

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 MARCH 2022**

(ORIGINALLY ISSUED IN TURKISH)

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2022**

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

	Note	(Not Audited) Current Period 31 March 2022	(Audited) Prior Period 31 December 2021
	references		
ASSETS			
Current Assets			
Cash and cash equivalents		14,513,443	2,490,122
Financial investments		89,831	89,831
Trade receivables			
-Trade receivables from related parties	19	73,459,236	75,639,500
-Trade receivables from non-related parties	5	60,808,138	56,288,894
Other receivables			
-Other receivables from related parties	19	62,411,464	46,734,640
-Other receivables from non-related parties		3,655,746	2,868,599
Inventories		32,665,251	27,323,938
Prepaid expenses		11,301,566	8,322,561
Other current assets		2,660,574	2,216,070
Total current assets		261,565,249	221,974,155
Non-current Assets			
Financial investments		313,923	313,923
Other receivables			
-Other receivables from non-related parties		8,228,626	9,652,922
Investment properties	6	289,301,555	289,301,555
Tangible assets	7	799,158,004	790,156,270
Intangible assets			
-Other intangible assets	8	14,046,565	13,602,754
Prepaid expenses		967,888	2,531,489
Deferred tax assets	17	2,635,694	2,396,928
Other non-current assets		359,786	182,386
Total Non-current Assets		1,115,012,041	1,108,138,227
Total Assets		1,376,577,290	1,330,112,382

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

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

	Note references	(Not Audited) Current Period 31 March 2022	(Audited) Prior Period 31 December 2021
LIABILITIES			
Current Liabilities			
Short-term lease liability	4		
-Lease payables to related parties		2,334,751	2,334,751
-Lease payables to others		9,155,744	8,250,956
Trade payables			
-Trade payables to related parties	19	4,654,247	24,500,067
-Trade payables ton on-related parties	5	94,267,679	76,320,402
Employee benefit payables		21,254,686	14,232,719
Other payables			
-Other payables to related parties	19	55,757,438	-
-Other payables to non-related parties		48,234,736	44,321,510
Deferred income		9,340,444	7,556,409
Current income tax liabilities	17	472,118	517,434
Short-term provisions			
-Short-term provisions for employment benefits	9	45,146,383	31,590,195
-Other short-term provisions	9	13,314,208	17,051,578
Other short-term liabilities		13,293,937	12,340,127
Total Current Liabilities		375,238,803	283,776,854
Non-Current Liabilities			
Long-term lease liabilities	4		
-Lease payables to related parties		11,483,539	11,589,120
-Lease payables to others		24,604,384	25,621,868
Other payables			
-Other payables to non-related parties		4,193,348	5,051,679
Deferred income		488,429	1,344,059
Long-term provisions			
-Long-term provisions for employment benefits	11	67,532,785	58,177,148
Deferred tax liability	17	60,173,759	60,890,640
Total Non-current Liabilities		168,476,244	162,674,514
Total Liabilities		543,715,047	446,451,368

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

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HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

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

	Note references	(Audited) Current Period 31 March 2022	(Audited) Prior Period 31 December 2021
EQUITY			
Total Equity		832,862,243	883,661,014
Equity attributable to Equity holders of the parent company		836,023,655	887,685,118
Share capital	12	592,000,000	592,000,000
Inflation adjustment to share capital	12	77,198,813	77,198,813
Share premiums(discounts)		76,944	76,944
Other comprehensive income and expenses that will not be reclassified subsequently to profit or loss			
-Gain (loss) on remeasurement			
-Gain (loss) on revaluation of property	12	543,697,494	543,697,494
-Gain (loss) on remeasurement of defined benefit plans	12	(25,908,521)	(25,908,521)
Other comprehensive income and expenses that may be reclassified subsequently to profit or loss			
-Currency translation differences	12	85,909,654	76,135,841
Restricted reserves	12	117,176,268	117,176,268
Past years profits and losses		(492,691,721)	(547,909,813)
Net profit (loss) for the period		(61,435,276)	55,218,092
Non-controlling interests		(3,161,412)	(4,024,104)
Total Liabilities and Equity		1,376,577,290	1,330,112,382

Condensed consolidated financial statements as of March 31, 2022 and for the interim accounting period ending on this date were approved by the Board of Directors on May 9, 2022.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE INTERIM PERIOD JANUARY 1- MARCH 31, 2022**

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

	Note references	(Not Audited) Current Period 1 January- 31 March 2022	(Not Audited) Prior Period 1 January- 31 March 2021
Sales	13	108,018,332	79,368,838
Cost of sales (-)	13	(118,390,162)	(75,221,074)
Gross profit (loss)		(10,371,830)	4,147,764
General administrative expenses (-)		(31,832,597)	(22,533,510)
Marketing expenses (-)		(14,252,592)	(15,428,222)
Other operating income		11,362,010	31,328,487
Other operating expenses (-)		(4,888,338)	(4,567,401)
Operating profit (loss)		(49,983,347)	(7,052,882)
Income from investing activities	14	1,387,930	1,350,334
Expenses from investing activities (-)	15	(678,690)	(71,755)
Operating profit (loss) before finance income(expense)		(49,274,107)	(5,774,303)
Financing expenses (-)	16	(9,417,237)	(5,301,722)
Profit (loss) before tax from continuing operations		(58,691,344)	(11,076,025)
Tax income (expense) of continuing operations		2,350,778	1,170,292
Current tax income (expense)	17	(472,118)	(91,759)
Deferred tax income (expense)	17	2,822,896	1,262,051
Profit (loss) for the period from continuing operations		(56,340,566)	(9,905,733)
Profit (loss) for the period from discontinued operations		(5,238,156)	(3,502,854)
Net profit (loss) for the period		(61,578,722)	(13,408,587)
Allocation of net profit (loss) for the period			
Attributable to non-controlling interests		(143,446)	(474,003)
Attributable to equity holders of the parent company		(61,435,276)	(12,934,584)
Loss per share (TRY)			
Attributable to shareholders of the parent company (Loses)		(0.1038)	(0.0218)

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME FOR THE INTERIM PERIOD JANUARY 1 – MARCH 31, 2022**

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

Note References	(Not Audited) Current Period January 1- 31 March 2022	(Not Audited) Prior Period January 1 – 31 March 2021
Other comprehensive income statement		
Net profit (loss) for the period	(61,578,722)	(13,408,587)
Other comprehensive income		
Other comprehensive income (expense) that will not be subsequently reclassified to profit and loss		
- Gain (loss) on revaluation of property	-	-
- Gain (loss) on revaluation for defined benefits	-	-
Taxes related to other comprehensive income (expense) that will not be subsequently reclassified to profit and loss		
- Gain (loss) on revaluation of property, tax effect	-	-
- Gain (loss) on revaluation for defined benefits, tax effect	-	-
Other comprehensive Income (expense) that will be subsequently reclassified to profit and loss		
- Currency translation differences	(10,779,951)	(7,049,850)
-Other comprehensive income (expense) from cash flow hedges	-	-
Taxes related to other comprehensive income(expense) that will be subsequently reclassified to profit and loss		
- Other comprehensive Income (expense) from cash flow hedges, tax effect	-	-
Other comprehensive income (expense)	(10,779,951)	(7,049,850)
Total comprehensive income (expense)	(50,798,771)	(20,458,437)
Allocation of total comprehensive Income (expense)		
Attributable to non-controlling interests	862,692	(572,679)
Attributable to shareholders of the parent company	(51,661,463)	(19,885,758)

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD JANUARY 1 – MARCH 31, 2022

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

	Note references	Share capital	Inflation adjustment to share	Share premiums (discounts)	Other comprehensive Income (expense) that will be subsequently reclassified to Profit or loss	Other comprehensive Income (expense) that will not be subsequently reclassified to Profit or loss	Restricted reserves ⁽²⁾	Accumulated profits		Equity attributable to Shareholders	Non-controlling interests	Total equity	
					Currency translation differences ⁽¹⁾	Gain (losses) on property revaluation		Gain (losses) on remeasurement of defined benefit plan	Retained earnings / (losses)				Net profit / (loss) for
Balances at 1 January 2021	12	592,000,000	77,198,813	76,944	76,554,966	348,347,644	(22,029,402)	117,176,268	(467,047,129)	(80,862,684)	641,415,420	(1,861,229)	639,554,191
Transfers									(80,862,684)	80,862,684	-	-	-
Total comprehensive income / (expense)					(6,951,174)	-	-	-	(12,934,584)	(19,885,758)	(572,679)	(20,458,437)	
-Other comprehensive income (expense)					(6,951,174)	-	-	-	-	(6,951,174)	(98,676)	(7,049,850)	
-Net profit (loss) for the period					-	-	-	-	(12,934,584)	(12,934,584)	(474,003)	(13,408,587)	
Balances at 1 March 2021	12	592,000,000	77,198,813	76,944	69,603,792	348,347,644	(23,594,600)	117,176,268	(547,909,813)	(12,934,584)	621,529,662	(2,433,908)	619,095,754
Balances at 1 January 2022	12	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
Transfers									55,218,092	(55,218,092)	-	-	-
Total comprehensive income / (expense)					9,773,813	-	-	-	(61,435,276)	(51,661,463)	862,692	(50,798,771)	
-Other comprehensive income (expense)					9,773,813	-	-	-	-	9,773,813	1,006,138	10,779,951	
-Net profit (loss) for the period					-	-	-	-	(61,435,276)	(61,435,276)	(143,446)	(61,578,722)	
Balances at 1 March 2022	12	592,000,000	77,198,813	76,944	85,909,654	543,697,494	(25,908,521)	117,176,268	(492,691,721)	(61,435,276)	836,023,655	(3,161,412)	832,862,243

