HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1 – 30 SEPTEMBER 2023

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 1 JANUARY-30 SEPTEMBER 2023
(Amounts expressed in Turkish Lira ("**TL**") unless otherwise indicated.)

	Note	Not Audited Current Period 30 September 2023	Audited Prior Period 31 December 2022
ASSETS			
Current Assets			
Cash and cash equivalents		7.350.876	6.191.301
Financial investments		89.831	89.831
Trade receivables			
-Trade receivables from related parties	19	60.865.011	85.950.547
-Trade receivables from non-related parties	5	94.775.141	56.229.926
Other receivables			
-Other receivables from related parties	19	782.231.076	62.258.453
-Other receivables from non-related parties		5.333.974	7.907.584
Inventories		48.618.527	36.233.213
Prepaid expenses		7.042.054	14.955.163
Other current assets		7.017.372	3.711.992
Total current assets		**1.013.323.862**	**273.528.010**
Non-current Assets			
Financial investments		313.923	313.923
Other receivables			
-Other receivables from non-related parties		15.918.734	13.188.522
Investment properties	6	706.044.826	1.769.544.826
Tangible assets	7	768.966.674	706.973.024
Intangible assets			
-Other intangible assets	8	4.674.723	13.798.350
Other receivables			
Prepaid expenses		298.492	1.091.319
Deferred tax assets	17	128.878	117.418
Other non-current assets		94.000	114.000
Total Non-current Assets		**1.496.440.250**	**2.505.141.382**
Total Assets		**2.509.764.112**	**2.778.669.392**

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A. Ş.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 1 JANUARY-30 SEPTEMBER 2023
(Amounts expressed in Turkish Lira ("**TL**") unless otherwise indicated.)

	Note	Not Audited Current Period 30 September 2023	Audited Prior Period 31 December 2022
LIABILITIES			
Short-term Liabilities			
Short-term lease liability	4		
- Lease payables to on-related parties		6.130.720	4.469.709
Trade payables			
-Trade payables to related parties	19	41.887.248	18.660.610
-Trade payables to non-related parties	5	139.923.653	95.306.735
Employee benefit payables		53.424.891	44.243.812
Other payables			
-Other payables to related parties		-	176.044.376
-Other payables to non-related parties		124.164.360	96.308.436
Deferred income		11.678.985	9.393.991
Current income tax liabilities	17	730.698	796.997
Short-term provisions			
- Short-term provisions for employment benefits	9	75.842.493	60.126.102
-Other short-term provisions	9	19.799.162	22.980.372
Other short-term liabilities		138.747.768	116.498.897
Total short-term liabilities		**612.329.978**	**644.830.037**
Long-term Liabilities			
Long-term lease liabilities	4		
- Lease payables to related parties		25.152.941	18.376.003
Long-term provisions			
- Long-term provisions for employment benefits	11	89.997.327	71.413.908
Deferred tax liability	17	113.416.110	206.107.673
Other long-term liabilities		98.259.846	2.191.142
Total Long-term Liabilities		**326.826.224**	**298.088.726**
Total Liabilities		**939.156.202**	**942.918.763**

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

HÜRRİYET GAZETECİLİK VE MATBAACILIK A. Ş.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 1 JANUARY-30 SEPTEMBER 2023
(Amounts expressed in Turkish Lira ("**TL**") unless otherwise indicated.)

	Note	Not Audited Current Period 30 September 2023	Audited Prior Period 31 December 2022
EQUITY			
Total Equity		**1.570.607.910**	**1.835.750.629**
Equity attributable to Equity holders of the parent company		**1.576.152.032**	**1.839.675.942**
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 tangible asset	12	830.191.832	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	173.021.982	118.945.188
Reserves on retained earnings	12	117.176.268	117.176.268
Past years profits and losses		136.199.718	(492.691.721)
Net profit (loss) for the period		(317.600.704)	117.771.033
Non-controlling interests		**(5.544.122)**	**(3.925.313)**
Total Equity		**2.509.764.112**	**2.778.669.392**

Condensed consolidated financial statements for the interim accounting period ending on 30 September 2023, and approved by the Board of Directors on 8 November 2023, are as of the said date.

