

**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.**  
**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD 1 JANUARY –31 MARCH 2023**

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

**HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT  
31 MARCH 2023**

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

	Note	(Not Audited) Current Period 31 March 2023	(Audited) Prior Period 31 December 2022
	references		
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		29,382,929	6,191,301
Financial investments		89,831	89,831
Trade receivables			
-Trade receivables from related parties	19	75,605,152	85,950,547
-Trade receivables from non-related parties	5	47,137,919	56,229,926
Other receivables			
-Other receivables from related parties	19	72,312,323	62,258,453
-Other receivables from non-related parties		5,921,940	7,907,584
Inventories		37,040,458	36,233,213
Prepaid expenses		17,712,999	14,955,163
Other current assets		3,820,724	3,711,992
<b>Total current assets</b>		<b>289,024,275</b>	<b>273,528,010</b>
<b>Non-current Assets</b>			
Financial investments		313,923	313,923
Other receivables			
- Other receivables from non-related parties		13,946,950	13,188,522
Investment properties	6	1,769,544,826	1,769,544,826
Tangible assets	7	712,383,639	706,973,024
Intangible assets			
-Other intangible assets	8	13,390,486	13,798,350
Prepaid expenses		792,380	1,091,319
Deferred tax assets	17	114,709	117,418
Other non-current assets		114,000	114,000
<b>Total Non-current Assets</b>		<b>2,510,600,913</b>	<b>2,505,141,382</b>
<b>Total Assets</b>		<b>2,799,625,188</b>	<b>2,778,669,392</b>

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

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

**HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2023**

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

	Note references	(Not Audited) Current Period 31 March 2023	(Audited) Prior Period 31 December 2022
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-term lease liability	4		
-Lease payables to others		4,427,312	4,469,709
Trade payables			
-Trade payables to related parties	19	21,009,566	18,660,610
-Trade payables to non-related parties	5	99,521,642	95,306,735
Employee benefit payables		56,899,873	44,243,812
Other payables			
-Other payables to related parties	19	239,800,202	176,044,376
-Other payables to non-related parties		89,099,641	96,308,436
Deferred income		9,318,097	9,393,991
Current income tax liabilities	17	176,256	796,997
Short-term provisions			
-Short-term provisions for employment benefits	9	82,124,410	60,126,102
-Other short-term provisions	9	23,026,313	22,980,372
Other short-term liabilities		161,646,694	116,498,897
<b>Total Current Liabilities</b>		<b>787,050,006</b>	<b>644,830,037</b>
<b>Non-Current Liabilities</b>			
Long-term lease liabilities	4		
--Lease payables to others		17,273,812	18,376,003
Long-term provisions			
- Long-term provisions for employment benefits	11	82,202,455	71,413,908
Deferred tax liability	17	195,656,803	206,107,673
Other payables		1,383,948	2,191,142
<b>Total Non-current Liabilities</b>		<b>296,517,018</b>	<b>298,088,726</b>
<b>Total Liabilities</b>		<b>1,083,567,024</b>	<b>942,918,763</b>

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

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

**HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2023**

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

	Note	(Not Audited) Current Period 31 March 2023	(Audited) Prior Period 31 December 2022
	References		
<b>EQUITY</b>			
<b>Total Equity</b>		<b>1,716,058,164</b>	<b>1,835,750,629</b>
<b>Equity attributable to Equity holders of the parent company</b>		<b>1,720,135,159</b>	<b>1,839,675,942</b>
Share capital	12	592,000,000	592,000,000
Inflation adjustment to share capital	12	77,096,295	77,096,295
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	1,341,312,238	1,341,312,238
-Gain (loss) on remeasurement of defined benefit plans	12	(32,010,303)	(32,010,303)
Other comprehensive income and expenses that may be reclassified subsequently to profit or loss			
-Currency translation differences	12	148,289,171	118,945,188
Restricted reserves	12	117,176,268	117,176,268
Past years profits and losses		(374,920,688)	(492,691,721)
Net profit (loss) for the period		(148,884,766)	117,771,033
<b>Non-controlling interests</b>		<b>(4,076,995)</b>	<b>(3,925,313)</b>
<b>Total Liabilities and Equity</b>		<b>2,799,625,188</b>	<b>2,778,669,392</b>

Condensed consolidated financial statements as of 31 March 2023 and for the interim accounting period ending on this date were approved by the Board of Directors on 9 May 2023.

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

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

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE INTERIM PERIOD JANUARY 1- MARCH 31, 2023**

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

	Note references	(Not Audited) Current Period 1 January - 31 March 2023	(Not Audited) Prior Period 1 January - 31 March 2022
Sales	13	119,463,469	108,018,332
Cost of sales (-)	13	(165,935,630)	(118,390,162)
<b>Gross profit (loss)</b>		<b>(46,472,161)</b>	<b>(10,371,830)</b>
General administrative expenses (-)		(69,727,759)	(31,832,597)
Marketing expenses (-)		(18,165,120)	(14,252,592)
Other operating income		27,641,357	11,362,010
Other operating expenses (-)		(22,168,985)	(4,888,338)
<b>Operating profit (loss)</b>		<b>(128,892,668)</b>	<b>(49,983,347)</b>
Income from investing activities	14	3,294,664	1,387,930
Expenses from investing activities (-)	15	(16,375)	(678,690)
<b>Operating profit (loss) before finance income(expense)</b>		<b>(125,614,379)</b>	<b>(49,274,107)</b>
Financing expenses (-)	16	(6,584,309)	(9,417,237)
<b>Profit (loss) before tax from continuing operations</b>		<b>(132,198,688)</b>	<b>(58,691,344)</b>
<b>Tax income (expense) of continuing operations</b>		<b>11,150,394</b>	<b>2,350,778</b>
Current tax income (expense)	17	(176,256)	(472,118)
Deferred tax income (expense)	17	11,326,650	2,822,896
<b>Profit (loss) for the period from continuing operations</b>		<b>(121,048,294)</b>	<b>(56,340,566)</b>
Profit (loss) for the period from discontinued operations		(28,559,702)	(5,238,156)
<b>Net profit (loss) for the period</b>		<b>(149,607,996)</b>	<b>(61,578,722)</b>
<b>Allocation of net profit (loss) for the period</b>			
Attributable to non-controlling interests		(723,230)	(143,446)
Attributable to equity holders of the parent company		(148,884,766)	(61,435,276)
<b>Loss per share (TRY)</b>			
Attributable to shareholders of the parent company (Loses)		(0,2515)	(0,1038)

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

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

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

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE  
INCOME FOR THE INTERIM PERIOD JANUARY 1 – MARCH 31, 2023**

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

	Note references	(Audited) Current Period 1 January - 31 December 2023	(Audited) Prior Period 1 January - 31 December 2022
<b>Other comprehensive income statement</b>			
<b>Net profit (loss) for the period</b>		<b>(149,607,996)</b>	<b>(61,578,722)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income (expense) that will not be subsequently reclassified to profit and loss</b>			
- 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		-	-
<b>Other comprehensive Income (expense) that will be subsequently reclassified to profit and loss</b>			
- Currency translation differences		29,915,531	10,779,951
-Other comprehensive income (expense) from cash flow hedges		-	-
Taxes related to other comprehensive income(expense) that will be subsequently reclassified to profit and loss			
- Other comprehensive Income (expense) from cash flow hedges, tax effect		-	-
<b>Other comprehensive income (expense)</b>		<b>29,915,531</b>	<b>10,779,951</b>
<b>Total comprehensive income (expense)</b>		<b>(119,692,465)</b>	<b>(50,798,771)</b>
<b>Allocation of total comprehensive Income (expense)</b>			
Attributable to non-controlling interests		(151,682)	862,692
Attributable to shareholders of the parent company		(119,540,783)	(51,661,463)

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

# HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD JANUARY 1 – MARCH 31, 2023

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

	Note references	Share capital	Inflation adjustment to share	Share premiums (discounts)	Other comprehensive Income (expense) that will be subsequently Reclassified to Profit or loss	Other comprehensive Income (expense) that will not be subsequently reclassified to profit or loss	Accumulated profits			Equity attributable to Shareholders	Non-controlling interests	Total equity	
					Currency translation differences <sup>(1)</sup>	Property Revaluation	Gain (losses) on remeasurement of defined benefit plan	Restricted reserves	Retained earnings / (losses)				Net profit / (loss)
<b>Balances as of 1 January 2022</b>	<b>12</b>	<b>592,000,000</b>	<b>77,198,813</b>	<b>76,944</b>	<b>76,135,841</b>	<b>543,697,494</b>	<b>(25,908,521)</b>	<b>117,176,268</b>	<b>(547,909,813)</b>	<b>55,218,092</b>	<b>887,685,118</b>	<b>(4,024,104)</b>	<b>883,661,014</b>
Transfers		-	-	-	-	-	-	-	55,218,092	(55,218,092)	-	-	-
Total comprehensive income / (expense)		-	-	-	9,773,813	-	-	-	-	(61,435,276)	(51,661,463)	862,692	(50,798,771)
-Other comprehensive income (expense)		-	-	-	9,773,813	-	-	-	-	-	9,773,813	1,006,138	10,779,951
- Change in foreign currency translation differences		-	-	-	9,773,813	-	-	-	-	-	9,773,813	1,006,138	10,779,951
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	(61,435,276)	(61,435,276)	(143,446)	(61,578,722)
<b>Balances as of 31 March 2022</b>	<b>12</b>	<b>592,000,000</b>	<b>77,198,813</b>	<b>76,944</b>	<b>85,909,654</b>	<b>543,697,494</b>	<b>(25,908,521)</b>	<b>117,176,268</b>	<b>(492,691,721)</b>	<b>(61,435,276)</b>	<b>836,023,655</b>	<b>(3,161,412)</b>	<b>832,862,243</b>
<b>Balances as of 1 January 2023</b>	<b>12</b>	<b>592,000,000</b>	<b>77,096,295</b>	<b>76,944</b>	<b>118,945,188</b>	<b>1,341,312,238</b>	<b>(32,010,303)</b>	<b>117,176,268</b>	<b>(492,691,721)</b>	<b>117,771,033</b>	<b>1,839,675,942</b>	<b>(3,925,313)</b>	<b>1,835,750,629</b>
Transfers		-	-	-	-	-	-	-	117,771,033	(117,771,033)	-	-	-
Total comprehensive income / (expense)		-	-	-	29,343,983	-	-	-	-	(148,884,766)	(119,540,783)	(151,682)	(119,692,465)
-Other comprehensive income (expense)		-	-	-	29,343,983	-	-	-	-	-	29,343,983	571,548	29,915,531
- Change in foreign currency translation differences		-	-	-	29,343,983	-	-	-	-	-	29,343,983	571,548	29,915,531
-Net profit (loss) for the period		-	-	-	-	-	-	-	-	(148,884,766)	(148,884,766)	(723,230)	(149,607,996)
<b>Balances as of 31 March 2023</b>	<b>12</b>	<b>592,000,000</b>	<b>77,096,295</b>	<b>76,944</b>	<b>148,289,171</b>	<b>1,341,312,238</b>	<b>(32,010,303)</b>	<b>117,176,268</b>	<b>(374,920,688)</b>	<b>(148,884,766)</b>	<b>1,720,135,159</b>	<b>(4,076,995)</b>	<b>1,716,058,164</b>

