-	195,349,850	-	195,349,850
-Currency translation differences		-	-	-	-	(419,125)	-	-	-	-	-	(419,125)	(1,977,528)	(2,396,653)
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	-	55,218,092	55,218,092	(185,347)	55,032,745
Balances at 31 December 2021	20	592,000,000	77,198,813	76,944	-	76,135,841	543,697,494	(25,908,521)	117,176,268	(547,909,813)	55,218,092	887,685,118	(4,024,104)	883,661,014

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 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.

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2021**

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

	Note references	(Audited) Current Period 1 January - 31 December 2021	(Audited) Prior Period 1 January - 31 December 2020
CASH FLOWS FROM OPERATING ACTIVITIES		89,249,358	31,620,382
Net profit (loss) for the period		55,032,745	(82,046,836)
Profit (loss) from continuing operations		55,681,452	(60,692,097)
Profit (loss) from discontinued operations		(648,707)	(21,354,739)
Adjustments to reconcile profit (loss) for the period		(30,570,549)	75,265,004
Adjustments related to depreciation and amortization expenses	12.13	19,854,891	15,200,193
Adjustments related to impairment (reversal)			
Adjustments related to impairment (reversal) of receivables	7	5,855,953	4,125,963
Adjustments related to provision for impairment of inventories	10	213,056	699,040
Adjustments related to impairment (reversal) of investment property	11	(135,115,261)	(24,022,862)
Adjustments related to (reversal) of provision for employment benefits	17	19,314,195	25,492,493
Adjustments related to litigation and legal provisions (reversal)	15	6,945,287	10,621,414
Adjustment related to general provisions (reversals)		(992,194)	(392,555)
Adjustment related to other provisions (reversals)		(3,369,844)	(2,251,330)
Adjustments related to interest (income) expense			
Adjustments related to interest income	24	(242,781)	(222,713)
Adjustments related to interest expense	28	13,483,902	12,410,038
Unearned finance expense due to term purchases	24	32,558,772	28,770,364
Unearned finance income due to term sales	25	(2,649,980)	(974,436)
Adjustments related to tax (income) expense	29	6,418,026	(3,330,708)
Adjustments related to (gain) loss on sale of tangible assets	26.27	(1,560,669)	(93,217)
Adjustments related to profit (loss) confirmation		8,716,098	6,399,303
Changes in working capital		73,861,536	42,962,212
Adjustments related to (increase) decrease in trade receivables			
(Increase) decrease in trade receivables from related parties		80,226,226	(78,035,122)
(Increase) decrease in trade receivables from third parties		(49,853,994)	(10,287,812)
Adjustments related to (increase) decrease in inventories		(9,679,202)	(1,955,443)
(Increase) decrease in prepaid expenses		(1,073,806)	(1,626,733)
Adjustments related to increase (decrease) in trade payables			
Increase (decrease) in trade payables to related parties		(50,009,458)	51,189,021
Increase (decrease) in trade payables to third parties		17,156,973	22,267,680
Increase (decrease) in payables related to employee benefits		7,349,390	3,762,200
Increase (decrease) in deferred income		1,512,841	(3,524,167)
Adjustments related to other increase (decrease) in working capital			
(Increase) decrease in other assets related to operating activities		(25,748,197)	72,104,818
Increase (decrease) in other liabilities related to operating activities		103,980,763	(10,932,230)

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2021**

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

	Note	(Audited) Current Period 1 January - 31 December 2021	(Audited) Prior Period 1 January - 31 December 2020
	references		
Cash generated from operating		98,323,732	36,180,380
Employment benefits paid	17	(10,840,603)	(4,672,560)
Payments related to other provisions	15	(293,901)	(218,368)
Taxes returns (payments)	29	(305,755)	(169,198)
Other cash inflows (outflows)		2,365,885	500,128
CASH FLOWS FROM INVESTING ACTIVITIES		(38,684,875)	(6,130,918)
Cash inflows from sale of tangible and intangible assets	11.12.13	1,597,625	570,974
Cash outflows from purchases of tangible and intangible assets			
Cash outflows from purchases of tangible assets	12	(42,094,714)	(7,553,938)
Cash outflows from purchases of intangible assets	13	(1,855,343)	(268,930)
Cash inflows from sale of investment property	11	3,314,688	825,000
Dividends received		110,088	73,263
Interests received	24	242,781	222,713
CASH FLOWS FROM FINANCING ACTIVITIES		(22,185,266)	(18,845,428)
Payments of lease liabilities		(8,716,098)	(6,399,303)
Interests paid	28	(13,483,902)	(12,410,038)
Other cash inflows (outflows)		14,734	(36,087)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES		28,379,217	6,644,036
Effects of currency translation rate changes on cash and cash equivalents		(30,480,273)	(16,209,355)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(2,101,056)	(9,565,319)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	4,591,178	14,156,497
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	2,490,122	4,591,178

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

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 21, 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 31 December 2021 is 1,340 (31 December 2020: 1,233).

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 Depositary of Turkey (CSD); shares representing 20.82 % as of 31 December 2021 (31 December 2020: 20.82%) of Hürriyet are accepted as “in circulation”. As of the date of the report, this ratio is 18.79% (Note 20).

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries

As of 31 December 2021, the name of the Company’s subsidiaries (“Subsidiaries”), the nature of the business and geographic segments are as follows:

Subsidiaries	Registered country	Geographic segment	Nature of business
1 Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. (“Yenibiriş”)	Turkey	Turkey	Internet Publishing
2 Hürriyet Zweigniederlassung GmbH. (“Hürriyet Zweigniederlassung”)	Germany	Europe	Printing newspaper
3 Hürriyet Invest B.V. (“Hürriyet Invest”)	Netherlands	Europe	Investment
4 Trader Media East Ltd. (“TME”)	Jersey	Europe	Investment
5 Sporarena Dijital Hizmetler Pazarlama ve Ticaret A.Ş. (“Sporarena”)	Turkey	Turkey	Internet Publishing
6 Mirabridge International B.V.	Netherlands	Europe	Investment
7 OOO Pronto Samara	Russia	Russia and EE	Newspaper and internet publishing
8 ID Impress Media LLC	Russia	Russia and EE	Publishing
9 OOO Rukom	Russia	Russia and EE	Internet publishing
10 OOO Pronto Media Holding Ltd.	Russia	Russia and EE	Newspaper and internet publishing
11 OOO Rektcentr	Russia	Russia and EE	Newspaper and internet publishing
12 Publishing House Pennsylvania Inc.	The United States of America	Russia and EE	Investment
13 OOO SP Belpronto	Belarus	Russia and EE	Newspaper and internet publishing
14 Publishing International Holding BV	Netherlands	Europe	Investment

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

Associates

Associates of the Company, registered countries, nature of businesses, geographic segments are as follows:

Associates	Registered country	Geographic segment	Nature of business
Demirören Media International GmbH. (“Demirören Media”)	Germany	Europe	Newspaper Publishing

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 the Communiqué Serial II, No:14.1. “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“IFRIC”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) Turkish Accounting Standards Boards.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.1 Preparation and presentation of financial statements (Continued)

Statement of Compliance with TAS (Continued)

The accompanying consolidated financial statements are prepared in accordance with 2019 TASTaxonomy 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 (“TFRS”) 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 15 April 2019 in accordance with paragraph 9(b) of Decree Law No. 660.

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

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

2.1.2 Principles of consolidation method

(a) Subsidiaries

Subsidiaries comprise entities which Hürriyet directly and indirectly controls. Control is achieved when the Group:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes at least to one of the elements of control listed above.

The Group considers all the relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- The size of the Group’s holding of voting rights relative to the size and dispersion of voting rights of the other shareholders;
- Potential voting rights held by the Group and other parties;
- Rights arising from other contractual arrangements; and
- Any facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities (including voting patterns at previous shareholders’ meetings)

Subsidiaries are consolidated by full consolidation method by the date the Group takes the control. From the date the control is over, subsidiaries are excluded from the consolidation scope. Proportion of effective ownership represents the share which the Group has through the shares held by Hürriyet and/or indirectly by its subsidiaries.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.2 Principles of consolidation method (Continued)

(a) Subsidiaries (Continued)

Subsidiaries acquired or disposed of during the accounting period are included in the consolidation from the date at which the control of operations are transferred to the Group and excluded from the consolidation when the control is lost. Even if non-controlling interests result in a deficit balance, total comprehensive income is attributed to the owners and to the non-controlling interests.

Income and expenses of a subsidiary, acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in share capital of the Group's existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between

- i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and
- ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests

All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TAS 39 "Financial instruments: recognition and measurement". when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.2 Principles of consolidation method (Continued)

(a) Subsidiaries (Continued)

The Subsidiaries and their effective ownership interests at 31 December 2021 and 2020 are as follows:

Subsidiaries	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interest (%)	
	31 December 2021	31 December 20120	31 December 2021	31 December 2020
1 Yenibiriş	100.00	100.00	100.00	100.00
2 Hürriyet Zweigniederlassung	100.00	100.00	100.00	100.00
3 Hürriyet Invest ⁽⁵⁾	100.00	100.00	100.00	100.00
4 TME ⁽¹⁾	97.29	97.29	97.29	97.29
5 SporArena	100.00	100.00	100.00	100.00
6 ID Impress Media LLC ⁽²⁾	91.00	91.00	88.53	88.53
7 Mirabridge International B.V.	100.00	100.00	97.29	97.29
8 OOO Pronto Samara	100.00	100.00	97.29	97.29
9 OOO Rukom ⁽³⁾	100.00	100.00	97.29	97.29
10 OOO Pronto Media Holding Ltd.	100.00	100.00	97.29	97.29
11 OOO SP Belpronto	60.00	60.00	58.37	58.37
12 OOO Rektcentr ⁽⁴⁾	100.00	100.00	97.29	97.29
13 Publishing House Pennsylvania Inc.	100.00	100.00	97.29	97.29
14 Publishing International Holding BV	100.00	100.00	97.29	97.29

⁽¹⁾ The subsidiary is delisted from the London Stock Exchange as of 2 January 2020.

⁽²⁾ The related subsidiary has entered the liquidation process as of 9 August 2021.

⁽³⁾ The subsidiary was liquidated as of 3 February 2021.

⁽⁴⁾ The related subsidiary has entered the liquidation process as of 14 July 2020.

⁽⁵⁾ With the Board of Directors decision dated 9 November 2021 and numbered 18, the subsidiary Hürriyet Invest B.V. It has been decided to add a total of TRY 183,775,066 of receivables to the subsidiary's capital.

2.1.3 Comparative information and restatement of prior period financial statements

The current period consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of the financial position and performance trends. Comparative information is reclassified when deemed necessary in order to comply with the presentation of the current period consolidated financial statements.

Payables amounting to TRY 57,803,706, which was reported in the trade payables to related parties account in the previous period, has been reclassified to other payables to related parties. The relevant classifications have no effect on the profit and loss for the period.

Receivables amounting to TRY 13,510,329, which was reported in the trade receivables from related parties account in the previous period, has been reclassified to other receivables from related parties. The relevant classifications have no effect on the profit and loss for the period.

The maturity difference item amounting to TRY 4,800,917, which was reported in the other operating expenses account in the previous period, has been reclassified to the financial expenses account. The relevant classifications have no effect on the profit and loss for the period.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.3 Comparative information and restatement of prior period financial statements(Cont'd)

The amount of TRY 18,009,283 reported in the cash flows from previous financing activities is reclassified to the effect of foreign currency translation differences on cash and cash equivalents. The relevant classifications have no effect on the profit and loss for the period.

2.1.4 Significant accounting policies and changes in accounting estimates and errors and restatement of previously reported financial statements

Effect of changes in accounting estimates, if it is only related to one period, is recognized in the period that the change is made, if it is related with the future periods, is recognized in the current period and also in future periods, prospectively. There is no significant change in accounting estimates of the Company during the current period. When the presentation or classification of financial statements is changed, prior period's financial statements are also reclassified in line with the related changes in order to sustain consistency and all significant changes are explained.

2.1.5 Changes in Turkey Financial Reporting Standards

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/TFRS and IFRIC interpretations effective as of January 1 2021. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

Standards, amendments and interpretations applicable as at 1 January 2021:

- Benchmark Interest Rate Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

The said change did not have a significant impact on the financial position or performance of the Group.

Standards published but not yet effective and not early adopted

The new standards, interpretations and amendments published as of the approval date of the consolidated financial statements but not yet effective for the current reporting period and not early adopted by the Group are as follows. Unless stated otherwise, the Group will make the necessary changes that will affect its consolidated financial statements and footnotes after the new standards and interpretations become effective.