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD 1 JANUARY- 30 SEPTEMBER 2023

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

	Note	Not Audited Current Period 1 January - 30 September 2023	Not Audited Current Period 1 July - 30 September 2023	Not Audited Prior Period 1 January- 30 September 2022	Not Audited Prior Period 1 July - 30 September 2022
Sales	13	434.826.000	171.817.720	351.655.158	121.657.924
Cost of sales (-)	13	(573.256.816)	(236.065.403)	(441.936.351)	(187.837.218)
Gross profit (loss)		**(138.430.816)**	**(64.247.683)**	**(90.281.193)**	**(66.179.294)**
General administrative expenses (-)		(124.057.077)	(30.598.062)	(87.755.521)	(39.891.920)
Marketing expenses (-)		(71.229.082)	(35.649.707)	(59.864.797)	(21.457.159)
Other income from operating		125.414.918	33.349.304	46.630.607	16.709.445
Other expense from operating (-)		(89.430.770)	(14.276.333)	(43.293.942)	(16.846.711)
Operating profit (loss)		**(297.732.827)**	**(111.422.481)**	**(234.564.846)**	**(127.665.639)**
Income from investing activities	14	61.119.177	27.684.127	40.585.766	38.158.915
Expenses from investing activities (-)	15	(143.968.464)	(53.489)	-	-
Operating profit (loss) before finance income(expense)		**(380.582.114)**	**(83.791.843)**	**(193.979.080)**	**(89.506.724)**
Financing expenses (-)	16	(21.836.964)	(9.179.256)	(21.073.985)	(6.635.707)
Profit (loss) before tax from continuing operations		**(402.419.078)**	**(92.971.099)**	**(215.053.065)**	**(96.142.431)**
Tax income (expense) of continuing operations		**102.996.753**	**17.531.461**	**2.431.703**	**2.117.652**
Current tax income (expense)	17	(730.698)	(257.091)	-	-
Deferred tax income (expense)	17	103.727.451	17.788.552	2.431.703	2.117.652
Profit (loss) for the period from continuing operations		**(299.422.325)**	**(75.439.638)**	**(212.621.362)**	**(94.024.779)**
Profit (loss) for the period from discontinued operations		(18.701.551)	4.179.531	(12.759.570)	(4.825.802)
Net profit (loss) for the period		**(318.123.876)**	**(71.260.107)**	**(225.380.932)**	**(98.850.581)**
Allocation of net profit (loss) for the period					
Non-controlling interests		(523.172)	107.857	(343.722)	(130.512)
Equity holders of the parent company		(317.600.704)	(71.367.964)	(225.037.210)	(98.720.069)
Loss per share					
Attributable to shareholders of the parent company (Loses)		(0,5365)	(0,1206)	(0,3801)	(0,1668)

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

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY- 30 SEPTEMBER 2023

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

	Note	Audited Current Period 1 January - 30 September 2023	Not Audited Current Period 1 April - 30 September 2023	Audited Prior Period 1 January - 30 September 2022	Not Audited Prior Period 1 April - 30 September 2022
Other comprehensive income statement					
Net profit (loss) for the period		**(318.123.876)**	**(71.260.107)**	**(225.380.932)**	**(98.850.581)**
Other comprehensive income					
Will not be reclassified as gains or losses					
- Gain (loss) on revaluation of tangible asset		-	-	-	-
- 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 Tangible asset, tax effect		-	-	-	-
- Gain (loss) on revaluation for defined benefits, tax effect		-	-	-	-
Will be subsequently reclassified as profit and loss					
- Currency translation differences		52.981.157	(4.011.461)	27.162.603	2.695.938
Other comprehensive income (expense)		**52.981.157**	**(4.011.461)**	**27.162.603**	**2.695.938**
Total comprehensive income (expense)		**(265.142.719)**	**(75.271.568)**	**(198.218.329)**	**(96.154.643)**
Allocation of total comprehensive Income (expense)					
Non-controlling interests		(1.618.809)	(147.834)	552.417	(241.440)
Shareholders of the parent company		(263.523.910)	(75.123.734)	(198.770.746)	(95.913.203)

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

1 JANUARY – 30 SEPTEMBER 2023 CONDENSED CONSOLIDATED STATEMENT OF EQUITY CHANGE FOR THE INTERIM PERIOD

(Tutarlar aksi belirtilmedikçe Türk Lirası (“TL”) olarak ifade edilmiştir.)