⁽¹⁾ In accordance with the board decision dated November 22, 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 condensed consolidated financial statements.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
INTERIM PERIOD 1 JANUARY – 31 MARCH 2022**

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

	Note references	(Not Audited) Current Period 1 January - 31 March 2022	(Not Audited) Prior Period 1 January 31 March 2021
CASH FLOWS FROM OPERATING ACTIVITIES		22,383,041	26,572,762
Net profit (loss) for the period		(61,578,722)	(13,408,587)
Profit (loss) from continuing operations		(56,340,566)	(9,905,733)
Profit (loss) from discontinued operations		(5,238,156)	(3,502,854)
Adjustments to reconcile profit (loss) for the period		35,248,052	23,906,511
Adjustments related to depreciation and amortization expenses	7, 8	5,169,108	3,823,845
Adjustments related to impairment / (reversal)			
Adjustments related to impairment (reversal) of receivables	5	449,662	878,916
Adjustments related to provision for impairment of inventories		50,959	29,754
Adjustments related to impairment (reversal) of investment property	6	-	(171,008)
Adjustments related to provision			
Adjustments related to (reversal) of provision for employment benefits	9, 11	17,008,219	5,221,435
Adjustments related to litigation and legal provisions (reversal)	9	437,629	488,000
Adjustment related to general provisions (reversals)		604,772	(205,384)
Adjustment related to other provisions (reversals)		(330,953)	(784,452)
Adjustments related to interest (income) expense			
Adjustments related to interest income		(17,583)	(55,888)
Adjustments related to interest expense	16	7,357,605	2,067,132
Deferred Financial Expense from Credit Purchases		3,696,172	(2,062,113)
Unearned Financial Income from Credit Sales		(36,937)	8,346,221
Adjustments related to undistributed profits of investments accounted at equity method			
Adjustments related to undistributed profits of associates			
Adjustments related to tax (income) expense	17	(2,350,778)	(1,170,292)
Adjustments related to sales of tangible fixed assets losses (gains)	6,15	(70,567)	(26,475)
Adjustments related to profit (loss) confirmation		3,280,744	7,526,820
Changes in working capital		49,845,172	17,061,997
Adjustments related to (increase) decrease in trade receivables			
(Increase) decrease in trade receivables from related parties		2,180,264	(3,075,765)
(Increase) decrease in trade receivables from third parties		(11,822,832)	(3,750,968)
Adjustments related to (increase) decrease in inventories		(5,364,487)	(477,546)
(Increase) decrease in prepaid expenses		(1,415,404)	(1,507,612)
Adjustments related to increase (decrease) in trade payables			
Increase (decrease) in trade payables to related parties		35,911,618	16,990,404
Increase (decrease) in trade payables to third parties		17,947,277	(3,252,860)
Increase (decrease) in payables related to employee benefits		7,021,967	5,572,328
Adjustments related to other increase (decrease) in working capital			
Increase (decrease) in other operating-related liabilities to related parties			
Increase (decrease) in deferred income		928,405	(1,324,062)
Adjustments related to other increase (decrease) in working capital			
(Increase) decrease in other assets related to operating activities		(15,661,579)	7,854,493
Increase (decrease) in other liabilities related to operating activities		20,119,943	33,585

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
INTERIM PERIOD 1 JANUARY – 31 MARCH 2022**

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

	Note references	(Not Audited) Current Period 1 January - 31 March 2022	(Not Audited) Prior Period 1 January – 31 March 2021
Cash generated from operations		23,514,502	27,559,921
Employment benefits paid	9, 11	(864,487)	(932,188)
Payments related to other provisions	9	-	(12,998)
Taxes returns (payments)	17	(517,434)	(305,755)
Other cash inflows (outflows)		250,460	263,782
CASH FLOWS FROM INVESTING ACTIVITIES		(2,890,977)	(213,376)
Cash inflows from sale of tangible and intangible assets	7, 8, 15	70,567	26,475
Cash outflows from purchase of tangible and intangible assets			
Cash outflows from purchases of tangible assets	7	(2,638,502)	(195,739)
Cash outflows from purchases of intangible assets	8	(340,625)	(100,000)
Cash outflows from purchases of investment property		17,583	55,888
Interests received			
CASH FLOWS FROM FINANCING ACTIVITIES		(10,638,349)	(9,595,937)
Cash outflow from rent agreements		(3,280,744)	(7,526,821)
Interests paid	16	(7,357,605)	(2,067,132)
Other cash inflows (outflows)		-	(1,984)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES		8,853,715	16,763,449
Effects of currency translation rate changes on cash and cash equivalents		3,169,606	(10,627,624)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		12,023,321	6,135,825
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2,490,122	4,591,178
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		14,513,443	10,727,003

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

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

NOTE 1 – THE GROUP’S ORGANIZATION AND SUBJECT OF ACTIVITY

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 May 16, 2018. The share transfer was completed with the extraordinary general meeting held on June 6, 2018. As a result of this transaction, Demirören Medya has become the main shareholder of the Company.

In addition, the issued capital of the Company was increased by 40,000,000 TRY (7.24%) from 552,000,000 TRY to 592,000,000 TRY 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 1,00 TRY within the registered share capital of 800,000,000 TRY. 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 January 15, 2019.

The ultimate shareholder of the company is the Demirören Family.

The number of employees of the Group as of March 31, 2022 is 1,329 (December 31, 2021: 1,340).

The address of the registered office is as follows:

“100, Yıl Mahallesi, 2264 Sokak No:1 34204 Bağcılar/İstanbul Türkiye”

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 February 25, 1992. In accordance with the resolution numbered 21/655 on July 23, 2010 and amendment held on October 30, 2014 of CMB; according to the records of Central Securities of Depository of Turkey (CSD); shares representing 20.82% as of December 31, 2021 (December 31, 2020: 20.82%) of Hürriyet are accepted as “in circulation”. As of the date of the report, this ratio is 18.79% (Note 12).

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

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

NOTE 1 – THE GROUP’S ORGANIZATION AND SUBJECT OF ACTIVITY (cont’d)

With the completion of the buyback process, according to MKK records, as of March 31, 2022, Hürriyet Gazetecilik ve Matbaacılık A.Ş.’s free float is 18.79% and the share of Company’s controlling shareholder, Demirören Medya Yatırımları Ticaret A.Ş., has been 81.21%.

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 the application was made with the permission letter of the Capital Markets Board (“CMB”) dated 14.02.2022 and numbered E-29833736-110.04.04-17286 and the permission letter of Trade Ministry of Turkey dated 01.03.2022 and numbered E-50035491-431.02-00072383775. As a result of the aforementioned approval, the amendment of the Company’s Articles of Association will be submitted to the approval of the shareholders at the first General Assembly Meeting to be held.

Subsidiaries

As of December 31, 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	Subject of activity
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	Subject of activity
TOV E-Prostir	Ukraine	Europe	Internet Publishing
SP Pronto Kiev	Ukraine	Europe	Newspaper and internet publishing

Associates

Associates of the Company, registered countries, subject of activities and geographic segments are as follows:

Associates	Registered country	Geographic segment	Subject of activities
Demirören Media International GmbH, (“Demirören Media”)	Germany	Europe	Newspaper Publishing

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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 2019 TAS Taxonomy 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 April 15, 2019 in accordance with paragraph 9(b) of Decree Law No:660.

Businesses are free to prepare their interim financial statements as a full set or as a summary in accordance with TAS 34 Standards. In this context, the company preferred to prepare condensed consolidated financial statements in the interim periods. These interim condensed financial statements should be evaluated together with the consolidated financial statements for the year ended December 31, 2021.

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

As of March 31, 2022 and December 31, 2021, subsidiaries and partnership ratios are shown below:

Subsidiaries	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interest (%)	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
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 Intemational Holding BV	100,00	100,00	97,29	97,29

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

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

⁽³⁾ The subsidiary was liquidated as of January 22, 2021.

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

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

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

2.1 Basis of Presentation (cont’d)

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.

The maturity difference item amounting to 3,296,227 TRY, 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.

2.1.4 Significant Accounting Policies and Changes in Accounting Estimates

Accounting policy changes resulting from the first application of a new TAS are applied retrospectively or prospectively in accordance with the transitional provisions of that TAS. Identified significant accounting errors are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made for only one period, and if it is related to future periods, both in the period when the change is made and prospectively.

The Group has consistently applied its accounting policies to all periods presented in these interim condensed financial statements.