- TFRS 10 and TAS 28: Asset Sales or Contributions by the Investor to the Associate or Joint Venture – Amendment
- TFRS 17 – New Insurance Contracts Standard
- Classification of liabilities as short-term and long-term (TAS 1 Amendments)
- Changes in TFRS 3 – Change in References to the Conceptual Framework
- Changes in TMS 16 - Adaptation to the intended use
- Amendments to TAS 37 - Economically disadvantageous contracts - Costs of fulfilling the contract

The effects of the said change on the financial position and performance of the Group are being evaluated.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED
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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.1 Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions exists:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Under the guidance of the explanations mentioned above and also in compliance with TAS 24, Demirören Medya Yatırımları A.Ş. directly or indirectly has participation, including any entities under common control; real persons and legal entities that have direct or indirect individual or joint control over the company and their close family members (relatives up to second-degree) and legal entities having direct or indirect individual or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's subsidiaries and members of the Board of Directors, key management personnel and their close family members (relatives up to second-degree) and real persons or legal entities that are directly or indirectly controlled individually or jointly (Note 32).

2.2.2 Financial assets

Classification and measurement

The Group has categorized its financial assets into three accounts as financial assets accounted at amortized cost, financial assets whose fair value is reflected to the income statement 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 classifies its financial assets at the date that the purchase is completed.

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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)

(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 are 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 Equivalent'. In addition to that, the trade receivable which are taken from factoring firm is 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 don't have significant funding component. In the case of unimpairment in the trade receivable due to any certain reasons, the Group considers expected credit loss to be equal to lifelong expected credit loss. The calculation of provision for expected credit loss has been performed 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 non-current 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 statement of profit or loss 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.

i) The asset whose fair value is recorded in the statement of profit or loss

The assets whose fair value is recorded in the statement of profit or loss include the 'Derivative Instrument' accounts in the financial statement. 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. The derivative instruments of the Group consist of the operation of purchase and sale of currency with maturity.

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.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.3 Trade receivables and provision for doubtful receivables

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.

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 7).

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

According to “simplified approach” of TFRS 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 TFRS 9.

TAS 39“Financial Instruments: Recognition and Measurement” valid before 1 January 2018: Instead of “realised credit losses model” in TAS 39, “expected credit loss model” was defined in TFRS 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, 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 recognised under the other operating income following the deduction from total provision amount

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.4 Impairment of assets excluding goodwill and intangible assets with indefinite useful lives

At each balance sheet date, the Group evaluates whether there are any indications that an asset other than goodwill or intangible assets with indefinite useful lives may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount. Impairment losses are recognised in the consolidated statement of income. As of 31 December 2020, the Group has classified the impairment loss of intangible assets related to discontinued operations in the current and prior period under "Loss of discontinued operations for the period after tax" in the statement of profit or loss as stated in Note 30.

2.2.5 Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale (net realizable value). Cost elements included in inventory are purchase costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production over heads. The unit cost of inventories is determined on the moving weighted average basis (Note 10).

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in the consolidated statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial impairment. The management evaluates the inventory impairment amount (if any) as of the balance sheet dates (Note 10).

2.2.6 Investment properties

Investment properties are properties held to earn rentals and/or for value increase. Investment properties are measured initially at cost, including transaction costs. As of the date of the report, the properties held for a currently undetermined future use by the Group management, have been classified as investment properties.

Subsequent to initial recognition, at the end of each year when there is an indication of impairment, in accordance with the appraisal reports obtained from licensed real estate appraisal organizations under the Capital Market Legislation, investment properties are stated at fair value which reflects the market conditions as of the statement of financial position date. Gain or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the period in which they arise. Deferred tax liability/asset has been calculated from all the temporary differences from investment properties.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising from derecognition of the property is included in the statement of profit or loss in the period in which the property is derecognized.

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2.2 Summary of significant accounting policies (Continued)

2.2.6 Investment properties (Continued)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between cost value and fair value at the date of the change is recognized as revaluation fund in consolidated statement of other comprehensive income (Note 11).

2.2.7 Property, plant and equipment

Property, plant and equipment except for land and building are carried at cost less any accumulated depreciation and any accumulated impairment losses (Note 12). Depreciation is provided on property, plant and equipment on a straight-line basis (except land and building). The useful life of land is considered infinite.

The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Machinery and equipment	3-15 years
Furniture and fixtures	3-15 years
Motor vehicles	5 years
Leasehold improvements	2-20 years

Expected useful life, residual value and depreciation method are reviewed annually for possible effects of changes in estimates and are recognized prospectively if there is a change in estimates.

An item of property, plant and equipment is derecognized in the consolidated statement of financial position upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit or loss.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount provided to allocate provision. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets as of the consolidated statement of financial position date.

Regular repair and maintenance expenses are charged to the consolidated statement of profit or loss as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible asset.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.7 Property, plant and equipment (Continued)

Lands and buildings are recorded with their fair values. The difference between the cost value and the fair value is recorded as “revaluation funds” account under the equity, net of deferred tax. The revaluation increase is recorded in the statement of profit or loss if there is a previously recognised impairment in the statement of profit or loss. A decrease in the book value of the land and buildings is recorded in the statement of profit or loss if it exceeds the value in the revaluation fund for the previous revaluation of that asset. When the revalued asset is used, the difference between the amortization calculated over the revalued amount and the amortization calculated over the initial cost amount is recorded in retained earnings after deducting the deferred tax effect.

2.2.8 Intangible assets and amortization

Intangible assets excluding goodwill and assets with infinite useful lives comprise trade names and licenses, customer lists, computer software and rights, internet domain names and other intangible assets. All trade names, customer lists and internet domain names have been identified as a result of independent valuations performed for the purchase price allocation related to the business combinations. Useful lives of certain trade names are determined to be infinite. Assets that have an infinite useful life are not subject to amortization and are tested for impairment annually (Note 13)

Trademark	20 years
Customer lists	9-18 years
Computer software and rights	5-15 years
Internet domain names	3-20 years
Other intangible assets	5 years

Intangible assets with finite useful lives are carried at their acquisition cost and amortised using the straight-line method over their estimated useful lives (Note 13).

Intangible assets with finite useful lives are evaluated for impairment losses and if the book value exceeds the recoverable value, a provision is reserved to decrease the book value to recoverable value. Recoverable amount is considered to be the higher of future net cash flows of the intangible asset or the fair value less costs to sell. Impairment losses are recognized immediately in the statement of profit or loss.

The Group evaluates whether there are any indications that an asset other than goodwill or intangible assets with infinite life may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). In the calculation of value in use, the discount rate before tax, which reflects the value of money in use within current market conditions and risks related to estimates about the future cash flow is used.

Web page development costs

Costs associated with developing web pages are capitalized and are amortized over their estimated useful lives (Note 13). Following the planning phase and operation; all costs are recognized as expense. Maintenance costs of web pages are accounted as operational expenses.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.8 Intangible assets and amortization (Continued)

Leases

Group - As a tenant

At the inception of a contract, the Group assesses whether the contract is or contains a lease. If the contract transfers the right to control the use of the identified asset for a specified period of time, the contract is or includes a lease. The group considers the following conditions when assessing whether a contract transfers the right to control the use of an identified asset for a specified period of time:

- a) The contract contains the identified asset; an asset is usually identified by being explicitly or implicitly specified in the contract.
- b) A functional part of the asset is physically separate or represents almost all of the asset's capacity. An asset is not defined if the supplier has a substantive right to substitute the asset and derive economic benefits from it.
- c) have the right to obtain almost all of the economic benefits to be derived from the use of the identified asset,
- d) Have the right to direct the use of the identified asset. The Group considers that the asset has the right to use if the decisions regarding how and for what purpose the asset will be used have been determined beforehand. The Group has the right to manage the use of the asset in the following cases:
 - I. The Group has the right to operate the asset (or direct others to operate the asset as it determines) throughout the period of use and the supplier does not have the right to change these operating instructions; or
 - II. The Group has designed the asset (or certain features of the asset) to predetermine how and for what purpose the asset will be used throughout its useful life.

The Group reflects a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

Right-of-use asset

The right-of-use asset is initially accounted for using the cost method and includes:

- a) The initial measurement amount of the lease liability,
- b) The amount obtained by deducting all lease incentives received from all lease payments made on or before the actual commencement of the lease,
- c) all initial direct costs incurred by the group; and
- d) Costs incurred by the Group in restoring the underlying asset to the condition required by the terms and conditions of the lease (excluding costs to produce inventory).

When applying the group cost method, the right-of-use entity:

- a) Accumulated depreciation and accumulated impairment losses are deducted; and
- b) Measures at cost adjusted for remeasurement of the lease liability.

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2.2 Summary of significant accounting policies (Continued)

2.2.8 Intangible assets and amortization (Continued)

While depreciating right-of-use assets, the Group applies the depreciation provisions of TAS 16, "Tangible Fixed Assets".

IAS 36 applies the "Impairment of Assets" standard to determine whether a right-of-use asset is impaired and to account for any identified impairment losses.

Lease liability

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that were not incurred at that date. Lease payments are discounted using that rate if the implied interest rate on the lease can be easily determined. If the implied interest rate cannot be easily determined, it is discounted using the lessee's alternative borrowing interest rate. The alternative borrowing rate has been determined by taking into account the borrowing rates of the Group companies at the contract dates.

Lease payments that are included in the measurement of the Group's lease liability and that have not been realized at the commencement date of the lease consist of the following:

- a) The amount obtained by deducting all kinds of lease incentive receivables from fixed payments,
- b) Lease payments based on an index or rate, the first measurement of which is made using an index or rate at the actual commencement date of the lease,
- c) Penalties for termination of the lease if the lease term indicates that the lessee will exercise an option to terminate the lease.

After the actual commencement date of the lease, the Group measures the lease liability as follows:

- a) Increases the book value to reflect the interest on the lease liability,
- b) Decrease book value to reflect lease payments made; and
- c) Remeasures the book value to reflect any reassessments and restructurings. The Group reflects the remeasurement amount of the lease liability as an adjustment to the right-of-use asset in its financial statements.

The duration of the contracts constituting the Group's lease obligations varies between 1 and 5 years.

Extension and early termination options

The lease liability is determined by taking into account the extension and early termination options in the contracts. The majority of the extension and early termination options in the contracts are the options that can be applied jointly by the Group and the lessor. The Group determines the lease term by including such extension and early termination options in the lease term, if such extension and early termination options are at the discretion of the Group in accordance with the relevant contract and the exercise of the options is reasonably certain. The Group does not have significant lease contracts with extension and early termination options that are not included in the lease liability because they are not reasonably certain.

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2.2 Summary of significant accounting policies (Continued)

2.2.8 Intangible assets and amortization (Continued)

If there is a significant change in the conditions, the evaluation is reviewed by the management. As a result of the evaluations made in the current period, there is no lease obligation or right to use assets due to the inclusion of extension and early termination options in the lease period.

Variable lease payments

Lease payments arising from some of the Group's lease agreements consist of variable lease payments. These variable lease payments, which are not within the scope of TFRS 16 standard, are recorded as rental expense in the income statement in the relevant period.

2.2.9 Taxes

Taxation on income includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of balance sheet date and includes adjustments related to the previous year's tax liabilities. Turkish tax legislation does not permit a parent company to file a consolidated tax return for its subsidiary and its joint venture. Therefore, tax provisions, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized when the Group is able to control the reversal of temporary differences, except in those cases where the likelihood of this difference to be recovered in the near future is low, and taxable temporary differences associated with investments in associates and interests in joint ventures calculated for all of the differences.

Such investments and taxable temporary deferred tax assets arising from differences, obtaining sufficient profits subject to taxation in the near future it is highly likely that it will benefit from differences and that future related differences it is probable that it will be possible to remove.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities (Note 29).

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.9 Taxes (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority (Note 29).

Current and deferred tax

Tax is included in the statement of profit or loss, unless it is related to an operation that is accounted directly under equity. Otherwise, tax is accounted under equity as well as the related transaction (Note 29).

2.2.10 Financial borrowings and borrowing costs

Borrowings are recognized initially at the proceeds received; net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the amortised cost value is recognised in the statement of profit or loss as finance expense over the period of the borrowings. The borrowing costs which are directly related with the acquisition, manufacturing or production of a qualifying asset (means that a long period of time is required to make available for sale and use as purposed) are capitalized as a part of the related asset (Note 6).

2.2.11 Employment termination benefits

The Group is required to pay termination benefits to employees who is retired, whose employment is terminated without due causes in Labour Law, in accordance with the Law related with The Arrangement of the Relationships within the Employees in Press Sector (employees in media sector) and other laws.

The provision for employment termination benefit represents the present value of the actuarial assumption's total reserves of the future probable liability of the Group arising from the retirement of the employees measured in accordance with the Turkish Labour and Press Labour Laws (Note 17).

According to the amendment in TAS 19, the Group calculated employment benefit in accordance with the report prepared by the actuarial firm and recognised all actuarial loss and gains in the other comprehensive statement of profit or loss as of balance sheet date.

2.2.12 Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present legal or constructive obligation or a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimation can be made.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.11 Employment termination benefits (Continued)

In case the Group's contingent liabilities become probable but the reliable estimation of the amount of the resources containing economic benefits cannot be made, the related liability is presented in disclosures.

Assets that arisen from past events and whose existence will be confirmed only by the Group occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are treated as contingent assets. A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 15).