					Other comprehensive income (expense) that will be subsequently reclassified to profit or loss	Other comprehensive income (expense) that will not be subsequently reclassified to profit or loss			Accumulated profits				
	Note	Share capital	Inflation adjustment to share	Share premiums (discounts)	Currency translation differences	Gain (losses) on Tangible asset Revaluation	Gain (losses) on remeasurement of defined benefit plan	Restricted reserves	Retained earnings / (losses)	Net profit / (loss) for	Equity attributable to Shareholders	Non-controlling interests	Equities
Balances as of 1 January 2022	**12**	**592.000.000**	**77.198.813**	**76.944**	**76.135.841**	**543.697.494**	**(25.908.521)**	**117.176.268**	**(547.909.813)**	**55.218.092**	**887.685.118**	**(4.024.104)**	**883.661.014**
Transfers		-	-	-	-	-	-	-	55.218.092	(55.218.092)	-	-	-
Total comprehensive income / (expense)		-	-	-	26.266.464	-	-	-	-	(225.037.210)	(198.770.746)	552.417	(198.218.329)
-Other comprehensive income (expense)		-	-	-	*26.266.464*	-	-	-	-	-	26.266.464	*896.139*	*27.162.603*
-Profit/(losses) of the period		-	-	-	-	-	-	-	-	*(225.037.210)*	*(225.037.210)*	*(343.722)*	*(225.380.932)*
Sell of subsidiary		-	*(102.518)*	-	-	-	-	-	-	-	*(102.518)*	-	*(102.518)*
Balances as of 30 September 2022	**12**	**592.000.000**	**77.096.295**	**76.944**	**102.402.305**	**543.697.494**	**(25.908.521)**	**117.176.268**	**(492.691.721)**	**(225.037.210)**	**688.811.854**	**(3.471.687)**	**685.340.167**
Balances as of 1 January 2023	**12**	**592.000.000**	**77.096.295**	**76.944**	**118.945.188**	**1.341.312.238**	**(32.010.303)**	**117.176.268**	**(492.691.721)**	**117.771.033**	**1.839.675.942**	**(3.925.313)**	**1.835.750.629**
Transfers		-	-	-	-	(511.120.406)	-	-	628.891.439	(117.771.033)	-	-	-
Total comprehensive income / (expense)		-	-	-	54.076.794	-	-	-	-	(317.600.704)	(263.523.910)	(1.618.809)	(265.142.719)
-Other comprehensive income (expense)		-	-	-	*54.076.794*	-	-	-	-	-	*54.076.794*	*(1.095.637)*	*52.981.157*
-Profit/(losses) of the period		-	-	-	-	-	-	-	-	*(317.600.704)*	*(317.600.704)*	*(523.172)*	*(318.123.876)*
Balances as of 30 September 2023	**12**	**592.000.000**	**77.096.295**	**76.944**	**173.021.982**	**830.191.832**	**(32.010.303)**	**117.176.268**	**136.199.718**	**(317.600.704)**	**1.576.152.032**	**(5.544.122)**	**1.570.607.910**

(1) The Group, with a 97.29% ownership stake in Trader Media East Ltd. ("TME"), the indirect subsidiary of which is the Pronto Media Holding based in Russia, has decided to cease the operations of the digital platforms under its umbrella, as per the decision of the Board of Directors of Pronto Media Holding dated 22 November 2017. The impairment provisions related to these activities have been recognized in the income statement under "discontinued operations." However, foreign exchange differences, previously accounted for under equity for TME activities, will be transferred from equity to profit or loss when the necessary conditions are met.

