

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(ORIGINALLY ISSUED IN TURKISH)

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

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

| | Note | (Not Audited) Current Period 30 September 2022 | (Audited) Prior Period 31 December 2021 |
|---|------------|--|---|
| | references | | |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 3,777,113 | 2,490,122 |
| Financial investments | | 89,831 | 89,831 |
| Trade receivables | | | |
| -Trade receivables from related parties | 19 | 93,682,811 | 75,639,500 |
| -Trade receivables from non-related parties | 5 | 63,847,926 | 56,288,894 |
| Other receivables | | | |
| -Other receivables from related parties | 19 | 127,383,614 | 46,734,640 |
| -Other receivables from non-related parties | | 5,968,470 | 2,868,599 |
| Inventories | | 36,470,159 | 27,323,938 |
| Prepaid expenses | | 12,139,018 | 8,322,561 |
| Other current assets | | 4,006,950 | 2,216,070 |
| Total current assets | | 347,365,892 | 221,974,155 |
| Non-current Assets | | | |
| Financial investments | | 313,923 | 313,923 |
| Other receivables | | | |
| -Other receivables from non-related parties | | 11,800,880 | 9,652,922 |
| Investment properties | 6 | 289,301,555 | 289,301,555 |
| Tangible assets | 7 | 786,505,178 | 790,156,270 |
| Intangible assets | | | |
| -Other intangible assets | 8 | 14,309,265 | 13,602,754 |
| Diğer alacaklar | | | |
| Prepaid expenses | | 1,931,802 | 2,531,489 |
| Deferred tax assets | 17 | 12,519 | 2,396,928 |
| Other non-current assets | | 125,800 | 182,386 |
| Total Non-current Assets | | 1,104,300,922 | 1,108,138,227 |
| Total Assets | | 1,451,666,814 | 1,330,112,382 |

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

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

HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

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

| | Note references | (Not Audited) Current Period 30 September 2022 | (Audited) Prior Period 31 December 2021 |
|--|-----------------|--|---|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Short-term lease liability | 4 | | |
| -Lease payables to related parties | | - | 2,334,751 |
| -Lease payables to others | | 3,187,397 | 8,250,956 |
| Trade payables | | | |
| -Trade payables to related parties | 19 | 15,445,874 | 24,500,067 |
| -Trade payables ton on-related parties | 5 | 96,175,556 | 76,320,402 |
| Employee benefit payables | | 33,682,117 | 14,232,719 |
| Other payables | | | |
| -Other payables to related parties | | 206,031,957 | - |
| -Other payables to non-related parties | | 84,051,192 | 44,321,510 |
| Deferred income | | 8,152,237 | 7,556,409 |
| Current income tax liabilities | 17 | - | 517,434 |
| Short-term provisions | | | |
| -Short-term provisions for employment benefits | 9 | 63,794,827 | 43,561,603 |
| -Other short-term provisions | 9 | 17,647,428 | 18,481,397 |
| Current tax liabilities | 19 | | |
| Other short-term liabilities | | 87,486,696 | 43,699,606 |
| Total Current Liabilities | | 615,655,281 | 283,776,854 |
| Non-Current Liabilities | | | |
| Long-term lease liabilities | 4 | | |
| -Lease payables to related parties | | - | 11,589,120 |
| Lease payables to others | | 19.024.620 | 25,621,868 |
| Deferred income | | - | 1,344,059 |
| Long-term provisions | | | |
| -Long-term provisions for employment benefits | 11 | 66,277,957 | 58,177,148 |
| Deferred tax liability | 17 | 62,649,408 | 60,890,640 |
| Other long-term liabilities | | 2,719,381 | 5,051,679 |
| Total Non-current Liabilities | | 150,671,366 | 162,674,514 |
| Total Liabilities | | 766,326,647 | 446,451,368 |

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

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

HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

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

| | | (Not Audited) Current Period | (Audited) Prior Period |
|--|-----------------|---------------------------------|---------------------------|
| | Note references | 30 September 2022 | 31 December 2021 |
| EQUITY | | | |
| Total Equity | | 685,340,167 | 883,661,014 |
| Equity attributable to Equity holders of the parent company | | 688,811,854 | 887,685,118 |
| Share capital | 12 | 592,000,000 | 592,000,000 |
| Inflation adjustment to share capital | 12 | 77,096,295 | 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 | 102,402,305 | 76,135,841 |
| - Hedging gains (losses) | | | |
| - Cash flow hedge gains (losses) | | - | |
| 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 | | (225,037,210) | 55,218,092 |
| Non-controlling interests | | (3,471,687) | (4,024,104) |
| Total Liabilities and Equity | | 1,451,666,814 | 1,330,112,382 |

Condensed consolidated financial statements as of September 30, 2022 and for the interim accounting period ending on this date were approved by the Board of Directors on May 9, 2022.

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD 1 JANUARY- 30 SEPTEMBER 2022

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

| | | (Not Audited) Current Period 1 January - 30 September 2022 | (Not Audited) Current Period 1 July- 30 September 2022 | (Not Audited) Prior Period 1 January 30 September 2021 | (Not Audited) Prior Period 1 July- 30 September 2021 |
|--|--------------------|---|---|---|---|
| | Note references | | | | |
| Sales | 13 | 351,655,158 | 121,657,924 | 234,836,074 | 81,193,264 |
| Cost of sales (-) | 13 | (441,936,351) | (187,837,218) | (248,663,578) | (90,306,121) |
| Gross profit (loss) | | (90,281,193) | (66,179,294) | (13,827,504) | (9,112,857) |
| General administrative expenses (-) | | (87,755,521) | (39,891,920) | (67,925,159) | (23,671,522) |
| Marketing expenses (-) | | (59,864,797) | (21,457,159) | (52,795,192) | (18,077,020) |
| Other operating income | | 46,630,607 | 16,709,445 | 78,855,032 | 26,379,500 |
| Other operating expenses (-) | | (43,293,942) | (16,846,711) | (27,515,722) | (16,186,435) |
| Operating profit (loss) | | (234,564,846) | (127,665,639) | (83,208,545) | (40,668,334) |
| Income from investing activities | 14 | 40,585,766 | 38,158,915 | 5,734,222 | 2,269,402 |
| Expenses from investing activities (-) | 15 | - | - | (212,394) | (140,639) |
| Operating profit (loss) before finance income(expense) | | (193,979,080) | (89,506,724) | (77,686,717) | (38,539,571) |
| Financing expenses (-) | 16 | (21,073,985) | (6,635,707) | (18,575,146) | (7,667,917) |
| Profit (loss) before tax from continuing operations | | (215,053,065) | (96,142,431) | (96,261,863) | (46,207,488) |
| Tax income (expense) of continuing operations | | 2,431,703 | 2,117,652 | 32,795 | (764,322) |
| Current tax income (expense) | 17 | - | - | (282,322) | (87,729) |
| Deferred tax income (expense) | 17 | 2,431,703 | 2,117,652 | 315,117 | (676,593) |
| Profit (loss) for the period from continuing operations | | (212,621,362) | (94,024,779) | (96,229,068) | (46,971,810) |
| Profit (loss) for the period from discontinued operations | | (12,759,570) | (4,825,802) | (2,699,634) | (2,160,873) |
| Net profit (loss) for the period | | (225,380,932) | (98,850,581) | (98,928,702) | (49,132,683) |
| Allocation of net profit (loss) for the period | | | | | |
| Attributable to non-controlling interests | | (343,722) | (130,512) | (273,312) | (140,936) |
| Attributable to equity holders of the parent company | | (225,037,210) | (98,720,069) | (98,655,390) | (48,991,747) |
| Loss per share (TRY) | | | | | |
| Attributable to shareholders of the parent company (Loses) | | (0,3801) | (0,1668) | (0,1666) | (0,0828) |

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

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

HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME FOR THE INTERIM PERIOD 1 JANUARY- 30 SEPTEMBER 2022**

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

| | (Not Audited) Current Period | (Not Audited) Current Period | (Not Audited) Prior Period | (Not Audited) Prior Period |
|---|-------------------------------------|---------------------------------|------------------------------------|---------------------------------|
| Note References | 1 January- 30 September- 2022 | 1 July- 30 September 2022 | 1 January- 30 September 2021 | 1 July- 30 September 2021 |
| Other comprehensive income statement | | | | |
| Net profit (loss) for the period | (225,380,932) | (98,850,581) | (98,928,702) | (49,132,683) |
| 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 | 27,162,603 | 2,695,938 | (16,491,783) | (2,342,652) |
| Taxes related to other comprehensive income(expense) that will be subsequently reclassified to profit and loss | | | | |
| Other comprehensive income (expense) | 27,162,603 | 2,695,938 | (16,491,783) | (2,342,652) |
| Total comprehensive income (expense) | (198,218,329) | (96,154,643) | (115,420,485) | (51,475,335) |
| Allocation of total comprehensive Income (expense) | | | | |
| Attributable to non-controlling interests | 552,417 | (241,440) | (1,052,361) | (171,619) |
| Attributable to shareholders of the parent company | (198,770,746) | (95,913,203) | (114,368,124) | (51,303,716) |