2.1.5 New and Revised Turkish Financial Reporting Standards (“TFRS”)

The accounting policies used in the preparation of the consolidated financial statements for the accounting period ending as of March 31, 2022 have been applied consistently with those used in the previous year, except for the new and amended TFRS and TFRS interpretations valid as of January 1, 2022, which are summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

a) New standards, amendments and interpretations effective from January 1, 2021

- TFRS 3 Amendments - Amendment to References to the Conceptual Framework
- TAS 16 Amendments - Making it suitable for the intended use
- TAS 37 Amendments - Economically disadvantageous contracts-Contract fulfillment costs

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

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

2.2 Basis of Presentation (cont’d)

2.1.5 New and Revised Turkish Financial Reporting Standards (“TFRS”) (cont’d)

b) 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

-Changes in IAS 1 - Classification of liabilities as short-term and long-term

-Amendments to TFRS 8 - Definition of Accounting Estimates

-Amendments to TAS 1 – Disclosure of Accounting Policies Amendments to TAS 37

-Amendments to TAS 12 - Deferred Tax on assets and liabilities arising from a single transaction

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

2.2 Summary of Significant Accounting Policies

Condensed consolidated financial statements for the interim period ended March 31, 2022 have been prepared in accordance with TAS 34 "Interim Financial Reporting" standard for the preparation of interim financial statements of TFRS.

The interim condensed consolidated financial statements for the year ended March 31, 2022 have been prepared by applying the accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended December 31, 2021. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended December 31, 2021.

2.2.1 Revenue Recording

When the Group fulfills its performance obligation by transferring a promised good or service to its customer, it recognizes the revenue in the financial statements. An asset is transferred when (or when) control of an asset is acquired by the customer.

The Group recognizes revenue in line with the following 5 basic principles:

- Determination of customer contracts
- Determination of performance obligations in contracts
- Determining the transaction price in the contracts
- Allocating the transaction price to the performance obligations in the contracts
- Recognition of revenue when each performance obligation is met

The Group recognizes a contract with a customer as revenue if all of the following conditions are met:

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

2.2 Summary of Significant Accounting Policies (cont’d)

2.2.1 Revenue Recording (cont’d)

- The parties to the contract have approved the contract (written, verbal or in accordance with other commercial practices) and have committed to fulfill their own obligations.
- The Group can define the rights of each party regarding the goods or services to be transferred.
- The Group can define the payment terms for the goods or services to be transferred.
- The contract is commercial in nature.
- It is probable that the Group will collect a consideration for the goods or services to be transferred to the customer.

The Group considers only the customer's ability and willingness to pay the consideration in due time when assessing whether a charge will be collectible.

At the beginning of the contract, the Group evaluates the goods or services that it has promised in the contract with the customer and defines each commitment to transfer to the customer as a performance obligation as follows:

- a) different goods or services (packages of goods or services), or
- b) a series of different goods or services that are substantially similar and whose transfer to the customer is the same

A series of different goods or services are subject to the same form of transfer if the following conditions are met:

- a) Each different good or service in the series that the Group undertakes to transfer to its customer constitutes a performance obligation that will be completed over time by meeting the necessary conditions.
- b) Using the same method to measure the Group's progress towards full performance of the performance obligation in the transfer of each different good or service constituting the series to the customer, in accordance with the relevant paragraphs of the standard.

When another party is involved in providing the goods or services to the customer, the Group determines that the nature of its commitment is a performance obligation to provide the specified goods or services itself (principal) or to mediate (agent) for those goods or services provided by the other party. It is principal if the group controls the specified goods or services before transferring those goods or services to the customer. In that case, when (or as long as it fulfills) its performance obligation, it recognizes the revenue equal to the gross amount of the price it expects to be entitled in return for the transferred goods or services. If the Group is to act as an intermediary in the supply of goods or services for which a performance obligation has been determined by another party, it is in the position of an agent and does not reflect the revenue for the said performance obligation in the financial statements.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

2.2 Summary of Significant Accounting Policies (cont’d)

2.2.1 Revenue Recording (cont’d)

The Group's performance obligations are explained below:

Performance Obligations	Contents
Ad Revenues	The Group's advertising revenues generally consist of the revenues obtained from advertisements published in print and digital media. The fact that the customer simultaneously receives and consumes the benefit from the performance as he publishes the advertisement shows that the Group has transferred the control of the service over time. Therefore, revenue is recognized over time and according to the output method as the performance obligation is fulfilled (as the advertisement is published). The undelivered portion of the advertisements is accounted for in the statement of financial position as a contractual obligation.
Contract Printing Revenues	Contract printing revenues consist of printing services provided to companies within the Group and outside the Group, using the printing facility owned by the Group. Revenues generated within the scope of this service are recognized at “a certain moment of time” when the newspaper is delivered for distribution.
Newspaper Sales (Circulation) Revenues	Circulation revenues consist of distribution company and revenues from mass sales and newspaper sales. Revenues generated within the scope of this service are recognized “at a certain point in time” at the date of dispatch of the newspapers.

The Group acts as a proxy for some of the products and services it provides in the "Yakala.co" contracts, where its customers bring together the contracted companies in accordance with their digital marketing strategies. When the Group fulfills its performance obligation for these contracts, which it deems to be a proxy, it recognizes the revenue in the amount of the price or commission it expects to be entitled to. The price or commission of the Group is the net amount remaining after paying the price collected for the goods or services provided to the portals. Movie tickets sold on "Yakala.co", which operates only in the field of e-commerce, are in a prime position as the Group has stock risk regarding the tickets and has the discretion to determine the price for this service. Income from ticket sales is not a commission income, but is accounted for gross in the financial statements.

The Group takes into account the contractual terms and commercial practices to determine the transaction price. The transaction price is the amount the Group expects to be entitled to in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The promised consideration in a contract with a customer can include fixed amounts, variable amounts, or both. There may be variable amounts in group contracts due to turnover-based discounts, returns, and points. If the price promised in the contract is a variable amount, the Group determines the amount that it will be entitled to collect in return for the transfer of the promised goods or services to the customer by estimation. In order for the Group to include some or all of the estimated variable price in the transaction price, it must be highly probable that there will not be a significant cancellation of the cumulative revenue received in the financial statements when the uncertainty regarding the variable price is subsequently eliminated. When assessing whether it is highly probable that there will not be a significant reversal of the cumulative revenue recognized when the uncertainty regarding the variable price subsequently clears, the Group considers both the probability and magnitude of the said revenue reversal.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

2.2 Summary of Significant Accounting Policies (cont’d)

2.2.1 Revenue Recording (cont’d)

The turnover-based premiums provided by the Group to media agencies by associating them with retrospective service purchases are variable fees. The turnover-based discount amounts determined by the Group through estimation are accounted for as “contractual obligations” in the statement of financial position.

The Group provides advertising services in exchange for advertising and other products and services. The exchange of services or goods with similar characteristics and value is not defined as income generating transactions while the exchange of services or goods with different characteristics and value is defined as income generating transactions. The Group measures the non-cash cost (or non-cash fee commitment) at fair value in order to determine the transaction price for the contracts in which customers are committed to pay non-cash consideration. In cases where the fair value of the goods or services obtained cannot be determined reliably, the income is evaluated as the fair value of the goods or services provided, taking into account the cash and cash equivalents transferred.

The Group records its revenues from barter advertising sales on an accrual basis. The Group's revenue corresponding to the unpublished advertisement is accounted for as a "contractual liability" in the statement of financial position.

If, in a contract, an entity gives its customer the option to acquire additional goods or services, that option creates a performance obligation if the option provides the customer with a pecuniary right that it cannot obtain unless it has signed the contract as a party. If the option gives the customer a material right, the entitled customer pays the entity upfront for future goods or services and the entity recognizes that revenue when the future goods or services are transferred or the option expires.

If the stand-alone selling price for the customer's option to acquire additional goods or services is not directly observable, the entity determines it by estimation. This estimate reflects the discount the customer would receive if they took that option, adjusted for both of the following:

- (a) a discount the customer may receive if they do not use the option; and
- (b) the probability of exercising the option.

After receiving a prepayment from a customer, the entity recognizes a contractual obligation in the amount of the prepayment in response to a performance obligation to transfer or make available goods or services in the future. When the entity transfers those goods or services and thus satisfies the performance obligation, it derecognizes that contractual obligation (and recognizes revenue).

Since the awards related to the dealer loyalty project that the Group applies to its dealers and end-sellers, provide the customer with a material right that cannot be obtained unless they sign the contract as a party, the amounts earned by the customer related to these awards are accounted for as a contractual obligation in the financial statements. These awards, which are won within the scope of the Dealer Loyalty Project, are deducted from the contractual liability as they are used and recorded as revenue in the financial statements.

In cases where the Group collects a consideration from a customer and expects to reimburse some or all of this price to that customer, it recognizes the return obligation. The refund obligation is measured against the consideration received (or receivable) that the entity does not expect to be entitled to (i.e. amounts not included in the transaction price). The return obligation (the change in the transaction price and therefore the contractual obligation) is updated at the end of each reporting period, taking into account the changes in the conditions.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

2.2 Summary of Significant Accounting Policies (cont’d)

2.2.1 Revenue Recording (cont’d)

The Group includes all of the following in its financial statements in order to account for the transfer of products with the right to return (with some services provided, subject to return):

- (a) revenue for products transferred in the amount of consideration to which the entity expects to be entitled (therefore, revenue on products expected to be returned is not recognized);
- (b) a return obligation and
- (c) an asset for the entity's right to repurchase its products from the customer upon settlement of its return obligation (and an adjustment to the cost of sales accordingly).