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2023

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

	Note	Not Audited Current Period 1 January- 30 September 2023	Not Audited Current Period 1 January- 30 September 2022
CASH FLOWS FROM OPERATING ACTIVITIES		**(907.425.294)**	**(13.439.756)**
Net profit (loss) for the period		**(318.123.876)**	**(225.380.932)**
Profit (loss) from continuing operations		(299.422.325)	(212.621.362)
Profit (loss) from discontinued operations		(18.701.551)	(12.759.570)
Adjustments to reconcile profit (loss) for the period		**172.391.697**	**97.881.419**
Adjustments related to depreciation and amortization expenses	7, 8	11.647.407	12.216.002
Adjustments related to impairment / (reversal)			
Adjustments related to impairment (reversal) of receivables	5	1.964.479	1.559.443
Adjustments related to provision for impairment of inventories		72.609	181.836
Adjustments related to provision			
Adjustments related to (reversal) of provision for employment benefits	9, 11	65.676.157	49.213.436
Adjustments related to litigation and legal provisions (reversal)	9	1.801.245	7.774.065
Adjustment related to general provisions (reversals)		(80.181)	467.717
Adjustment related to other provisions (reversals)		3.517.791	(354.405)
Adjustments related to interest (income) expense			
Adjustments related to interest income		(7.671)	(37.198)
Adjustments related to interest expense	16	16.962.546	13.353.354
Deferred Financing Expense from Forward Purchases		54.679.854	11.615.035
Unearned Finance Income from Futures Sales		(29.782.050)	(974.258)
Adjustments related to tax (income) expense	17	(102.996.753)	(2.431.703)
Adjustments Related to Gains (Losses) Arising from the Disposal of Non-Current assets			
Adjustments Related to Gains (Losses) Arising from the Disposal of Tangible assets	6	143.898.600	-
Other Adjustments Related to Profit (Loss) Reconciliation		5.037.664	5.298.095
Changes in working capital		**(737.880.298)**	**140.868.175**
Adjustments related to (increase) decrease in trade receivables			
(Increase) decrease in trade receivables from related parties		25.085.536	(18.043.311)
(Increase) decrease in trade receivables from third parties		(93.927.670)	(30.994.632)
Adjustments related to (increase) decrease in inventories		(12.206.196)	(27.547.781)
Increase) decrease in prepaid expenses		8.705.936	(3.216.770)
Adjustments related to increase (decrease) in trade payables			
Increase (decrease) in trade payables to related parties		(152.817.738)	196.977.764
Increase (decrease) in trade payables to third parties		44.616.918	19.448.636
Increase (decrease) in payables related to employee benefits		9.181.079	19.449.398
Increase (decrease) in deferred income		2.284.994	(748.231)
Adjustments related to other increase (decrease) in working capital			
(Increase) decrease in other assets related to operating activities		(723.414.605)	(87.631.097)
Increase (decrease) in other liabilities related to operating activities		154.611.448	73.174.199

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2023

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

	Note	Audited Current Period 1 January- 30 September 2023	Audited Prior Period 1 January- 30 September 2022
Cash generated from operations		**(883.612.477)**	**13.368.662**
Employment benefits paid	9, 11	(31.836.263)	(20.161.955)
Payments related to other provisions	9	(145.060)	(7.256.808)
Taxes returns (payments)	17	(796.997)	(517.434)
Other cash inflows (outflows)	5	8.965.503	1.127.779
CASH FLOWS FROM INVESTING ACTIVITIES		**916.998.079**	**14.663.557**
Cash inflows from sale of tangible and intangible assets	7, 8	11.772.006	21.727.472
Cash outflows from purchase of tangible and intangible assets			
Cash outflows from purchases of tangible assets	7	(14.382.998)	(6.750.488)
Cash outflows from purchases of intangible assets	8	-	(350.625)
Cash inflows from the sale of investment property	7	919.601.400	-
Interests received		7.671	37.198
CASH FLOWS FROM FINANCING ACTIVITIES		**(22.000.210)**	**(18.651.449)**
Cash outflow from rent agreements		(5.037.664)	(5.298.095)
Interest paid	16	(16.962.546)	(13.353.354)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES		**(12.427.425)**	**(17.427.648)**
Effects of currency translation rate changes on cash and cash equivalents		13.587.000	18.714.639
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**1.159.575**	**1.286.991**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**6.191.301**	**2.490.122**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**7.350.876**	**3.777.113**

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

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 registered in Turkey. The Company operates in the fields of journalism, printing, advertising, publishing, and internet broadcasting. It has a total of 7 printing facilities located in Istanbul, Ankara, Izmir, Adana, Antalya, Trabzon, and Germany. During the year 2022, production has been halted in facilities located in Istanbul, Izmir, and Antalya provinces.