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD JANUARY 1 – JUNE 30, 2022

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

| | | | | | 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 | | | Accumulated profits | | | | |
|--|--------------------|--------------------|-------------------------------------|----------------------------------|---|---|--|---------------------------------------|------------------------------------|----------------------------|---|----------------------------------|--------------------|
| | Note references | Share capital | Inflation adjustment to share | Share premiums (discounts) | Currency translation differences ⁽¹⁾ | Gain (losses) on property Revaluation | Gain (losses) on remeasurement of defined benefit plan | Restricted reserves ⁽²⁾ | Retained earnings / (losses) | Net profit / (loss) for | Equity attributable to Shareholders | Non- controlling interests | Total equity |
| 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) | | - | - | - | (15,712,734) | - | - | - | (98,655,390) | (114,368,124) | (1,052,361) | (115,420,485) | |
| -Other comprehensive income (expense) | | - | - | - | (15,712,734) | - | - | - | - | (15,712,734) | (779,049) | (16,491,783) | |
| -Net profit (loss) for the period | | - | - | - | - | - | - | - | (98,655,390) | (98,655,390) | (273,312) | (98,928,702) | |
| Balances at 30 September 2021 | 12 | 592,000,000 | 77,198,813 | 76,944 | 60,842,232 | 348,347,644 | (22,029,402) | 117,176,268 | (547,909,813) | (98,655,390) | 527,047,296 | (2,913,590) | 524,133,706 |
| 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) | | - | - | - | 26,266,464 | - | - | - | (225,037,210) | (198,770,746) | 552,417 | (198,218,329) | |
| -Other comprehensive income (expense) | | - | - | - | 26,266,464 | - | - | - | - | 26,266,464 | 896,139 | 27,162,603 | |
| -Net profit (loss) for the period | | - | - | - | - | - | - | - | (225,037,210) | (225,037,210) | (343,722) | (225,380,932) | |
| Subsidiary sale | | - | (102,518) | - | - | - | - | - | - | - | (102,518) | - | (102,518) |
| Balances at 30 September 2022 | 12 | 592,000,000 | 77,096,295 | 76,944 | 102,402,305 | 543,697,494 | (25,908,521) | 117,176,268 | (492,691,721) | (225,037,210) | 688,811,854 | (3,471,687) | 685,340,167 |

⁽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 interim financial statement.

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

HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
INTERIM PERIOD 1 JANUARY – 30 JUNE 2022**

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

| | | (Not Audited) | (Not Audited) |
|--|------------------------|--------------------------|----------------------------|
| | | Current Period | Prior Period |
| | | 1 January - | 1 January - |
| | Note references | 30 September 2022 | 30 September , 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | (13,138,626) | 60,621,708 |
| Net profit (loss) for the period | | (225,380,932) | (98,928,702) |
| Profit (loss) from continuing operations | | (212,621,362) | (96,229,068) |
| Profit (loss) from discontinued operations | | (12,759,570) | (2,699,634) |
| Adjustments to reconcile profit (loss) for the period | | 97,881,419 | 84,415,400 |
| Adjustments related to depreciation and amortization expenses | 7, 8 | 12,216,002 | 11,305,168 |
| Adjustments related to impairment / (reversal) | | | |
| Adjustments related to impairment (reversal) of receivables | 5 | 1,559,443 | 1,510,516 |
| Adjustments related to provision for impairment of inventories | | 181,836 | 203,157 |
| Adjustments related to impairment (reversal) of investment | 6 | - | (1,074,009) |
| property | | | |
| Adjustments related to provision | | | |
| Adjustments related to (reversal) of provision for employment | 9, 11 | 49,213,436 | 26,658,913 |
| benefits | | | |
| Adjustments related to litigation and legal provisions (reversal) | 9 | 7,774,065 | 1,674,836 |
| Adjustment related to general provisions (reversals) | | 467,717 | (26,482) |
| Adjustment related to other provisions (reversals) | | (354,405) | (3,874,341) |
| Adjustments related to interest (income) expense | | | |
| Adjustments related to interest income | | (37,198) | (202,185) |
| Adjustments related to interest expense | 16 | 13,353,354 | 18,109,363 |
| Deferred Financing Expense from Forward Purchases | | 11,615,035 | 28,338,821 |
| Unearned Finance Income from Futures Sales | | (974,258) | (2,904,236) |
| Adjustments related to tax (income) expense | 17 | (2,431,703) | (32,795) |
| Adjustments related to profit (loss) confirmation | | 5,298,095 | 4,728,674 |
| Changes in working capital | | 140,868,175 | 76,747,223 |
| Adjustments related to (increase) decrease in trade receivables | | | |
| (Increase) decrease in trade receivables from related parties | | (18,043,311) | (23,039,153) |
| (Increase) decrease in trade receivables from third parties | | (30,994,632) | (32,216,735) |
| Adjustments related to (increase) decrease in inventories | | (27,547,781) | (2,794,523) |
| Increase) decrease in prepaid expenses | | (3,216,770) | 1,703,745 |
| Adjustments related to increase (decrease) in trade payables | | | |
| Increase (decrease) in trade payables to related parties | | 196,977,764 | 310,205 |
| Increase (decrease) in trade payables to third parties | | 19,448,636 | (4,608,237) |
| Increase (decrease) in payables related to employee benefits | | 19,449,398 | 10,940,557 |
| Increase (Decrease) in Other Payables Related to Operations to Related Parties | | - | 87,603,918 |
| Increase (decrease) in deferred income | | (748,231) | 1,676,301 |
| Adjustments related to other increase (decrease) in working | | | |
| capital | | | |
| (Increase) decrease in other assets related to operating activities | | (87,631,097) | (7,296,623) |
| Increase (decrease) in other liabilities related to operating | | 73,174,199 | 44,467,768 |
| activities | | | |

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

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
INTERIM PERIOD 1 JANUARY – 30 JUNE 2022**

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

| | | (Not Audited) | (Not Audited) |
|--|---------------------|---|--|
| | Dipnot referansı | Current Period 1 January- 30 September 2022 | Prior Period January 1- 30September 2021 |
| Cash generated from operations | | 13,368,662 | 62,233,921 |
| Employment benefits paid | 9, 11 | (20,161,955) | (2,756,067) |
| Payments related to other provisions | 9 | (7,256,808) | (158,371) |
| Taxes returns (payments) | 17 | (517,434) | (305,755) |
| Other cash inflows (outflows) | 5 | 1,127,779 | 1,607,980 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | 14,663,557 | (6,020,204) |
| Cash Outflows for Additional Share Purchases in Subsidiaries | | - | - |
| Cash inflows from sale of tangible and intangible assets | 7, 8 | 21,727,472 | 40,775 |
| Cash outflows from purchase of tangible and intangible assets | | | |
| Cash outflows from purchases of tangible assets | 7 | (6,750,488) | (7,999,344) |
| Cash outflows from purchases of intangible assets | 8 | (350,625) | (1,581,576) |
| Cash inflows from the sale of investment property | | - | 3,317,756 |
| Interests received | | 37,198 | 202,185 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | (18,651,449) | (22,841,024) |
| Cash outflow from rent agreements | | (5,298,095) | (4,728,673) |
| Interests paid | 16 | (13,353,354) | (18,109,363) |
| Other cash inflows (outflows) | | - | (2,988) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES | | (17,427,648) | 31,760,480 |
| Effects of currency translation rate changes on cash and cash equivalents | | 18,714,639 | (23,066,455) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | 1,286,991 | 8,694,025 |
| 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 | | 3,777,113 | 13,285,203 |

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

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

HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 September 30, 2022 is 1,284 (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 25 February 1992. In accordance with the resolution numbered 21/655 on 23 July 2010 and amendment held on 30 October 2014 of CMB; according to the records of Central Securities of Depository of Turkey (CSD); shares representing 20.82 % as of 31 December 2021 (31 December 2020: 20.82%) of Hürriyet are accepted as “in circulation”. As of the date of the report. this ratio is 18.79% (Note 12).

Within the scope of the Capital Markets Board's Communiqué No. II-26.1 on Takeover Offer Mandatory takeover bid process made to the owners of other publicly traded shares representing Hürriyet's capital between 28 January 2022 and 10 February 2022 has been completed through Ziraat Yatırım Menkul Değerler A.Ş., by the controlling partner of the company Demirören Medya Yatırımları Ticaret A.Ş.

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

With the completion of the buyback process, according to Central Registry Agency “CRA” records, as of March 31, 2022, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s free float is 18.79% and the Company's controlling shareholder Demirören Medya Yatırımları Ticaret A.Ş. has been 21.

As of September 30, 2022, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s share in actual circulation is 18.79%.

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 aforementioned decision, the necessary application was made to the Capital Markets Board, 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 It was approved with the permission letter of the Ministry of Commerce dated 01.03.2022 and numbered E-50035491-431.02-00072383775.