In accordance with the board decision dated 22 November 2017 of Pronto Media Holding, which is located in Russia as the indirect subsidiary of Trader Media East Ltd. of which of the Group owns 97.29% shares, the Group decided to discontinue the digital operations within its body and impairment losses of such operations have been recognized under “discontinued operations” in the in statement of profit (loss). Additionally, currency translation differences recognized under equity attributable to TME activities will be transferred from equity to the statement of profit or loss when the necessary conditions are met.

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



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

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
INTERIM PERIOD 1 JANUARY – 31 MARCH 2023**

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

	Note References	(Not Audited) Current Period 1 January - 31 March 2023	(Not Audited) Prior Period 1 January – 31 March 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>6,003,104</b>	<b>22,383,041</b>
<b>Net profit (loss) for the period</b>		<b>(149,607,996)</b>	<b>(61,578,722)</b>
Profit (loss) from continuing operations		(121,048,294)	(56,340,566)
Profit (loss) from discontinued operations		(28,559,702)	(5,238,156)
<b>Adjustments to reconcile profit (loss) for the period</b>		<b>66,825,976</b>	<b>35,248,052</b>
Adjustments related to depreciation and amortization expenses	7, 8	3,217,227	5,169,108
Adjustments related to impairment / (reversal)			
Adjustments related to impairment (reversal) of receivables	5	794,109	449,662
Adjustments related to provision for impairment of inventories		1,685	50,959
Adjustments related to provision			
Adjustments related to (reversal) of provision for employment benefits	9,11	49,105,971	17,008,219
Adjustments related to litigation and legal provisions (reversal)	9	1,082,292	437,629
Adjustment related to general provisions (reversals)		372,458	604,772
Adjustment related to other provisions (reversals)		1,906,911	(330,953)
Adjustments related to interest (income) expense			
Adjustments related to interest income		(6,569)	(17,583)
Adjustments related to interest expense	16	4,784,930	7,357,605
Deferred Financial Expense from Credit Purchases		15,563,965	3,696,172
Unearned Financial Income from Credit Sales		(161,388)	(36,937)
Adjustments related to tax (income) expense	17	(11,150,394)	(2,350,778)
Adjustments for Losses (Gains) on Disposal of Fixed Assets			
Adjustments Related to Losses (Gains) on Disposal of Tangible Fixed Assets		(82,015)	(70,567)
Adjustments related to profit (loss) confirmation		1,396,794	3,280,744
<b>Changes in working capital</b>		<b>103,186,851</b>	<b>49,845,172</b>
Adjustments related to (increase) decrease in trade receivables			
(Increase) decrease in trade receivables from related parties		10,345,395	2,180,264
(Increase) decrease in trade receivables from third parties		(13,875,215)	(11,822,832)
Adjustments related to (increase) decrease in inventories		(802,321)	(5,364,487)
(Increase) decrease in prepaid expenses		(2,458,897)	(1,415,404)
Adjustments related to increase (decrease) in trade payables			
Increase (decrease) in trade payables to related parties		66,104,782	35,911,618
Increase (decrease) in trade payables to third parties		4,214,907	17,947,277
Increase (decrease) in payables related to employee benefits		12,656,061	7,021,967
Increase (Decrease) in Deferred Revenues (Excluding Liabilities Arising from Customer Agreements)		(75,894)	928,405
Adjustments related to other increase (decrease) in working capital			
(Increase) decrease in other assets related to operating activities		(8,935,386)	(15,661,579)
Increase (decrease) in other liabilities related to operating activities		36,013,419	20,119,943

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
INTERIM PERIOD 1 JANUARY – 31 MARCH 2023**

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

	<b>Note References</b>	<b>( Audited) Current Period 1 January - 31 March 2023</b>	<b>(Audited) Prior Period 1 January – 31 March 2022</b>
<b>Cash generated from operations</b>		<b>20,404,831</b>	<b>23,514,502</b>
Employment benefits paid	9, 11	(16,345,315)	(864,487)
Payments related to other provisions	9	(145,060)	-
Taxes returns (payments)	17	(796,997)	(517,434)
Other cash inflows (outflows)		2,885,645	250,460
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(2,298,998)</b>	<b>(2,890,977)</b>
Cash inflows from sale of tangible and intangible assets	7, 8	621,676	70,567
Cash outflows from purchase of tangible and intangible assets			
Cash outflows from purchases of tangible assets	7	(2,927,243)	(2,638,502)
Cash outflows from purchases of intangible assets	8	-	(340,625)
Interests received		6,569	17,583
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(6,181,724)</b>	<b>(10,638,349)</b>
Cash outflows related to debt payments arising from lease agreements		(1,396,794)	(3,280,744)
Interests paid	16	(4,784,930)	(7,357,605)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT BEFORE THE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>(2,477,618)</b>	<b>8,853,715</b>
Effects of currency translation rate changes on cash and cash equivalents		25,669,246	3,169,606
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>23,191,628</b>	<b>12,023,321</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>6,191,301</b>	<b>2,490,122</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>29,382,929</b>	<b>14,513,443</b>

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2023**

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

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**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. In 2022, production was stopped at the facilities located in the provinces of İstanbul, İzmir and Antalya.

As stated in Note 21, Doğan Şirketler Grubu Holding A.Ş. which has 552,000,000 shares registered in its shares representing 77.67% of the issued capital of Hürriyet has transferred to Demirören Medya Yatırımları Ticaret A.Ş. (“Demirören Medya”) on 16 May 2018. The share transfer was completed with the extraordinary general meeting held on 6 June 2018. As a result of this transaction, Demirören 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 13 December 2018 and numbered 63/1446. The capital increase transaction was completed with the cash payment of Demirören Medya on December 21, 2018 and the transaction was registered on 15 January 2019.

The ultimate shareholder of the company is the Demirören Family.

The number of employees of the Group as of 31 March 2023 is 1,451 (31 December 2022: 1,302).

The address of the registered office is as follows:

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

The Company is registered of the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul A.Ş. (“BİAŞ or “Borsa” or “BİST”) since February 25, 1992. In accordance with the resolution numbered 21/655 on July 23, 2010 and amendment held on October 30, 2014 of CMB; according to the records of Central Securities of Depository of Turkey (CSD); shares representing 20.82% as of 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).

Ziraat Yatırım Menkul Değerler A.Ş. Demirören Medya Yatırımları Ticaret A.Ş, which is the controlling shareholder of the Company, through the mandatory takeover bid process made by Hürriyet to the owners of other publicly traded shares between 28 January 2022 and 10 February 2022 was completed and as a result, 12,017,987,48 shares were purchased from 291 investors outside the Stock Exchange within the scope of the takeover bid transaction. The total value of the shares purchased is TRY 88,946,447,24. There are no shares purchased from the Exchange within the scope of the takeover bid transaction.

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

As of 31 March 2023, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s share in actual circulation is 18.77%.

The Board of Directors of the Company decided on 27.01.2022 to extend the current Registered Capital Ceiling period of the Company for another 5 (five) years, starting from 2022, including 2026. As a result of the said decision, the necessary application was made to the Capital Markets Board and the application was made with the permission letter of the Capital Markets Board ("CMB") dated 14.02.2022 and numbered E-29833736-110.04.04-17286 and the permission letter of Trade Ministry of Turkey dated 01.03.2022 and numbered E-50035491-431.02-00072383775. As a result of the aforementioned approval, the amendment of the Company's Articles of Association will be submitted to the approval of the shareholders at the first General Assembly Meeting to be held.

