HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATEDFINANCIAL 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 3l 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
Investment properties are measured by using the fair value method As explained in Note 11, as of 3l 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. 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. The reasoning of our focus in this area; • 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.	We assessed the qualifications, competencies and İndependence of the Professional appraisers engaged by the management. Deeds and ownership ratios of investment properties were tested on a sample basis. 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. 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. We had no material findings in our audit procedures related to the investment properties accounted for using the fair value method.

Key Audit Matters	How our audit addressed the key audit matter
Fair value of land and buildings recognised using the fair value method 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. 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. Reasons we emphasized this topic are as follows; • 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.	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. Deeds and ownership ratios of land and buildings were tested on a sample basis 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. 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. We had no material findings in our audit procedures related to the land and buildings accounted for using the fair value method.

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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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 OFCONSOLIDATED 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.

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
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.

CONVENIENCE TRANSLATION INTO ENGLISH OFCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THEPERIOD 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 OFCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THEPERIOD 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.

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.)

					Other comprehensive income or (expense) that will be subsequently reclassified to profit or loss		Other comprehensive income or (expense) that will not be subsequently reclassified to profit or loss			Accumulated profits				
	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]**	**Retained earnings / (losses)**	**Net profit / (loss) for the period**	**Equity attributable to shareholders of the parent company**	**Non-controlling interests**	**Total equity**
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 in statement of profit/(loss). Additionally. currency translation differences recognized under equity attributable to TME activities will be transferred from equity to the statement of profit or loss when the necessary conditions are met.

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 THEPERIOD 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 THEPERIOD 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 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.

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).

(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”)	Netherland	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.	Netherland	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	Netherland	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.

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.

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 the 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.

(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:

		Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interest (%)	
	Subsidiaries	**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.

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.

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.

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.

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

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.

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

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.

(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)

2.2.7 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.

<u>Web page development costs</u>

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.

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.

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)

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.

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)

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).

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 on 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.

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.

(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)

2.2.14 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.

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:

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.

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.

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

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).

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).

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.

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

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.

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

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**

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

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**

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

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)**

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

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 ofoperational 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).

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

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**

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

NOTE 7 – TRADE RECEIVABLEAND 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 Factoring 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)**

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

NOTE 7 – TRADE RECEIVABLEAND 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.

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

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)**

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

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).

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

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:

		Fair value as at reporting date		
	31 December 2021	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Land	221,509,404	-	221,509,404	-
Building	67,792,151	-	67,792,151	-

		Fair value as at reporting date		
	31 December 2020	**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.

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

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).

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

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.

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

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).

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

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**

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

NOTE 14 – GOVERNMENTGRANTS

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**

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

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.

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

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 EMPLOYEEBENEFITS

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.

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

NOTE 17 – PROVISION FOR EMPLOYEEBENEFITS (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**

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

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.

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

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**	**-**

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

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 circulaton 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.

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

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 forperiods 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.

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

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**

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).

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

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**

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

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)
Paper	*(57,920,254)*	*(48,214,231)*
Printing and ink	*(40,917,973)*	*(32,423,799)*
Other	*(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 ADMINISTRATIVEANDMARKETING 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)**

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

NOTE 22 – GENERAL ADMINISTRATIVEANDMARKETING 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.

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

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)**

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

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).

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

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:

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.

<u>Russian Federation</u>

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 28^{th} 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.

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

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.

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

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 an 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	(564,889,500)	(384,529,751)	(71,188,538)	(48,383,650)
carrying value of property. plant and equipment and intangibles	(384,529,751)	(311,134,498)	(48,383,650)	(38,897,301)
Investment properties fair value differences	(235,460,382)	(178,985,363)	(23,672,444)	(17,961,148)
Other. net	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)**

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

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**

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

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 DISCOUNTINUED 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)**

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

NOTE 30 – ASSETS CLASSIFIED AS HELD FOR SALE AND DISCOUNTINUED 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**

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

NOTE 32 – RELATED PARTY DISCLOSURES (Continued)

b) Short term payables to related parties:

Trade payables to related parties	**31 December 2021**	**31 December 2020**
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**

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

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).

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

NOTE 32 – RELATED PARTY DISCLOSURES (Continued)

ii) Significant transactions with related parties (Continued)

Financial expense:	**1 January-31 December 2021**	**1 January-31 December 2020**
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.

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

NOTE 34 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

34.1 Financial Risk Management (Continued)

(ii) Liquidity Risk

31 December 2021	**Carrying Value**	**Total contractual cash outflow**	**Less than 3 months**	**3- 12 months**	**1- 5 years**	**More than 5 years**
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	**Carrying Value**	**Total contractual cash outflow**	**Less than 3 months**	**3- 12 months**	**1- 5 years**	**More than 5 years**
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	-	-	-

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).

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

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:

Impaired	**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).

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

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:

	Trade receivables		**Other receivables**		**Bank**	**Other**
31 December 2021	**Related party**	**Other**	**Related party**	**Oher**	**Deposits**	**Assets**
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	-	-	-	-	-	-

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

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:

	Trade receivables		**Other receivables**			**Bank**	**Other**
31 December 2020	**Related party**	**Other**	**Related party**	**Oher**		**Deposits**	**Assets**
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	-	-	-	-	-	-	-

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

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)

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

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	**-**	**-**	**-**	**-**

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

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	-	-	-	-

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

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)**

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

NOTE 33 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

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.

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

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

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

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

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

NOTE 34 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

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.

	31 December 2021	31 December 2020
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)

	1 January- 31 December 2021	1 January- 31 December 2020
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.

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.