Subsidiaries

The Company's subsidiaries (“Subsidiaries”), their main fields of activity and geographical divisions are as follows:

| Subsidiaries | Registered country | Geographic segment | Subject of activity |
|---|------------------------------|---------------------------|-----------------------------------|
| 1 Hürriyet Zweigniederlassung GmbH. (“Hürriyet Zweigniederlassung”) | Germany | Europe | Printing newspaper |
| 2 Hürriyet Invest B.V. (“Hürriyet Invest”) | Netherlands | Europe | Investment |
| 3 Trader Media East Ltd. (“TME”) | Jersey | Europe | Investment |
| 4 Sporarena Dijital Hizmetler Pazarlama ve Ticaret A.Ş. (“Sporarena”) | Türkiye | Türkiye | Internet Publishing |
| 5 Mirabridge International B.V. | Netherlands | Europe | Investment |
| 6 OOO Pronto Samara | Russia | Russia and EE | Newspaper and internet publishing |
| 7 ID Impress Media LLC | Russia | Russia and EE | publishing |
| 8 OOO Rukom | Russia | Russia and EE | Internet publishing |
| 9 OOO Pronto Media Holding Ltd. | Russia | Russia and EE | Newspaper and internet publishing |
| 10 OOO Rektcentr | Russia | Russia and EE | Newspaper and internet publishing |
| 11 Publishing House Pennsylvania Inc. | The United States of America | Russia and EE | Investment |
| 12 OOO SP Belpronto | Belarus | Russia and EE | Newspaper and internet publishing |
| 13 Publishing International Holding BV | Netherlands | 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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(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

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

Özet konsolide finansal tablolar ve dipnotlar SPK tarafından yayımlanan Finansal Tablo Örnekleri ve Kullanım Rehberinde belirlenmiş olan formatlar ile KGK tarafından 04 Ekim 2022 tarihinde yayımlanan TFRS Taksonomi'sine uygun olarak sunulmuştur.

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

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

As of September 30, 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 (%) | |
|--|--|-------------------|-------------------------------------|-------------------|
| | Subsidiaries (%) | 31 Aralık 2021 | 30 Eylül 2022 | 31 Aralık 2021 |
| | | 2022 | 2021 | |
| 1 Yenibirış ⁽¹⁾ | - | 100,00 | - | 100,00 |
| 2 Hürriyet Zweigniederlassung | 100,00 | 100,00 | 100,00 | 100,00 |
| 3 Hürriyet Invest ⁽²⁾ | 100,00 | 100,00 | 100,00 | 100,00 |
| 4 TME ⁽³⁾ | 97,29 | 97,29 | 97,29 | 97,29 |
| 5 SporArena | 100,00 | 100,00 | 100,00 | 100,00 |
| 6 ID Impress Media LLC ⁽⁴⁾ | 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 ⁽⁵⁾ | 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 ⁽⁶⁾ | 100,00 | 100,00 | 97,29 | 97,29 |
| 13 Publishing House Pennsylvania Inc | 100,00 | 100,00 | 97,29 | 97,29 |
| 14 Publishing International Holding BV | 100,00 | 100,00 | 97,29 | 97,29 |

⁽¹⁾ The shares in the related subsidiary were sold as of 28 July 2022.

⁽²⁾ 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.

⁽³⁾ The subsidiary is delisted from the London Stock Exchange as of January 2, 2020,

⁽⁴⁾ The related subsidiary has entered the liquidation process as of August 9, 2021,

⁽⁵⁾ The subsidiary was liquidated as of January 22, 2021,

⁽⁶⁾ The related subsidiary has entered the liquidation process as of July 14, 2020,

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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 expense item amounting to TRY 7,632,807, 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.

The expense item of TRY 1,411,453, which was reported in the expense account from investment activities in the previous period, was reclassified to other expenses from main activities. 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 adopted in preparation of the consolidated financial statements as at September 30, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

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

TFRS 3 Amendments – Amendment to references to the Conceptual Framework

POA made changes to the TFRS Business Combinations standard in July 2020, The change was made with the intention of replacing the reference to the old version of the Conceptual Framework (the 1989 Framework) with a reference to the current version (Conceptual Framework) released in March 2018, without materially changing the requirements of TFRS 3, However, a new paragraph has been added to TFRS 3 to define contingent assets that do not meet the recognition criteria at the acquisition date. The change is applied prospectively.

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)

2.1. Basis of Presentation (cont’d)

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

TAS 16 Amendments - Adaptation for intended use

In July 2020, POA made changes to TAS 16 Tangible Fixed Assets standard, With the amendment, companies do not allow revenues from the sale of manufactured products to be deducted from the cost of the tangible fixed asset item, while making a property, plant and equipment suitable for its intended use, Companies will now recognize such sales revenue and related costs in profit or loss, Changes can be applied retrospectively only for items of tangible fixed assets that are made available at the beginning or after the earliest period presented in comparison with the accounting period in which the entity first applied the change.

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

TAS 37 Amendments - Economically disadvantageous contracts - Costs of fulfilling the contract

In July 2020, POA made amendments to TAS 37 Provisions, Contingent Liabilities and Contingent Assets, This amendment to TAS 37 was made to determine the costs to be considered when assessing whether a contract is economically "disadvantaged" or "disadvantaged", and includes the application of the approach of including "directly related costs". The amendments are applied prospectively for contracts for which the entity has not fulfilled all of its obligations at the beginning of the annual reporting period (first application date) in which the changes will be applied for the first time.

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

a) 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.

TAS 1 Amendments - Classification of liabilities as short-term and long-term

The effective date has been postponed to the annual reporting periods beginning on or after 1 January 2024. These narrow changes to TAS 1, “Presentation of Financial Statements” explain that liabilities are classified as current or non-current, depending on the rights existing at the end of the reporting period. The classification is not affected by events or expectations of the entity after the reporting date (for example, the receipt of a concession or the conclusion of a contract), The amendment also clarifies what “payment” of an obligation means in TAS 1.

The effects on the Group's financial position and performance are being evaluated.

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

2.1 Basis of Presentation (cont’d)

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

TAS 1 Amendments – Disclosure of Accounting Policies

Effective for annual reporting periods beginning on or after 1 January 2023. These changes are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.

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

TMS 12 Değişiklikleri – Tek bir işlemten kaynaklanan varlık ve yükümlülüklerle ilişkin TAS 12 Amendments – Deferred Tax on assets and liabilities arising from a single transaction

Effective for annual reporting periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that result in equal amounts of taxable and deductible temporary differences when first recognized by companies.

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 30 September 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 30 September 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 31 December 2021, Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 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
- Determination of 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 (Continued)

2.2.1 Recording revenues (Continued)

- 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 on time, when assessing whether a charge is likely to be collectible.

At the beginning of the contract, the Group evaluates the goods or services 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 are transferred to the customer in the same manner

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 recognition (cont’d)

The Group's performance obligations are explained below:

| Performance Obligations | Contents |
|--|--|
| Advertisement Revenues | Grup’un reklam gelirleri, genel olarak yazılı medya ve dijital medyada yayınlanan reklamlardan elde edilen gelirlerden oluşmaktadır. Müşterinin reklam yayınladıkça edimden sağlanan faydayı eş zamanlı alıp, tüketmesi, Grup’un hizmetin kontrolünü zamanla devrettiğini göstermektedir. Dolayısıyla hâsılat, edim yükümlülüğü yerine getirildikçe (reklam yayımlandıkça) zamanla ve çıktı yöntemine göre muhasebeleştirilir. Reklamların yayınlanmayan kısmı ise sözleşme yükümlülüğü olarak finansal durum tablosunda muhasebeleştirilir. |
| Contract Printing Revenues | Fason baskı gelirleri, Grup’un sahip olduğu basım tesisi kullanılmak suretiyle, Grup içi ve Grup dışındaki şirketlere verilen basım hizmetlerinden oluşmaktadır. Bu hizmet kapsamında oluşan gelirler gazete dağıtılmak üzere teslim edildiğinde “zamanın belirli bir anında” muhasebeleştirilir. |
| Newspaper Sales (Circulation) Revenues | Tiraj gelirleri dağıtım şirketi ve toplu satışlar ile gazete satışından elde edilen gelirlerden oluşmaktadır. Bu hizmet kapsamında oluşan gelirler gazetelerin sevk edildiği tarihte, “zamanın belirli bir anında” muhasebeleştirilir. |

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, Transaction price is the amount the Group expects to be entitled 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. In case 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 reversal of the cumulative revenue amount recognized 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 such 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 recognition (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 a "contractual obligation" 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, In order to determine the transaction price for contracts in which customers are committed to pay non-cash consideration, the Group measures the non-cash consideration (or non-cash fee commitment) at fair value. 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 client 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 used 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 they cannot obtain 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 in the financial statements, The obligation to return is measured at 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 recognition (cont’d)

The Group recognizes all of the following 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 these 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 proportionally 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 business has an unconditional receivable for the price, A contractual obligation is an entity's obligation to transfer goods or services to a customer in exchange for the consideration it collects (or is entitled to collect) from the customer.