#### Subsidiaries

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

<u>Subsidiaries</u>	<u>Registered country</u>	<u>Geographic segment</u>	<u>Subject of activity</u>
1 Hürriyet Zweigniederlassung GmbH. (“Hürriyet Zweigniederlassung”)	Germany	Europe	Printing newspaper
2 Hürriyet Invest B.V. (“Hürriyet Invest”)	Netherland	Europe	Investment
3 Trader Media East Ltd. (“TME”)	Jersey	Europe	Investment
4 Sporarena Dijital Hizmetler Pazarlama ve Ticaret A.Ş. (“Sporarena”)	Turkey	Turkey	Internet Publishing
5 Mirabridge International B.V.	Netherland	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	Netherland	Europe	Investment

<u>Joint Ventures</u>	<u>Registered country</u>	<u>Geographic segment</u>	<u>Subject of activity</u>
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:

<u>Associates</u>	<u>Registered country</u>	<u>Geographic Segment</u>	<u>Subject of activities</u>
Demirören Media International GmbH. (“Demirören Media”)	Germany	Europe	Newspaper Publishing

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#### NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

##### 2.1 Basis of Presentation

##### 2.1.1 Preparation and Presentation of Financial Statements

##### Statement of Compliance with TAS

The accompanying consolidated financial statements are prepared in accordance with 2019 TAS Taxonomy based on the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No:14,1 “Basis of Financial Reporting in Capital Markets” and Turkish Financial Reporting Standards (“TFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”), which is developed by POA and announced to the public by the decision of the POA on April 15, 2019 in accordance with paragraph 9(b) of Decree Law No:660.

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

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

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

##### Adjustment of Financial Statements in High Inflation Periods

According to TAS 29 Financial Reporting Standard in Hyperinflationary Economies, enterprises whose functional currency is the currency of a hyperinflationary economy report their financial statements according to the purchasing power of money at the end of the reporting period. TAS 29 defines characteristics that may indicate that an economy is a hyperinflationary economy. At the same time, all entities reporting in the currency of a hyperinflationary economy in accordance with IAS 29 are required to apply this Standard from the same date. For this reason, as stated in TAS 29, it is expected that all businesses will start to implement TAS 29 at the same time, with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority in order to ensure consistency in practice across the country. However, POA has not made a statement regarding whether an adjustment will be made within the scope of TAS 29 in the financial statements for the accounting period ending on 31 March 2023. Therefore, TAS 29 has not been applied and no inflation adjustment has been made in the financial statements dated 31 March 2023.

##### Business Continuity Assumption

The consolidated financial statements have been prepared on a going concern basis, under the assumption that the Company will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities.

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

**2.1 Basis of Presentation (cont’d)**

**2.1.2 Consolidation Principles**

**(a) Subsidiaries**

- Subsidiaries consist of businesses that Hürriyet directly or indirectly controls. Control is provided by the Group's fulfillment of the following conditions:
  - Having power over the invested company/asset;
  - Being open to or entitled to variable returns from the investee company/asset, and
  - Ability to use power to have an impact on returns.

If a situation or event arises that could cause any change in at least one of the criteria listed above, the group reassesses whether it has control over its investment.

The Group considers all relevant facts and circumstances in assessing whether the majority of the votes in the relevant investment is sufficient to exercise control, including the following:

- Comparison of the voting rights of the Group with the voting rights of other shareholders;
- Potential voting rights held by the Group and other shareholders;
- Rights arising from other contractual agreements and
- Other events and conditions that may indicate whether the Group has the current power to manage the relevant activities (including voting at previous general assembly meetings) in cases where a decision has to be made.

Subsidiaries are consolidated using the full consolidation method from the date on which the control passes to the Group. They are excluded from the scope of consolidation as of the date of loss of control. The effective shareholding ratio is the percentage of shares that the Group has directly through Hürriyet and/or indirectly through its subsidiaries.

Subsidiaries acquired or disposed of during the accounting period are included in the scope of consolidation from the date on which the control over the operations is transferred to the Group, and are excluded from the scope of consolidation as of the date the control ceases. Even if the non-controlling interests result in a negative balance, the total comprehensive income is transferred to the parent shareholders and non-controlling interests.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition to the date of disposal.

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

**2.2 Basis of Presentation (cont’d)**

**2.1.2 Consolidation Principles (cont’d)**

**(a) Subsidiaries**

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

Changes in the Group's shareholding in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The book values of the Group's interest and non-controlling interests are adjusted to reflect changes in subsidiary interests. The difference between the adjustment for non-controlling interests and the fair value of the consideration received or paid is accounted for directly in equity as the Group's share. If the Group loses control of a subsidiary, profit/loss after the sale,

I. The sum of the sales price received and the fair value of the remaining share, and

II. It is calculated as the difference between the previous book values of the subsidiary's assets (including goodwill) and liabilities and non-controlling interests.

The amounts previously accounted for in other comprehensive income related to the subsidiary and collected in equity are recorded according to the accounting method to be used on the assumption that the company has sold the relevant assets. (i.e. in accordance with the relevant TFRS standards, transfer to profit/loss or transfer directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TAS 39 “Financial instruments: recognition and measurement” when applicable the cost on initial recognition of an investment in an associate or a joint venture.

As of 31 March 2023 and 31 December 2022, the subsidiaries and shareholding ratios are shown below:

Subsidiaries	Proportion of voting power held by Hürriyet and its Subsidiaries (%)		Effective ownership interest (%)	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
1 Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
2 Hürriyet Invest <sup>(1)</sup>	100,00	100,00	100,00	100,00
3 TME <sup>(2)</sup>	97,29	97,29	97,29	97,29
4 SporArena	100,00	100,00	100,00	100,00
5 ID Impress Media LLC <sup>(3)</sup>	91,00	91,00	88,53	88,53
6 Mirabridge International B.V.	100,00	100,00	97,29	97,29
7 OOO Pronto Samara	100,00	100,00	97,29	97,29
8 OOO Rukom <sup>(4)</sup>	100,00	100,00	97,29	97,29
9 OOO Pronto Media Holding Ltd.	100,00	100,00	97,29	97,29
10 OOO SP Belpronto	60,00	60,00	58,37	58,37
11 OOO Rektcentr <sup>(5)</sup>	100,00	100,00	97,29	97,29
12 Publishing House Pennsylvania Inc.	100,00	100,00	97,29	97,29
13 Publishing International Holding BV	100,00	100,00	97,29	97,29

<sup>(1)</sup> With the Board of Directors decision dated 9 November 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.

<sup>(2)</sup> The subsidiary is delisted from the London Stock Exchange as of 2 January 2020.

<sup>(3)</sup> İgili The related subsidiary has entered the liquidation process as of 9 August 2021.

<sup>(4)</sup> The subsidiary was liquidated as of 22 January 2022.

<sup>(5)</sup> The related subsidiary has entered the liquidation process as of 14 July 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.

##### 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.

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

The accounting policies used in the preparation of the condensed consolidated interim financial statements for the accounting period ending as of 31 March 2023 have been applied consistently with those used in the previous year, except for the new and amended IFRS standards and IFRS interpretations valid as of 1 January 2023, which are summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

##### a) New standards, amendments and interpretations effective from January 1, 2023

##### TAS 1 Amendments – Disclosure of Accounting Policies

In August 2021, POA published amendments to TAS 1, providing guidance and examples to help businesses apply materiality estimates to accounting policy disclosures. Due to the lack of a definition of the term "significant" in TFRS, POA has decided to replace this term with "significant" in the context of disclosure of accounting policy information.

'Significant' is a term defined in TFRS and is widely understood by users of financial statements according to POA. When assessing the materiality of accounting policy information, entities need to consider both the size of transactions, other events or conditions, and their nature. In addition, examples of situations in which the entity may consider accounting policy information to be important are included.

Although this amendment made in TAS 1 will be applied in annual accounting periods beginning on or after 1 January 2023, early application is allowed. The effects of the said change on the financial position and performance of the Group are being evaluated.



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

##### 2.3 Basis of Presentation (cont’d)

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

##### TAS 1 Amendments – Classification of Liabilities as Short and Long Term

In January 2021, POA made changes to the “TAS 1 Presentation of Financial Statements” standard. These amendments, which are effective for the annual reporting periods beginning on or after January 1, 2023, clarify the criteria for long and short term classification of liabilities. Changes made should be applied retrospectively according to TAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. Early application is permitted.

Although this amendment made in TAS 1 will be applied in annual accounting periods beginning on or after January 1, 2023, early application is allowed. The said change did not have a significant impact on the financial position or performance of the Group.

##### TAS 8 Amendments – Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.

These amendments made in TAS 8 will be applied in annual accounting periods beginning on or after January 1, 2023, but early application is also allowed. The said change did not have a significant impact on the financial position or performance of the Group.

##### TAS 12 Amendments – Deferred Tax on Assets and Liabilities Arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

These amendments made in TAS 12 will be applied in annual accounting periods beginning on or after January 1, 2023, but early application is also permitted. The effects of the said change on the financial position and performance of the Group are being evaluated.

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

##### 2.4 Basis of Presentation (cont’d)

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

#### **TFRS 17 (Amendments) Insurance Contracts and First Application of TFRS 17 and TFRS 9 – Comparative Information**

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the transition.

In February 2019, POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance contracts with current balance sheet values and the recognition of profits throughout the period in which the services are provided. Some changes in future cash flow estimates and risk adjustment are also recognized during the period in which the services are provided. Entities may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard contains specific guidance for the measurement and presentation of insurance contracts with participation features. TFRS 17 will enter into force for annual periods beginning on or after 1 January 2023, and early application is permitted for entities that have applied TFRS 9 Financial Instruments and TFRS 15 Revenue from Contracts with Customers on or before that date. According to the amendments published by POA in December 2021, businesses have the option to “overlap classification” in order to eliminate possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented when TFRS 17 is first applied. 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 otherwise stated, the Group will make the necessary changes that will affect its consolidated financial statements and footnotes after the new standards and interpretations become effective.