2.2.13 Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognised as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the General Assembly (Note 20).

2.2.14 Foreign currency transactions

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated into TRY at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TRY at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of comprehensive profit or loss.

Foreign Group Companies

The results of Group undertakings using a different functional currency other than TRY are first translated into TRY by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into TRY by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and period-end rates are included in currency translation reserve in the equity.

When disposing of Group companies abroad, the accumulated foreign currency translation differences of the related enterprise which are accounted for in other comprehensive income are reclassified from equity to profit or loss when the gain or loss arising from disposal is recognized.

The Group may derecognize its operations abroad in the form of sales, liquidation, repayment of capital or partial or abandonment of the entity. A reduction in the carrying amount of a foreign entity due to impairment, will not result in a partial disposal. 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.

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2.2 Summary of significant accounting policies (Continued)

2.2.14 Foreign currency transactions (Continued)

The Group has monetary receivables and payables from foreign operations which a group company has no intention or possibility to pay back. Foreign exchange differences arisen from these receivables accounted in currency translation differences under equity. and in case of sale of the subsidiary. the accumulated exchange differences will be classified to profit or loss.

A significant portion of the Group's foreign operations are performed in Russia. Eastern Europe and Eastern Europe countries (Note 3). Foreign currencies and exchange rates at 31 December 2021 and 31 December 2020 are summarized below:

Country	Currency	31 December 2021	31 December 2020
Russia	Ruble	0.1730	0.0984
Eurozone	Euro	14.6823	9.0079
United States of America	Dollar	12.9775	7.3405

2.2.15 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 five 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.

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.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.15 Revenue recognition (Continued)

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 as a revenue 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)

2.2.15 Revenue recognition (Continued)

Obligation of Conduct	Context
Advertising Revenue	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.
Subcontracted Printing Revenue	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.
Newspaper Sales (Circulation) Revenues	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. The Group considers both the likelihood and the magnitude of the cancellation of revenue, inasmuch as it is highly probable that there will not be a significant reversal of the cumulative gross receipts in the financial statements when the uncertainty regarding the variable cost subsequently disappears.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.15 Revenue recognition (Continued)

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 fair 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 the customer 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.

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.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.15 Revenue recognition (Continued)

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 good 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.

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 to. 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

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.16 Profit / (loss) per share

Profit / (loss) per share disclosed in the consolidated statements of income are determined by dividing net profit / (loss) for the period by the weighted average number of shares that have been outstanding during the period concerned (Note 31).

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares "bonus shares" to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares issuances are regarded as issued shares. Accordingly, the weighted average number of shares used in earnings per share computations is derived by considering the retrospective effects of the issuances of the shares (Note 31).

2.2.17 Government grants

Government grants are not recognized in the financial statements until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants which are financial assets, should be recognized as deferred revenue in the consolidated statement of financial position rather than recognised in the statement of profit or loss to clarify the expenditure item that is financed and transferred to profit or loss on a systematic and rational basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates (Note 14).

2.2.18 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments without a significant risk over the change in their value, whose maturity at the time of purchase is three months or less (Note 4).

2.2.19 Events after the reporting period

In the case that events requiring a correction to be made occur subsequent to the balance sheet date, the Group makes the necessary corrections to the consolidated financial statements.

In the case that events not requiring a correction to be made occur subsequent to the balance sheet date, those events are disclosed in the notes of consolidated financial statement (Note 37).

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of significant accounting policies (Continued)

2.2.20 Reporting of cash flows

In the statement of cash flows, consolidated cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in non-current assets and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and bears no risk of change in present value and highly liquid with 3 months or less to maturity (Note 4).

2.2.21 Non-current assets held for sale and discontinued operations

Assets held for sale are operations that the Group disposes of or classified as available for sale and cash flows which can be treated as a part separately from the Group. Non-current assets held for sale and discontinued operations represents a separate major line of business or geographical area of operations; is part of single coordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. The Group must evaluate its discontinued operations with the lower of carrying value and fair values less costs to sell.

Discontinued operations are components of an entity that either have been disposed of or represented as a major part of an entity separately from the Group's operations and cash flows. Operating results as of the Group has ceased its control over its disposal groups are presented separately under "discontinued operations" in the consolidated statement of profit or loss. Prior period consolidated statement of profit or loss is restated for comparative purposes and the results of discontinued operations are also classified under the "discontinued operations" account

Cash flows of discontinued operations are presented as a separate line together with the correction of prior period cash flow for discontinued operations.

Gain/ (loss) and tax expense occurring from the sale are included to the results of operations of discontinued operations. Gain/ (loss) amount from the sale is calculated as the difference between the book value of net assets disposed and sales value.

The Group's authority to take decisions regarding the activities is the Executive Board and/or the Board of Directors. A "Management Approach" is required to ensure that segment information is on the same basis as information used in internal reporting. Due to the fact that the Group's performance evaluation and resource allocation decisions are affected by information differences, especially on the basis of geographical divisions; management has determined geographical divisions for reporting segment information (Note 30).

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Significant Accounting Estimates. Assumptions and Decisions

During the implementation of accounting policies, the management has made the following comments, which have a significant impact on the amounts recognized in the financial statements:

Provision for doubtful receivable

The Group sets aside a doubtful receivable provision for trade receivables if there is an objective finding that there is no possibility of collection. The amount of this provision is the difference between the carrying amount of the receivable and the amount of the recoverable amount. The recoverable amount is the present value of expected cash inflows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the receivable originally formed.

The Group uses a provision matrix to measure expected credit losses for trade receivables. Depending on the number of days in which the maturities of trade receivables are exceeded, certain provision ratios are calculated and the rates are revised in each reporting period and revised where necessary. The change in expected credit loss provisions is accounted under other operating income / expenses in the statement of profit or loss (Note 7. 24. 25).

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary differences. The partially or fully recoverable amount of deferred tax assets is estimated under current conditions.

During the evaluation, future profit projections, current period losses, unused losses and other tax assets' expiration dates and tax planning strategies that may be used are taken into consideration. In the light of the data obtained, if the future taxable profit of the Company is not sufficient to cover all the deferred tax assets, provision is booked for all or part of the deferred tax asset.

Valuation of investment properties

The Company recognizes its investment properties at fair value and the fair values of these assets are determined by the independent valuation institutions authorized by the Capital Markets Board and are taken as the carrying value in the statement of financial position. The fair values of investment properties include significant assumptions and estimates based on the valuation method used and the inputs and assumptions in the valuation model.

Valuation of land and building

The Company recognizes its land and buildings at fair value, and the fair values of these assets are determined by independent valuation institutions authorized by the Capital Markets Board and are taken as the carrying value in the statement of financial position. The fair values of land and buildings include significant assumptions and estimates based on the valuation method used and the inputs and assumptions in the valuation model.

Provision for employee termination benefits

The present value of the provision for employment termination benefits is determined on an actuarial basis by using certain assumptions. These assumptions are used to determine the net expense (income) of the provision for employee termination and include the discount rate. Any change in the aforementioned assumptions affects the carrying amount of the provision for employee termination. The end of period employee termination benefits and actuarial calculations are performed by a third-party actuary company.

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NOTE 3 – SEGMENT REPORTING

a) Segment analysis for the period between 1 January –31 December 2021:

	Turkey	Russia and EE ^(*)	Europe	Total
Sales	264,172,938	1,259,041	85,523,537	350,955,516
Cost of sales (-)	(272,305,643)	(1,278,107)	(84,323,137)	(357,906,887)
Gross profit/(loss)	(8,132,705)	(19,066)	1,200,400	(6,951,371)
Marketing expenses (-)	(55,343,801)	(434)	-	(55,344,235)
Losses from investments accounted by the equity method (-)	(2,834,017)	-	-	(2,834,017)
Net segment result	(63,476,506)	(19,500)	1,200,400	(62,295,606)
General administrative expenses (-)				(66,394,332)
Other operating income				116,428,238
Other operating expenses (-)				(41,613,145)
Finance expenses (-)				(25,595,076)
Income from investing activities				141,781,793
Expense from investing activities (-)				(212,394)
Profit (loss) before tax from continuing operations				62,099,478
Tax income (expense) for the period				(517,434)
Deferred tax income (expense)				(5,900,592)
Profit (loss) for the period from continuing operations				55,681,452

^(*) 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 30.

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NOTE 3 – SEGMENT REPORTING

b) Segment analysis for the period between 1 January –31 December 2020:

	Turkey	Russia and EE (*)	Europe	Total
Sales	244,270,135	1,762,103	69,779,827	315,812,065
Cost of sales (-)	(236,586,212)	(1,178,595)	(68,518,551)	(306,283,358)
Gross profit/(loss)	7,683,923	583,508	1,261,276	9,528,707
Marketing expenses (-)	(59,754,494)	(12,272)	-	(59,766,766)
Losses from investments accounted by the equity method (-)	(2,834,017)	-	-	(2,834,017)
Net segment result	(54,904,588)	571,236	1,261,276	(53,072,076)
General administrative expenses (-)				(85,245,093)
Other operating income				107,016,208
Other operating expenses (-)				(39,418,188)
Finance expenses (-)				(21,644,368)
Income from investing activities				28,779,243
Expense from investing activities (-)				(438,531)
Profit (loss) before tax from continuing operations				(64,022,805)
Tax income (expense) for the period				(305,755)
Deferred tax income (expense)				3,636,463
Profit (loss) for the period from continuing operations				(60,692,097)

(*) 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 30.

c) Segment assets:

	31 December 2021	31 December 2020
Turkey	1,152,873,545	863,631,992
Russia and EE	10,633,460	2,471,131
Europe	163,060,948	95,947,367
	1,326,567,953	962,050,490
Unallocated assets	3,544,429	2,712,885
Total assets per consolidated financial statements	1,330,112,382	964,763,375

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NOTE 3 – SEGMENT REPORTING (Continued)

d) Segment liabilities

	31 December 2021	31 December 2020
Turkey	394,386,002	292,742,141
Russia and EE	11,282,985	8,775,276
Europe	40,782,381	23,691,767
	446,451,368	325,209,184
Unallocated liabilities	-	-
Total liabilities per consolidated financial statements	446,451,368	325,209,184

e) Purchase and depreciation and amortization of property. plant and equipment. intangible assets and investment property:

Purchase of property. plant and equipment. intangible assets and investment property:

	1 January- 31 December 2021	1 January- 31 December 2020
Turkey	44,822,396	7,816,624
Russia and EE	380,281	5,249
Europe	-	995
Total	45,202,677	7,822,868

Depreciation and amortization charges:

	1 January- 31 December 2021	1 January- 31 December 2020
Turkey	18,515,815	13,687,152
Russia and EE	14,334	54,524
Europe	1,324,742	1,458,517
Total	19,854,891	15,200,193

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NOTE 3 – SEGMENT REPORTING (Continued)

f) Non-cash other income and expenses:

	1 January – 31 December 2021			
	Turkey	Russia and EE (*)	Europe	Total
Provision for impairment of tangible assets (Note 11)	135,115,261	-	-	135,115,261
Provision of employee termination benefit and unused vacation (Note 17)	(19,314,195)	-	-	(19,314,195)
Provision for doubtful receivables (Note 7)	(3,994,681)	(1,861,272)	-	(5,855,953)
Provision of legal claims (Note 15)	(6,945,287)	-	-	(6,945,287)
Provision of inventory (Note 10)	(213,056)	-	-	(213,056)
Total	104,648,042	(1,861,272)	-	102,786,770

	1 January – 31 December 2020			
	Turkey	Russia and EE (*)	Europe	Total
Provision for impairment of tangible assets (Note 11)	24,022,862	-	-	24,022,862
Provision of employee termination benefit and unused vacation (Note 17)	(25,492,493)	-	-	(25,492,493)
Provision for doubtful receivables (Note 7)	(4,116,655)	(9,308)	-	(4,125,963)
Provision of legal claims (Note 15)	(10,621,414)	-	-	(10,621,414)
Provision of inventory (Note 10)	(699,040)	-	-	(699,040)
Total	(16,906,740)	(9,308)	-	(16,916,048)

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NOTE 3 – SEGMENT REPORTING (Continued)

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 the statement of profit or loss. Information related to discontinued operations are disclosed in Note 30.

NOTE 4 –CASH AND CASH EQUIVALENT

The details of cash and cash equivalents at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Cash	93,864	493,481
Banks		
- time deposits	-	508,176
- demand deposits	2,396,258	3,589,521
Total	2,490,122	4,591,178

Cash and cash equivalents included in the consolidated statements of cash flows as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Cash and banks	2,490,122	4,591,178
Total	2,490,122	4,591,178

The maturity analysis of time deposits is as follows:

	31 December 2021	31 December 2020
0-1 months	-	508.176
Total	-	508.176

Group has no time deposit in TRY as of 31 December 2021 (31 December 2020: 9.47 %) and it is fixed. Group has no time deposit in USD as of 31 December 2021 (31 December 2020: None).