In cases where the Group performs its performance by transferring 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 purposes 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 determinable 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 practice, the Group measures the expected credit loss provision 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 in the statement of profit or loss 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 September 30, 2022:

| | Türkiye | Russia and EE (*) | Europe | Total |
|--|----------------------|--------------------------|------------------|----------------------|
| Sales | 234,670,810 | 1,499,345 | 115,485,003 | 351,655,158 |
| Cost of sales (-) | (333,628,149) | (1,685,712) | (106,622,490) | (441,936,351) |
| Gross profit/(loss) | (98,957,339) | (186,367) | 8,862,513 | (90,281,193) |
| Marketing expenses (-) | (59,864,416) | (381) | - | (59,864,797) |
| Net segment result | (158,821,755) | (186,748) | 8,862,513 | (150,145,990) |
| General administrative expenses (-) | | | | (87,755,521) |
| Other operating income | | | | 46,630,607 |
| Other operating expenses (-) | | | | (43,293,942) |
| Financial expenses (-) | | | | (21,073,985) |
| Income from investing activities | | | | 40,585,766 |
| Profit (loss) before tax from continuing operations | | | | (215,053,065) |
| Tax income (expense) for the period | | | | - |
| Deferred tax income (expense) | | | | 2,431,703 |
| Profit (loss) for the period from continuing operations | | | | (212,621,362) |

b) Segment analysis for the interim accounting period from July 1 to September 30,2021:

| | Türkiye | Russia and EE (*) | Europe | Total |
|--|---------------------|--------------------------|------------------|---------------------|
| Sales | 78,658,093 | 749,808 | 42,250,023 | 121,657,924 |
| Cost of sales (-) | (149,505,256) | (892,276) | (37,439,686) | (187,837,218) |
| Gross profit/(loss) | (70,847,163) | (142,468) | 4,810,337 | (66,179,294) |
| Marketing expenses (-) | (21,457,045) | (114) | - | (21,457,159) |
| Net segment result | (92,304,208) | (142,582) | 4,810,337 | (87,636,453) |
| General administrative expenses (-) | | | | (39,891,920) |
| Other operating income | | | | 16,709,445 |
| Other operating expenses (-) | | | | (16,846,711) |
| Financial expenses (-) | | | | (6,635,707) |
| Income from investing activities | | | | 38,158,915 |
| Profit (loss) before tax from continuing operations | | | | (96,142,431) |
| Tax income (expense) for the period | | | | - |
| Deferred tax income (expense) | | | | 2,117,652 |
| Profit (loss) for the period from continuing operations | | | | (94,024,779) |

*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 analysis for the interim accounting period from January 1 to September 30, 2021:

| | Türkiye | Russia and EE (*) | Europe | Total |
|--|---------------------|--------------------------|------------------|---------------------|
| Sales | 175,627,830 | 901,645 | 58,306,599 | 234,836,074 |
| Cost of sales (-) | (193,993,682) | (900,375) | (53,769,521) | (248,663,578) |
| Gross profit/(loss) | (18,365,852) | 1,270 | 4,537,078 | (13,827,504) |
| Marketing expenses (-) | (52,794,884) | (308) | - | (52,795,192) |
| Net segment result | (71,160,736) | 962 | 4,537,078 | (66,622,696) |
| General administrative expenses (-) | | | | (67,925,159) |
| Other operating income | | | | 78,855,032 |
| Other operating expenses (-) | | | | (27,515,722) |
| Financial expenses (-) | | | | (18,575,146) |
| Income from investing activities | | | | 5,734,222 |
| Expense from investment activities | | | | (212,394) |
| Profit (loss) before tax from continuing operations | | | | (96,261,863) |
| Tax income (expense) for the period | | | | (282,322) |
| Deferred tax income (expense) | | | | 315,117 |
| Profit (loss) for the period from continuing operations | | | | (96,229,068) |

d) Segment analysis for the interim accounting period from 1 July to 30 September ,2021:

| | Türkiye | Russia and EE (*) | Europe | Total |
|--|---------------------|--------------------------|------------------|---------------------|
| Sales | 60,012,875 | 356,081 | 20,824,308 | 81,193,264 |
| Cost of sales (-) | (71,633,871) | (355,951) | (18,316,299) | (90,306,121) |
| Gross profit/(loss) | (11,620,996) | 130 | 2,508,009 | (9,112,857) |
| Marketing expenses (-) | (18,076,902) | (118) | - | (18,077,020) |
| Net segment result | (29,697,898) | 12 | 2,508,009 | (27,189,877) |
| General administrative expenses (-) | | | | (23,671,522) |
| Other operating income | | | | 26,379,500 |
| Other operating expenses (-) | | | | (8,553,628) |
| Financial expenses (-) | | | | (15,300,724) |
| Income from investing activities | | | | 2,269,402 |
| Expense from investment activities | | | | (140,639) |
| Profit (loss) before tax from continuing operations | | | | (46,207,488) |
| Tax income (expense) for the period | | | | (87,729) |
| Deferred tax income (expense) | | | | (676,593) |
| Profit (loss) for the period from continuing operations | | | | (46,971,810) |

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NOTE 3 – SEGMENT REPORTING (cont’d)

e) Segment assets

| | September 30, 2022 | December 31, 2021 |
|--|-------------------------------|------------------------------|
| Türkiye | 1,246,760,392 | 1,152,873,545 |
| Russia and EE | 17,080,160 | 10,633,460 |
| Europe | 186,243,041 | 163,060,948 |
| | 1,450,083,593 | 1,326,567,953 |
| Entities not attributable to the Segment | 1,583,221 | 3,544,429 |
| Total assets according to the consolidated financial statements | 1,451,666,814 | 1,330,112,382 |

f) Segment liabilities

| | 30 Eylül 2022 | 31 Aralık 2021 |
|---|----------------------|-----------------------|
| Türkiye | 720,369,657 | 394,386,002 |
| Russia and EE | 20,578,656 | 11,282,985 |
| Europe | 25,378,334 | 40,782,381 |
| | 766,326,647 | 446,451,368 |
| Liabilities not attributable to the Segment | - | - |
| Total liabilities according to the consolidated financial statements | 766,326,647 | 446,451,368 |

g) 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 September 30, 2022 and December 31, 2021 are as follows:

| Short-term borrowings: | September 30 , 2022 | December 31, 2021 |
|-------------------------------|----------------------------|--------------------------|
| Short-term lease liabilities | 3,187,397 | 10,585,707 |
| Total | 3,187,397 | 10,585,707 |
| Long-term borrowings: | September 30, 2022 | December 31, 2021 |
| Long-term lease liabilities | 19,024,620 | 37,210,988 |
| Total | 19,024,620 | 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 September 30, 2022 and December 31, 2021 are as follows:

Short-term receivables from third parties:

| | September 30 , 2022 | December 31, 2021 |
|---|----------------------------|--------------------------|
| Trade receivables | 154.564.904 | 144.423.620 |
| Credit cards receivables | 83.638 | 68.873 |
| Notes receivable and cheques | 9.293 | 593.002 |
| Income accruals | 1.310.633 | 1.778.350 |
| Unearned finance income due from term sales | (473.286) | (759.788) |
| Less: Provision for doubtful receivables | (91.647.256) | (89.815.163) |
| Total | 63.847.926 | 56.288.894 |

Şüpheli alacak karşılıklarının dönem içindeki hareketleri aşağıdaki gibidir: According to a revocable factoring agreement signed with Doruk Faktoring, trade receivables resulting from advertisements, amounting to 38,738,706 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 82 days (December 31, 2021: 97 days). The unearned finance income due from term sales related to the receivables followed up by Doruk Faktoring is 303,314 TRY (December 31, 2021: 568,652 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 September 30, 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 | (1,559,443) | (1,510,516) |
| Collections and reversals during the period | 1,127,779 | 1,607,980 |
| Subsidiary sale | 7,111,676 | |
| Currency translation differences | (8,512,105) | (1,175,974) |
| September 30 | (91,647,256) | (81,153,600) |

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

Short-term trade payables to third parties:

Trade payables as of September 30, 2022 and December 31, 2021 are as follows:

| | September 30, 2022 | December 31, 2021 |
|---|--------------------|-------------------|
| Short-term trade payables and notes payable | 92.601.991 | 75.474.901 |
| Expense accruals | 4.697.246 | 1.854.990 |
| Unrealized financial expenses due to term purchases | (1.123.681) | (1.009.489) |
| Total | 96.175.556 | 76.320.402 |

As of September 30, 2022, average turnover date of Group’s trade payables is 49 days (December 31, 2021: 41 days). As of September 30, 2022, unrealized financial expenses due to term purchases is 1,123,681 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 September 30, 2022 and 2021 are as follows:

| | Lands | Buildings | Total |
|---------------------------------|--------------------|-------------------|--------------------|
| January 1, 2022 | 221,509,404 | 67,792,151 | 289,301,555 |
| Additions | - | - | - |
| Disposal | - | - | - |
| Change in fair value adjustment | - | - | - |
| September 30, 2022 | 221,509,404 | 67,792,151 | 289,301,555 |

| | Arsalar | Binalar | Toplam |
|---------------------------------|--------------------|-------------------|--------------------|
| January 1, 2021 | 124,860,397 | 31,387,962 | 156,248,359 |
| Additions | - | 1,252,619 | 1,252,619 |
| Disposal | - | (3,317,756) | (3,317,756) |
| Change in fair value adjustment | - | 1,074,009 | 1,074,009 |
| September 30, 2021 | 124,860,397 | 30,396,834 | 155,257,231 |

As of September 30, 2022, mortgages have been established on the land and building, amounting to 98,449,702 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 6,360,266 TRY as of September 30, 2022 (September 30, 2021: 3,612,510 TRY) (Note 14). The Group’s direct operating expenses arising from the investment properties in the period amounted to 57,811 TRY (September 30, 2021: 41,819 TRY).