#### **Amendments to TAS 1 - Long-Term Liability Containing Terms of Loan Agreement**

The amendments to Long-Term Liabilities Containing the Terms of Loan Agreements clarify whether, at the reporting date, the entity is required to consider future loan agreement terms when assessing the classification of debt as short-term or long-term. Businesses have the right to defer payment of obligations arising from loan agreements; Such liabilities may be classified as long-term if they are subject to compliance with the terms of the loan agreement within twelve months after the reporting period.

In such cases, the entity discloses information in the notes to enable users of its financial statements to understand that liabilities carry a risk of being repaid within twelve months of the reporting period. With this change, the information provided about long-term debt has been improved to help investors understand the risk that such debts may become payable prematurely. The effects of the said change on the financial position and performance of the Group are being evaluated.

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

##### 2.5 Basis of Presentation (cont’d)

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

Amendments to TFRS 16 – Lease Liability in a Sale and Leaseback In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the sellerlessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-slessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The Group is assessing the potential impact on its consolidated financial statements resulting from the amendments of TFRS 16.

##### 2.2 Summary of Significant Accounting Policies

Condensed consolidated financial statements for the interim period ended March 31, 2023 have been prepared in accordance with TAS 34 "Interim Financial Reporting" standard for the preparation of interim financial statements of TFRS.

The interim condensed consolidated financial statements for the year ended March 31, 2023 have been prepared by applying the accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended December 31, 2022. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended December 31, 2022.

###### 2.2.1 Revenue Recording

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

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

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

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

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

**2.2 Summary of Significant Accounting Policies (cont’d)**

**2.2.1 Revenue Recording (cont’d)**

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

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

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

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

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

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

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

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

**2.2 Summary of Significant Accounting Policies (cont’d)**

**2.2.1 Revenue Recording (cont’d)**

The Group's performance obligations are explained below:

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

The turnover-based premiums provided by the Group to media agencies by associating them with retrospective service purchases are variable fees. The turnover-based discount amounts determined by the Group through estimation are accounted for as “contractual obligations” in the statement of financial position. The Group provides advertising services in exchange for advertising and other products and services. The exchange of services or goods with similar characteristics and value is not defined as income generating transactions, while the exchange of services or goods with different characteristics and value is defined as income generating transactions. The Group measures the non-cash cost (or non-cash fee commitment) at fair value in order to determine the transaction price for the contracts in which customers are committed to pay non-cash consideration. In cases where the fair value of the goods or services obtained cannot be determined reliably, the income is valued 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:

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

**2.2 Summary of Significant Accounting Policies (cont’d)**

**2.2.1 Revenue Recording (cont’d)**

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

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

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

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

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

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

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

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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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

##### 2.2 Summary of Significant Accounting Policies (cont'd)

###### 2.2.1 Revenue Recording (cont'd)

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

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

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

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

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

###### 2.2.2 Financial Assets

###### Classification and measurement

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

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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)

###### *(a) Assets recognized at amortized cost*

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

###### *Impairment*

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

###### *(b) Assets recognized at fair value*

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

###### *i) Financial assets at fair value through profit or loss*

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

###### *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.



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

**2.2 Summary of Significant Accounting Policies (cont’d)**

**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 1 January to 31 March 2023:**

	Türkiye	Russia and EE (*)	Europe	Total
Sales	72,515,721	-	46,947,748	119,463,469
Cost of sales (-)	(125,790,149)	-	(40,145,481)	(165,935,630)
<b>Gross profit/(loss)</b>	<b>(53,274,428)</b>	<b>-</b>	<b>6,802,267</b>	<b>(46,472,161)</b>
Marketing expenses (-)	(18,165,120)	-	-	(18,165,120)
<b>Net segment result</b>	<b>(71,439,548)</b>	<b>-</b>	<b>6,802,267</b>	<b>(64,637,281)</b>
General administrative expenses (-)				(69,727,759)
Other operating income				27,641,357
Other operating expenses (-)				(22,168,985)
Financial expenses (-)				(6,584,309)
Income from investing activities				3,294,664
Expense from investing activities (-)				(16,375)
<b>Profit (loss) before tax from continuing operations</b>				<b>(132,198,688)</b>
Tax income (expense) for the period				(176,256)
Deferred tax income (expense)				11,326,650
<b>Profit (loss) for the period from continuing operations</b>				<b>(121,048,294)</b>

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

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

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

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**NOTE 3 – SEGMENT REPORTING (cont’d)**

**c) Segment assets**

	<b>31 March 2023</b>	<b>31 December 2022</b>
Türkiye	2,567,523,268	2,562,486,226
Russia ve EE	8,491,751	9,011,280
Europe	221,882,977	205,470,691
	<b>2,797,897,996</b>	<b>2,776,968,197</b>
Unallocated assets	1,727,192	1,701,195
<b>Total assets per consolidated financial statements</b>	<b>2,799,625,188</b>	<b>2,778,669,392</b>

**d) Segment liabilities**

	<b>31 March 2023</b>	<b>31 December 2022</b>
Türkiye	1,027,921,739	889,602,611
Russia and EE	18,894,265	18,037,708
Europe	36,751,020	35,278,444
	<b>1,083,567,024</b>	<b>942,918,763</b>
Unallocated liabilities	-	-
<b>Total liabilities per consolidated financial statements</b>	<b>1,083,567,024</b>	<b>942,918,763</b>

**e) Information on discontinued operations:**

*Suspension of digital activities in Russia and the EE region*

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

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**NOTE 4 – SHORT-TERM AND LONG-TERM BORROWINGS**

The details of financial liabilities as of March 31, 2023 and December 31, 2022 are as follows:

<b>Short-term borrowings:</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
Short-term lease liabilities	4,427,312	4,469,709
<b>Total</b>	<b>4,427,312</b>	<b>4,469,709</b>
<b>Long-term borrowings:</b>		
Long-term lease liabilities	17,273,812	18,376,003
<b>Total</b>	<b>17,273,812</b>	<b>18,376,003</b>

**NOTE 5 – TRADE RECEIVABLES AND PAYABLES**

Short-term trade receivables net-off of unearned finance income as of March 31, 2023 and December 31, 2022 are as follows:

**Short-term receivables from third parties:**

	<b>31 March 2023</b>	<b>31 December 2022</b>
Trade receivables	137,400,511	147,630,381
Credit cards receivables	80,686	58,218
Income accruals	948,204	1,320,662
Unearned finance income due from term sales	(710,766)	(733,871)
Less: Provision for doubtful receivables	(90,580,716)	(92,045,464)
<b>Total</b>	<b>47,137,919</b>	<b>56,229,926</b>

According to a revocable factoring agreement signed with Doruk Faktoring, trade receivables resulting from advertisements, amounting to 35,833,068 TRY (December 31, 2022: 39,183,686 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 78 days (December 31, 2022: 81 days). The unearned finance income due from term sales related to the receivables followed up by Doruk Faktoring is 474,872 TRY (December 31, 2022: 517,951 TRY) and the compound interest rate is 21.63% per annum (December 31, 2022: 21.63%).

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

The movements of provision for doubtful receivables are as follows:

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>(92,045,464)</b>	<b>(89,815,163)</b>
Additions during the period	(794,109)	(449,662)
Collections and reversals during the period	2,885,645	250,460
Currency translation differences	(626,788)	(2,088,999)
<b>31 March</b>	<b>(90,580,716)</b>	<b>(92,103,364)</b>

**Short-term trade payables to third parties:**

Trade payables as of March 31, 2023 and December 31, 2022 are as follows:

	<b>31 March 2023</b>	<b>31 December 2022</b>
Short-term trade payables and notes payable	97,684,021	90,498,390
Expense accruals	3,901,932	5,703,186
Unrealized financial expenses due to term purchases	(2,064,311)	(894,841)
<b>Total</b>	<b>99,521,642</b>	<b>95,306,735</b>

As of March 31, 2023, average turnover date of Group’s trade payables is 37 days (December 31, 2022: 47 days). As of March 31, 2023, unrealized financial expenses due to term purchases is 2,064,311 TRY (December 31, 2022: 894,841 TRY) and the compound interest rate is 21.63% per annum (December 31, 2022: 21.63%). 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 Türkiye.

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**NOTE 6 – INVESTMENT PROPERTIES**

The movements in investment property as of 31 March 2023 and 2022 are as follows:

	<b>Lands</b>	<b>Buildings</b>	<b>Total</b>
<b>1 January 2023</b>	<b>1,385,806,074</b>	<b>383,738,752</b>	<b>1,769,544,826</b>
Additions	-	-	-
Disposal	-	-	-
Change in fair value adjustment	-	-	-
<b>31 March 2023</b>	<b>1,385,806,074</b>	<b>383,738,752</b>	<b>1,769,544,826</b>

	<b>Lands</b>	<b>Buildings</b>	<b>Total</b>
<b>1 January 2022</b>	<b>221,509,404</b>	<b>67,792,151</b>	<b>289,301,555</b>
Additions	-	-	-
Disposal	-	-	-
Change in fair value adjustment	-	-	-
<b>31 March 2022</b>	<b>221,509,404</b>	<b>67,792,151</b>	<b>289,301,555</b>

As of March 31, 2023, mortgages have been established on the land and building, amounting to 241,557,092 TRY, classified as investment property in the consolidated financial position (December 31, 2022: 241,557,092 TRY).

The Group’s rent income from investment properties amounted to 3,212,649 TRY as of March 31, 2023 (March 31, 2022: 1,317,363 TRY) (Note 14). The Group’s direct operating expenses arising from the investment properties in the period amounted to 16,380 TRY (March 31, 2022: 39,977 TRY).