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NOTE 5 –FINANCIAL INVESTMENTS

Short-term financial investments:

Details of restricted bank balances at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Restricted bank balances	89,831	104,565
Total	89,831	104,565

Long-term financial investments:

The details of financial assets whose fair value are recognised in the other comprehensive income at 31 December 2021 and 2020 are as follows:

	Share (%)	31 December 2020	Share (%)	31 December 2019
Coats İplik Sanayi A.Ş.	0.50	257,850	0.50	257,850
Other	<1	56,073	<1	56,073
Total		313,923		313,923

NOTE 6 – SHORT TERM AND LONG-TERM BORROWINGS

The details of financial liabilities at 31 December 2021 and 2020 are as follows:

Short-term borrowings:

	31 December 2021	31 December 2020
Short-term lease liabilities	10,585,707	5,665,179
Total	10,585,707	5,665,179

Long-term borrowings:

Long-term lease liabilities	37,210,988	13,020,805
Total	37,210,988	13,020,805

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NOTE 7 – TRADE RECEIVABLE AND PAYABLES

Short-term trade receivables net-off of unearned finance income at 31 December 2021 and 2020 are as follows:

Short-term receivables from third parties:

	31 December 2021	31 December 2020
Trade receivables	144,423,620	132,427,883
Credit cards receivables	593,002	824,532
Notes receivable and cheques	68,873	149,187
Income accruals	1,778,350	786,156
Unearned finance income due from term sales	(759,788)	(670,822)
Less: Provision for doubtful receivables	(89,815,163)	(80,075,090)
Total	56,288,894	53,441,846

According to a revocable factoring agreement signed with Doruk Faktoring, trade receivables resulting from advertisements, amounting to TRY 36,868,571 (31 December 2020: TRY 40,357,090) 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 97 days (31 December 2020: 98 days). The unearned finance income due from term sales related to the receivables followed up by Doruk Faktoring is TRY 611,479 (31 December 2020: TRY 488,529) and the compound interest rate is 18.00% per annum (31 December 2020: 17.25%). 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.

The movements of provision for doubtful receivables are as follows:

	2021	2020
1 January	(80,075,090)	(76,092,473)
Additions during the period	(5,855,953)	(4,125,963)
Collections and reversals during the period	2,365,885	500,128
Currency translation differences	(6,250,005)	(356,782)
31 December	(89,815,163)	(80,075,090)

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NOTE 7 – TRADE RECEIVABLE AND PAYABLES (Continued)

Short term trade payables to third parties:

Trade payables at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Short-term trade payables and notes payable	75,474,901	58,799,072
Expense accruals	1,854,990	861,016
Unrealized financial expenses due to term purchases	(1,009,489)	(496,659)
Total	76,320,402	59,163,429

As of 31 December 2021, average turnover date of Group's trade payables is 41 days (31 December 2020: 47 days). As of 31 December 2021, unrealized financial expense due to term purchases is TRY 1,009,489 (31 December 2020: TRY 496,659) and the compound interest rate is 18.00% per annum (31 December 2020: 17.25%). 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.

Explanations about the nature and level of risks related to trade receivable and payables are provided in Note 33.

NOTE 8 – OTHER RECEIVABLE AND PAYABLES

Other short-term receivables from third parties:

Other short-term receivables at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Due from personnel	123,808	1,946,467
Other receivables related to sale of investment property	2,518,316	411,242
Deposits and guarantees given	226,475	463,503
Total	2,868,599	2,821,212

Other long-term receivables at 31 December 2021 and 2020 are as follows:

Other long-term receivables from third parties:

	31 December 2021	31 December 2020
Deposits and guarantees given ⁽¹⁾	9,652,922	9,604,087
Total	9,652,922	9,604,087

⁽¹⁾ Deposits and guarantees given consist of the deposits given for electricity and guarantees given for lawsuits.

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NOTE 8 – OTHER RECEIVABLE AND PAYABLES (Continued)

Other short-term payables at 31 December 2021 and 2020 are as follows:

Short-term other payables to third parties:

	31 December 2021	31 December 2020
Taxes payable	42,346,646	4,497,400
Deposits and guarantees received	434,677	807,342
Other payables	1,540,187	117,958
Total	44,321,510	5,422,700

NOTE 9 – PAYABLES REGARDING BENEFITS PROVIDED TO EMPLOYEES

Payables stemming from employee benefits as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Social security premiums	4,435,883	3,556,604
Due to personnel	9,796,836	3,326,725
Total	14,232,719	6,883,329

NOTE 10 – INVENTORIES

	31 December 2021	31 December 2020
Raw materials and supplies	24,403,816	15,560,733
Finished and commercial goods and spare parts	7,089,394	6,083,277
Promotion materials ⁽¹⁾	680,983	850,981
Subtotal	32,174,193	22,494,991
Provision for impairment of inventory (-)	(4,850,255)	(4,917,729)
Total	27,323,938	17,577,262

⁽¹⁾ Promotion materials include promotion materials such as books, CDs and DVDs provided to readers.

Provision for impairment of promotion inventories, raw materials and supplies and finished goods and merchandise goods amounting to TRY 4,850,255 (31 December 2020: TRY 4,917,729) and their movement during the period are as follows:

	2021	2020
1 January	(4,917,729)	(4,574,633)
Provision for promotion inventories	(133,766)	(444,928)
Reversal of provision for promotion materials	181,464	286,679
Provision for raw materials and supplies	(79,290)	(254,112)
Reversal of provision for raw materials and supplies	99,066	69,265
31 December	(4,850,255)	(4,917,729)

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NOTE 11 – INVESTMENT PROPERTY

The movements in investment property as of 31 December 2021 and 2020 are as follows:

	Lands	Buildings ⁽¹⁾	Total
1 January 2021	124,860,397	31,387,965	156,248,362
Additions	-	1,252,620	1,252,620
Disposal	-	(3,314,688)	(3,314,688)
Change in fair value adjustment (Note 26. 27)	96,649,007	38,466,254	135,115,261
31 December 2021	221,509,404	67,792,151	289,301,555
	Lands	Buildings ⁽¹⁾	Total
1 January 2020	101,907,339	31,456,672	133,364,011
Additions	-	-	-
Disposal	-	(825,000)	(825,000)
Change in fair value adjustment (Note 26. 27)	23,266,572	756,290	24,022,862
Transfer ⁽²⁾	(313,514)		(313,514)
31 December 2020	124,860,397	31,387,962	156,248,359

⁽¹⁾ Disposal and additions due to the sale of the investment properties occurred via barter agreement.

⁽²⁾ Properties that were recognised as investment properties in prior periods, have been transferred to tangible assets due to the change in their usage.

As of 31 December 2021, mortgages have been established on the land and building, amounting to TRY 98,449,792, classified as investment property in the consolidated financial position (31 December 2020: TRY 84,027,837).

The Group's rent income from investment properties amounted to TRY 4,924,020 as of 31 December 2021 (31 December 2020: TRY 4,284,911). The Group's direct operating expenses arising from the investment properties in the period amounted to TRY 50,209 (31 December 2020: TRY 27,142).

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NOTE 11 – INVESTMENT PROPERTY (Continued)

The information and fair value hierarchy level classification of lands and buildings are as follows 31 December 2020 and 2019:

	31 December 2021	Fair value as at reporting date Level 1 TRY	Level 2 TRY	Level 3 TRY
Land	221,509,404	-	221,509,404	-
Building	67,792,151	-	67,792,151	-

	31 December 2020	Fair value as at reporting date Level 1 TRY	Level 2 TRY	Level 3 TRY
Land	124,860,397	-	124,860,397	-
Building	31,387,962	-	31,387,962	-

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 12 – PROPERTY. PLANT AND EQUIPMENT

The movements of property. plant and equipment and related accumulated depreciation for the period ended 31 December 2021 are as follows:

	1 January 2021	Currency Transition Differences	Additions	Disposals	Fair Value Adjustment	31 December 2021
Cost						
Land and land improvements	370,695,708	14,993,183	-	-	135,523,513	521,212,404
Buildings	109,070,701	20,982,513	226,852	-	74,641,087	204,921,153
Machinery and equipment	705,583,669	132,321,362	1,297,551	(470,218)	-	838,732,364
Motor vehicles	920,142	-	-	-	-	920,142
Furnitures and fixtures	47,541,778	2,789,989	1,951,242	(718,558)	-	51,564,451
Leasehold improvements	14,759,799	-	8,004,960	-	-	22,764,759
Operational lease assets	22,781,271	-	30,614,109	-	-	53,395,380
Other tangible assets	6,213,010	3,942,400	-	-	-	10,155,410
	1,277,566,078	175,029,447	42,094,714	(1,188,776)	210,164,600	1,703,666,063
Accumulated amortization						
Machinery and equipment	(692,232,872)	(130,607,817)	(5,297,983)	427,410	-	(827,711,262)
Motor vehicles	(878,374)	-	(41,765)	-	-	(920,139)
Furnitures and fixtures	(44,594,400)	(2,725,844)	(1,437,593)	724,410	-	(48,033,427)
Leasehold improvements	(12,536,900)	-	(1,206,117)	-	-	(13,743,017)
Operational lease assets	(4,780,241)	-	(9,256,964)	-	-	(14,037,205)
Other tangible assets	(5,099,276)	(3,430,753)	(534,714)	-	-	(9,064,743)
	(760,122,063)	(136,764,414)	(17,775,136)	1,151,820	-	(913,509,793)
Net book value	517,444,015					790,156,270

At 31 December 2021, there are mortgages on land and building classified under property. plant and equipment amounting to TRY 216,550,298 (31 December 2020: TRY 230,972,163).

At 31 December 2021 depreciation expense amounting to TRY 9,902,380 (31 December 2020: 6,957,648) is accounted under cost of sales (Note 21). amounting to TRY 7,872,756 (31 December 2020 TRY 5,915,586) is accounted under marketing and general administrative expenses (Note 22).

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NOTE 12 – PROPERTY. PLANT AND EQUIPMENT (Continued)

The movements of property. plant and equipment and related accumulated depreciation for the period ended 31 December 2020 are as follows:

	1 January 2020	Currency Transition Differences	Additions	Disposals	Transfers ⁽¹⁾	Fair Value Adjustment	31 December 2020
Cost							
Land and land improvements	306,663,608	6,228,576	1,000,000	-	313,514	56,490,010	370,695,708
Buildings	97,134,507	8,716,706	102,350	-	-	3,117,138	109,070,701
Machinery and equipment	650,167,426	54,910,643	511,074	(5,474)	-	-	705,583,669
Motor vehicles	920,142	-	-	-	-	-	920,142
Furnitures and fixtures	45,962,891	1,509,843	1,169,052	(1,100,008)	-	-	47,541,778
Leasehold improvements	14,656,736	-	103,063	-	-	-	14,759,799
Other tangible assets	22,354,541	-	4,668,399	(4,241,669)	-	-	22,781,271
Construction in progress	4,605,362	1,632,366	-	-	-	-	6,237,728
Land and land improvements	-	3,298	-	(28,016)	-	-	(24,718)
	1,142,465,213	73,001,432	7,553,938	(5,375,167)	313,514	59,607,148	1,277,566,078
Accumulated amortization							
Machinery and equipment	(634,516,043)	(52,039,480)	(5,682,823)	5,474	-	-	(692,232,872)
Motor vehicles	(729,768)	-	(148,606)	-	-	-	(878,374)
Furnitures and fixtures	(42,593,624)	(1,451,096)	(1,364,322)	814,642	-	-	(44,594,400)
Leasehold improvements	(11,372,416)	-	(1,164,484)	-	-	-	(12,536,900)
Operational lease assets	(4,965,601)	-	(4,056,309)	4,241,669	-	-	(4,780,241)
Other tangible assets	(3,385,854)	(1,256,732)	(456,690)	-	-	-	(5,099,276)
	(697,563,306)	(54,747,308)	(12,873,234)	5,061,785	-	-	(760,122,063)
Net book value	444,901,907						517,444,015

⁽¹⁾ Properties that were recognised as investment properties in prior periods. have been transferred to tangible assets due to the change in their usage.

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NOTE 13 – INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization for the period ended 31 December 2020 are as follows:

	1 January 2021	Currency Transition Differences	Additions	Disposals	31 December 2021
Cost					
Trade names and licenses	57,042,839	26,190,123	100,000	-	57,042,839
Customer list	423,735,679	258,425,550	-	-	423,735,679
Computer software and rights	118,072,545	68,134,864	1,755,343	-	118,072,545
Internet domain names	7,467,610	-	-	-	7,467,610
Other intangible assets ⁽¹⁾	16,598,913	-	-	-	16,598,913
	622,917,586	352,750,537	1,855,343	-	622,917,586
Accumulated amortization					
Trade names and licenses	(54,533,751)	(23,809,622)	1,328	-	(78,342,045)
Customer list	(423,735,679)	(258,425,555)	-	-	(682,161,234)
Computer software and rights	(115,515,682)	(68,133,991)	(1,197,234)	-	(184,846,907)
Internet domain names	(7,467,610)	-	-	-	(7,467,610)
Other intangible assets	(10,219,067)	-	(883,849)	-	(11,102,916)
	(611,471,789)	(350,369,168)	(2,079,755)	-	(963,920,712)
Net book value	11,445,797				13,602,754

Amortization expense amounting to TRY 1,158,614 has been included in cost of sales (Note 21) (31 December 2020: TRY 1,257,661) and TRY 921,141 in marketing and general administrative expenses as of 31 December 2021 (Note 22) (31 December 2020: TRY 1,069,298).