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NOTE 6 – INVESTMENT PROPERTIES (cont’d)

As of September 30, 2022 and December 31, 2021, the information and fair value hierarchy level classification of lands and buildings are as follows:

| | September 30, 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 – TANGIBLE ASSETS

The movements of property, plant and equipment and related accumulated depreciation for the period ended September 30, 2022 are as follows:

| | January 1, 2022 | Currency Transition Differences | Additions | Disposals | Subsidiary sale | September 30, 2022 |
|---------------------------------|----------------------|---------------------------------------|---------------------|---------------------|--------------------|----------------------|
| Tangible Assets | | | | | | |
| Land and land improvements | 521,212,404 | 8,580,264 | - | - | - | 529,792,668 |
| Buildings | 204,921,153 | 11,984,038 | 62,498 | - | - | 216,967,689 |
| Machinery and equipment | 838,732,364 | 75,616,690 | 870,152 | (5,734) | (57,648) | 915,155,824 |
| Motor vehicles | 920,142 | - | - | - | - | 920,142 |
| Furnitures and fixtures | 51,564,451 | 1,629,375 | 3,442,783 | (339,986) | (1,575,313) | 54,721,310 |
| Leasehold improvements | 22,764,759 | - | 212,501 | - | (740,203) | 22,237,057 |
| Operational lease assets | 53,395,380 | - | 2,162,554 | (34,352,309) | - | 21,205,625 |
| Other tangible assets | 10,130,692 | 2,244,235 | - | - | - | 12,374,927 |
| Ongoing investments | 24,718 | 24,368 | - | (24,368) | - | 24,718 |
| | 1,703,666,063 | 100,078,970 | 6,750,488 | (34,722,397) | (2,373,164) | 1,773,399,960 |
| Accumulated amortization | | | | | | |
| Machinery and equipment | (827,711,262) | (74,705,781) | (3,068,684) | 5,732 | 57,648 | (905,422,347) |
| Motor vehicles | (920,139) | - | - | - | - | (920,139) |
| Furnitures and fixtures | (48,033,427) | (1,597,387) | (1,327,829) | 296,388 | 1,523,052 | (49,139,203) |
| Leasehold improvements | (13,743,017) | - | (1,271,532) | - | 734,182 | (14,280,367) |
| Operational lease assets | (14,037,205) | - | (4,062,784) | 12,692,805 | - | (5,407,184) |
| Other tangible assets | (9,064,743) | (2,041,553) | (619,246) | - | - | (11,725,542) |
| | (913,509,793) | (78,344,721) | (10,350,075) | 12,994,925 | 2,314,882 | (986,894,782) |
| Net book value | 790,156,270 | | | | | 786,505,178 |

As of September 30, 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).

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For the period ending on September 30 , 2022, depreciation expenses amounting to 5,626,163 TRY are included in the cost of goods sold (Note 13) (September 30, 2021: 5,407,376 TRY) and 4,723,912 TRY in marketing and general administrative expenses (September 30, 2021: 4,405,896 TRY).

NOTE 7 – TANGIBLE ASSETS (cont’d)

The movements of property, plant and equipment and related accumulated depreciation for the period ended September 30, 2021 are as follows:

| | January 1, 2021 | Currency Differences Transition | Additions | Disposals | September 30, 2021 |
|---------------------------------|----------------------|---------------------------------|--------------------|------------------|----------------------|
| Cost | | | | | |
| Land and land improvements | 370,695,708 | 3,449,721 | - | - | 374,145,429 |
| Buildings | 109,070,701 | 4,823,135 | 220,294 | - | 114,114,130 |
| Machinery and equipment | 705,583,669 | 30,433,925 | 1,029,294 | (170,176) | 736,876,712 |
| Motor vehicles | 920,142 | - | - | - | 920,142 |
| Furnitures and fixtures | 47,517,060 | 624,831 | 1,269,729 | (385,608) | 49,026,012 |
| Leasehold improvements | 14,759,799 | - | 31,777 | - | 14,791,576 |
| Operational lease assets | 22,781,271 | - | - | - | 22,781,271 |
| Other tangible assets | 6,237,728 | 904,093 | - | - | 7,141,821 |
| Ongoing investments | - | - | 5,448,250 | - | 5,448,250 |
| | 1,277,566,078 | 40,235,705 | 7,999,344 | (555,784) | 1,325,245,343 |
| Accumulated amortization | | | | | |
| Buildings | - | - | - | - | - |
| Machinery and equipment | (692,232,872) | (30,016,954) | (4,020,403) | 148,165 | (726,122,064) |
| Motor vehicles | (878,374) | - | (31,770) | - | (910,144) |
| Furnitures and fixtures | (44,594,400) | (613,306) | (1,053,611) | 366,844 | (45,894,473) |
| Leasehold improvements | (12,536,900) | - | (863,705) | - | (13,400,605) |
| Operational lease assets | (4,780,241) | - | (3,470,674) | - | (8,250,915) |
| Other tangible assets | (5,099,276) | (763,716) | (373,109) | - | (6,236,101) |
| | (760,122,063) | (31,393,976) | (9,813,272) | 515,009 | (800,814,302) |
| Net book value | 517,444,015 | | | | 524,431,041 |

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

NOTE 8 – INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization for the period ended September 30, 2022 are as follows:

| | January 1, 2022 | Currency Transition Differences | Additions | Disposals | Subsidiary sale | September 30, 2022 |
|--|----------------------|---------------------------------------|--------------------|-----------|--------------------|------------------------|
| Cost | | | | | | |
| Trade names and licenses | 83,332,962 | 25,681,985 | - | - | - | 109,014,947 |
| Customer list | 682,161,234 | 253,353,596 | - | - | - | 935,514,830 |
| Computer software and rights | 187,962,747 | 66,806,436 | 350,625 | - | (1,322,488) | 253,797,320 |
| Internet domain names | 7,467,610 | - | - | - | - | 7,467,610 |
| Other intangible assets ⁽¹⁾ | 16,598,913 | - | - | - | (971,620) | 15,627,293 |
| | 977,523,466 | 345,842,017 | 350,625 | - | (2,294,108) | 1,321,422,000 |
| Accumulated amortization | | | | | | |
| Trade names and licenses | (78,342,045) | (23,342,052) | (305,612) | - | - | (101,989,709) |
| Customer list | (682,161,234) | (253,353,596) | - | - | - | (935,514,830) |
| Computer software and rights | (184,846,907) | (66,803,999) | (1,185,346) | - | 1,198,376 | (251,637,876) |
| Internet domain names | (7,467,610) | - | - | - | - | (7,467,610) |
| Other intangible assets | (11,102,916) | - | (374,969) | - | 975,175 | (10,502,710) |
| | (963,920,712) | (343,499,647) | (1,865,927) | - | 2,173,551 | (1,307,112,735) |
| Net book value | 13,602,754 | | | | | 14,309,265 |

For the period ending September 30, 2022, amortization expenses amounting to TL 1,014,293 are included in the cost of goods sold (Note 13) (30 September 2021: TL 822,075) and TL 851,634 in marketing and general administrative expenses (30 September 2021: TL 669,821).

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

NOTE 8 – INTANGIBLE ASSETS (cont’d)

The movements in intangible assets and related accumulated amortization for the period ended September 30 , 2021 are as follows:

| | January 1, 2022 | Currency Transition Differences | Additions | Disposals | September 30, 2021 |
|---------------------------------|----------------------|---------------------------------------|--------------------|-----------|----------------------|
| Cost | | | | | |
| Trade names and licenses | 57,042,839 | 6,977,549 | 100,000 | - | 64,120,388 |
| Customer list | 423,735,679 | 69,009,797 | - | - | 492,745,476 |
| Computer software and rights | 118,072,547 | 18,049,807 | 1,481,576 | - | 137,603,930 |
| Internet domain names | 7,467,610 | - | - | - | 7,467,610 |
| Other intangible assets | 16,560,789 | - | - | - | 16,560,789 |
| | 622,879,464 | 94,037,153 | 1,581,576 | - | 718,498,193 |
| Accumulated amortization | | | | | |
| Trade names and licenses | (54,495,629) | (6,347,545) | (529,936) | - | (61,373,110) |
| Customer list | (423,735,679) | (69,009,797) | - | - | (492,745,476) |
| Computer software and rights | (115,515,682) | (18,049,572) | (831,569) | - | (134,396,823) |
| Internet domain names | (7,467,610) | - | - | - | (7,467,610) |
| Other intangible assets | (10,219,067) | - | (130,391) | - | (10,349,458) |
| | (611,433,667) | (93,406,914) | (1,491,896) | - | (706,332,477) |
| Net book value | 11,445,797 | | | | 12.165.716 |

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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NOTE 9 – PROVISIONS, CONTINGENCIES AND LIABILITIES

As of September 30, 2022 and December 31, 2021 short-term provisions are as follows:

Provision for Employee Benefits:

Provision for unused leave rights

| | September 30, 2022 | Dcemeber 31, 2021 |
|-----------------------------------|-------------------------------|------------------------------|
| Provision for unused leave rights | 63,794,827 | 43,561,603 |
| Total | 63,794,827 | 43,561,603 |

The movements of the provision for leave rights in the interim accounting periods ending on September 30, 2022 and 2021 are as follows:

| | 2022 | 2021 |
|----------------------------------|-------------------|-------------------|
| January 1 | 43,561,603 | 31,590,195 |
| Additions during the period | 23,231,159 | 14,335,152 |
| Payments related to provisions | (2,763,326) | (970,712) |
| Subsidiary sale (Note 20) | (547,933) | - |
| Currency translation differences | 313,324 | 191,748 |
| September 30 | 63,794,827 | 45,146,383 |

Other Short-Term Provisions:

Provisions for lawsuit and compensation

| Provisions: | 30 Eylül 2022 | 31 Aralık 2021 |
|---|----------------------|-----------------------|
| Provisions for lawsuit and compensation | 17,647,428 | 18,481,397 |
| Total | 17,647,428 | 18,481,397 |

The lawsuits against the Group are amounted to 17,589,715 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 September 30, 2022 the Group has set a provision of 17,647,428 TRY for lawsuits (December 31, 2021: 18,481,397 TRY) but not sure about the payment maturity for the litigation.