An asset recognized under the right to repurchase products from the customer in order to settle the return obligation is calculated by first looking at the previous book value of the product, less any costs expected to be incurred in repurchasing those products (including any possible reductions in the value of the returned products to the business), should be measured. The Group updates its return liability measurement at the end of each reporting period to reflect the changes in the expectation of return amounts and recognizes the necessary adjustments as revenue (or deductions from revenue) in the financial statements.

The price of a good or service determined in the contract is the independent selling price of that good or service. If there is more than one good or service to be transferred in the contract, the Group allocates the transaction price to each performance obligation (or different good or service) in an amount that represents the price it expects to be entitled to in return for the transfer of the promised goods or services to the customer. To achieve the purpose of the distribution, the Group allocates the transaction price to each performance obligation specified in the contract at a relative stand-alone selling price. In order to allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, the Group determines the contract inception stand-alone selling price of the different goods or services that form the basis of each performance obligation in the contract and distributes the transaction price in proportion to these stand-alone selling prices.

When a party fulfills a contract, an entity presents the contract as a contract asset or contract liability in its statement of financial position, depending on the relationship between the entity's performance and the customer's payment. The entity presents its unconditional rights to consideration separately as a receivable.

Before transferring a good or service to a customer, the Group presents the contract as a contractual obligation on the date the payment is made or the payment is due (whichever is earlier) if the customer pays the price or the enterprise has an unconditional receivable for the price. A contractual obligation is an entity's obligation to transfer goods or services to its customer in exchange for the consideration it has received (or is entitled to collect) from the customer.

In cases where the Group performs its performance by transferring the goods or services to the customer before the customer pays the price or before the payment becomes due, the Group presents the contract as a contract asset, excluding the amounts presented as receivables. A contract asset is the entity's right to receive consideration for goods or services that it has transferred to the customer.

The Group accounts for the contractual assets and liabilities capitalized in the statement of financial position under the "contract asset" and "contractual liability" accounts without offsetting them in the balance sheet.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

2.2 Summary of Significant Accounting Policies (cont’d)

2.2.2 Financial Assets

Classification and measurement

The Group accounts its financial assets in three classes as financial assets accounted for at amortized cost, fair value through profit or loss, and fair value reflected in other comprehensive income. The classification is made on the basis of the business model and expected cash flows determined according to the purpose of benefiting from financial assets. Management classifies financial assets on the date of purchase.

(a) Assets recognized at amortized cost

Financial assets that are not quoted in an active market and are not derivative instruments that have fixed or fixed payments, in which management has adopted the contractual cash flow collection business model and the terms of the contract include only the principal and interest payments arising from the principal balance on certain dates, are classified as assets accounted for at amortized cost. If their maturities are less than 12 months from the date of the statement of financial position, they are classified as current assets, and if they are longer than 12 months, they are classified as non-current assets. Assets accounted for at amortized cost include “trade receivables”, “other receivables” and “cash and cash equivalents” items in the statement of financial position. In addition to these, trade receivables collected from factoring companies within the scope of revocable factoring transactions, which are included in trade receivables, are classified as assets accounted for at amortized cost, since the collection risk of these receivables is not transferred.

Impairment

Since the trade receivables accounted for at amortized cost in the consolidated financial statements do not contain an important financing component, the Group uses the provision matrix by choosing the simplified application in the impairment calculations. With this application, the Group measures the expected credit loss allowance at an amount equal to the lifetime expected credit losses, unless the trade receivables are impaired for certain reasons. The calculation of the expected credit loss provision is made with the expected credit loss ratio determined by the Group based on past credit loss experiences and prospective macroeconomic indicators.

(b) Assets recognized at fair value

Assets for which management has adopted the business model of collecting and/or selling contractual cash flows are classified as assets recognized at fair value. These assets are classified as non-current assets unless management intends to dispose of the related assets within 12 months from the balance sheet date. For investments in equity-backed financial assets, the Group makes a selection at initial recognition as an equity investment where the fair value difference of the investment is recognized in other comprehensive income or profit or loss statement and cannot change this selection later.

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include “derivatives” items in the statement of financial position. Derivative instruments are recognized as an asset if the fair value is positive and as a liability if the fair value is negative.

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NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

2.2 Summary of Significant Accounting Policies (cont’d)

2.2.2 Financial Assets (cont’d)

ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include “financial investments” and “derivative instruments” items in the statement of financial position. In case the assets whose fair value difference is recorded in other comprehensive income are sold, the valuation difference classified into other comprehensive income is reclassified to retained earnings.

2.2.3 Trade Receivables and Provisions for Doubtful Receivables

Trade receivables resulting from the provision of a product or service to a buyer by the Group are shown as “unearned finance income from forward sales” net of unaccrued finance income. Unaccrued financial income is calculated by discounting the amounts to be obtained in the following periods of the receivables recorded from the original invoice value using the “effective interest method”. Effective interest rate; It is the rate that discounts estimated future cash receipts or payments over the netted life of the financial asset to the present value of the financial asset. The discount is made on the basis of "compound interest". The rate used in this method and determined on the basis of compound interest is called the "effective interest rate". Short-term receivables with no specified interest rate are shown at cost, unless the effect of the effective interest rate is significant (Note 5).

The Group has preferred to apply the "simplified approach" in TFRS 9 Standard in the calculation of the impairment of trade receivables, which are accounted at amortized cost in their financial statements and do not contain a significant financing component.

Within the scope of the "simplified approach" of the TFRS 9 Standard, in cases where it is accepted that the trade receivables are not impaired for valid reasons as regulated in the TFRS 9 Standard, the loss provisions for trade receivables are measured at an amount equal to the "lifetime expected credit losses".

Instead of the "realized credit losses model" in TAS 39 "Financial Instruments: Recognition and Measurement", which was in effect before January 1, 2018, the "expected credit loss model" is defined in TFRS 9 "Financial Instruments" Standard. Expected credit losses are an estimate of the probable credit losses over the expected life of financial instruments, weighted based on historical statistics. In the calculation of expected credit losses, the Company's forecasts for the future are also taken into account, along with past credit loss experiences.

The Company uses a “provision matrix” in the measurement of expected credit losses on trade receivables, In the provision matrix, certain reserve ratios are calculated depending on the number of days the trade receivables are overdue and these ratios are reviewed in each reporting period and revised when necessary. The change in the expected loan loss provisions is accounted for in the “other operating income/expenses” account in the income statement.

Following the provision for doubtful receivables, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the doubtful receivable provision and recorded in other income and expenses from main activities.

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NOTE 3 – SEGMENT REPORTING

a) Segment analysis for the interim accounting period from January 1 to March 31, 2022:

	Turkey	Russia and EE (*)	Europe	Total
Sales	72,641,560	338,902	35,037,870	108,018,332
Cost of sales (-)	(86,967,406)	(364,824)	(31,057,932)	(118,390,162)
Gross profit/(loss)	(14,325,846)	(25,922)	3,979,938	(10,371,830)
Marketing expenses (-)	(14,252,466)	(126)	-	(14,252,592)
Net segment result	(28,578,312)	(26,048)	3,979,938	(24,624,422)
General administrative expenses (-)				(31,832,597)
Other operating income				11,362,010
Other operating expenses (-)				(4,888,338)
Financial expenses (-)				(9,417,237)
Income from investing activities				1,387,930
Expense from investing activities (-)				(678,690)
Profit (loss) before tax from continuing operations				(58,691,344)
Tax income (expense) for the period				(472,118)
Deferred tax income (expense)				2,822,896
Profit (loss) for the period from continuing operations				(56,340,566)

b) Segment analysis for the interim accounting period from January 1 to March 31, 2021:

	Turkey	Russia and EE (*)	Europe	Total
Sales	61,598,039	234,328	17,536,471	79,368,838
Cost of sales (-)	(59,534,696)	(243,034)	(15,443,344)	(75,221,074)
Gross profit/(loss)	2,063,343	(8,706)	2,093,127	4,147,764
Marketing expenses (-)	(15,428,162)	(60)	-	(15,428,222)
Net segment result	(13,364,819)	(8,766)	2,093,127	(11,280,458)
General administrative expenses (-)				(22,533,510)
Other operating income				31,328,487
Other operating expenses (-)				(4,567,401)
Financial expenses (-)				(5,301,722)
Income from investing activities				1,350,334
Expense from investing activities (-)				(71,755)
Profit (loss) before tax from continuing operations				(11,076,025)
Tax income (expense) for the period				(91,759)
Deferred tax income (expense)				1,262,051
Profit (loss) for the period from continuing operations				(9,905,733)

*Information on discontinued operations and operations of subsidiaries classified as assets held for sale in Russia and EE are disclosed in Note 18.

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NOTE 3 – SEGMENT REPORTING (cont’d)

c) Segment assets

	March 31, 2022	December 31, 2021
Turkey	1,193,123,377	1,152,873,545
Russia ve EE	10,712,194	10,633,460
Europe	168,581,783	163,060,948
	1,372,417,354	1,326,567,953
Unallocated assets	4,159,936	3,544,429
Total assets per consolidated financial statements	1,376,577,290	1,330,112,382

d) Segment liabilities

	March 31, 2022	December 31, 2021
Turkey	500,097,776	394,386,002
Russia and EE	15,318,436	11,282,985
Europe	28,298,835	40,782,381
	543,715,047	446,451,368
Unallocated liabilities	-	-
Total liabilities per consolidated financial statements	543,715,047	446,451,368

e) Information on discontinued operations:

Suspension of digital activities in Russia and the EE region

With the decision of the Board of Directors of Pronto Media Holding, residing in Russia, the indirect subsidiary of TME, of which the Group has a 97.29% stake, on November 22, 2017; Due to the intensity of the competition in the markets where it operates and the operational performance not at the desired level, it has decided to cease the activities of the digital platforms operating within its body. With this decision, the digital operations operating within the body of Pronto Media Holding were classified as "Discontinued Operations". Provisions for “impairment” calculated due to discontinued operations are accounted for under “Discontinued Operations” in the profit or loss statement. Information on discontinued operations is disclosed in Note 18.