As of March 31, 2023 and December 31, 2022, the information and fair value hierarchy level classification of lands and buildings are as follows:

	<b>31 March 2023</b>	<b>Fair value as at reporting date</b>		
		<b>Level 1 TRY</b>	<b>Level 2 TRY</b>	<b>Level 3 TRY</b>
Land	1,385,806,074	-	1,385,806,074	-
Building	383,738,752	-	383,738,752	-

	<b>31 December 2022</b>	<b>Fair value as at reporting date</b>		
		<b>Level 1 TRY</b>	<b>Level 2 TRY</b>	<b>Level 3 TRY</b>
Land	1,385,806,074	-	1,385,806,074	-
Building	383,738,752	-	383,738,752	-

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**NOTE 7 – PROPERTY, PLANT AND EQUIPMENT**

The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 March 2023 are as follows:

	<b>1 January 2023</b>	<b>Currency Transition Differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 March 2023</b>
<b>Maliyet</b>					
Land and land improvements	430,015,981	2,291,359	-	-	432,307,340
Buildings	233,925,871	3,206,689	-	-	237,132,560
Machinery and equipment	962,494,308	20,259,391	46,938	-	982,800,637
Motor vehicles	920,142	-	-	-	920,142
Furnitures and fixtures	57,346,814	471,746	2,877,697	(96,566)	60,599,691
Special costs	22,284,480	-	2,608	-	22,287,088
Operational lease assets	25,547,571	-	-	(503,336)	25,044,235
Other tangible assets	13,767,975	603,484	-	-	14,371,459
Ongoing investments	24,718	-	-	-	24,718
	<b>1,746,327,860</b>	<b>26,832,669</b>	<b>2,927,243</b>	<b>(599,902)</b>	<b>1,775,487,870</b>
<b>Accumulated amortization</b>					
Machinery and equipment	(952,525,079)	(20,126,458)	(558,948)	-	(973,210,485)
Motor vehicles	(920,139)	-	-	-	(920,139)
Furnitures and fixtures	(50,656,436)	(476,028)	(711,052)	60,241	(51,783,275)
Special costs	(14,558,554)	-	(261,805)	-	(14,820,359)
Operational lease assets	(7,411,026)	-	(844,975)	-	(8,256,001)
Other tangible assets	(13,283,602)	(584,922)	(245,448)	-	(14,113,972)
	<b>(1,039,354,836)</b>	<b>(21,187,408)</b>	<b>(2,622,228)</b>	<b>60,241</b>	<b>(1,063,104,231)</b>
<b>Net book value</b>	<b>706,973,024</b>				<b>712,383,639</b>

As of March 31, 2023, there are mortgages on land and building classified under property, plant and equipment amounting to 73,442,908 TRY (December 31, 2022: 73,442,908 TRY). For the period ending on March 31, 2023, depreciation expenses amounting to 1,604,646 TRY are included in the cost of goods sold (Note 13) (March 31, 2022: 2,613,512 TRY) and 1,017,582 TRY in marketing and general administrative expenses (March 31, 2022: 1,949,577 TRY).

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

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

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



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**NOTE 8 – INTANGIBLE ASSETS**

The movements in intangible assets and related accumulated amortization for the period ended 31 March 2023 are as follows:

	<b>1 January 2023</b>	<b>Currency Transition Differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 March 2023</b>
<b>Cost</b>					
Trade names and licenses	109,918,833	2,080,567	-	-	111,999,400
Customer list	944,426,195	20,668,472	-	-	965,094,667
Computer software and rights	256,153,652	5,276,071	-	-	261,429,723
Internet domain names	7,467,610	-	-	-	7,467,610
Other intangible assets	15,627,293	-	-	-	15,627,293
	<b>1,333,593,583</b>	<b>28,025,110</b>	<b>-</b>	<b>-</b>	<b>1,361,618,693</b>
<b>Accumulated amortization</b>					
Trade names and licenses	(102,822,569)	(1,891,001)	(25,139)	-	(104,738,709)
Customer list	(944,426,190)	(20,668,477)	-	-	(965,094,667)
Computer software and rights	(254,385,763)	(5,278,497)	(393,038)	-	(260,057,298)
Internet domain names	(7,467,610)	-	-	-	(7,467,610)
Other intangible assets	(10,693,101)	-	(176,822)	-	(10,869,923)
	<b>(1,319,795,233)</b>	<b>(27,837,975)</b>	<b>(594,999)</b>	<b>-</b>	<b>(1,348,228,207)</b>
<b>Net book value</b>	<b>13,798,350</b>				<b>13,390,486</b>

For the period ended 31 March 2023, amortization expenses amounting to 364,104 TRY are included in cost of sale (Note 13) (31 March 2022: 347,098 TRY) and 230,895 TRY in marketing and general administrative expenses (31 March 2022: 258,921 TRY).

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**NOTE 8 – INTANGIBLE ASSETS (cont’d)**

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

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

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**NOTE 9 – PROVISIONS, CONTINGENCIES AND LIABILITIES**

As of March 31, 2023 and December 31, 2022 short-term provisions are as follows:

**Provision for Employee Benefits:**

*Provision for unused leave rights*

	<b>31 March 2023</b>	<b>31 December 2022</b>
Provision for unused leave rights	82,124,410	60,126,102
<b>Total</b>	<b>82,124,410</b>	<b>60,126,102</b>

The movements of the provision for unused vacation rights in the interim accounting periods ending on March 31, 2023 and 2022 are as follows:

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>60.126.102</b>	<b>43.561.603</b>
Additions during the period	26,128,134	7,146,300
Payments related to provisions	(4,156,025)	(358,205)
Currency translation differences	26,199	49,785
<b>31 March</b>	<b>82,124,410</b>	<b>50,399,483</b>

**Other Short-Term Provisions:**

*Provisions for lawsuit and compensation*

<b>Provisions:</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
Provisions for lawsuit and compensation	23,026,313	22,980,372
<b>Total</b>	<b>23,026,313</b>	<b>22,980,372</b>

The lawsuits against the Group are amounted to 18,851,853 TRY (December 31, 2022: 18,660,715TRY). The Group recognizes provision related to cases when there is a legal or valid liability resulting from past event and it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimation can be made of the amount of the obligation. As a result of these analysis, as of March 31, 2023 the Group has set a provision of 23,026,313 TRY for lawsuits (December 31, 2022: 22,980,372 TRY) but not sure about the payment maturity for the litigation.

As of March 31, 2023 and December 31, 2022, ongoing lawsuits against the Group are as follows:

	<b>31 March 2023</b>	<b>31 December 2022</b>
Legal lawsuits	6,673,618	6,491,732
Labor lawsuits	11,552,235	11,542,983
Commercial lawsuits	626,000	626,000
<b>Total</b>	<b>18,851,853</b>	<b>18,660,715</b>

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

**Other Short-Term Provisions (cont’d):**

*Provisions for lawsuit and compensation (cont’d)*

The movements of the provisions for lawsuits and claims for the interim accounting periods ending on March 31, 2023 and 2022 are as follows:

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>22,980,372</b>	<b>18,481,397</b>
Additions during the period	1,082,292	437,629
Payments related to provisions	(145,060)	-
Provision reversed	(972,125)	(553,628)
Currency translation differences	80,834	68,933
<b>31 March</b>	<b>23,026,313</b>	<b>18,434,331</b>

**NOTE 10 – COMMITMENTS**

**CPM’s given by the Group**

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

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

**Barter agreements:**

The Group, as a common practice in the media sector, enters into barter agreements which involve the exchange of goods or services without cash collections or payments. As of March 31, 2023, the Group has unused publication of advertisements commitment amounting to 126,099 TRY (December 31, 2022: 769,293 TRY) within these barter contracts. The Group has 1,703,743 TRY amounting receivables as of March 31, 2023 which were invoiced and recognized to financial statements but not yet goods or services were received (December 31, 2022: 769,293 TRY).

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**NOTE 10 – COMMITMENTS (cont’d)**

The Group’s collaterals/pledge/mortgage (“CPM”) position as of March 31, 2023 and December 31, 2022 are as follows:

	31 March 2023		31 December 2022	
	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	464,938	464,938
Ruble			-	-
-Warranty notes				
TRY	203,937	203,937	203,937	203,937
Euro	25,000	520,053	25,000	498,373
US Dollar	1,250,000	23,932,500	1,250,000	23,372,875
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	-	-	-	-
iii) Total amount of CPM's given in favor of third parties that are not within the scope of article C				
TRY	-	-	-	-
<b>Total</b>		<b>340,121,428</b>		<b>339,540,123</b>

The ratio of other CPMs given by the Group to the Group's equity is 18% as of March 31, 2023 (December 31, 2022: 17%).

(\*) Shares belonging to the main shareholder of the Company were purchased by Demirören Medya on May 16, 2018. Lenders have the right to place mortgages and pledges on the assets of the Company in the context of shareholder purchase agreement. As of the report date, there is a mortgage amounting to 315,000,000 TRY placed on the real estates of the Group by the lender.

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**NOTE 11 – PROVISION FOR EMPLOYEE BENEFITS**

Provision long-term provisions for employment termination benefits as of March 31, 2023 and December 31, 2022 are as follows:

**Long-term provisions for employment termination benefits:**

	<b>31 March 2023</b>	<b>31 December 2022</b>
Provision for employment termination benefits	82,202,455	71,413,908
<b>Total</b>	<b>82,202,455</b>	<b>71,413,908</b>

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 19,982,83 TRY as of March 31, 2023 (December 31, 2022: 15,371,40 TRY) for each year of service. In employee termination benefits provision calculation Group has taken into consideration the ceiling amount 10,848.59 TRY which is effective from March 31, 2023 (December 31, 2022: 15,371,40 TRY effective from December 31, 2022).