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NOTE 13 – INTANGIBLE ASSETS (Continued)

The movements in intangible assets and related accumulated amortization for the period ended 31 December 2020 are as follows:

	1 January 2020	Currency Transition Differences	Additions	Disposals	31 December 2020
Cost					
Trade names and licenses	50,763,756	6,507,518	-	(228,435)	57,042,839
Customer list	359,578,435	64,157,244	-	-	423,735,679
Computer software and rights	100,835,490	16,968,124	268,930	-	118,072,545
Internet domain names	7,467,610	-	-	-	7,467,610
Other intangible assets	16,578,413	-	-	20,500	16,598,913
	535,223,704	87,632,886	268,930	(207,935)	622,917,586
Accumulated amortization					
Trade names and licenses	(48,097,278)	(5,914,604)	(557,403)	35,535	(54,533,751)
Customer list	(359,578,435)	(64,157,244)	-	-	(423,735,679)
Computer software and rights	(97,649,739)	(16,979,822)	(886,121)	-	(115,515,682)
Internet domain names	(7,467,610)	-	-	-	(7,467,610)
Other intangible assets	(9,343,657)	-	(883,435)	8,025	(10,219,067)
Net book value	(522,136,719)	(87,051,670)	(2,326,959)	43,560	(611,471,789)
	13,086,985				11,445,797

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NOTE 14 – GOVERNMENT GRANTS

The Group benefits under the scope of the social security institution and income tax. %5 of employer share promotion (Law no: 5510), employer share promotion (Law no: 5746), incentive of the minimum wage (Law no: 6661), disabled insured (Law no: 4857), priority provinces social security institution stock (Law no: 46486) and R&D income tax (Law no: 5746) are amounting to TRY 953,755 (31 December 2020: TRY 3,562,221).

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December 2021 and 2020 short-term provisions are as follows:

Other short-term provisions:

Provisions:	31 December 2021	31 December 2020
Provisions for lawsuit and compensation	18,481,397	17,051,578
Total	18,481,397	17,051,578

The lawsuits against the Group are amounted to TRY 18,034,500 (31 December 2020: TRY 18,034,500). The Group recognizes 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 31 December 2021 the Group has set a provision of TRY 18,481,397 for lawsuits (31 December 2020: TRY 17,051,578) but not sure about the payment maturity for the litigation.

As at 31 December 2021 and 2020, ongoing lawsuits against the Group are as follows:

	31 December 2021	31 December 2020
Legal lawsuits	6,418,632	7,917,139
Labor lawsuits	10,784,631	10,112,361
Commercial lawsuits	105,000	5,000
Total	17,308,263	18,034,500

	2021	2020
1 January	17,051,578	9,092,050
Additions during the period	6,945,287	10,621,414
Payments related to provisions and compensation	(293,901)	(218,368)
Provision reversed	(5,455,199)	(2,395,514)
Currency translation differences	233,632	(48,004)
31 December	18,481,397	17,051,578

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NOTE 16 – COMMITMENTS

CPM's given by the Group

As given in the table below, there are no CPM's given to third parties. Commitments and contingencies which the management does not expect significant losses or liabilities are as follows:.

The Group's collaterals/pledge/mortgage ("CPM") position as of 31 December 2021 and 2020 are as follows:

	31 December 2021		31 December 2020	
	Foreign Currency	TRY Equivalent	Foreign Currency	TRY Equivalent
A. CPM's given in the name of its own legal personality				
-Collaterals				
TRY	977,938	977,938	2,049,204	2,049,204
-Warranty notes			-	-
TRY	203,937	203,937	203,937	203,937
Euro	25,000	367,058	25,000	225,198
US Dollar	2,500,000	32,443,750	2,500,000	18,351,250
B. Total amount of CPM's give on behalf of the fully consolidated companies ⁽¹⁾	-	-	-	-
-Commitments	-	-	-	-
TRY	357,505	357,505	357,505	357,505
C. Total amount of CPM's give on behalf of third parties for ordinary course of the business	-	-	-	-
D. Total amount of other CPM's give	-	-	-	-
i) Total amount of CPM's given in favor of the parent company	-	-	-	-
TRY (*)	315,000,000	315,000,000	315,000,000	315,000,000
ii) Total amount of CPM's given in favor of other group companies that are not in the scope of B and C	-	-	-	-
TRY	22,250	22,250	357,505	357,505
iii) Total amount of CPM's given in favor of third parties that are not within the scope of article C	-	-	-	-
Total		349,014,933		336,187,094

The ratio of other CPMs given by the Group to the Group's equity is 36% as of 31 December 2021 (31 December 2020: 49%).

*) As explained Note 21, 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. As of the report date, there is a mortgage amounting to TRY 315,000,000 placed on the real estates of the Group by the lender.

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NOTE 16 – COMMITMENTS (Continued)

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 31 December 2021, the Group has unused publication of advertisements commitment amounting to TRY 4,300,312 (31 December 2020: TRY 5,518,127) within these barter contracts. The Group has TRY 1,349,154 amounted receivables as of 31 December 2021 (31 December 2020: TRY 738,252) which were invoiced and recognized to financial statements but not yet goods or services were received.

NOTE 17 – PROVISION FOR EMPLOYEE BENEFITS

Provision long-term provisions for employment termination benefits at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Provision for unused leave rights	43,561,603	31,590,195
Total	43,561,603	31,590,195

Provision for unused vacation

Movements of provisions for unused vacation rights during the periods ended 31 December 2021 and 2020 are as follows:

	2021	2020
1 January	31,590,195	17,148,260
Additions during the period	14,839,117	15,883,926
Payments related to provisions	(2,427,793)	(1,854,002)
Currency translation differences	(439,916)	412,011
31 December	43,561,603	31,590,195

Long-term provisions for employment termination benefits:

	31 December 2021	31 December 2020
Provision for employment termination benefits	58,177,148	57,141,651
Total	58,177,148	57,141,651

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

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NOTE 17 – PROVISION FOR EMPLOYEE BENEFITS (Continued)

Long-term provisions for employment termination benefits (Continued):

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 8,254.51 as of 31 December 2021 (31 December 2020: TRY 7,117.17) for each year of service. In employee termination benefits provision calculation Group has taken into consideration the ceiling amount TRY 8,254.51 which is effective from 1 January 2021 (31 December 2020: TRY 7,638.96 effective from 1 January 2021).

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 31 December 2021, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement probability of the employees.

Discount rate is applied as 20.00% (31 December 2020: 13.70%). inflation rate applied as 16.00% (31 December 2020: 10.00%) and rate of increase in wages applied as 16.00% (31 December 2020 10.00%) in the calculation.

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 31 December 2021 and 2020 are as follows:

	2021	2020
1 January	57,141,651	52,358,307
Actuarial gain / (loss)	4,973,229	(2,006,665)
Service cost during the period	3,985,357	4,079,259
Interest cost during the period	489,721	5,529,308
Payments and reversal of provisions during the period	(8,412,810)	(2,818,558)
31 December	58,177,148	57,141,651

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NOTE 18 – PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses at 31 December 2021 and 2020 are as follows:

Short-term prepaid expenses:

	31 December 2021	31 December 2020
Short term prepaid expenses ⁽¹⁾	8,322,561	9,780,244
Total	8,322,561	9,780,244

⁽¹⁾ Prepaid expenses mostly consist of the prepaid rents and insurance expenses.

Long-term prepaid expenses:

	31 December 2021	31 December 2020
Long term prepaid expenses	2,531,489	-
Total	2,531,489	-

Short-term deferred revenue:

	31 December 2021	31 December 2020
Contract liabilities ⁽¹⁾	7,556,409	6,353,389
Total	7,556,409	6,353,389

⁽¹⁾ The contractual obligations consist of sales of services, order advances received and sales return provision.

Long-term deferred revenue:

	31 December 2021	31 December 2020
Contract liabilities ⁽¹⁾	1,344,059	1,034,238
Total	1,344,059	1,034,238

⁽¹⁾ The contractual obligations consist of the sale of service and the order advances received.

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NOTE 19 – OTHER ASSETS AND LIABILITIES

Other Current Assets

Other current assets at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Prepaid taxes and funds	112,908	120,343
Advances given to personnel	1,023,992	335,095
Value added tax ("VAT") receivables	1,034,587	548,494
Other current assets	44,583	377,750
Total	2,216,070	1,381,682

Other Non-Current Assets:

	31 December 2021	31 December 2020
Advances given to personnel	182,386	260,800
Total	182,386	260,800

Other short-term liabilities

Other short-term liabilities at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Overdue debts	33,137,578	-
Other miscellaneous liabilities ⁽¹⁾	10,562,028	12,340,127
Total	43,699,606	12,340,127

⁽¹⁾ As of 31 December 2021, TRY 10,562,028 of other short-term liabilities consists of prepayments made based on revocable factoring transactions. TRY 3,937,053 of the related balance has been paid as finance expense (Note 28).

Other long-term liabilities

Other long-term liabilities at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Overdue debts	5,051,679	-
Total	5,051,679	-

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NOTE 20 – 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 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
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. On May 16. 2018 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.

Shareholders	31 December 2021	Share (%)	31 December 2020	Share (%)
Demirören Medya	468,732,788	79.18	468,732,788	79.18
Other shareholders (BİAŞ ve other shareholders)	123,267,212	20.82	123,267,212	20.82
Issued share capital	592,000,000	100.00	592,000,000	100.00
Adjustment to share capital	77,198,813		77,198,813	
Total	669,198,813	100.00	669,198,813	100.00

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 20.82% of the shares are in circulation in accordance with CSD as of 31 December 2021 (31 December 2020: 20.80%) (Note 1). Shares in circulation rate is 18.79% 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.

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NOTE 20 – EQUITY (Continued)

Premiums / (discounts) on shares

The share premium of public offering represents the difference between the nominal amount and the sales amount.

	31 December 2021	31 December 2020
Premium / (discounts) on shares	76,944	76,944
Total	76,944	76,944

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 117,176,268 as of 31 December 2021 (31 December 2020: TRY 117,176,268) consist of legal reserves and gain on sale of real estate and affiliates and R&D incentive grant.

Restricted reserves	31 December 2021	31 December 2020
Gain on sale of real estate ⁽¹⁾	56,728,014	56,728,014
General legal reserves ⁽²⁾	59,265,973	59,265,973
Gain on sale of subsidiary	683,990	683,990
R&D incentive grant ⁽³⁾	498,291	498,291
Total	117,176,268	117,176,268

⁽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 Gaziemir, Izmir and Esenyurt, Istanbul in 2014, gain from sale of investment property in AnkaraCinnah 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⁾ In the scope of R&D incentives under the Law No. 5746, it consists of grant support received to a special fund account which is not subject to profit distribution in legal records.

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NOTE 20 – EQUITY (Continued)

Restricted reserves (Continued)

Gain/(Loss) from revaluation of property

The Group management has started the revaluation method for the land and buildings that are classified into property, plant and equipment and investment properties. The revaluation fund presents the difference between the net book value on a cost basis after the deduction of deferred tax effect and the fair value of building and land.

Real estates recognised as property, plant and equipment in prior periods, can be transferred to investment property due to change in use. The Group has reclassified some of its properties as investment property and has chosen to account such investment properties at fair value. For that reason, valuation reports were taken as of 31 December 2021 and the effects of revaluation was accounted under revaluation fund.

The increase of TRY 543.697.494 in the fair value assessment for financial period of 31 December 2021 for consolidated financial statement has accounted under a shareholders' securities value increase fund under equity after its tax effect (31 December 2020: TRY 348.347.644).

Remeasurement gain/ (loss) in defined benefit plans

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 other comprehensive income statement as other income and other expense. The value for reassessed estimation differences accounted under equity is TRY 25.908.521 (31 December 2020: TRY 22.029.402)

Accumulated other comprehensive income and (expenses) that will be reclassified in profit and loss

	31 December 2021	31 December 2020
Currency translation differences	76,135,841	76,554,966
Total	76,135,841	76,554,966

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NOTE 20 – EQUITY (Continued)

Capital Reserves and Retained Earnings

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves" are carried at carrying value in the balance sheet and their adjusted values are collectively presented in equity.

Based on the declaration of CMB, "Paid-in Capital", "Restricted reserves appropriated from profit" and "Share Premiums" is required to present by their amounts in statutory accounts. Differences arising from inflation adjustments:

"If the difference is arising due to the inflation adjustment of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital" following "Paid-in Capital";

"If the difference is due to the inflation adjustment of Restricted Reserves" and "Share Premium" and the amount has not been utilized in dividend distribution or capital increase yet, it shall be classified under "Retained Earnings". Other equity items shall be carried at the amounts valued in accordance with TAS Standards";

Capital adjustment differences can only be included to capital.