NOTE 4 – SHORT-TERM AND LONG-TERM BORROWINGS

The details of financial liabilities as of March 31, 2022 and December 31, 2021 are as follows:

Short-term borrowings:	March 31, 2021	December 31, 2021
Short-term lease liabilities	11,490,495	10,585,707
Total	11,490,495	10,585,707
Long-term borrowings:	March 31, 2021	December 31, 2021
Long-term lease liabilities	36,087,923	37,210,988
Total	36,087,923	37,210,988

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NOTE 5 – TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables net-off of unearned finance income as of March 31, 2022 and December 31, 2021 are as follows:

Short-term receivables from third parties:

	March 31, 2022	December 31, 2021
Trade receivables	151,700,831	144,423,620
Credit cards receivables	139,974	68,873
Notes receivable and cheques	618,525	593,002
Income accruals	1,173,578	1,778,350
Unearned finance income due from term sales	(721,406)	(759,788)
Less: Provision for doubtful receivables	(92,103,364)	(89,815,163)
Total	60,808,138	56,288,894

According to a revocable factoring agreement signed with Doruk Faktoring, trade receivables resulting from advertisements, amounting to 34,163,747 TRY (December 31, 2021: 36,868,571 TRY) are followed up by Doruk Faktoring. The Group has not transferred the risk of default of the receivables mentioned above and has continued to recognize its balance sheet. These receivables are related to commercial advertisements and classified ads. Weighted average maturity of the Group’s sales followed up by Doruk Faktoring is 92 days (December 31, 2021: 97 days). The unearned finance income due from term sales related to the receivables followed up by Doruk Faktoring is 563,409 TRY (December 31, 2021: 611,479 TRY) and the compound interest rate is 18.00% per annum (December 31, 2021: 18.00%). 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.

As of March 31, 2022 and December 31, 2021, the average maturity of the Group's receivables that are not followed up by Doruk Faktoring is less than 3 months.

The movements of provision for doubtful receivables are as follows:

	2022	2021
January 1	(89,815,163)	(80,075,090)
Additions during the period	(449,662)	(878,916)
Collections and reversals during the period	250,460	263,782
Currency translation differences	(2,088,999)	(1,092,672)
March 31	(92,103,364)	(81,782,896)

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NOTE 5 – TRADE RECEIVABLES AND PAYABLES (cont’d)

Short-term trade payables to third parties:

Trade payables as of March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022	December 31, 2021
Short-term trade payables and notes payable	94,027,088	75,474,901
Expense accruals	1,650,424	1,854,990
Unrealized financial expenses due to term purchases	(1,409,833)	(1,009,489)
Total	94,267,679	76,320,402

As of March 31, 2022, average turnover date of Group’s trade payables is 48 days (December 31, 2021: 41 days). As of March 31, 2022, unrealized financial expenses due to term purchases is 1,009,489 TRY (December 31, 2021: 1,009,489 TRY) and the compound interest rate is 18.00% per annum (December 31, 2021: 18.00%). 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.

NOTE 6 – INVESTMENT PROPERTIES

The movements in investment property as of March 31, 2022 and 2021 are as follows:

	Lands	Buildings	Total
January 1, 2021	221,509,404	67,792,151	289,301,555
Additions	-	-	-
Disposal	-	-	-
Change in fair value adjustment	-	-	-
March 31, 2022	221,509,404	67,792,151	289,301,555
	Lands	Buildings	Total
January 1, 2021	124,860,397	31,387,962	156,248,359
Additions	-	1,251,992	1,251,992
Disposal	-	-	-
Change in fair value adjustment	-	171,008	171,008
March 31, 2021	124,860,397	32,810,962	157,671,359

As of March 31, 2022, mortgages have been established on the land and building, amounting to 98,449,792 TRY, classified as investment property in the consolidated financial position (December 31, 2021: 98,449,702 TRY).

The Group’s rent income from investment properties amounted to 1,317,363 TRY as of March 31, 2022 (March 31, 2021: 1,152,851 TRY) (Note 14). The Group’s direct operating expenses arising from the investment properties in the period amounted to 39,977 TRY (March 31, 2021: 3,472 TRY).

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NOTE 6 – INVESTMENT PROPERTIES (cont’d)

As of March 31, 2022 and December 31, 2021, the information and fair value hierarchy level classification of lands and buildings are as follows:

	March 31, 2022	Fair value as at reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
Land	221,509,404	-	221,509,404	-
Building	67,792,151	-	67,792,151	-

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

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NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and related accumulated depreciation for the period ended March 31, 2022 are as follows:

	January 1, 2022	Currency Transition Differences	Additions	Disposals	March 31, 2022
Cost					
Land and land improvements	521,212,404	4,297,091	-	-	525,509,495
Buildings	204,921,153	6,013,651	-	-	210,934,804
Machinery and equipment	838,732,364	37,937,325	387,740	-	877,057,429
Motor vehicles	920,142	-	-	-	920,142
Furnitures and fixtures	51,564,451	799,912	1,200,236	(83,501)	53,481,098
Leasehold improvements	22,764,759	-	43,611	-	22,808,370
Operational lease assets	53,395,380	-	1,006,915	-	54,402,295
Other tangible assets	10,130,692	1,139,201	-	-	11,269,893
Ongoing investments	24,718	-	-	-	24,718
	1,703,666,063	50,187,180	2,638,502	(83,501)	1,756,408,244
Accumulated amortization					
Machinery and equipment	(827,711,262)	(37,471,642)	(1,093,298)	-	(866,276,202)
Motor vehicles	(920,139)	-	-	-	(920,139)
Furnitures and fixtures	(48,033,427)	(776,418)	(297,491)	83,501	(49,023,835)
Leasehold improvements	(13,743,017)	-	(477,090)	-	(14,220,107)
Operational lease assets	(14,037,205)	-	(2,499,443)	-	(16,536,648)
Other tangible assets	(9,064,743)	(1,012,799)	(195,767)	-	(10,273,309)
	(913,509,793)	(39,260,859)	(4,563,089)	83,501	(957,250,240)
Net book value	790,156,270				799,158,004

As of March 31, 2022, there are mortgages on land and building classified under property, plant and equipment amounting to 216,550,298 TRY (December 31, 2021: 216,550,298 TRY).

For the period ending on March 31, 2022, depreciation expenses amounting to 2,613,512 TRY are included in the cost of goods sold (Note 13) (March 31, 2021: 1,886,275 TRY) and 1,949,577 TRY in marketing and general administrative expenses (March 31, 2021: 1,408,659 TRY). As of March 31, 2022, there is no depreciation of property, plant and equipment classified in discontinued operations (March 31, 2021: None)

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NOTE 7 – PROPERTY, PLANT AND EQUIPMENT (cont’d)

The movements of property, plant and equipment and related accumulated depreciation for the period ended March 31, 2021 are as follows:

	January 1, 2021	Currency Differences Transition	Additions	Disposals	March 31, 2021
Cost					
Land and land improvements	370,695,708	2,024,492	-	-	372,720,200
Buildings	109,070,701	2,833,216	7,750	-	111,911,667
Machinery and equipment	705,583,669	17,847,847	-	(2,132)	723,429,384
Motor vehicles	920,142	-	-	-	920,142
Furnitures and fixtures	47,517,060	374,734	187,989	(22,817)	48,056,966
Leasehold improvements	14,759,799	-	-	-	14,759,799
Operational lease assets	22,781,271	-	-	-	22,781,271
Other tangible assets	6,237,728	530,573	-	-	6,768,301
	1,277,566,078	23,610,862	195,739	(24,949)	1,301,347,730
Accumulated amortization					
Machinery and equipment	(692,232,872)	(17,610,814)	(1,322,036)	2,132	(711,163,590)
Motor vehicles	(878,374)	-	(10,805)	-	(889,179)
Furnitures and fixtures	(44,594,400)	(354,125)	(346,610)	22,817	(45,272,318)
Leasehold improvements	(12,536,900)	-	(286,532)	-	(12,823,432)
Operational lease assets	(4,780,241)	-	(1,213,238)	-	(5,993,479)
Other tangible assets	(5,099,276)	(447,668)	(115,713)	-	(5,662,657)
	(760,122,063)	(18,412,607)	(3,294,934)	24,949	(781,804,655)
Net book value	517,444,015				519,543,075

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NOTE 8 – INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization for the period ended March 31, 2022 are as follows:

	January 1, 2022	Currency Transition Differences	Additions	Disposals	March 31, 2022
Cost					
Trade names and licenses	83,332,962	7,752,975	-	-	91,085,937
Customer list	682,161,234	76,592,439	-	-	758,753,673
Computer software and rights	187,962,747	20,054,844	340,625	-	208,358,216
Internet domain names	7,467,610	-	-	-	7,467,610
Other intangible assets ⁽¹⁾	16,598,913	-	-	-	16,598,913
	977,523,466	104,400,258	340,625	-	1,082,264,349
Accumulated amortization					
Trade names and licenses	(78,342,045)	(7,037,748)	(178,034)	-	(85,557,827)
Customer list	(682,161,234)	(76,592,439)	-	-	(758,753,673)
Computer software and rights	(184,846,907)	(20,060,866)	(382,680)	-	(205,290,453)
Internet domain names	(7,467,610)	-	-	-	(7,467,610)
Other intangible assets	(11,102,916)	-	(45,305)	-	(11,148,221)
	(963,920,712)	(103,691,053)	(606,019)	-	(1,068,217,784)
Net book value	13,602,754				14,046,565

For the period ended 31 March 2022, amortization expenses amounting to TL 347.098 are included in cost of sale (Note 13) (31 March 2021: TL 302.789) and TRY 258.921 in marketing and general administrative expenses (31 March 2021: TL 226.122). As of 31 March 2022, there is no depreciation of property, plant and equipment classified in discontinued operations (31 March 2021: None).