As stated in note 12, Doğan Şirketler Grubu Holding A.Ş. transferred all of its 552,000,000 registered shares, representing 77.67% of Hürriyet's issued capital, to Demirören Medya Yatırımları Ticaret A.Ş. ("Demirören Medya"), all of which were fully registered and recorded with the Central Securities Depository A.Ş. on 16 May 2018. The share transfer was completed through an extraordinary general assembly held on 6 June 2018. As a result of this transaction, Demirören Medya became the Company's main shareholder.

In addition, pursuant to the decision dated 19 November, 2018, taken by the Board of Directors, within the registered capital ceiling of 800,000,000 TL, the issued capital of the Company, which was 552,000,000 TL divided into 552,000,000 shares with a nominal value of 1.00 TL each, was increased by 40,000,000 TL (7.24%) to 592,000,000 TL, entirely through cash (paid-in capital). The capital increase was approved by the Capital Markets Board with its decision numbered 63/1446 dated 13 December 2018. The issuance document related to the capital increase was approved. The amount of 40,000,000 TL was collected in cash from Demirören Medya, and the capital increase process was completed on 21 December 2018. The transaction was registered by the Istanbul Trade Registry Office on 15 January 2019.

The ultimate shareholder of the company is the Demirören Family.

The number of employees of the Group as of 30 September 2023 is 1,383 (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 25 February 1992. In accordance with the resolution numbered 21/655 on 23 July 2010 and amendment held on 30 October 2014 of CMB; according to the records of Central Securities of Depositary of Turkey (CSD); shares representing 18,77 % as of 31 December 2023 (31 December 2022: 18,79%) of Hürriyet are accepted as "in circulation".

Within the scope of the Capital Markets Board's Communique II-26.1 on Tender Offers, the mandatory tender offer process, conducted through Ziraat Yatırım Menkul Değerler A.Ş. by Demirören Medya Yatırımları Ticaret A.Ş., the controlling shareholder of the Company, representing Hürriyet's capital, was completed between 28 January 2022, and 10 February 2022. As a result of the tender offer process, a total of 12,017,987.48 shares were acquired from 291 investors outside the stock exchange, with a total value of 88,946,447.24 TL. No shares were acquired from the stock exchange within the scope of the tender offer process.

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

NOTE 1 - THE GROUP'S ORGANIZATION AND SUBJECT OF ACTIVITY (continued)

With the completion of the buyback process, according to Central Registry Agency "CRA" records, as of 31 March 2022, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s free float is 18.79% and the Company's controlling shareholder Demirören Medya Yatırımları Ticaret A.Ş. has been 81,21%.

As of 30 September 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 aforementioned decision, the necessary application was made to the Capital Markets Board, the application was made with the permission letter of the Capital Markets Board ("CMB") dated 14.02.2022 and numbered E-29833736-110.04.04-17286 and It was approved with the permission letter of the Ministry of Commerce dated 01.03.2022 and numbered E-50035491-431.02-00072383775.

Subsidiaries

As of 30 September 2023 the Company's subsidiaries ("Subsidiaries"), their main fields of activity and geographical divisions are as follows:

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

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

Associates

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

Associates	Registered Country	Geographic segment	Subject of activities
Demirören Media International GmbH. ("Demirören Media")	Germany	Europe	Newspaper Publishing

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 30 September 2023. Therefore, TAS 29 has not been applied and no inflation adjustment has been made in the financial statements dated 30 September 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.

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

2.1 Basis of Presentation (cont'd)

2.1.2 Consolidation Principles

(a) Subsidiary

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.