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 2023, 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.

The retirement age has been determined as the average age at which they can retire from the Group, taking into account the company's past realizations.

The movements of the provision for severance pay within the interim accounting periods ended on 31 March 2023 and December 2022 are as follows:

	<b>2023</b>	<b>2022</b>
<b>January 1</b>	<b>71,413,908</b>	<b>58,177,148</b>
Service cost during the period	19,470,405	9,670,430
Interest cost during the period	3,507,432	191,489
Payments and reversal of provisions during the period	(12,189,290)	(506,282)
<b>March 31</b>	<b>82,202,455</b>	<b>67,532,785</b>

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**NOTE 12 – EQUITIES**

The Company adopted the registered share capital system and set a ceiling on its registered share capital representing registered type shares with a nominal value of 1 TRY. There are no privileged shares. The Company's historical authorized and paid-in share capital at 31 December 2023 and 2022 are as follows:

	<b>31 March 2023</b>	<b>31 December 2022</b>
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.

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.

Ziraat Yatırım Menkul Değerler A.Ş. Demirören Medya Yatırımları Ticaret A.Ş., which is the controlling shareholder of the Company, through the mandatory takeover bid process made by Hürriyet to the owners of other publicly traded shares between 28 January 2022 and 10 February 2022 was completed and as a result, 12,017,987,48 shares were purchased from 291 investors outside the Stock Exchange within the scope of the takeover bid transaction. The total value of the shares purchased is TRY 88,946,447,24. There are no shares purchased from the Exchange within the scope of the takeover bid transaction.

With the completion of the buyback process, according to MKK records, as of March 31, 2023, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s free float is 18.79% and the share of Company's controlling shareholder, Demirören Medya Yatırımları Ticaret A.Ş., has been 81.21%.

The Board of Directors of the Company decided on 27.01.2022 to extend the current Registered Capital Ceiling period of the Company for another 5 (five) years, starting from 2022, including 2026. As a result of the said decision, the necessary application was made to the Capital Markets Board and the application was made with the permission letter of the Capital Markets Board ("CMB") dated 14.02.2022 and numbered E-29833736-110.04.04-17286 and the permission letter of Trade Ministry of Turkey dated 01.03.2022 and numbered E-50035491-431.02-00072383775. As a result of the aforementioned approval, the amendment of the Company's Articles of Association will be submitted to the approval of the shareholders at the first General Assembly Meeting to be held.

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**NOTE 12 – EQUITIES (cont’d)**

<b>Shareholders</b>	<b>31 March 2023</b>	<b>Share (%)</b>	<b>31 December 2022</b>	<b>Share (%)</b>
Demirören Medya	480,750,776	81.21	480,750,776	81.21
Other shareholders (BİAŞ ve other shareholders)	111,249,224	18.79	111,249,224	18.79
<b>Issued share capital</b>	<b>592,000,000</b>	<b>100.00</b>	<b>592,000,000</b>	<b>100.00</b>
Adjustment to share capital	77,096,295		77,096,295	
<b>Total</b>	<b>669,096,295</b>	<b>100.00</b>	<b>669,096,295</b>	<b>100.00</b>

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 18.77% of the shares are in circulation in accordance with CSD as of March 31, 2022 (December 31, 2022: 18.79%) (Note 1). Shares in circulation rate is 18.77% 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 and Expenses to be Reclassified to Profit or Loss***

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

	<b>31 March 2023</b>	<b>31 December 2022</b>
Property, plant and equipment revaluation increases (decreases)	1,341,312,238	1,341,312,238
Defined benefit plans measurement gains (losses)	(32,010,303)	(32,010,303)
<b>Total</b>	<b>1,309,301,935</b>	<b>1,309,301,935</b>

Accordingly, the Group accounted for the fair value increase amounting to 1,341,312,238 TRY, which occurred in the 31 March 2023 accounting period, as a value increase fund after clearing the tax effect from the equity of the parent company in the consolidated financial statements prepared as of 31 March 2023.



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**NOTE 12 – EQUITIES (cont’d)**

***Other Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss  
(cont’d)***

In the interim accounting period from 1 January to 31 March 2023, 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 are 32.010.303 TRY (31 December 2022: 32.010.303 TRY).

	<b>31 March 2023</b>	<b>31 December 2022</b>
Currency translation differences	148,289,171	118,945,188
<b>Total</b>	<b>148,289,171</b>	<b>118,945,188</b>

**Restricted reserves allocated from profit**

**Restricted reserves**

Restricted reserves are reserved from the prior period profit due to legal or contractual obligations or for certain purposes other than the profit distribution (for example, to obtain the tax advantage of gain on sale of associates). Restricted reserves are in the scope of solo legal records in accordance with Turkish Commercial Code and Tax Procedure Law.

The legal reserves are appropriated out in accordance with the Article 519 of Turkish Commercial Code (TCC) and are used according to the procedures specified in this Article. Related amounts have to be classified in “Restricted Reserves” (except for inflation differences) in accordance with TAS.

In accordance with TAS, The Company’s restricted reserves amounting to 117,176,268 TRY as of March 31, 2023 (December 31, 2022: 117,176,268 TRY) consist of legal reserves and gain on sale of real estate and affiliates and R&D incentive grant.

<b>Restricted reserves</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
Gain on sale of real estate <sup>(1)</sup>	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
<b>Total</b>	<b>117,176,268</b>	<b>117,176,268</b>

(1)As a result of the sales of the lands in İzmir Gazimir 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 TRY in the legal records. It has been decided that the portion of 56,728,014 TRY, 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.

- a) In first adoption of TFRS. retained earnings resulted from redrafting of comparative financial statements in line with regulations.
- b) "Equity inflation adjustment differences" resulting from restricted reserves without any record preventing dividend distribution.
- c) Retained earnings resulting from first adoption of inflation adjustments. can be distributed to the shareholders as dividend.

Besides, in case "Equity Effect Related to the Share Purchase" account is in the consolidated financial statement of equity, aforementioned account item is not considered as discount or premium item while calculating the net distributable profit.

**NOTE 13 – SALES AND COST OF SALES**

**Sales**

The detail of sales for the years ended March 31, 2023 and 2022 are as follows:

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Advertising revenue	38,407,643	33,716,600
Circulation and publishing sales	69,830,540	63,228,168
Other	11,225,286	11,073,564
<b>Net sales</b>	<b>119,463,469</b>	<b>108,018,332</b>
Cost of sales (-)	(165,935,630)	(118,390,162)
<b>Gross profit (loss)</b>	<b>(46,472,161)</b>	<b>(10,371,830)</b>

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

**Sales (cont’d)**

	<b>Printing Media 1 January - 31 March 2023</b>	<b>Digital Media 1 January- 31 March 2023</b>	<b>Printing Media 1 January - 31 March 2022</b>	<b>Digital Media 1 January- 31 March 2022</b>
Domestic	59,164,205	13,351,518	55,839,325	16,802,236
Foreign	46,947,746	-	35,037,869	338,902
<b>Total sales</b>	<b>106,111,951</b>	<b>13,351,518</b>	<b>90,877,194</b>	<b>17,141,138</b>

**Performance Obligations**

circulation revenues	65,227,425	-	48,451,352	-
Contract printing revenues	4,603,115	-	14,216,783	-
Advertising sales	25,056,125	13,351,518	18,392,780	17,141,138
Other sales	11,225,286	-	9,816,279	-
	<b>106,111,951</b>	<b>13,351,518</b>	<b>90,877,194</b>	<b>17,141,138</b>

**Fulfillment of the  
performance  
obligations**

In time	81,055,826	-	72,484,414	-
At a specific moment in time	25,056,125	13,351,518	18,392,780	17,141,138
	<b>106,111,951</b>	<b>13,351,518</b>	<b>90,877,194</b>	<b>17,141,138</b>

**Cost of Sales**

The details of cost of sales for the periods ended March 31, 2023 and 2022 are as follows:

	<b>1 January - 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Raw material	(54,886,300)	(48,189,476)
<i>Paper</i>	(32,303,044)	(22,526,592)
<i>Printing and ink</i>	(11,613,730)	(13,700,226)
<i>Other</i>	(10,969,526)	(11,962,658)
Personnel expenses	(82,700,809)	(54,350,739)
Depreciation Expenses (Note 8,9)	(1,968,750)	(2,960,610)
Agency expenses	(3,666,087)	(2,733,999)
Distribution, storage and travel expenses	(3,948,444)	(2,096,401)
Fuel, electricity, water and office expenses	(2,709,684)	(4,262,307)
Outsourced services	(11,586,054)	(1,540,850)
Communication expenses	(1,106,434)	(784,010)
Maintenance and repair expenses	(763,767)	(1,219,935)
Packaging expenses	(39,555)	(158,987)
Other	(2,559,746)	(92,848)
<b>Total</b>	<b>(165,935,630)</b>	<b>(118,390,162)</b>

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**NOTE 14 – INCOME FROM INVESTING ACTIVITIES**

The details of income from investing activities for the periods ended March 31, 2023 and 2022 are as follows:

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Rent income (Note 6)	3,212,649	1,317,363
Gain on sale of tangible assets and investment properties	82,015	70,567
<b>Total</b>	<b>3,294,664</b>	<b>1,387,930</b>

**NOTE 15 – EXPENSES FROM INVESTING ACTIVITIES**

The details of expenses from investing activities for the periods ended March 31, 2023 and 2022 are as follows:

	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Expenses related to investment properties	(16,375)	(678,690)
<b>Total</b>	<b>(16,375)</b>	<b>(678,690)</b>

**NOTE 16 – FINANCIAL INCOME / EXPENSES**

The details of financial expenses for the periods ended March 31, 2023 and 2022 are as follows:

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Interest expense	(4,784,930)	(7,357,605)
Foreign exchange income/(losses), net	(103,664)	(124,453)
Loan commission, bank costs and factoring expense	(925,693)	(72,712)
Maturity difference expense	(764,684)	(1,858,860)
Other	(5,338)	(3,607)
<b>Total</b>	<b>(6,584,309)</b>	<b>(9,417,237)</b>

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**NOTE 17 – INCOME TAXES**

Assets related to current period tax:

	31 March 2023	31 December 2022
Corporate and income tax payable	176,256	796,997
Less: Prepaid taxes	-	-
<b>Current income tax liabilities</b>	<b>176,256</b>	<b>796,997</b>

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 20% (2022: %23). Corporate tax is declared until the evening of the last day of the fourth month following the end of the relevant accounting period and is paid in one installment until the end of the same month. In accordance with the tax legislation, a temporary tax of 20% is calculated and paid on quarterly earnings, and the amounts paid in this way are deducted from the tax calculated on the annual income. Companies calculate a temporary tax of 20% on their quarterly financial profits 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 on the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial debt to the government.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years.

Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries. For this reason, tax liabilities reflected in the consolidated financial statements of the Group have been calculated separately for all companies included in the scope of consolidation. In the statements of financial position dated March 31, 2023 and December 31, 2022, the tax amounts to be paid are netted for each Subsidiary and are classified separately in the consolidated financial statements.

As of March 31, 2023, the tax rates used in the calculation of deferred tax, taking into account the tax legislation in effect in each country, are as follows:

<b>Country</b>	<b>Tax Rates (%)</b>
Germany	28
Belarus	18
Russia	20
Holland	25

**Deferred Tax**

The Group recognizes deferred tax assets and liabilities based on temporary differences arising between the financial statements as reported for Financial Reporting Standards announced by Public Oversight Authority and financial statements prepared in accordance with the tax legislation. These differences usually stem from the income and expense to be accounted in different period because of the difference between Financial Reporting Standards announced by Public Oversight Authority and Tax legislation.

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**NOTE 17 – INCOME TAXES (cont’d)**

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.

	<b>31 March 2023</b>	<b>31 December 2022</b>
Deferred tax liabilities	(195,656,803)	(206,107,673)
Deferred tax assets	114,709	117,418
<b>Deferred tax liabilities, net</b>	<b>(195,542,094)</b>	<b>(205,990,255)</b>

The temporary differences and deferred tax assets/(liabilities) using the enacted tax rates as of March 31, 2023 and December 31, 2022 are as follows:

	<b>Deferred tax assets / (liabilities)</b>		<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>31 March 2023</b>	<b>31 December 2022</b>		
Provision for employee termination benefits and unused vacation right	163,514,820	130,771,301	32,702,964	26,154,261
Difference between tax base an carrying value of trade receivables	31,526,556	32,213,783	6,305,311	6,442,757
Operational assets reclassification (IFRS 16)	5,387,949	5,184,226	1,077,590	1,036,845
Difference between tax bases and carrying value of property. plant and equipment and intangibles	(1,422,019,626)	(1,484,858,567)	(162,766,878)	(168,692,046)
Investment properties fair value differences	(733,894,362)	(733,894,362)	(73,515,842)	(73,515,842)
Other, net	3,273,801	12,918,140	654,761	2,583,770
<b>Total</b>	<b>(1,952,210,862)</b>	<b>(2,037,665,479)</b>	<b>(195,542,094)</b>	<b>(205,990,255)</b>

As of March 31, 2023, carryforward tax losses for which deferred tax asset was not recognized amounted to 649,677,705 TRY (December 31, 2022: 649,677,705 TRY).

The analysis of the tax expense/(income) for the periods ended March 31, 2023 and 2022 are as follows:

	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Current tax income/(expense)	(176,256)	(472,118)
Deferred tax income/(expense)	11,326,650	2,822,896
<b>Total</b>	<b>11,150,394</b>	<b>2,350,778</b>

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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:**

	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Trade receivables from related parties</b>		
Milliyet Gazetecilik Yayıncılık A. Ş.	41,293,304	39,593,908
Demirören Yayıncılık ve Gazetecilik A. Ş.	21,323,049	33,872,425
Demirören Reklam ve Yatırım A. Ş.	9,547,229	9,956,946
Other	3,441,570	2,527,268
	<b>75,605,152</b>	<b>85,950,547</b>

**b) Short-term payables to related parties:**

	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Trade payables to related parties</b>		
Demirören Ajansı A. Ş.	8,086,843	8,023,974
Taksim Gayrimenkul Yatırım. Geliş. ve İşl. A. Ş.	6,029,725	4,380,560
Opal Televizyon ve Radyo Yayın. A. Ş.	2,743,578	2,722,249
Andromeda TV Dijital Platform Hizmetleri A. Ş.	2,191,146	-
Other	1,931,304	3,346,902
	26,970	186,925
	<b>21,009,566</b>	<b>18,660,610</b>

**c) Other receivables from related parties:**

	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Other receivables from related parties</b>		
Demirören Media International GmbH	72,312,323	62,258,453
	<b>72,312,323</b>	<b>62,258,453</b>

**d) Other payables to related parties:**

	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Other payables to related parties</b>		
Demirören TV Radyo Yayıncılık Yapımcılık A. Ş. (*)	239,800,202	176,044,376
	<b>239,800,202</b>	<b>176,044,376</b>

(\*) Based on the decision taken by the Company's management, Demirören Medya Yatırımları A.Ş. of the Company as of 31 March 2023 their receivables, which are TRY 231,446, 270 are from Demiroren TV Radyo Yayıncılık Yapımcılık A.Ş. the amount of TRY 498,734,080 has been deducted from the debt to by applying a rediscount due to the fact that the nature of the transactions is the same.



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**NOTE 19 –RELATED PARTY DISCLOSURES (cont’d)**

**ii) Significant transactions with related parties:**

Related party transactions for the interim accounting periods ending on 31 March 2023 and 2022 are as follows:

**a) Significant service and product sales to related parties:**

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Demirören Reklam ve Yatırım A. Ş.	11,710,987	11,466,350
Demirören Yayıncılık ve Gazetecilik A. Ş.	3,376,418	9,409,627
Andromeda TV Dijital Platform Hizmetleri A. Ş.	2,598,729	-
Milliyet Gazetecilik Yayıncılık A. Ş.	946,719	3,959,113
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A. Ş	-	2,745,561
Other	1,525,095	1,219,109
<b>Total</b>	<b>20,157,948</b>	<b>28,799,760</b>

**b) Significant service and product purchases to related parties:**

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Demirören Medya Yatırımları A. Ş.	17,060,212	13,625,933
Andromeda TV Dijital Platform Hizmetleri A. Ş.	4,390,663	644,045
Demirören Ajansı A. Ş	2,922,377	1,677,036
Vatan Gazetecilik A. Ş.	2,370,284	-
Demirören TV Radyo Yayıncılık Yapımcılık A. Ş.	687,887	108,238
Demirören Reklam ve Yatırım A. Ş.	472,104	686,914
Demirören Yayıncılık ve Gazetecilik A. Ş.	123,918	912,166
Milliyet Gazetecilik Yayıncılık A. Ş.	108,761	601,484
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A. Ş	-	2,745,561
Other	2,345,016	1,384,527
<b>Total</b>	<b>30,481,222</b>	<b>22,385,904</b>

**c) Other income from related parties:**

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Demirören Medya Yatırımları A. Ş.	2,721,621	-
Milliyet Gazetecilik Yayıncılık A. Ş.	906,543	821,053
Demirören Televizyon Yayıncılığı A. Ş.	46,085	123,032
Demirören Reklam ve Yatırım A. Ş.	-	305,295
Other	371,311	311,125
<b>Total</b>	<b>4,045,560</b>	<b>1,560,505</b>

As of March 31, 2022, a total of 119,138,799 TRY of income reflected on common usage expenses such as personnel salaries and building expenses invoiced to the related parties is not shown in the consolidated financial statements and transactions with related parties. since they have been netted off with the relevant expense accounts (March 2022: 41,148,913 TRY).

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**NOTE 19 –RELATED PARTY DISCLOSURES (cont’d)**

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

<b>Financial expenses:</b>	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Demirören Medya Yatırımları A.Ş.	394,794	2,344,131
Other	165,854	13,775
<b>Total</b>	<b>560,648</b>	<b>2,357,906</b>

**iii) Key Management Personnel:**

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Salaries and other short-term benefits	1,242,582	716,124
<b>Total</b>	<b>1,242,582</b>	<b>716,124</b>

The Company determined the key management personnel as Board of Directors and Executive Committee. Benefits provided to key management personnel consisted of wage, premium, health insurance, transportation and post-employment benefits.

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

**20.1 Financial Assets and Risk Management**

**Foreign currency risk**

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to TRY. These risks are monitored by the analysis of foreign currency position.

The foreign exchange risk mainly arises from the impact of rate changes in the translation of the Group’s foreign currency denominated borrowings which are obtained to fund capital expenditures in domestic and overseas operations (The risk is monitored in regular meetings). The Group maintains a certain portion of its excess cash and cash equivalents in foreign currency to minimize the currency risk exposure.