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NOTE 8 – INTANGIBLE ASSETS (cont’d)

The movements in intangible assets and related accumulated amortization for the period ended March 31, 2021 are as follows:

	January 1, 2022	Currency Transition Differences	Additions	Disposals	March 31, 2022
Cost					
Trade names and licenses	57,042,839	4,579,847	100,000	-	61,722,686
Customer list	423,735,679	45,308,739	-	-	469,044,418
Computer software and rights	118,072,545	11,782,851	-	-	129,855,396
Internet domain names	7,467,610	-	-	-	7,467,610
Other intangible assets ⁽¹⁾	16,598,913	-	-	-	16,598,913
	622,917,586	61,671,437	100,000	-	684,689,023
Accumulated amortization					
Trade names and licenses	(54,533,751)	(4,162,567)	(200,117)	-	(58,896,435)
Customer list	(423,735,679)	(45,308,775)	-	-	(469,044,454)
Computer software and rights	(115,515,682)	(11,788,970)	(289,451)	-	(127,594,103)
Internet domain names	(7,467,610)	-	-	-	(7,467,610)
Other intangible assets	(10,219,067)	-	(39,343)	-	(10,258,410)
	(611,471,789)	(61,260,312)	(528,911)	-	(673,261,012)
Net book value	11,445,797				11,428,011

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NOTE 9 – PROVISIONS, CONTINGENCIES AND LIABILITIES

As of March 31, 2022 and December 31, 2021 short-term provisions are as follows:

Provision for Employee Benefits:

Provision for unused leave rights

	March 31, 2022	December 31, 2021
Provision for unused leave rights	50,399,483	43,561,603
Total	50,399,483	43,561,603

The movements of the provision for unused vacation rights in the interim accounting periods ending on March 31, 2022 and 2021 are as follows:

	2022	2021
January 1	43.561.603	31.590.195
Additions during the period	7,146,300	3,414,797
Payments related to provisions	(358,205)	(440,439)
Currency translation differences	49,785	120,998
March 31	50,399,483	34,685,551

Other Short-Term Provisions:

Provisions for lawsuit and compensation

Provisions:	March 31, 2022	December 31, 2021
Provisions for lawsuit and compensation	18,434,331	18,481,397
Total	18,434,331	18,481,397

The lawsuits against the Group are amounted to 17,439,915 TRY (December 31, 2021: 17,308,263 TRY). 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 March 31, 2022 the Group has set a provision of 18,434,331 TRY for lawsuits (December 31, 2021: 18,481,397 TRY) but not sure about the payment maturity for the litigation.

As of March 31, 2022 and December 31, 2021, ongoing lawsuits against the Group are as follows:

	March 31, 2022	December 31, 2021
Legal lawsuits	10,966,283	10,784,631
Labor lawsuits	6,368,632	6,418,632
Commercial lawsuits	105,000	105,000
Total	17,439,915	17,308,263

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NOTE 9 – PROVISIONS, CONTINGENCIES AND LIABILITIES (cont’d)

Provisions for lawsuit and compensation (cont’d)

The movements of the provisions for lawsuits and claims for the interim accounting periods ending on March 31, 2022 and 2021 are as follows:

	2022	2021
January 1	18,481,397	17,051,578
Additions during the period	437,629	488,000
Payments related to provisions and compensation	-	(12,998)
Provision reversed	(553,628)	(1,030,354)
Currency translation differences	68,933	40,732
March 31	18,434,331	16,536,958

NOTE 10 – COMMITMENTS

CPM’s given by the Group

As given in the table below, there are no CPM’s given to third parties.

The shares belonging to the main shareholder of the Group were purchased by Demirören Medya on May 16, 2018. Based on the agreements made between Demirören Medya and the lending institutions at the time of the purchase, the lending institutions have the right to mortgage and pledge the Group's assets. As of the report date, there is a mortgage of 315,000,000 TRY placed on the Group's real estate by the lender.

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 March 31, 2022, the Group has unused publication of advertisements commitment amounting to 2,636,559 TRY (December 31, 2021: 4,300,312 TRY) within these barter contracts. The Group has 994,500 TRY amounted receivables as of March 31, 2022 which were invoiced and recognized to financial statements but not yet goods or services were received (December 31, 2021: 1,349,154 TRY).

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NOTE 10 – COMMITMENTS (cont’d)

The Group’s collaterals/pledge/mortgage (“CPM”) position as of March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022		December 31, 2021	
	Foreign Currency	TRY Equivalent	Foreign Currency	TRY Equivalent
A. CPM's given in the name of its own legal personality				
-Collaterals				
TRY	849,938	849,938	977,938	977,938
-Warranty notes			-	-
TRY	203,937	203,937	203,937	203,937
Euro	25,000	407,715	25,000	367,058
US Dollar	2,500,000	36,614,500	2,500,000	32,443,750
B. Total amount of CPM's give on behalf of the fully consolidated companies	-	-	-	-
-Commitments	-	-	-	-
TRY	-	-	-	-
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
iii) Total amount of CPM's given in favor of third parties that are not within the scope of article C	-	-	-	-
Total		353,076,090		349,014,933

The ratio of other CPMs given by the Group to the Group's equity is 36% as of March 31, 2022 (December 31, 2021: 36%).

*) Shares belonging to the main shareholder of the Company were purchased by Demirören Medya on May 16, 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 315,000,000 TRY placed on the real estates of the Group by the lender.

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NOTE 11 – PROVISION FOR EMPLOYEE BENEFITS

Provision long-term provisions for employment termination benefits as of March 31, 2022 and December 31, 2021 are as follows:

Long-term provisions for employment termination benefits:

	March 31, 2022	December 31, 2021
Provision for employment termination benefits	67,532,785	58,177,148
Total	67,532,785	58,177,148

Except the legal requirements other than Turkey in which the Group operates, there are no pension plans and benefits.

Under the Turkish Labor 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 10,848.59 TRY as of March 31, 2022 (December 31, 2021: 8,284.51 TRY) for each year of service. In employee termination benefits provision calculation Group has taken into consideration the ceiling amount 10,848.59 TRY which is effective from March 31, 2022 (December 31, 2021: 8,284.51 TRY effective from December 31, 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.

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 March 31, 2022 and 2021 are as follows:

	2022	2021
January 1	58,177,148	57,141,651
Service cost during the period	9,670,430	1,262,220
Interest cost during the period	191,489	544,418
Payments and reversal of provisions during the period	(506,282)	(491,749)
March 31	67,532,785	58,456,540

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NOTE 12 – EQUITIES

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 1 TRY. There are no privileged shares. The Company’s historical authorized and paid-in share capital at 31 December 2021 and 2020 are as follows:

	March 31, 2022	December 31, 2022
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 June 6, 2018. As a result of this transaction, Demirören Medya became the main shareholder of the Company. The ultimate shareholder of the Company is the Demirören Family.

Ziraat Yatırım Menkul Değerler A.Ş. Demirören Medya Yatırımları Ticaret A.Ş., which is the controlling shareholder of the Company, through the compulsory takeover bid process made by Hürriyet to the owners of other publicly traded shares between January 28, 2022 and February 10, 2022 was completed and 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. The total value of the shares purchased is 88,946,447.24 TRY. 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 March 31, 2022, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s free float is 18.79% and the share of Company's controlling shareholder, Demirören Medya Yatırımları Ticaret A.Ş., has been 81.21%.

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 the application was made with the permission letter of the Capital Markets Board (“CMB”) dated 14.02.2022 and numbered E-29833736-110.04.04-17286 and the permission letter of Trade Ministry of Turkey dated 01.03.2022 and numbered E-50035491-431.02-00072383775. As a result of the aforementioned approval, the amendment of the Company’s Articles of Association will be submitted to the approval of the shareholders at the first General Assembly Meeting to be held.

Shareholders	March 31, 2022	Share (%)	December 31, 2021	Share (%)
Demirören Medya	480,750,776	81.21	468,732,788	79.18
Other shareholders (BİAŞ ve other shareholders)	111,249,224	18.79	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 October 30, 2014 and Resolution No. 21/655 issued on July 23, 2010, it is regarded that 18.79% of the shares are in circulation in accordance with CSD as of March 31, 2022 (December 31, 2021: 20.82%) (Note 1). Shares in circulation rate is 18.79% as of reporting date.