Dividend distribution

The Group 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 TFRS, 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 first adoption 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.

Disclosure of net profit after deducting accumulated losses in records, which are prepared in accordance with tax legislations of companies' and Uniform Chart of Accounts published by T.C. Ministry of Finance, and other resources which may be subject to profit distribution in the financial statements has been decided by CBM and as of balance sheet date, total net amount that can be subject to profit distribution according to legal records is TRY 433,348,804 (31 December 2020: TRY 488,566,896).

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NOTE 21 – SALES AND COST OF SALES

Sales

The detail of sales for the years ended 31 December 2021 and 2020 are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Advertising revenue	130,959,432	127,964,817
Circulation and publishing sales	190,105,061	161,770,838
Other	29,891,023	26,076,410
Net sales	350,955,516	315,812,065
Cost of sales (-)	(357,906,887)	(306,283,358)
Gross profit (loss)	(6,951,371)	9,528,707

	Printing Media 1 January- 31 December 2021	Digital Media 1 January- 31 December 2021	Printing Media 1 January- 31 December 2020	Digital Media 1 January- 31 December 2020
Domestic	200,321,365	63,851,573	175,973,820	68,296,315
Foreign	85,523,537	1,259,041	69,779,827	1,762,103
Total sales	285,844,902	65,110,614	245,753,647	70,058,418
Performance Obligations				
Circulation sales	160,238,881	-	122,909,649	-
Subcontracted printing sales	29,866,180	-	38,861,189	-
Advertising sales	68,790,080	62,169,352	59,668,502	68,296,315
Other sales	26,949,761	2,941,262	24,314,307	1,762,103
Total	285,844,902	65,110,614	245,753,647	70,058,418

**Fulfillment of the
performance obligations**

In time	217,054,822	2,941,262	186,085,145	1,762,103
At a specific moment in time	68,790,080	62,169,352	59,668,502	68,296,315
Total	285,844,902	65,110,614	245,753,647	70,058,418

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NOTE 21– SALES AND COST OF SALES (Continued)

Cost of Sales

The details of cost of sales for the periods ended 31 December 2021 and 2020 are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Raw material	(140,618,878)	(106,471,795)
<i>Paper</i>	(57,920,254)	(48,214,231)
<i>Printing and ink</i>	(40,917,973)	(32,423,799)
<i>Other</i>	(41,780,651)	(25,833,765)
Personnel expenses	(165,439,999)	(145,179,760)
Depreciation Expenses (Note 13,14)	(11,060,994)	(8,215,309)
Agency expenses	(9,740,390)	(11,360,131)
Distribution, storage and travel expenses	(5,991,668)	(3,100,501)
Fuel, electricity, water and office expenses	(10,030,249)	(7,121,807)
Outsourced services	(4,238,149)	(3,065,912)
Communication expenses	(3,868,954)	(3,072,108)
Maintenance and repair expenses	(3,654,253)	(3,037,681)
Rent expenses	(1,055,704)	(848,019)
Packaging expenses	(534,837)	(934,469)
Other	(1,672,812)	(13,875,866)
Total	(357,906,887)	(306,283,358)

NOTE 22 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

a) General administrative expenses

	1 January- 31 December 2021	1 January- 31 December 2020
Personnel expenses	(26,093,611)	(40,393,206)
Consultancy expenses	(10,555,531)	(10,685,886)
Fuel, electricity, water and office expenses	(7,045,740)	(7,624,790)
Depreciation Expenses (Note 13,14)	(5,586,443)	(4,878,893)
Maintenance and repair expenses	(5,412,585)	(5,184,452)
Distribution, storage and travel expenses	(3,063,509)	(5,625,883)
Rent expenses	(2,235,639)	(3,434,296)
Tax expenses	(1,961,999)	(2,561,515)
Outsourced services	(867,070)	(1,820,216)
Other	(3,572,205)	(3,035,956)
Total	(66,394,332)	(85,245,093)

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NOTE 22 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES (Continued)

b) Marketing expenses

	1 January- 31 December 2021	1 January- 31 December 2020
Advertisement expenses	(16,524,341)	(10,985,883)
Transportation, storage and travel expenses	(13,442,085)	(12,828,013)
Personnel expenses	(11,355,681)	(20,298,809)
Outsourced services	(5,668,181)	(7,245,241)
Depreciation and amortization charges (Note 13. 14)	(3,207,454)	(1,359,001)
Sponsorship and other marketing expenses	(2,896,390)	(3,469,094)
Consultancy expenses	(1,796,252)	(2,239,755)
Promotion expenses	(453,851)	(1,340,970)
Total	(55,344,235)	(59,766,766)

NOTE 23 – EXPENSES BY NATURE

	1 January- 31 December 2021	1 January- 31 December 2020
Personnel expenses	(202,889,291)	(205,871,775)
Depreciation and amortization charges	(19,854,891)	(15,200,193)
Total	(222,744,182)	(221,071,968)

Fees for services received from independent auditor / independent audit firm

The explanation of the Group regarding the fees for the services rendered by the independent auditing firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on March 30, 2021, and the preparation principles of which are based on the letter of the KGK dated August 19, 2021 are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Independent audit fee for the reporting period (*)	586,517	330,923
Toplam	586,517	330,923

(*) Amounts are presented excluding VAT.

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NOTE 24 – OTHER OPERATING INCOME

The details of other operating income for the periods ended at 31 December 2021 and 2020 are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Foreign exchange gains	70,284,369	51,303,956
Interest income from forward sales	30,984,809	28,762,299
Off-topic responses	5,924,189	2,811,364
Cancellations and collections from doubtful trade receivables	2,365,885	500,128
Unrealized finance expense due from term purchases	1,573,963	8,065
Interest income on bank deposits	242,781	222,713
Compensation income	-	20,449,812
Other	5,052,242	2,957,871
Total	116,428,238	107,016,208

NOTE 25 – OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended at 31 December 2021 and 2020 are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Foreign exchange loses	(12,875,370)	(20,906,645)
Expenses related to Law No. 7236	(9,924,564)	-
Provision for lawsuits	(6,945,287)	(10,621,414)
Provision expense for doubtful receivables	(5,855,953)	(4,125,963)
Unearned finance charges from credit sales	(2,649,980)	(974,436)
Fines and compensation expense	(1,474,655)	(673,435)
Other provision expenses	(201,353)	(202,360)
Aids and donations	(110,999)	(400,294)
Other	(1,574,984)	(1,513,641)
Total	(41,613,145)	(39,418,188)

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NOTE 26 – INCOME FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended at 31 December 2021 and 2020 are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Gain on change in fair value of investment properties (Note 11)	135,187,016	24,327,852
Rent income (Note 11)	4,924,020	4,284,911
Gain on sale of tangible assets and investment properties	1,560,669	93,217
Dividend income from financial investments	110,088	73,263
Total	141,781,793	28,779,243

NOTE 27 – EXPENSES FROM INVESTING ACTIVITIES

The details of expenses from investing activities for the periods ended at 31 December 2021 and 2020 are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Expenses related to investment properties	(140,639)	(132,641)
Provision for impairment of investment properties (Note 11)	(71,755)	(304,990)
Other	-	(900)
Total	(212,394)	(438,531)

NOTE 28 – FINANCIAL INCOME / EXPENSES

The details of financial expenses for the periods ended at 31 December 2021 and 2020 are as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Interest expense on bank loan	(10,559,442)	(4,800,917)
Interest expense	(9,546,849)	(9,373,195)
Loan commission, bank costs and factoring expense ⁽¹⁾	(4,135,586)	(3,242,998)
Foreign exchange income/(losses), net	(1,338,388)	(4,220,061)
Other	(14,811)	(7,197)
Total	(25,595,076)	(21,644,368)

⁽¹⁾ As explained in Note 19. TRY 3,937,053 of related balance consists of financing payment due to prepayments received by Group based on revocable factoring transactions (31 December 2019: TRY 3,036,843).

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NOTE 29 – INCOME TAXES

Assets related to current period tax:

	31 December 2021	31 December 2020
Corporate and income tax payable	517,434	305,755
Less: Prepaid taxes	-	-
Current income tax liabilities	517,434	305,755

The company and its subsidiaries within the scope of consolidation are subject to the tax legislation and practices of the countries in which they operate.

The details of the effective tax laws in countries which Group has significant operations are stated below:

Turkey:

The corporate tax rate in Turkey is 25% (However, it will be applied as 23% for the corporate earnings of the corporations for the 2022 taxation periods, and as 20% for the year 2023 and beyond.) The corporate tax rate is the addition of the expenses that are not considered to be deductible in accordance with the tax laws to the commercial income of the corporations, is applied to the net corporate income to be found as a result of deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the last day of the fourth month following the end of the relevant year and is paid until the end of the relevant month.

Companies calculate a provisional tax of 25% on their quarterly financial profits (23% for the taxation periods of 2022, 20% for the year 2023 and after) and declare it until the 17th day of the second month following that period and pay it until the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial debt to the government.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years.

Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries. For this reason, tax liabilities reflected in the consolidated financial statements of the Group have been calculated separately for all companies included in the scope of consolidation. In the statements of financial position dated 31 December 2021 and 31 December 2020, the tax amounts to be paid are netted for each Subsidiary and are classified separately in the consolidated financial statements.

There are numerous exemptions in the Corporate Income Tax Law. This is one of the exceptions to the Company are described below:

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NOTE 29 – INCOME TAXES (Continued)

Exemption for participation in subsidiaries:

Dividend income from shares in capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) are exempt from corporate tax.

Issued premiums exemption:

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

Exemption for participation into foreign subsidiaries:

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company, (except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (minimum corporate income tax applicable like in Turkey for those whose principal activity is finance assurance or insurance).

Exemption for sale of participation shares and property:

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and %50 of gains derived from sale of real property which have remained in assets more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in liabilities and it must not be withdrawn from the entity for a period of 5 years. The sales consideration should be collected until the end of the second calendar year following the year the sale was realized.

Russian Federation

The corporate tax rate effective in Russian Federation is 20% (2020: 20%). This rate can be reduced according to special tax incentives (Special economic zones. investors entering private investment contract, regional incentive programs etc.).

Russian tax year is the calendar year and other fiscal year ends are not permitted. Profit tax is calculated on a year-to-date basis. Advance payments are made monthly, with different calculation methods for quarterly or monthly schedules subject to the taxpayer’s choice. Tax returns are filed till the 28th of March. following the close of the financial year.

The amendments introduce changes to the requirements on utilization of tax losses carried forward in the Russian Tax Code. In 2017-2020 taxable profits of any given year may be reduced by accumulated tax losses carried forward by no more than 50%. Additionally, tax losses may now be carried forward realized after 2007 for an unlimited period, not for 10 years maximum as was the case previously. The Group is evaluating the possible effects of new tax regulations.

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NOTE 29 – INCOME TAXES (Continued)

Russian Federation (Continued)

Tax refunds are technically possible but are very difficult to obtain in practice. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Russia at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 15%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty.

In Russian Federation the tax regulations are subject to various comments and change frequently. Regarding to TME's operations the interpretation of tax regulations by tax authorities may differ from the management.

Belarus

The corporate tax rate effective in Belarus is 18% (2020: 18%).

The tax period is the calendar year. Profit tax is calculated as progressive total. Advance payments are made quarterly, on the basis of either the previous year results or expected current year profits. The annual corporate tax declaration is due by 20 March of the following year. Tax loss carry forward is not allowed to reduce taxable profits. Tax refunds are possible. Tax consolidations of tax reporting/payments by different legal entities (or grouping) are not permitted in Belarus at present. Generally, dividend income payable to a foreign organization is subject to withholding tax at 12%. This standard rate may, however, be reduced under the provisions of applicable double tax treaty. The Belarus tax regulations change frequently.

The tax rates at 31 December 2021, which are used in the calculation of deferred tax, taking each country's tax legislations into consideration are as follows:

Country	Taxes Rate (%)
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.

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NOTE 29 – INCOME TAXES (Continued)

Deferred Tax (Continued)

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.

The Group revalued its tangible fixed assets in its legal records by indexing it according to the rates determined by the Ministry of Finance. pursuant to Article 11 of the Law No. 7326 on the Restructuring of Certain Receivables and Amendments to Certain Laws and the Temporary Article 31 added to the Tax Procedure Law.

Accordingly, as of December 31, 2021, in the calculation of the deferred tax effect for the Revaluation Increases of Tangible Fixed Assets and Investment Property in TFRS financial statements. the fund formed with their indexed values for tax purposes is excluded and no deferred tax is calculated for this part.