As of September 30, 2022 and December 31, 2021, ongoing lawsuits against the Group are as follows:

| | September 30, 2022 | December 31, 2021 |
|---------------------|---------------------------|--------------------------|
| Legal lawsuits | 6,475,532 | 10,784,631 |
| Labor lawsuits | 11,279,183 | 6,418,632 |
| Commercial lawsuits | 105,000 | 105,000 |
| Total | 17,859,715 | 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 September 30, 2022 and 2021 are as follows:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| January 1 | 18,481,397 | 17,051,578 |
| Additions during the period | 7,774,065 | 1,674,836 |
| Payments related to provisions and compensation | (7,256,808) | (158,371) |
| Provision reversed | (1,220,511) | (5,316,479) |
| Decreases related to the sale of subsidiaries | (359,061) | - |
| Currency translation differences | 228,346 | 62,644 |
| September 30 | 17,647,428 | 13,314,208 |

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 September 30, 2022, the Group has unused publication of advertisements commitment amounting to 3,549,730 TRY (December 31, 2021: 4,300,312 TRY) within these barter contracts. The Group has 3,291,265 TRY amounted receivables as of September 30, 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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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

NOTE 10 – COMMITMENTS (cont’d)

The Group’s collaterals/pledge/mortgage (“CPM”) position as of September 30, 2022 and December 31, 2021 are as follows:

| | September 30, 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 | 464,938 | 464,938 | 977,938 | 977,938 |
| -Warranty notes | | | | |
| TRY | 203,937 | 203,937 | 203,937 | 203,937 |
| Euro | 25,000 | 448,080 | 25,000 | 367,058 |
| US Dollar | 2,500,000 | 46,259,500 | 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 | | 362,376,455 | | 349,014,933 |

The ratio of other CPMs given by the Group to the Group's equity is 46% as of September 30, 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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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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NOTE 11 – PROVISION FOR EMPLOYEE BENEFITS

Provision long-term provisions for employment termination benefits as of September 30, 2022 and December 31, 2021 are as follows:

Long-term provisions for employment termination benefits:

| | September 30,2022 | December 31, 2021 |
|---|--------------------------|--------------------------|
| Provision for employment termination benefits | 66,277,957 | 58,177,148 |
| Total | 66,277,957 | 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 15,371,40 TRY as of September 30, 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 15,371,40 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.

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NOTE 11 – PROVISION FOR EMPLOYEE BENEFITS (cont’d)

Long-term provisions for employment termination benefits (cont’d) :

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 September 30, 2022 and 2021 are as follows:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| January 1 | 58,177,148 | 57,141,651 |
| Service cost during the period | 25,505,698 | 11,807,496 |
| Interest cost during the period | 476,579 | 516,265 |
| Payments and reversal of provisions during the period | (17,398,629) | (1,785,355) |
| Decreases related to the sale of subsidiaries | (482,839) | - |
| September 30 | 66,277,957 | 67,680,057 |

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 30 September 2022 and 31 December 2021 are as follows:

| | September 30,2022 | December 31, 2021 |
|--------------------------|--------------------------|--------------------------|
| 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.

Within the scope of the Capital Markets Board's Communiqué No. II-26.1 on Takeover Offer Mandatory takeover bid process made to the owners of other publicly traded shares representing Hürriyet's capital between 28 January 2022 and 10 February 2022 has been completed through Ziraat Yatırım Menkul Değerler A.Ş., by the controlling partner of the company Demirören Medya Yatırımları Ticaret A.Ş.

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NOTE 12 – EQUITIES (cont’d)

With the completion of the buyback process, according to Central Registry Agency “CRA” records, as of March 31, 2022, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s free float is 18.79% and the Company's controlling shareholder Demirören Medya Yatırımları Ticaret A.Ş. has been 21.

As of September 30, 2022, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s share in actual circulation is 18.79%.

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 was submitted to the approval of the shareholders at the General Assembly Meeting held on March 31, 2022 and accepted.

| Shareholders | September 30, 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 | 77,096,295 | | 77,198,813 | |
| Total | 669,096,295 | 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 September 30, 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.

Other Accumulated Comprehensive Income/Expense Not 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:

| | 30 Eylül 2022 | 31 Aralık 2021 |
|---|----------------------|-----------------------|
| Maddi duran varlık yeniden değerlendirme artışları (azalışları) | 543,697,494 | 543,697,494 |
| Tanımlanmış fayda planları yeniden ölçüm kazançları (kayıpları) | (25,908,521) | (25,908,521) |
| Toplam | 517,788,973 | 517,788,973 |

Accordingly, the Group has accounted for the fair value increase amounting to TL 543,697,494, which occurred in the 30 September 2022 accounting period, as a value increase fund after eliminating the tax effect on the equity of the parent company in the consolidated financial statements prepared as of 30 September 2022.

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NOTE 12 – EQUITIES (cont’d)

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

In the interim accounting period from 1 January to 30 September 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 TL 25,908,521 (31 December 2021: TRY 25,908.521).

| | September 30 , 2022 | December 31, 2021 |
|---|----------------------------|--------------------------|
| Foreign currency conversion differences | 102,402,305 | 76,135,841 |
| Toplam | 102,402,305 | 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 September 30, 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.

| | September 30, 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.

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NOTE 12 – EQUITIES (cont’d)

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.

NOTE 13 – SALES AND COST OF SALES

Sales

The detail of sales for the years ended September 30, 2022 and 2021 are as follows:

| | January 1 - September 30, 2022 | July 1 - September 30, 2022 | January 1 - September 30, 2021 | July 1 - September 30, 2021 |
|----------------------------------|---|--|---|--|
| Advertising revenue | 115,407,363 | 35,261,050 | 96,159,534 | 32,392,584 |
| Circulation and publishing sales | 204,612,884 | 75,011,114 | 125,896,734 | 44,611,693 |
| Other | 31,634,911 | 11,385,760 | 12,779,806 | 4,188,987 |
| Net sales | 351,655,158 | 121,657,924 | 234,836,074 | 81,193,264 |
| Cost of sales (-) | (441,936,351) | (187,837,218) | (248,663,578) | (90,306,121) |
| Gross profit (loss) | (90,281,193) | (66,179,294) | (13,827,504) | (9,112,857) |

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

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

Sales (cont’d)

| | Printing Media January 1- September 30, 2022 | Digital Media January 1- September 30, 2022 | Printing Media January 1- September 30, 2021 | Digital Media January 1- September 30, 2021 |
|---|---|--|---|--|
| Domestic | 179,095,594 | 55,575,216 | 134,014,061 | 41,613,769 |
| Foreign | 115,485,003 | 1,499,345 | 58,306,599 | 901,645 |
| Total sales | 294,580,598 | 57,074,561 | 192,320,660 | 42,515,414 |
| Performance Obligations | | | | |
| Circulation sales | 159,365,166 | - | 91,534,058 | - |
| Subcontracted printing sales | 45,247,718 | - | 34,362,676 | - |
| Advertising sales | 58,332,802 | 57,074,561 | 53,644,120 | 42,515,414 |
| Other sales | 31,634,912 | - | 12,779,807 | - |
| | 294,580,598 | 57,074,561 | 192,320,660 | 42,515,414 |
| Fulfillment of the performance obligations | | | | |
| In time | 236,247,796 | - | 138,676,540 | - |
| At a specific moment in time | 58,332,802 | 57,074,561 | 53,644,120 | 42,515,414 |
| | 294,580,598 | 57,074,561 | 192,320,660 | 42,515,414 |

Cost of Sales

The details of cost of sales for the periods ended September 30 , 2022 and 2021 are as follows:

| | January 1- September 30, 2022 | July 1, September 30, 2022 | January 1- September 30, 2021 | July 1, September 30, 2021 |
|--|--|---|--|---|
| Raw material | (174,339,385) | (66,648,592) | (94,574,803) | (34,288,021) |
| <i>Paper</i> | (83,082,485) | (31,942,853) | (40,619,081) | (15,499,952) |
| <i>Printing and ink</i> | (49,244,414) | (19,842,210) | (27,998,961) | (9,688,380) |
| <i>Other</i> | (42,012,486) | (14,863,529) | (25,956,761) | (9,099,689) |
| Personnel expenses | (210,726,007) | (97,967,139) | (115,853,771) | (41,836,647) |
| Depreciation Expenses (Note 8,9) | (6,640,456) | (2,030,752) | (6,229,451) | (2,159,557) |
| Agency expenses | (8,411,539) | (2,898,752) | (7,418,858) | (2,548,368) |
| Distribution, storage and travel expenses | (7,390,269) | (2,833,474) | (4,098,426) | (1,724,847) |
| Fuel, electricity, water and office expenses | (20,329,887) | (10,301,374) | (6,941,782) | (2,997,805) |
| Outsourced services | (4,242,441) | (1,414,451) | (3,136,884) | (1,117,655) |
| Communication expenses | (2,344,158) | (832,012) | (2,826,474) | (940,715) |
| Maintenance and repair expenses | (3,641,723) | (1,358,133) | (2,512,934) | (914,936) |
| Rental expenses | (2,140,183) | (1,235,498) | (1,918,649) | (672,287) |
| Packaging expenses | (556,263) | (180,731) | (360,341) | (142,594) |
| Other | (1,174,040) | (136,310) | (2,791,205) | (962,689) |
| Total | (441,936,351) | (187,837,218) | (248,663,578) | (90,306,121) |