The Group’s risk management policy for currency risk is to maintain sufficient liquid assets for the anticipated cash flows of raw material purchase and borrowing repayment amounts in each major foreign currency for the subsequent three to six months. However, this policy should be revised by the management when deemed necessary, according to market condition.

TRY equivalents of assets and liabilities denominated in foreign currencies as of March 31, 2023 and December 31, 2022 are as follow:

	<b>31 March 2023</b>	<b>31 December 2022</b>
Assets	55,195,110	48,468,542
Liabilities	(4,875,636)	(10,840,310)
<b>Net foreign currency position</b>	<b>50,319,474</b>	<b>37,628,232</b>

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

Following exchange rates have been used in the translation of foreign currency denominated balance sheet items as of March 31, 2023: 19,1460 TRY = 1 US Dollar and 20,8021 TRY = 1 Euro (December 31, 2022: 18,6983 TRY = 1 US Dollar and 19,9349 TRY = 1 Euro).

The table summarizes the foreign currency position risk as of March 31, 2023 and December 31, 2022. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

<b>31 March 2023</b>	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>Other</b>
1. Trade receivables	3,363,857	45,639	119,702	-
2a. Monetary Financial Assets (Cash and Banks included)	-	-	-	-
	3,297,312	4,117	7,133	147,586
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	48,533,941	-	2,333,127	-
<b>4. Current Assets (1+2+3)</b>	<b>55,195,110</b>	<b>49,756</b>	<b>2,459,962</b>	<b>147,586</b>
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>55,195,110</b>	<b>49,756</b>	<b>2,459,962</b>	<b>147,586</b>
10. Trade Payables	4,875,636	191,630	58,008	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>4,875,636</b>	<b>191,630</b>	<b>58,008</b>	<b>-</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>4,875,636</b>	<b>191,630</b>	<b>58,008</b>	<b>-</b>
<b>19. Net asset / liability position of off-balance sheet derivatives (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off-balance sheet foreign currency derivative assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off-balance sheet foreign currency derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency asset liability position (9-18+19)</b>	<b>50,319,474</b>	<b>(141,874)</b>	<b>2,401,954</b>	<b>147,586</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+3+5+6a-10-11-12a-14-15-16a)</b>	<b>50,319,474</b>	<b>(141,874)</b>	<b>2,401,954</b>	<b>147,586</b>
<b>22. Fair value of foreign currency hedged financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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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)**

<b>31 December 2022</b>	<b>TRY Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>Other</b>
1. Trade receivables	5,418,769	82,526	194,416	-
2a. Monetary Financial Assets	-	-	-	-
(Cash. Banks included)	227,856	4,101	7,444	2,782
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	42,821,917	-	2,148,088	-
<b>4. Current Assets (1+2+3)</b>	<b>48,468,542</b>	<b>86,627</b>	<b>2,349,948</b>	<b>2,782</b>
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>48,468,542</b>	<b>86,627</b>	<b>2,349,948</b>	<b>2,782</b>
10. Trade Payables	10,840,310	579,748	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>10,840,310</b>	<b>579,748</b>	<b>-</b>	<b>-</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>10,840,310</b>	<b>579,748</b>	<b>-</b>	<b>-</b>
<b>19. Net asset / liability position of     off-balance sheet derivatives (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off-balance sheet foreign     currency derivative assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off-balance sheet foreign     currency derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency     asset liability position (9-18+19)</b>	<b>37,628,232</b>	<b>(493,121)</b>	<b>2,349,948</b>	<b>2,782</b>
<b>21. Net foreign currency asset / liability     position of monetary items     (1+2a+3+5+6a-10-11-12a-14-15-16a)</b>	<b>37,628,232</b>	<b>(493,121)</b>	<b>2,349,948</b>	<b>2,782</b>
<b>22. Fair value of foreign currency     hedged financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Foreign currency risk (cont’d)**

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

**31 March 2023**

	<b>Profit/(Loss)</b>	
	<b>Foreign currency appreciation</b>	<b>Foreign currency appreciation</b>
<b>If the US dollar had changed by 20% against the TRY</b>		
USD net (liabilities)/assets	(543,264)	543,264
Hedging amount of USD	-	-
<b>USD net effect on (loss)/income</b>	<b>(543,264)</b>	<b>543,264</b>
<b>If the EUR had changed by 20% against the TRY</b>		
Euro net (liabilities)/assets	9,993,137	(9,993,137)
Hedging amount of Euro	-	-
<b>Euro net effect on (loss)/income</b>	<b>9,993,137</b>	<b>(9,993,137)</b>
<b>If other foreign currency had changed by 20% against the TRY</b>		
Other foreign currency net (liabilities)/assets	614,021	(614,021)
Hedging amount of other foreign currency	-	-
<b>Other foreign currency net effect on (loss)/income</b>	<b>614,021</b>	<b>(614,021)</b>

**31 December 2022**

	<b>Profit/(Loss)</b>	
	<b>Foreign currency appreciation</b>	<b>Foreign currency appreciation</b>
<b>If the US dollar had changed by 20% against the TRY</b>		
USD net (liabilities)/assets	(1,844,101)	1,844,101
Hedging amount of USD	-	-
<b>USD net effect on (loss)/income</b>	<b>(1,844,101)</b>	<b>1,844,101</b>
<b>If the EUR had changed by 20% against the TRY</b>		
Euro net (liabilities)/assets	9,369,196	(9,369,196)
Hedging amount of Euro	-	-
<b>Euro net effect on (loss)/income</b>	<b>9,369,196</b>	<b>(9,369,196)</b>
<b>If other foreign currency had changed by 20% against the TRY</b>		
Other foreign currency net (liabilities)/assets	556	(556)
Hedging amount of other foreign currency	-	-
<b>Other foreign currency net effect on (loss)/income</b>	<b>556</b>	<b>(556)</b>

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 21 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)**

<b>31 March 2023</b>	<b>Assets at amortized cost</b>	<b>Financial liabilities at amortized cost</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Carrying Value</b>	<b>Note</b>
<b>Financial assets</b>					
Cash and cash equivalents	29,382,929	-	-	29,382,929	-
Trade receivables from non-related parties	47,137,919	-	-	47,137,919	5
Trade receivables from related parties	75,605,152	-	-	75,605,152	19
Other receivables from non-related parties	19,868,890	-	-	19,868,890	-
Other receivables from related parties	72,312,323	-	-	72,312,323	19
Financial investments	89,831	-	313,923	403,754	-
<b>Financial liabilities</b>					
Financial borrowings	-	21,701,124	-	21,701,124	-
Trade payables to non-related parties	-	99,521,642	-	99,521,642	5
Trade payables to related parties	-	21,009,566	-	21,009,566	19
Payables within the scope of employee benefits (Debts to personnel)	-	45,720,876	-	45,720,876	-
Other payables to non-related parties	-	89,099,641	-	89,099,641	-
Other payables to related parties	-	239,800,202	-	239,800,202	-
Other short-term liabilities	-	163,030,642	-	163,030,642	-

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 21 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (cont’d)**

	Assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through profit or loss	Carrying Value	Note
<b>31 December 2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	6,191,301	-	-	6,191,301	-
Trade receivables from non-related parties	56,229,926	-	-	56,229,926	5
Trade receivables from related parties	85,950,547	-	-	85,950,547	19
Other receivables from non-related parties	21,096,106	-	-	21,096,106	-
Other receivables from related parties	62,258,453	-	-	62,258,453	19
Financial investments	89,831	-	313,923	403,754	-
<b>Financial Liabilities</b>					
Financial borrowings	-	22,845,712	-	22,845,712	
Trade payables to non-related parties	-	95,306,735	-	95,306,735	5
Trade payables to related parties	-	18,660,610	-	18,660,610	19
Payables within the scope of employee benefits (Debts to personnel)	-	35,404,934	-	35,404,934	-
Other payables to non-related parties	-	96,308,436	-	96,308,436	-
Other payables to related parties	-	176,044,376	-	176,044,376	19
Other short-term liabilities	-	118,690,039	-	118,690,039	-

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**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**

By the decision of the Company's Board of Directors dated 05.04.2023, Hürriyet Gazetecilik ve Matbaacılık A.Ş., located at Odunluk Mahallesi, Akpınar Caddesi Green White Plaza, K:6, Office: 16 Nilüfer / Bursa. - It has been decided to close the branch operating with the title of Bursa Branch upon the need seen.

By the decision of the Board of Directors of the Company dated 19.04.2023; the Company's activities have already been terminated,

- Istanbul DPC Branch located at Sanayi Mahallesi, 1650 Sokak, N2 Demirören Medya Tesisleri 34850 Esenyurt / Istanbul,

- Antalya DPC Branch located at the address Yenigöl Mahallesi, Serik Caddesi N80, Muratpaşa/Antalya,

- Various printing machines, packaging sections, auxiliary machines and equipment with a total book value of 7.338.336.-TL in the inventory of İzmir DPC Branch at Fatih Mahallesi Ege Cad. N 36 35414 Gaziemir Sarnıç / İzmir was decided to sell and transfer to Tayfurlar Ticaret Nakliye ve Geri Dönüşüm Ltd. Şti.

Real estate in the company's portfolio which is placed in Istanbul Province, Esenyurt District, 1408 Block and 7 Plots and which have the characteristics of 4 units of Printing Facility Building, compressor room and Land was decided by Group's management to sell and transfer it to Baykar Makina Sanayi ve Ticaret A.Ş. with a price of 816.551.400 TRY on 04.05.2023. Sale and transfer transaction was completed as of 04.05.2023.

**Approval of Financial Statements**

Condensed consolidated financial statements for the period ended March 31, 2023 were approved by the Board of Directors on May 9, 2023.