Adjustment to share capital represents the difference between balances which restatement effect of cash contributions to share capital equivalent purchasing power and balance before the inflation adjustment calculated.

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NOTE 12 – EQUITIES (cont’d)

Other Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss

The Company's other accumulated comprehensive income and expenses that will not be reclassified to profit or loss resulting from tangible asset revaluation increases and defined benefit plans remeasurement losses are summarized below:

	March 31, 2022	December 31, 2021
Property, plant and equipment revaluation increases (decreases)	543,697,494	543,697,494
Defined benefit plans measurement gains (losses)	(25,908,521)	(25,908,521)
Total	517,788,973	517,788,973

Accordingly, the Group accounted for the fair value increase amounting to TL 543.697.494, which occurred in the 31 March 2022 accounting period, as a value increase fund after clearing the tax effect from the equity of the parent company in the consolidated financial statements prepared as of 31 March 2022. In the interim accounting period from January 1 to March 31, 2022, a valuation report has not been received for the tangible fixed assets.

The provision for employment termination benefits is calculated by estimating the present value of the Group's probable future obligation arising from the retirement of employees. The Group has accounted for all actuarial losses and gains related to employment termination benefits in the other comprehensive income statement. Measurement losses shown under equity in the balance sheet as revaluation measurement difference is 25,908,521 TRY (December 31, 2021: 25,908,521 TRY).

	March 31, 2022	December 31, 2021
Currency translation differences	85,909,654	76,135,841
Total	85,909,654	76,135,841

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 117,176,268 TRY as of March 31, 2022 (December 31, 2021: 117,176,268 TRY) consist of legal reserves and gain on sale of real estate and affiliates and R&D incentive grant.

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NOTE 12 – EQUITIES (cont’d)

Restricted reserves	March 31, 2022	December 31, 2021
Gain on sale of real estate ⁽¹⁾	56,728,014	56,728,014
General legal reserves	59,265,973	59,265,973
Gain on sale of subsidiary	683,990	683,990
R&D incentive grant	498,291	498,291
Total	117,176,268	117,176,268

- (1) As a result of the sales of the lands in İzmir Gaziemir and Esenyurt in 2014, the sale of real estate in Ankara Cinnah in 2016, the sale of land in Muğla Milas, Bağcılar and Trabzon Warehouse in 2017 by the Group management, the total amount of 86,647.154 TL in the legal records. It has been decided that the portion of 56,728,014 TL, which is the portion of the real estate sales profits benefiting from the exemption in Article 5-1/e of the Corporate Tax Law, will not be subject to profit distribution in accordance with the Tax Legislation, Capital Market Legislation and other relevant financial legislation, and will be taken into a special fund account in liabilities.

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.

- In first adoption of TFRS. retained earnings resulted from redrafting of comparative financial statements in line with regulations.
- “Equity inflation adjustment differences” resulting from restricted reserves without any record preventing dividend distribution.
- 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.

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NOTE 13 – SALES AND COST OF SALES

Sales

The detail of sales for the years ended March 31, 2022 and 2021 are as follows:

	January 1- March 31, 2021	January 1- March 31, 2020
Advertising revenue	33,716,600	27,267,005
Circulation and publishing sales	63,228,168	39,688,180
Other	11,073,564	12,413,653
Net sales	108,018,332	79,368,838
Cost of sales (-)	(118,390,162)	(75,221,074)
Gross profit (loss)	(10,371,830)	4,147,764

	Printing Media	Digital Media	Printing Media	Digital Media
	January 1- March 31, 2022	January 1- March 31, 2022	January 1- March 31, 2021	1 January- March 31, 2021
Domestic	55,100,212	17,541,349	49,026,504	12,571,533
Foreign	35,037,870	338,901	17,536,473	234,328
Total sales	90,138,082	17,880,250	66,562,977	12,805,861

Performance Obligations

Circulation sales	49,011,384	-	30,319,466	-
Subcontracted printing sales	14,216,783	-	14,695,472	12,571,533
Advertising sales	16,175,251	17,541,349	9,368,714	-
Other sales	10,734,664	338,901	12,179,325	234,328
Total	90,138,082	17,880,250	66,562,977	12,805,861

**Fulfillment of the
performance obligations**

In time	73,962,830	338,901	51,867,505	234,328
At a specific moment in time	16,175,252	17,541,349	14,695,472	12,571,533
Total	90,138,082	17,880,250	66,562,977	12,805,861

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NOTE 13 – SALES AND COST OF SALES (cont’d)

Cost of Sales

The details of cost of sales for the periods ended March 31, 2022 and 2021 are as follows:

	January 1- March 31, 2022	January 1- March 31, 2021
Raw material	(48,189,476)	(25,086,347)
<i>Paper</i>	(22,526,592)	(11,788,573)
<i>Printing and ink</i>	(13,700,226)	(8,647,111)
<i>Other</i>	(11,962,658)	(4,650,663)
Personnel expenses	(54,350,739)	(35,096,307)
Depreciation Expenses (Note 8,9)	(2,960,610)	(2,189,064)
Agency expenses	(2,733,999)	(2,113,429)
Distribution, storage and travel expenses	(2,096,401)	(1,071,011)
Fuel, electricity, water and office expenses	(4,262,307)	(1,783,772)
Outsourced services	(1,540,850)	(1,028,517)
Communication expenses	(784,010)	(1,061,054)
Maintenance and repair expenses	(1,219,935)	(754,417)
Packaging expenses	(158,987)	(98,675)
Other	(92,848)	(4,938,481)
Total	(118,390,162)	(75,221,074)

NOTE 14 – INCOME FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended March 31, 2022 and 2021 are as follows:

	January 1- March 31, 2022	January 1- March 31, 2021
Gain on change in fair value of investment properties (Note 11)	-	171,008
Rent income (Note 6)	1,317,363	1,152,851
Gain on sale of tangible assets and investment properties	70,567	26,475
Total	1,387,930	1,350,334

NOTE 15 – EXPENSES FROM INVESTING ACTIVITIES

The details of expenses from investing activities for the periods ended March 31, 2022 and 2021 are as follows:

	January 1- March 31, 2022	January 1- March 31, 2021
Expenses related to investment properties	(678,690)	(71,755)
Total	(678,690)	(71,755)

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NOTE 16 – FINANCIAL INCOME/ EXPENSES

The details of financial expenses for the periods ended March 31, 2022 and 2021 are as follows:

	January 1- March 31, 2022	January 1- March 31, 2021
Interest expense on bank loan	(7,357,605)	(2,067,132)
Interest expense	(1,858,860)	(3,296,227)
Loan commission, bank costs and factoring expense	(72,712)	(40,323)
Foreign exchange income/(losses), net	(124,453)	101,960
Other	(3,607)	-
Total	(9,417,237)	(5,301,722)

NOTE 17 – INCOME TAXES

Assets related to current period tax:

	March 31, 2022	December 31, 2021
Corporate and income tax payable	472,118	517,434
Less: Prepaid taxes	-	-
Current income tax liabilities	472,118	517,434

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 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 March 31, 2022 and December 31, 2021, the tax amounts to be paid are netted for each Subsidiary and are classified separately in the consolidated financial statements.

As of March 31, 2022, the tax rates used in the calculation of deferred tax, taking into account the tax legislation in effect in each country, are as follows:

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NOTE 17 – INCOME TAXES (cont’d)

Country	Tax Rates (%)
Germany	28
Belarus	18
Russia	20
Holland	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.

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.

	March 31, 2022	December 31, 2021
Deferred tax liabilities	(60,173,759)	(60,890,640)
Deferred tax assets	2,635,694	2,396,928
Deferred tax liabilities. net	(57,538,065)	(58,493,712)

The temporary differences and deferred tax assets/(liabilities) using the enacted tax rates as of March 31, 2022 and December 31, 2021 are as follows:

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NOTE 17 – INCOME TAXES (cont’d)

	Total temporary differences		Deferred tax assets / (liabilities)	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Provision for employee termination benefits and unused vacation right	117,414,854	101,287,798	23,485,991	20,260,580
Difference between tax base and carrying value of trade receivables	37,469,298	37,350,240	7,493,859	7,470,048
Deferred income	7,018,680	6,270,947	1,403,736	1,254,189
Operational assets reclassification (IFRS 16)	10,187,829	8,913,577	2,037,566	1,782,715
Difference between tax bases and carrying value of property, plant and equipment and intangibles	(575,219,791)	(564,889,500)	(73,678,023)	(71,188,538)
Investment properties fair value differences	(235,460,382)	(235,460,382)	(23,672,444)	(23,672,444)
Other, net	26,955,690	27,450,172	5,391,250	5,599,738
Total	(611,633,822)	(619,077,148)	(57,538,065)	(58,493,712)

As of March 31, 2022, carryforward tax losses for which deferred tax asset was not recognized amounted to 427,374,354 TRY (December 31, 2021: 427,374,354 TRY).

The analysis of the tax expense/(income) for the periods ended March 31, 2022 and 2021 are as follows:

	January 1- March 31 2022	January 1- March 31 2021
Current tax income/(expense)	(472,118)	(91,759)
Deferred tax income/(expense)	2,822,896	1,262,051
Total	2,350,778	1,170,292

NOTE 18 – ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

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 November 22, 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 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.