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

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

2.2 Basis of Presentation (cont'd)

2.1.2 Consolidation Principles

(a) Susidiaries

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 30 September 2023 and 31 December 2022, the subsidiaries and shareholding ratios are shown below:

		Proportion of voting power held by Hürriyet and its Subsidiaries (%)		**Effective ownership interest (%)**	
	Subsidiaries	**30 September 2023**	**31 December 2022**	**30 September 2023**	**31 December 2022**
1	Hürriyet Zweigniederlassung	100,00	100,00	100,00	100,00
2	Hürriyet Invest (1)	100,00	100,00	100,00	100,00
3	TME (2)	97,29	97,29	97,29	97,29
4	SporArena	100,00	100,00	100,00	100,00
5	ID Impress Media LLC (3)	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 (4)	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 (5)	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

(1) 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.

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

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

(4) The subsidiary was liquidated as of 22 January 2022.

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

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 30 September 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 1 January 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.

The effects of the subject change has been evaluating of Group’s financial situation and performance.

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

2.1 Basis of Presentation (cont'd)

2.1.5 New and revised Turkish Financial Reporting Standards ("TFRS") (cont'd)

TAS 1 Amendments – 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 1 January 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 1 January 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.

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

2.1 Basis of Presentation (cont'd)

2.1.5 New and revised Turkish Financial Reporting Standards ("TFRS") (cont'd)

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.

b) Standards published but not yet effective and not early adopted

The new standards, interpretations and amendments published as of the approval date of the consolidated financial statements but not yet effective for the current reporting period and not early adopted by the Group are as follows. Unless 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.

The effects of the subject change has been evaluating of Group's financial situation and performance.

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

2.1 Basis of Presentation (cont'd)

2.1.5 New and revised Turkish Financial Reporting Standards ("TFRS") (cont'd)

TFRS 16 Amendments– Rent liabilities in sales and lease back

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 seller lessee. 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-lessee 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 30 September, 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 30 September 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 31 December 2022. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 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:

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.

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

2.2 Summary of Significant Accounting Policies (cont'd)

2.2.1 Revenue Recording (cont'd)

The Group's performance obligations are explained below:

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

The 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:

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.

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

<u>Classification and measurement</u>

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.

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.

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

2.2 Summary of Significant Accounting Policies (cont'd)

2.2.3 Trade Receivables and Provisions for Doubtful Receivables

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

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

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

Instead of the "realized credit losses model" in TAS 39 "Financial Instruments: Recognition and Measurement", which was in effect before 1 January 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.

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

NOTE 3 – SEGMENT REPORTING

a) Segment analysis for the accounting period from 1 January -30 September 2023;

	Türkiye	Russia and EE (*)	Europe	Total
Sales	262.374.909	-	172.451.091	434.826.000
Cost of sales (-)	(422.375.349)	-	(150.881.467)	(573.256.816)
Gross profit/(loss)	**(160.000.440)**	**-**	**21.569.624**	**(138.430.816)**
Marketing expenses (-)	(56.229.082)	-	-	(56.229.082)
Net segment result	**(216.229.522)**	**-**	**21.569.624**	**(194.659.898)**
General administrative expenses (-)				(139.057.077)
Other operating income				69.585.534
Other operating expenses (-)				(89.430.770)
Financial expenses (-)				(21.836.964)
Income from investing activities				116.948.561
Expense from investing activities (-)				(143.968.464)
Profit (loss) before tax from continuing operations				**(402.419.078)**
Tax income (expense) for the period				(730.698)
Deferred tax income (expense)				103.727.451
Profit (loss) for the period from continuing operations				**(299.422.325)**

b) 1 July- 30 September 2023 segment analysis for the interim accounting period;

	Türkiye	Russia and EE (*)	Europe	Total
Sales	101.583.741	-	70.233.979	171.817.720
Cost of sales (-)	(175.019.662)	-	(61.045.741)	(236.065.403)
Gross profit/(loss)	**(73.435.921)**	**-**	**9.188.238**	**(64.247.683)**
Marketing expenses (-)	(20.649.707)	-	-	(20.649.707)
Net segment result	**(94.085.628)**	**-**	**9.188.238**	**(84.897.390)**
General administrative expenses (-)				(45.598.062)
Other operating income				(22.480.080)
Other operating expenses (-)				(14.276.333)
Financial expenses (-)				(9.179.256)
Income from investing activities				83.513.511
Expense from investing activities (-)				(53.489)
				(92.971.099)
Profit (loss) before tax from continuing operations				
Tax income (expense) for the period				(257.091)
Deferred tax income (expense)				17.788.552
Profit (loss) for the period from continuing operations				**(75.439.638)**