	31 December 2021	31 December 2020
Deferred tax liabilities	(60,890,640)	(34,727,284)
Deferred tax assets	2,396,928	2,044,037
Deferred tax liabilities. net	(58,493,712)	(32,683,247)

The temporary differences and deferred tax assets/(liabilities) using the enacted tax rates as of 31 December 2021 and 31 December 2020 are as follows:

	Total temporary differences		Deferred tax assets / (liabilities)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Provision for employee termination benefits and unused vacation right	101,287,798	87,469,541	20,260,580	19,243,298
Difference between tax base and carrying value of trade receivables	37,350,240	34,751,402	7,470,048	7,645,309
Deferred income	6,270,947	3,470,799	1,254,189	763,576
Operational assets reclassification (IFRS 16)	8,913,577	1,159,294	1,782,715	255,045
Difference between tax bases and carrying value of property. plant and equipment and intangibles	(564,889,500)	(384,529,751)	(71,188,538)	(48,383,650)
Investment properties fair value differences	(384,529,751)	(311,134,498)	(48,383,650)	(38,897,301)
Other. net	(235,460,382)	(178,985,363)	(23,672,444)	(17,961,148)
	27,450,172	26,207,588	5,599,738	5,754,323
Total	(619,077,148)	(410,456,490)	(58,493,712)	(32,683,247)

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NOTE 29 – INCOME TAXES (Continued)

Deferred Tax (Continued)

As of 31 December 2021, carryforward tax losses for which deferred tax asset was not recognized amounted to TRY 427,374,354 (31 December 2020: TRY 516,203,979).

The maturity analysis of carry forward tax losses utilized is as follows:

Maturity of financial losses:

	31 December 2021	31 December 2020
2021	303,542	219,368
2022	-	1,299,846
2023	72,739	2,721,035
2024	570,089	62,435,180
2025	2,854,339	-
Indefinite (*)	423,573,645	449,528,550
Total	427,374,354	516,203,979

(*) Under the new tax regulations in Russia, the 10-year time limit for companies to carry past year's losses in the following periods has been cancelled.

The movements of net deferred tax liabilities for the periods ended 31 December 2021 and 2020 are as follows:

	2021	2020
1 January	(32,683,247)	(27,482,676)
Deferred tax income in consolidated statement of income	(5,900,592)	3,636,463
Accounted in equity	(13,720,640)	(6,402,182)
Currency translation differences	(6,189,233)	(2,474,827)
31 December	(58,493,712)	(32,683,247)

The analysis of the tax expense/(income) for the periods ended at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Current tax income/(expense)	(517,434)	(305,755)
Deferred tax income/(expense)	(5,900,592)	3,636,463
Total	(6,418,026)	3,330,708

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NOTE 29 – INCOME TAXES (Continued)

The reconciliation of the current period tax expense in the consolidated statement of profit or loss for the periods ended at 31 December 2021 and 2020 and consolidated tax and the tax (income)/expense calculated with the current tax rate over income before tax and non-controlling interests are as follows

	1 January- 31 December 2021	1 January- 31 December 2020
Profit/(loss) before taxes and non-controlling interests ⁽¹⁾	61,450,770	(85,353,890)
Current period tax calculated at the effective tax rates of countries	(15,362,693)	18,777,856
Non-taxable expenses	14,075,798	708,609
Effect of adjustments and carryforward tax losses that are not subject to deferred tax	3,944,526	(11,619,834)
Exceptions	(58,499)	(103,882)
Discontinued operations and affiliate sales effect	(1,499,253)	(5,870,984)
Effect of different tax rates on subsidiaries	(471,278)	(845,280)
Other	(7,046,627)	2,284,223
Tax income/(expense)	(6,418,026)	3,330,708

⁽¹⁾ Comprised from total of tax losses of continuing and discontinued operation

**NOTE 30 – 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. that owned by 97.29% by the Group, has decided to discontinue the digital operating in its territory 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.

	1 January- 31 December 2021	1 January- 31 December 2020
Sales	3,975,120	6,433,715
Cost of sales (-)	(2,151,775)	(3,320,058)
General administrative and marketing expense	(5,948,128)	(6,419,160)
Other operating income (expense), net	27,519,709	(326,081)
Finance expense, net	(23,117,769)	(17,775,266)
Expenses from investing activities, net	(925,864)	12,136
Loss before tax from discontinued operations for the period	(648,707)	(21,394,714)
Deferred tax income	-	39,975
Loss from the discontinued operation for the period	(648,707)	(21,354,739)

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**NOTE 30 – ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED
OPERATIONS (Continued)**

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

The Group may derecognize 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 profit or loss during sale or wholly liquidation of the net investment.

DİPNOT 31 – EARNING PER SHARE

Loss per share as of 31 December 2021 and 2020 is as follows:

	1 January- 31 December 2021	1 January- 31 December 2020
Net loss for attributable to equity holders of parent company	55,218,092	(80,862,684)
Number of ordinary shares in issue (with nominal value of TRY 1 each)	592,000,000	592,000,000
Loss from continuing operations attributable to equity holders of parent company	0.0933	(0.1366)

NOTE 32 –RELATED PARTY DISCLOSURES

i) Balances of related parties:

a) Short term trade receivables from related parties:

	31 December 2021	31 December 2020
Demirören Reklam ve Yatırım A. Ş.	44,594,128	68,069,903
Milliyet Gazetecilik ve Yayıncılık A.Ş. (*)	18,789,649	68,043,875
Demirören Yayıncılık ve Gazetecilik A.Ş. (*)	-	15,705,619
Other	12,255,723	4,046,329
Total	75,639,500	155,865,726

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NOTE 32 – RELATED PARTY DISCLOSURES (Continued)

b) Short term payables to related parties:

	31 December 2021	31 December 2020
Trade payables to related parties		
Demirören Media International GmbH	17,933,006	9,820,632
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A. Ş.	2,216,215	732,241
Demirören Teknoloji A.Ş.	2,161,959	853,243
Yelda Haber ve Görsel Yayıncılık A.Ş. (*)	22,455	4,194,521
Other	2,166,432	1,105,182
Total	24,500,067	16,705,819

c) Other receivables from related parties:

	31 December 2021	31 December 2020
Other short-term receivables from related parties		
Yelda Haber ve Görsel Yayıncılık A.Ş. (*)	-	57,803,706
Total	-	57,803,706

(*) Based on the decision taken by the company management as of 31 December 2021. The Company's debt to Yelda Haber amounting to TRY 159,065,213, TRY 33.980.588 from Demirören Yayıncılık TRY 85,314,347 from Milliyet Gazetecilik and TRY 39,770,277 were deducted from their receivables from Demirören Medya Yatırımları.

ii) Significant transactions with related parties:

Transactions in related parties for the periods ended as of 31 December 2021 and 2020 are as follows:

d) Significant service and product sales to related parties:

	1 January- 31 December 2021	1 January- 31 December 2020
Demirören Reklam ve Yatırım A.Ş.	46,704,223	56,225,565
Demirören Yayıncılık ve Gazetecilik A.Ş.	31,305,643	28,956,196
Milliyet Gazetecilik Yayıncılık A.Ş.	12,672,572	19,166,272
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A. Ş.	11,036,903	4,008,105
Yelda Haber ve Görsel Yayıncılık A. Ş.	1,908,031	2,759,272
Diğer	906,768	12,669,540
Total	104,534,140	123,784,950

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NOTE 32 – RELATED PARTY DISCLOSURES (Continued)

e) Significant service and product purchases from related parties:

	1 January- 31 December 2021	1 January- 31 December 2020
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A. Ş.	11,036,903	4,017,242
Demirören Teknoloji A.Ş.	8,383,637	9,331,435
Demirören Medya Yatırımları A.Ş.	7,906,507	5,785,824
Demirören Ajansı A. Ş.	6,734,688	6,810,140
Milliyet Gazetecilik Yayıncılık A.Ş.	4,764,897	3,508,929
Demirören Yayıncılık ve Gazetecilik A.Ş.	4,176,358	4,026,929
Demirören Reklam ve Yatırım A.Ş.	2,827,206	8,364,369
Andromeda TV Dijital Platform Hizmetleri A.Ş.	1,867,957	1,661,743
Yelda Haber ve Görsel Yayıncılık A.Ş.	1,665,531	1,500,773
Diğer	4,131,752	4,434,913
Toplam	53,495,436	49,442,297

f) Other income from related parties:

	1 January- 31 December 2021	1 January- 31 December 2020
Milliyet Gazetecilik Yayıncılık A.Ş.	16,059,644	3,029,410
Demirören Reklam ve Yatırım A.Ş.	7,870,929	145,233
Demirören Yayıncılık ve Gazetecilik A.Ş.	1,372,680	1,873,214
Andromeda TV Dijital Platform Hizmetleri A.Ş.	294,329	2,587,460
Demirören Televizyon Yayıncılığı A.Ş.	182,255	6,410,165
Diğer	170,151	2,496,532
Total	25,949,988	16,542,014

As of 31 December 2021, a total of TRY 119,595,054 of income reflected on common usage expenses such as personnel salaries and building expenses invoiced to the related parties is not shown in the consolidated financial statements and transactions with related parties. since they have been netted off with the relevant expense accounts.

As of 31 December 2020, amounting to TRY 25,949,988 of other income which totally amounts to TRY 2,675,903 consists of rent income which Hürriyet received from the Group companies (1 January - 31 December 2020: TRY 340,939).

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NOTE 32 – RELATED PARTY DISCLOSURES (Continued)

ii) Significant transactions with related parties (Continued)

	1 January- 31 December 2021	1 January- 31 December 2020
Financial expense:		
Yelda Haber ve Görsel Yayıncılık A.Ş.	19,454,176	3,386,758
Other	54,072	151,951
Total	19,508,248	3,538,709

iii) Key Management Personnel:

	1 January- 31 December 2021	1 January- 31 December 2020
Salaries and other short-term benefits	4,016,299	6,043,934
Total	4,016,299	6,043,934

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.

NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

33.1 Financial Risk Management

(i) Interest rate risk

The Group's interest rate sensitive financial instruments are as follows:

	31 December 2021	31 December 2020
Financial instruments with fixed interest rate		
Bank deposits (Note 4)	-	508,176

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. The Group management uses interest-bearing short-term assets within natural policy context to stabilize the maturity of the interest-bearing liabilities and assets. Furthermore, the Group hedges interest rate risks arising from floating rate borrowings, by limited use of derivatives, such as interest rate swaps.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk. As of 31 December 2021 and 2020, the Group does not have borrowings at floating rates.

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NOTE 34 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

34.1 Financial Risk Management (Continued)

(ii) Liquidity Risk

	Carrying Value	Total contractual cash outflow	Less than 3 months	3- 12 months	1- 5 years	More than 5 years
31 December 2021						
Financial liabilities						
Payables from rental services	47,796,695	47,796,695	3,248,695	7,337,012	32,593,861	4,617,127
Trade payables						
-Related party (Note 32)	24,500,067	24,666,923	17,873,934	6,792,989	-	-
-Other (Note 7)	76,320,402	75,310,913	74,307,394	1,003,519	-	-
Other payables	44,321,510	44,321,510	44,321,510	-	-	-
-Other (Note 8)						
Payables within employee benefit	9,796,836	8,778,084	8,778,084	-	-	-
-Due to personnel (Note 9)	47,796,695	47,796,695	3,248,695	7,337,012	32,593,861	4,617,127
31 December 2020						
Financial liabilities						
Payables from rental services	18,685,984	18,685,984	1,621,499	4,106,698	12,385,935	571,852
Trade payables						
-Related party (Note 32)	16,705,819	18,198,698	-	18,198,698	-	-
-Other (Note 7)	59,163,429	58,666,770	58,415,273	251,497	-	-
Other payables						
-Related party (Note 32)	57,803,706	57,803,706	-	57,803,706	-	-
-Other (Note 8)	5,422,700	5,422,700	5,422,700	-	-	-
Payables within employee benefit						
-Due to personnel (Note 9)	3,326,725	3,326,725	3,326,725	-	-	-

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**NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

33.1 Financial Risk Management (Continued)

(ii) Liquidity Risk (Continued)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

Funding risk of current and future debt requirements is managed by continuance of sufficient and highly qualified creditor's access. The Group aims at maintaining cash and cash equivalents for the anticipated cash flows of raw material purchase for the subsequent six-months.

The liquidity table demonstrates the Group's net financial liabilities in accordance with the redemption schedule. Such amounts are undiscounted future cash flows of financial liabilities of the Group. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2021, the Group has not any long-term bank borrowings (31 December 2020: None) (Note 6)

(iii) Credit Risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by limiting the credit amount of any individual counterparty. The credit risk is generally highly spread due to the large number of entities comprising the customer bases.

Aging analysis for trade receivables:

As of 31 December 2021, there are past due trade receivables amounting to TRY 53,932,754 which are not considered as doubtful receivables (31 December 2020: TRY 158,636,615). The Group does not foresee any collection risk for the delay up to one month due to sector dynamics and conditions. The Group restructures the trade receivables by applying due date differences which are due over one month and/or the Group does not foresee any collection risk since they are under coverage of guarantees such as mortgage, indemnity or guarantee notes. As of 31 December 2021, the amount of mortgage and indemnity received is TRY 1,329,517 for the related receivables (31 December 2020: TRY 3,285,292).