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NOTE 19 –RELATED PARTY DISCLOSURES

i) Balances of related parties:

a) Short-term trade receivables from related parties:

	March 31, 2022	December 31, 2021
Demirören Reklam ve Yatırım A. Ş.	37,716,719	44,594,128
Milliyet Gazetecilik ve Yayıncılık A.Ş.	22,956,318	18,789,649
Demirören Yayıncılık ve Gazetecilik A.Ş.	6,057,278	-
Other	6,728,921	12,255,723
Total	73,459,236	75,639,500

b) Short term payables to related parties:

	March 31, 2022	December 31, 2021
Trade payables to related parties		
Demirören Media International GmbH	-	17,933,006
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A. Ş.	2,562,156	2,216,215
Demirören Teknoloji A.Ş.	1,429,882	2,161,959
Yelda Haber ve Görsel Yayıncılık A.Ş. (*)	23,048	22,455
Other	639,161	2,166,432
Total	4,654,247	24,500,067

c) Other receivables from related parties:

	March 31, 2022	December 31, 2021
Other receivables from related parties		
Demirören Media International GmbH	38,179,195	46,658,020
Demirören Medya Yatırımları A.Ş.	24,155,649	-
Diğer	76,620	76,620
Total	62,411,464	46,734,640

d) Other payables to related parties:

	March 31, 2022	December 31, 2021
Other payables to related parties		
Yelda Haber ve Görsel Yayıncılık A.Ş.	55,757,438	-
Total	55,757,438	-

ii) Significant transactions with related parties:

Transactions in related parties for the periods ended March 31, 2022 and 2021 are as follows:

Significant service and product sales to related parties:

	January 1- March 31, 2022	January 1- March 31, 2021
Demirören Reklam ve Yatırım A.Ş.	11,466,350	12,526,001
Demirören Yayıncılık ve Gazetecilik A.Ş.	9,409,627	8,236,838
Milliyet Gazetecilik Yayıncılık A.Ş.	3,959,113	7,613,424
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A. Ş.	2,745,561	2,641,238
Diğer	1,219,109	3,915,172
Total	28,799,760	34,932,673

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NOTE 19 –RELATED PARTY DISCLOSURES (cont’d)

Significant service and product purchases from related parties:

	January 1- March 31, 2022	January 1- March 31, 2021
Demirören Medya Yatırımları A.Ş.	13,625,933	1,427,329
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A.Ş.	2,745,561	2,641,238
Demirören Ajansı A.Ş.	1,677,036	1,703,375
Demirören Yayıncılık ve Gazetecilik A.Ş.	912,166	1,069,146
Demirören Reklam ve Yatırım A.Ş.	686,914	615,928
Andromeda TV Dijital Platform Hizmetleri A.Ş.	644,045	438,745
Milliyet Gazetecilik Yayıncılık A.Ş.	601,484	1,166,859
Demirören Teknoloji A.Ş.	-	1,673,353
Diğer	1,492,765	1,130,943
Toplam	22,385,904	11,866,916

Other income from related parties:

	January 1- March 31, 2022	January 1- March 31, 2021
Milliyet Gazetecilik Yayıncılık A.Ş.	821,053	12,720
Demirören Reklam ve Yatırım A.Ş.	305,295	-
Andromeda TV Dijital Platform Hizmetleri A.Ş.	170,325	-
Demirören Televizyon Yayıncılığı A.Ş.	123,032	-
Diğer	140,800	15,637
Total	1,560,505	28,357

As of March 31, 2021, a total of 41,148,913 TRY 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 (March 31, 2021: 4,755,547 TRY)

ii) Significant transactions with related parties (cont’d)

Financial expenses:	January 1- March 31, 2022	January 1- March 31, 2021
Demirören Medya Yatırımları A.Ş.	2,344,131	-
Yelda Haber ve Görsel Yayıncılık A.Ş.	284	2,926,490
Diğer	13,492	5,189
Total	2,357,907	2,931,679

iii) Key Management Personnel:

	January 1- March 31, 2022	January 1- March 31, 2021
Salaries and other short-term benefits	1,242,582	716,124
Total	1,242,582	716,124

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.

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NOTE 20 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

20.1 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 as of March 31, 2022 and December 31, 2021 are as follow:

	March 31, 2022	December 31, 2021
Assets	5,904,342	5,032,127
Liabilities	(10,878,710)	(9,693,579)
Net foreign currency position	(4,974,368)	4,661,452

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of March 31, 2022: 14.6458 TRY = 1 US Dollar and 16.3086 TRY = 1 Euro (December 31, 2021: 12.9775 TRY = 1 US Dollar and 14.6823 TRY = 1 Euro)

The table summarizes the foreign currency position risk as of March 31, 2022 and December 31, 2021. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

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**NOTE 20 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(cont’d)**

Foreign currency risk (cont’d)

March 31, 2022	TRY Equivalent	USD	Euro	Other
1. Trade receivables	5,412,114	136,224	209,513	141
2a. Monetary Financial Assets (Cash. Banks included)	-	-	-	-
	492,228	4,617	18,224	127,400
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	5,904,342	140,841	227,737	127,541
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)	5,904,342	140,841	227,737	127,541
10. Trade Payables	10,878,710	482,622	233,639	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	10,878,710	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)	10,878,710	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)	(4,974,368)	(341,781)	(5,902)	127,541
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(4,974,368)	(341,781)	(5,902)	127,541
22. Fair value of foreign currency hedged financial assets	-	-	-	-

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NOTE 20 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(cont’d)

Foreign currency risk (cont’d)

December 31, 2021	TRY Equivalent	USD	Euro	Other
1. Trade receivables	4,844,120	136,224	209,513	141
2a. Monetary Financial Assets (Cash. Banks included)	- 188,007	- 10,455	- 3,535	- 432
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	5,032,127	146,679	213,048	573
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	5,032,127	146,679	213,048	573
10. Trade Payables	9,693,579	482,622	233,639	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	9,693,579	482,622	233,639	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	9,693,579	482,622	233,639	-
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(4,661,452)	(335,943)	(20,591)	573
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(4,661,452)	(335,943)	(20,591)	573
22. Fair value of foreign currency hedged financial assets	-	-	-	-

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NOTE 20 – NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(cont’d)

Foreign currency risk (cont’d)

The Group is exposed to foreign currency risk of US Dollar, Euro and other foreign currency.

March 31, 2022	Profit/(Loss)	
	Foreign currency appreciation	Foreign currency depreciation
If the US dollar had changed by 20% against the TRY		
USD net (liabilities)/assets	(1,001,131)	1,001,131
Hedging amount of USD	-	-
USD net effect on (loss)/income	(1,001,131)	1,001,131
If the EUR had changed by 20% against the TRY		
Euro net (liabilities)/assets	(19,251)	19,251
Hedging amount of Euro	-	-
Euro net effect on (loss)/income	(19,251)	19,251
If other foreign currency had changed by 20% against the TRY		
Other foreign currency net (liabilities)/assets	25,508	(25,508)
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss)/income	25,508	(25,508)
December 31, 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)

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NOTE 21 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

March 31, 2022	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	14,513,443	-	-	14,513,443	-
Trade receivables	60,808,138	-	-	60,808,138	5
from non-related parties					
Trade receivables from related parties	73,459,236	-	-	73,459,236	19
Other receivables	11,884,372	-	-	11,884,372	-
from non-related parties					
Other receivables	62,411,464	-	-	62,411,464	19
from related parties					
Financial investments	89,831	-	313,923	403,754	-
Financial liabilities					
Financial borrowings	-	47,578,418	-	47,578,418	-
Trade payables	-	94,267,679	-	94,267,679	5
to non-related parties					
Trade payables to related parties	-	4,654,247	-	4,654,247	19
Employee benefit payables	-	16,075,109	-	16,075,109	-
Other payables	-	48,234,736	-	48,234,736	-
to non-related parties					
Other payables to related parties	-	55,757,438	-	55,757,438	-
Other short-term liabilities	-	65,126,494	-	48,751,285	-

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NOTE 21 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (cont’d)

December 31, 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	-
Trade receivables	56,288,894	-	-	56,288,894	5
from non-related parties					
Trade receivables from related parties	75,639,500	-	-	75,639,500	19
Other receivables	12,521,521	-	-	12,521,521	-
from non-related parties					
Other receivables	46,734,640	-	-	46,734,640	19
from related parties					
Financial investments	89,831	-	313,923	403,754	-
Financial liabilities					
Financial borrowings	-	47,796,695	-	47,796,695	-
Trade payables	-	76,320,402	-	76,320,402	5
to non-related parties					
Trade payables to related parties	-	24,500,067	-	24,500,067	19
Employee benefit payables	-	9,796,836	-	9,796,836	-
Other payables	-	44,321,510	-	44,321,510	-
to non-related parties					
Other short-term liabilities	-	48,751,285	-	48,751,285	-

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**NOTE 21 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND
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Fair value of financial instruments

The fair value of financial assets and liabilities is assigned as below:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and.
- Level 3: the fair value of the financial assets and financial liabilities are determined where there is no observable market data.

NOTE 22 – SUBSEQUENT EVENTS

Condensed consolidated financial statements for the period ended March 31, 2022 were approved by the Board of Directors on May 9, 2022.