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

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

NOTE 3 – SEGMENT REPORTING

c) 1 January- 30 September 2022 segment analysis for the interim accounting period;

	Türkiye	Russia and EE (*)	Europe	Total
Sales	234.670.810	1.499.345	115.485.003	351.655.158
Cost of sales (-)	(333.628.149)	(1.685.712)	(106.622.490)	(441.936.351)
Gross profit/(loss)	**(98.957.339)**	**(186.367)**	**8.862.513**	**(90.281.193)**
Marketing expenses (-)	(59.864.416)	(381)	-	(59.864.797)
Net segment result	**(158.821.755)**	**(186.748)**	**8.862.513**	**(150.145.990)**
General administrative expenses (-)				(87.755.521)
Other operating income				46.630.607
Other operating expenses (-)				(43.293.942)
Financial expenses (-)				(21.073.985)
Income from investing activities				40.585.766
Profit (loss) before tax from continuing operations				**(215.053.065)**
Tax income (expense) for the period				-
Deferred tax income (expense)				2.431.703
Profit (loss) for the period from continuing operations				**(212.621.362)**

d) 1 July- 30 September 2022 segment analysis for the interim accounting period;

	Türkiye	Russia and EE (*)	Europe	Total
Sales	78.658.093	749.808	42.250.023	121.657.924
Cost of sales (-)	(149.505.256)	(892.276)	(37.439.686)	(187.837.218)
Gross profit/(loss)	**(70.847.163)**	**(142.468)**	**4.810.337**	**(66.179.294)**
Marketing expenses (-)	(21.457.045)	(114)	-	(21.457.159)
Net segment result	**(92.304.208)**	**(142.582)**	**4.810.337**	**(87.636.453)**
General administrative expenses (-)				(39.891.920)
Other operating income				16.709.445
Other operating expenses (-)				(16.846.711)
Financial expenses (-)				(6.635.707)
Income from investing activities				38.158.915
Profit (loss) before tax				**(96.142.431)**
Tax income (expense) for the period				-
Deferred tax income (expense)				2.117.652
Profit (loss) for the period from continuing operations				**(94.024.779)**

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

NOTE 3 – SEGMENT REPORTING (cont'd)

e) Segment assets

	30 September 2023	31 December 2022
Türkiye	2.185.576.245	2.562.486.226
Russia and EE	1.062.763	9.011.280
Europe	321.230.537	205.470.691
	2.507.869.545	**2.776.968.197**
Unallocated assets	1.894.567	1.701.195
Total assets per consolidated financial statements	**2.509.764.112**	**2.778.669.392**

f) Segment liabilities

	30 September 2023	31 December 2022
Türkiye	866.352.133	889.602.611
Russia and EE	25.979.640	18.037.708
Europe	46.824.429	35.278.444
	939.156.202	**942.918.763**
Unallocated liabilities	-	-
Total liabilities per consolidated financial statements	**939.156.202**	**942.918.763**

g) Information on discontinued operations:

Suspension of digital activities in Russia and the EE region

With the decision of the Board of Directors of Pronto Media Holding, residing in Russia, the indirect subsidiary of TME, of which the Group has a 97,29% stake, on 22 November 2017; Due to the intensity of the competition in the markets where it operates and the operational performance not at the desired level, it has decided to cease the activities of the digital platforms operating within its body, With this decision, the digital operations operating within the body of Pronto Media Holding were classified as "Discontinued Operations", Provisions for "impairment" calculated due to discontinued operations are accounted for under "Discontinued Operations" in the profit or loss statement, Information on discontinued operations is disclosed in Note 18.