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NOTE 14 – INCOME FROM INVESTING ACTIVITIES

The details of income from investing activities for the periods ended September 30, 2022 and 2021 are as follows:

| | January 1 - September 30, 2022 | July 1- September 30, 2022 | January 1 - September 30, 2021 | July 1- September 30, 2021 |
|---|---|---|---|---|
| Subsidiary sales profit | 34,030,604 | 34,030,604 | | |
| Rent income (Note 7) | 6,360,226 | 4,028,988 | 3,612,510 | 1,275,439 |
| Gain on sale of tangible assets and investment properties | 194,936 | 99,323 | 975,948 | 919,208 |
| Gain on change in fair value of investment properties | - | - | 1,145,764 | 74,755 |
| Total | 40,585,766 | 38,158,915 | 5,734,222 | 2,269,402 |

NOTE 15 – EXPENSES FROM INVESTING ACTIVITIES

The details of expenses from investing activities for the periods ended September 30 , 2022 and 2021 are as follows:

| | January 1- September 30, 2022 | July 1 - September 30, 2022 | January 1- September 30, 2021 | July 1 - September 30, 2021 |
|--|--|--|--|--|
| Impairment expenses of investment properties | - | - | (71,755) | - |
| Expenses related to investment properties | - | - | (140,639) | (140,639) |
| Toplam | - | - | (212,394) | (140,639) |

NOTE 16 – FINANCIAL INCOME / EXPENSES

The details of financial expenses for the periods ended September 30, 2022 and 2021 are as follows:

| | January 1 - September 30, 2022 | July 1 - September 30, 2022 | January 1 - September 30, 2021 | July 1 - September 30, 2021 |
|---|---|--|---|--|
| Interest expense on bank loan | (13,353,354) | (3,139,938) | (3,951,680) | (3,951,680) |
| Interest expense | (6,673,260) | (3,045,390) | (14,157,683) | (6,524,876) |
| Foreign exchange income/(losses), net | (370,228) | (3,406) | (319,921) | (319,921) |
| Loan commission, bank costs and factoring expense | (667,775) | (443,743) | (145,862) | 3,128,560 |
| Other | (9,368) | (3,230) | - | - |
| Total | (21,073,985) | (6,635,707) | (18,575,146) | (7,667,917) |

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NOTE 17 – INCOME TAXES

Current Period Tax Liabilities:

| | September 30, 2022 | December 31, 2021 |
|---------------------------------------|-------------------------------|------------------------------|
| Corporate and income tax payable | - | 517,434 |
| Less: Prepaid taxes | - | - |
| Current income tax liabilities | - | 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 23% (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 23% 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 September 30, 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 September 30, 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:

| Country | Tax Rates (%) |
|----------------|----------------------|
| Germany | 28 |
| Belarus | 18 |
| Russia | 20 |
| Holland | 25 |

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NOTE 17 – INCOME TAXES (cont’d)

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.

| | September 30, 2022 | December 31, 2021 |
|--------------------------------------|---------------------------|--------------------------|
| Deferred tax liabilities | (62,649,408) | (60,890,640) |
| Deferred tax assets | 12,519 | 2,396,928 |
| Deferred tax liabilities, net | (62,636,889) | (58,493,712) |

The temporary differences and deferred tax assets/(liabilities) using the enacted tax rates as of September 30, 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) | |
|--|-----------------------------|----------------------|-------------------------------------|---------------------|
| | September 30, 2022 | December 31, 2021 | September 30, 2022 | December 31, 2021 |
| Provision for employee termination benefits and unused vacation right | 128,740,657 | 101,287,798 | 25,755,100 | 20,260,580 |
| Difference between tax base and carrying value of trade receivables | 33,568,444 | 37,350,240 | 6,713,689 | 7,470,048 |
| Investment properties fair value adjustment | (234,547,632) | | (23,489,894) | |
| Deferred income | - | 6,270,947 | - | 1,254,189 |
| Operational assets reclassification (IFRS 16) | 6,888,633 | 8,913,577 | 1,377,727 | 1,782,715 |
| Difference between tax bases and carrying value of property, plant and equipment and intangibles | (595,068,816) | (564,889,500) | (78,192,617) | (71,188,538) |
| Investment properties fair value differences | - | (235,460,382) | | (23,672,444) |
| Other, Net | 25,994,502 | 27,450,172 | 5,199,106 | 5,599,738 |
| Total | (634,424,212) | (619,077,148) | (62,636,889) | (58,493,712) |

As of September 30, 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 September 30, 2022 and 2021 are as follows

| | January 1 - September 30, 2022 | January 1 - September 30, 2021 |
|-------------------------------|--------------------------------|--------------------------------|
| Current tax income/(expense) | - | (282.322) |
| Deferred tax income/(expense) | 2,431,703 | 315,117 |
| Total | 2,431,703 | 32,795 |

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

a)Discontinuing the digital operation in Russia and EE

The Board of Directors of Pronto Media Holding which is located in Russia as the indirect subsidiary of Trader Media East Ltd. that owned by 97.29% by the Group, has decided to discontinue the digital operating in its territory on 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:

| | September 30, 2022 | December 31, 2021 |
|---|--------------------|-------------------|
| Trade receivables from related parties | | |
| Milliyet Gazetecilik Yayıncılık A.Ş. | 33,812,853 | 18,789,649 |
| Demirören Yayıncılık ve Gazetecilik A.Ş. | 29,136,200 | - |
| Demirören Televizyon Yayıncılığı A.Ş. | 16,795,107 | - |
| Demirören Reklam ve Yatırım A.Ş. | 11,463,097 | 44,594,128 |
| Other | 2,475,554 | 12,255,723 |
| | 93,682,811 | 75,639,500 |

b) Short term payables to related parties:

| | September 30, 2022 | December 31, 2021 |
|--|--------------------|-------------------|
| Trade payables to related parties | | |
| Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. (*) | 8,096,334 | - |
| Andromeda TV Dijital Platform Hizmetleri A.Ş. | 5,098,213 | 46,845 |
| Demirören Teknoloji A.Ş. | - | 2,161,959 |
| Demirören Media International GmbH | - | 17,933,006 |
| Other | 2,251,327 | 4,335,802 |
| | 15,445,874 | 24,500,067 |

(*) Since Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş. was sold on 28 July 2022, it is not included in the scope of consolidation.

c) Other receivables from related parties:

| | September 30, 2022 | December 31, 2021 |
|--|--------------------|-------------------|
| Other short-term receivables from related parties | | |
| Demirören Medya Yatırımları A.Ş. | 72,879,554 | - |
| Demirören Media International GmbH | 54,427,430 | 46,658,020 |
| Other | 76,630 | 76,620 |
| | 127,383,614 | 46,734,640 |

d) Other payables to related parties:

| | September 30, 2022 | December 31, 2021 |
|---|--------------------|-------------------|
| Other short-term payables from related parties | | |
| Demirören TV Radyo Yayıncılık Yapımcılık A. Ş. (*) | 206,031,957 | - |
| | 206,031,957 | - |

(*) In 2022, Demirören TV Radyo Yayıncılık Yapımcılık A.Ş. and Yelda Haber ve Görsel Yayıncılık A.Ş. merged.

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NOTE 19 –RELATED PARTY DISCLOSURES (cont’d)

ii) Significant transactions with related parties:

Transactions in related parties for the periods ended September 30 , 2022 and 2021 are as follows:

a)Significant service and product sales to related parties

| | January 1 - September 30,2022 | July 1 - September 30, 2022 | January 1 - September 30,2021 | July 1 - September 30, 2021 |
|--|--|--|--|--|
| Demirören Reklam ve Yatırım A.Ş. | 33,001,445 | 7,945,151 | 37,148,830 | 12,113,888 |
| Demirören Yayın, ve Gazete. A. Ş. | 30,416,546 | 10,637,188 | 21,644,378 | 8,111,975 |
| Milliyet Gazetecilik Yayıncılık A.Ş. | 11,537,832 | 3,723,844 | 19,742,593 | 7,472,168 |
| Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A. Ş | 5,523,145 | - | 8,227,864 | 2,809,164 |
| Demirören Medya Yatırımları A.Ş. | - | - | - | - |
| Other | 4,112,250 | 2,821,684 | 7,824,627 | 9,424,066 |
| | 84,591,218 | 25,127,867 | 94,588,292 | 39,931,261 |

As of September 30, 2021, a total of 28,473,291 TRY reflected in 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.