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NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

33.1 Financial Risk Management (Continued)

(iii) Credit Risk (Continued)

As of 31 December 2021 and 2020, aging analysis for trade receivables that are past due but not impaired are as follows:

	31 December 2021		31 December 2020	
	Related party	Other	Related party	Other
0-1 month	3,906,411	6,945,160	15,383,304	7,279,147
1-3 month	27,918,573	3,346,043	17,976,530	11,232,926
3-6 month	7,743,835	2,540,348	24,200,307	5,679,418
6-12 month	2,530,157	2,710,551	48,375,250	3,825,641
More than 1 year	3,087,677	7,933,454	13,896,536	10,787,556
	45,186,653	23,475,556	119,831,927	38,804,688

As of 31 December 2021 and 2020, aging analysis for trade receivables that are past due and impaired is as follows:

<i>Impaired</i>	31 December 2021	31 December 2020
Past due 0 - 3 months	-	-
Past due 3 - 6 months	-	-
Past due 6 months and over	89,815,163	80,075,090
Less: Provision for impairment (Note 7)	(89,815,163)	(80,075,090)

There is no balance of related party receivables that are past due and impaired as of 31 December 2021 (31 December 2020: None). There is no trade receivable which is not over due and impaired as of 31 December 2021 (31 December 2020: None).

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NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

33.1 Financial Risk Management (Continued)

(iii) Credit Risk (Continued)

The Group's credit risk of financial instruments as of 31 December 2021 is as follows:

31 December 2021	Trade receivables		Other receivables		Bank Deposits	Other Assets
	Related party	Other	Related party	Other		
Maximum credit risk exposure as of balance sheet date	75,639,500	56,288,894	46,734,640	12,521,521	2,396,258	89,831
- The part of maximum credit risk under guarantee with collateral	-	2,030,454	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	30,452,847	32,813,338	46,734,640	12,521,521	2,396,258	89,831
- The part under guarantee with collateral	-	1,329,517	-	-	-	-
B. Net book value of financial assets that are renegotiated if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	45,186,653	23,475,556	-	-	-	-
- The part under guarantee with collateral	-	700,937	-	-	-	-
D. Net book value of impaired asset						
- Past due (gross carrying amount)	-	89,815,163	-	-	-	-
- Impairment (-)	-	(89,815,163)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not overdue (gross carrying value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

33.1 Financial Risk Management (Continued)

(iii) Credit Risk (Continued)

The Group's credit risk of financial instruments as of 31 December 2020 is as follows:

31 December 2020	Trade receivables		Other receivables			Bank Deposits	Other Assets
	Related party	Other	Related party	Other			
Maximum credit risk exposure as of balance sheet date	155,865,726	53,441,846	21,838,642	12,425,299	4,097,697	104,565	155,865,726
- The part of maximum credit risk under guarantee with collateral	-	3,285,292	-	-	-	-	-
A. Net book value of financial assets that are not past due/impaired	36,033,799	14,637,158	21,838,642	12,425,299	4,097,697	104,565	36,033,799
- The part under guarantee with collateral	-	2,220,599	-	-	-	-	-
B. Net book value of financial assets that are renegotiated if not that will be accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	119,831,927	38,804,688	-	-	-	-	119,831,927
- The part under guarantee with collateral	-	1,064,693	-	-	-	-	-
D. Net book value of impaired asset							
- Past due (gross carrying amount)	-	80,075,090	-	-	-	-	-
- Impairment (-)	-	(80,075,090)	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
- Not overdue (gross carrying value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

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**NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

33.1 Financial Risk Management (Continued)

(iv) Financial Assets and Risk Management

Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to TRY. 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 three to six months. However, this policy should be revised by the management when deemed necessary, according to market condition.

TRY equivalents of assets and liabilities denominated in foreign currencies at 31 December 2021 and 31 December 2020 are as follow:

	31 December 2021	31 December 2020
Assets	5,032,127	7,808,101
Liabilities	(9,693,579)	(1,909,742)
Net foreign currency position	(4,661,452)	5,898,359

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of 31 December 2021: 12.9775 TRY = 1 US Dollar and 14.6823 TRY = 1 Euro (31 December 2020: 7.3405 TRY = 1 US Dollar and 9.0079 TRY = 1 Euro)

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**NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

33.1 Financial Risk Management (Continued)

(iv) Foreign currency risk (Continued)

The table summarizes the foreign currency position risk as of 31 December 2021 and 31 December 2020. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

31 December 2021	TRY Equivalent	USD	Euro	Other
1. Trade receivables	4,844,120	136,224	209,513	141
2a. Monetary Financial Assets (Cash. Banks included)	- 188,007	- 10,455	- 3,535	- 432
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	5,032,127	146,679	213,048	573
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	5,032,127	146,679	213,048	573
10. Trade Payables	9,693,579	482,622	233,639	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	9,693,579	482,622	233,639	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	- -	- -	- -	- -
16b. Other Non-Monetary Financial Liabilities	- -	- -	- -	- -
17. Non-Current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	9,693,579	482,622	233,639	-
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(4,661,452)	(335,943)	(20,591)	573
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(4,661,452)	(335,943)	(20,591)	573
22. Fair value of foreign currency hedged financial assets	-	-	-	-

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NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)

33.1 Financial Risk Management (Continued)

(iv) Foreign currency risk (Continued)

31 December 2020	TRY Equivalent	USD	Euro	Other
1. Trade receivables	7,540,425	53,847	793,211	-
2a. Monetary Financial Assets (Cash. Banks included)	- 267,676	- 6,730	- 98	- 217,391
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	7,808,101	60,577	793,309	217,391
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	7,808,101	60,577	793,309	217,391
10. Trade Payables	1,866,580	141,311	92,062	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	1,866,580	141,311	92,062	-
14. Trade Payables	43,163	5,880	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	- -	- -	- -	- -
16b. Other Non-Monetary Financial Liabilities	- -	- -	- -	- -
17. Non-Current Liabilities (14+15+16)	43,162	5,880	-	-
18. Total Liabilities (13+17)	1,909,742	147,191	92,062	-
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	5,898,359	(86,614)	701,247	217,391
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	- 5,898,359	- (86,614)	- 701,247	- 217,391
22. Fair value of foreign currency hedged financial assets	-	-	-	-

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**NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

33.1 Financial Risk Management (Continued)

(iv) Foreign currency risk (Continued)

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

31 December 2021

	Profit/(Loss)	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 20% against the TRY		
USD net (liabilities)/assets	(871,940)	871,940
Hedging amount of USD	-	-
USD net effect on (loss)/income	(871,940)	871,940
If the EUR had changed by 20% against the TRY		
Euro net (liabilities)/assets	(60,465)	60,465
Hedging amount of Euro	-	-
Euro net effect on (loss)/income	(60,465)	60,465
If other foreign currency had changed by 20% against the TRY		
Other foreign currency net (liabilities)/assets	115	(115)
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss)/income	115	(115)

31 December 2019

	Profit/(Loss)	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 20% against the TRY		
USD net (liabilities)/assets	(127,158)	127,158
Hedging amount of USD	-	-
USD net effect on (loss)/income	(127,158)	127,158
If the EUR had changed by 20% against the TRY		
Euro net (liabilities)/assets	1,263,351	(1,263,351)
Hedging amount of Euro	-	-
Euro net effect on (loss)/income	1,263,351	(1,263,351)
If other foreign currency had changed by 20% against the TRY		
Other foreign currency net (liabilities)/assets	43,554	(43,554)
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss)/income	43,554	(43,554)

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**NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
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33.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in and to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders in accordance with the CMB regulations, issue new shares or sell assets to decrease borrowing. There are covenants related with the bank borrowings stated in Note 6 which the Group has to fulfill net debt / equity ratio as stated in the contracts of the related bank borrowings.

The net liability/total equity ratio at 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Total liability ⁽¹⁾	47,796,695	18,685,984
Less: Cash and cash equivalents (Note 4)	(2,490,122)	(4,591,178)
Net liability	45,306,573	14,094,806
Equity	883,661,014	639,554,191
Net liability and Equity	928,967,587	653,648,997
Net liability / Total equity ratio	%2	%2

⁽¹⁾ It is calculated total of long-term and short-term liabilities.

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NOTE 34 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

31 December 2021	Assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through profit or loss	Carrying Value	Note
Financial assets					
Cash and cash equivalents	2,490,122	-	-	2,490,122	4
Trade receivables from non-related parties	56,288,894	-	-	56,288,894	7
Trade receivables from related parties	75,639,500	-	-	75,639,500	32
Other receivables from non-related parties	12,521,521	-	-	12,521,521	8
Other receivables from related parties	46,734,640	-	-	46,734,640	32
Financial investments	89,831	-	313,923	403,754	5
Financial liabilities					
Financial borrowings	-	47,796,695	-	47,796,695	6
Trade payables to non-related parties	-	76,320,402	-	76,320,402	7
Trade payables to related parties	-	24,500,067	-	24,500,067	32
Employee benefit payables	-	9,796,836	-	9,796,836	9
Other payables to non-related parties	-	44,321,510	-	44,321,510	8
Other short-term liabilities	-	48,751,285	-	48,751,285	19

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NOTE 34 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

31 December 2020	Assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through profit or loss	Carrying Value	Note
Financial assets					
Cash and cash equivalents	4,591,178	-	-	4,591,178	4
Trade receivables from non-related parties	53,441,846	-	-	53,441,846	7
Trade receivables from related parties	155,865,726	-	-	155,865,726	32
Other receivables from non-related parties	12,425,299	-	-	12,425,299	8
Other receivables from related parties	8,328,313	-	-	8,328,313	32
Financial investments	104,565	-	313,923	418,488	5
Financial liabilities					
Financial borrowings	-	18,685,984	-	18,685,984	
Trade payables to non-related parties	-	59,163,429	-	59,163,429	6
Trade payables to related parties	-	74,509,525	-	74,509,525	7
Employee benefit payables	-	3,326,725	-	3,326,725	32
Other payables to non-related parties	-	5,422,700	-	5,422,700	9
Other short-term liabilities	-	12,340,127	-	12,340,127	8

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**NOTE 34 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND
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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 35 – INTERESTS IN OTHER ENTITIES

Summary of the financial information of continued operations of TME, a subsidiary over which the Group has non-controlling shares. are stated below according to TFRS 12. This summarized financial information represents the amounts without considering the related party eliminations.

	<u>31 December 2021</u>	<u>31 December 2020</u>
Current Assets	7,533,906	1,869,427
Non-Current Assets	5,617,376	3,177,372
Current Liabilities	208,938,233	142,172,470
Non-Current Liabilities	5,340,682	3,020,864
Total Equity	(201,127,634)	(140,146,536)
	<u>1 January- 31 December 2021</u>	<u>1 January- 31 December 2020</u>
Revenue	1,259,041	1,762,103
Cost of sales	(1,278,107)	(1,241,239)
Gross profit (loss)	(19,066)	520,864
Net profit (loss) for the period	(6,184,035)	(10,332,288)

NOTE 36 – EVENTS AFTER THE REPORTING PERIOD

Within the scope of the Capital Markets Board's Communiqué No. II-26.1 on Takeover Offer, through Ziraat Yatırım Menkul Değerler A.Ş. mandatory takeover bid process made to the owners of other publicly traded shares representing Hürriyet's capital between 28 January 2022 and 10 February 2022 has been completed by Demirören Medya Yatırımları Ticaret A.Ş., which is the controlling shareholder of the company. As a result, 12,017,987,48 shares were purchased from 291 investors outside the Stock Exchange within the scope of the takeover bid transaction.

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NOTE 36 – EVENTS AFTER THE REPORTING PERIOD (Continued)

The total value of the shares purchased is TRY 88.946.447.24. There are no shares purchased from the Exchange within the scope of the takeover bid transaction.

With the completion of the buyback process, according to MKK records, as of February 10, 2022, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s free float was 18.79%, the share of Demirören Medya Yatırımları Ticaret A.Ş., the controlling shareholder of the Company, was 81.21%.

Explanations regarding the process were made on the Public Disclosure Platform between 11 November 2021 and 11 February 2022 by Hürriyet Gazetecilik ve Matbaacılık A.Ş. announced to the public through notifications made on its behalf.

The Board of Directors of the Company decided on 27.01.2022 to extend the current Registered Capital Ceiling period of the Company for another 5 (five) years, starting from 2022, including 2026. As a result of the said decision, the necessary application was made to the Capital Markets Board, and it was approved with the permission letter of the Capital Markets Board (CMD) dated 14.02.2022 and numbered E-29833736-110.04.04-17286 and with the permission letter of the T.C. Ministry of Commerce dated 01.03.2022 and numbered E-50035491-431.02-00072383775.

Consolidated financial statements for the accounting period ending on 31 December 2021 were approved by the Board of Directors on 8 March 2022.