b)Significant service and product purchases from related parties:

| | January 1- September 30,2022 | July 1- September 30, 2022 | January 1- September 30,2021 | July 1- September 30, 2021 |
|--|---|---------------------------------------|---|---------------------------------------|
| Demirören Medya Yatırımları A.Ş. | 41,784,641 | 15,731,760 | 4,434,944 | 1,594,763 |
| Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A.Ş. | 5,523,145 | - | 8,227,864 | 2,809,164 |
| Demirören Ajansı A.Ş. | 5,011,086 | 1,663,565 | 5,052,757 | 1,675,082 |
| Andromeda TV Dijital Platform Hizmetleri A.Ş. | 4,914,784 | 3,520,408 | 1,396,846 | 482,338 |
| Demirören Reklam ve Yatırım A.Ş. | 2,419,847 | 786,915 | 2,319,449 | 1,177,863 |
| Demirören Teknoloji A.Ş. | 1,834,708 | 213,000 | 6,104,767 | 2,408,193 |
| Demirören Yayın. ve Gazete. A.Ş. | 1,502,574 | 3,783 | 3,241,242 | 1,032,613 |
| Milliyet Gazetecilik Yayıncılık A.Ş. | 1,135,680 | 50,989 | 3,787,038 | 1,463,434 |
| Other | 1,334,122 | 410,655 | 3,638,676 | 1,255,158 |
| | 65,460,587 | 22,381,075 | 38,203,583 | 13,898,608 |

c)Other income from related parties:

| | January 1- September 30, 2022 | July 1- September 30, 2022 | January 1- September 30, 2021 | July 1- September 30, 2021 |
|--|--|---------------------------------------|--|---------------------------------------|
| Financial expenses | | | | |
| Demirören Medya Yatırımları A.Ş. | 3,238,809 | 635,076 | - | - |
| Demirören TV Radyo Yayıncılık Yapımcılık A.Ş. | - | - | 11,832,029 | 4,337,064 |
| Andromeda TV Dijital Platform Hizmet. A.Ş. | - | - | 1,067 | - |
| Other | 257,901 | 228,163 | 29,595 | 19,023 |
| Total | 3,497,150 | 863,239 | 11,862,691 | 4,356,087 |

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NOTE 19 –RELATED PARTY DISCLOSURES (cont’d)

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

d) Other income from related parties:

| | January 1- September 30, 2022 | July 1- September 30, 2022 | January 1- September 30, 2021 | July 1- September 30, 2021 |
|--|--|---|--|---|
| Milliyet Gazetecilik Yayıncılık A.Ş. | 3,018,008 | 1,254,460 | 830,605 | 204,874 |
| Demirören TV Radyo Yayıncılık Yayıncılık A.Ş. ^(*) | 1,149,241 | 894,139 | 1,832 | - |
| Demirören Yayıncılık ve Gazetecilik A.Ş. | 706,780 | 534,803 | 582,448 | 198,027 |
| Andromeda TV Dijital Platform Hizmetleri A.Ş. | 291,039 | - | 5,405 | 1,935 |
| Demirören Televizyon Yayıncılığı A.Ş. | 258,859 | 135,827 | - | - |
| Demirören Ajansı A.Ş. | - | - | 1,280,279 | 1,136,202 |
| Demirören Teknoloji A.Ş. | - | - | 8.151 | - |
| Other | 968,162 | 284,004 | 157,109 | 59,193 |
| | 6,392,089 | 3,103,233 | 2,865,829 | 1,600,231 |

(*) The title of Demirören İletişim A.Ş. was changed to Demirören TV Radyo Yayıncılık Yayıncılık A.Ş. in 2022.

Demirören TV Radyo Yayıncılık Yayıncılık A.Ş. and Yelda Haber ve Görsel Yayıncılık A.Ş. merged in 2022.

As of September 30, 2022, a total of 154,157,743 TRY (30 September 2021: 14,231,712 TRY) reflected in 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 related expense accounts,

iii) Key Management Personnel:

| | January 1 - September 30, 2022 | July 1 - September 30, 2022 | January 1 - September 30, 2021 | July 1 - September 30, 2021 |
|--|---|--|---|--|
| Salaries and other short-term benefits | 4,471,430 | 1,790,957 | 2,951,643 | 1,184,185 |
| | 4,471,430 | 1,790,957 | 2,951,643 | 1,184,185 |

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 September 30, 2022 and December 31, 2021 are as follow:

| | September 30, 2022 | December 31, 2021 |
|--------------------------------------|---------------------------|--------------------------|
| Assets | 41,593,933 | 5,032,127 |
| Liabilities | (4,722,868) | (9,693,579) |
| Net foreign currency position | 36,871,065 | (4,661,452) |

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of September 30, 2022: 18,5038 TRY = 1 US Dollar and 19,9232 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 September 30, 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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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

Foreign currency risk (cont’d)

| September 30, 2022 | TRY | | | |
|--|-------------------|-----------------|------------------|---------------|
| | Equivalent | USD | Euro | Other |
| 1, Trade receivables | 41,494,332 | 85,420 | 2,226,898 | 600 |
| 2a, Monetary Financial Assets | - | - | - | - |
| (Cash, Banks included) | 99,601 | 3,950 | 10 | 26,342 |
| 2b, Non-Monetary Financial Assets | - | - | - | - |
| 3, Other | - | - | - | - |
| 4, Current Assets (1+2+3) | 41,593,933 | 89,370 | 2,226,908 | 26,942 |
| 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) | 41,593,933 | 89,370 | 2,226,908 | 26,942 |
| 10, Trade Payables | 4,722,868 | 135,554 | 123,561 | - |
| 11, Financial Liabilities | - | - | - | - |
| 12a, Other Monetary Financial Liabilities | - | - | - | - |
| 12b, Other Non-Monetary Financial Liabilities | - | - | - | - |
| 13, Current Liabilities (10+11+12) | 4,722,868 | 135,554 | 123,561 | - |
| 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) | 4,722,868 | 135,554 | 123,561 | - |
| 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) | 36,871,065 | (46,184) | 2,103,347 | 26,942 |
| 21, Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a) | 36,871,065 | (46,184) | 2,103,347 | 26,942 |
| 22, Fair value of foreign currency hedged financial assets | - | - | - | - |

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

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.

September 30, 2022

| | Profit/(Loss) | |
|--|--------------------------------------|--------------------------------------|
| | Foreign currency appreciation | Foreign currency depreciation |
| If the US dollar had changed by 20% against the TRY | | |
| USD net (liabilities)/assets | (170,916) | 170,916 |
| Hedging amount of USD | - | - |
| USD net effect on (loss)/income | (170,916) | 170,916 |

If the EUR had changed by 20% against the TRY

| | | |
|---|------------------|--------------------|
| Euro net (liabilities)/assets | 7,539,742 | (7,539,742) |
| Hedging amount of Euro | - | - |
| Euro net effect on (loss)/income | 7,539,742 | (7,539,742) |

If other foreign currency had changed by 20% against the TRY

| | | |
|---|--------------|----------------|
| Other foreign currency net (liabilities)/assets | 5,388 | (5,388) |
| Hedging amount of other foreign currency | - | - |
| Other foreign currency net effect on (loss)/income | 5,388 | (5,388) |

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) |

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

| September 30 ,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 | 3,777,113 | - | - | 3,777,113 | - |
| Trade receivables from non-related parties | 63,847,926 | - | - | 63,847,926 | 5 |
| Trade receivables from related parties | 93,682,811 | - | - | 93,682,811 | 19 |
| Other receivables from non-related parties | 17,769,350 | - | - | 17,769,350 | - |
| Other receivables from related parties | 127,383,614 | - | - | 127,383,614 | 19 |
| Derivative financial instruments | - | - | - | - | - |
| Financial investments | 89,831 | - | 313,923 | 403,754 | - |
| Financial liabilities | | | | | |
| Financial borrowings | - | 22,212,017 | - | 22,212,017 | 4 |
| Trade payables to non-related parties | - | 96,175,556 | - | 96,175,556 | 5 |
| Trade payables to related parties | - | 15,445,874 | - | 15,445,874 | 19 |
| Employee benefit payables | - | 33,682,117 | - | 33,682,117 | - |
| Other payables to non-related parties | - | 84,051,192 | - | 84,051,192 | - |
| Other liabilities | - | 90,206,077 | - | 90,206,077 | - |

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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 from non-related parties | 56,288,894 | - | - | 56,288,894 | 5 |
| Trade receivables from related parties | 75,639,500 | - | - | 75,639,500 | 19 |
| Other receivables from non-related parties | 12,521,521 | - | - | 12,521,521 | - |
| Other receivables from related parties | 46,734,640 | - | - | 46,734,640 | 19 |
| Financial investments | 89,831 | - | 313,923 | 403,754 | - |
| Financial liabilities | | | | | |
| Financial borrowings | - | 47,796,695 | - | 47,796,695 | - |
| Trade payables to non-related parties | - | 76,320,402 | - | 76,320,402 | 5 |
| Trade payables to related parties | - | 24,500,067 | - | 24,500,067 | 19 |
| Employee benefit payables | - | 14,232,719 | - | 14,232,719 | - |
| Other payables to non-related parties | - | 44,321,510 | - | 44,321,510 | - |
| Other liabilities | - | 48,751,285 | - | 48,751,285 | - |

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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

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

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

Approval of Financial Statements

Condensed consolidated financial statements for the period ended September 30, 2022 were approved by the Board of Directors on August 18, 2022.

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