NOTE 4 – SHORT-TERM AND LONG-TERM BORROWINGS

As of 30 September 2023 and 31 December 2022 the details of financial liabilities are as follows:

Short-term borrowings:	**30 September 2023**	**31 December 2022**
Short-term lease liabilities	6.130.720	4.469.709
Total	**6.130.720**	**4.469.709**
Long-term borrowings:		
Long-term lease liabilities	25.152.941	18.376.003
Total	**25.152.941**	**18.376.003**

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

NOTE 5 – TRADE RECEIVABLES AND PAYABLES

As of 30 September 2023 and 31 December 2022 Short-term trade receivables net-off of unearned finance income are as follow;

Short Term Trade Receivables from Unrelated Parties:

	30 September 2023	31 December 2022
Trade receivables	189.630.835	147.630.381
Credit cards receivables	13.259	58.218
Notes receivable and cheques	254.676	
Income accurals	1.400.843	1.320.662
Unearned finance income due from term sales	(810.685)	(733.871)
Less: Provision for doubtful receivables	(95.713.787)	(92.045.464)
Total	**94.775.141**	**56.229.926**

According to a revocable factoring agreement signed with Doruk Faktoring, trade receivables resulting from advertisements, amounting to 48.546.357 TL (31 December 2022: 39,183,686 TL) are followed up by Doruk Faktoring. The Group has not transferred the risk of default of the receivables mentioned above and has continued to recognize its balance sheet, These receivables are related to commercial advertisements and classified ads. Weighted average maturity of the Group's sales followed up by Doruk Factoring is 77 days (31 December 2022: 81 days), The unearned finance income due from term sales related to the receivables followed up by Doruk Faktoring is 792.553 TL (31 December 2022: 517,951 TRY) and the compound interest rate is 21,63% per annum (31 December 2022: 21,63%).

The movements of provision for doubtful receivables are as follows:

	2023	2022
1 January	**(92.045.464)**	**(89.815.163)**
Allocated provision within the period	(1.964.479)	(1.559.443)
Collections and cancelled provisions during the period	8.965.503	1.127.779
Sell of subsidiary	-	7.111.676
Currency translation differences	(10.669.347)	(8.512.105)
30 September	**(95.713.787)**	**(91.647.256)**

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

NOTE 5- TRADE RECEIVABLES AND PAYABLES (cont')

Short-term trade payables to third parties:

As of 30 September 2023 and 31 December 2022 trade payables are as follow;

	30 September 2023	31 December 2022
Short-term trade payables and notes payable	135.021.868	90.498.390
Expense accruals	7.023.620	5.703.186
Unrealized financial expenses due to term purchases	(2.121.835)	(894.841)
Total	**139.923.653**	**95.306.735**

As of 30 September 2023, average turnover date of Group's trade payables is 38 days (December 31, 2022: 47 days), As of 30 September 2023, unrealized financial expenses due to term purchases 2.023.348 TL (31 December 2022: 894,841 TL) 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 Turkey.

NOTE 6- INVESTMENT PROPERTIES

As of 30 September 2023 and 2022 the movements in investment property are as follow;

	Lands	Buildings	Total
1 January 2023	**1.385.806.074**	**383.738.752**	**1.769.544.826**
Additions	-	-	-
Disposal	(844.203.280)	(219.296.720)	(1.063.500.000)
Change in fair value adjustment	-	-	-
30 September 2023	**541.602.794**	**164.442.032**	**706.044.826**

	Lands	Buildings	Total
1 January 2022	**221.509.404**	**67.792.151**	**289.301.555**
Additions	-	-	-
Disposal	-	-	-
Change in fair value adjustment	-	-	-
30 September 2022	**221.509.404**	**67.792.151**	**289.301.555**

As of 30 September 2023, there is a mortgage amounting to TL 156.389.678 on investment properties. (December 31, 2022: 241.557.092 TL).

The Group's rent income from investment properties amounted to 5.608.715 TL as of 30 September 2023 (30 September 2022: 6.360.226 TL) (Note 14), The Group's direct operating expenses arising from the investment properties in the period amounted to 69.879 TL (30 September 2022: 57.811 TL)

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

NOTE 6- INVESTMENT PROPERTIES (cont'd)

As of 30 September 2023 and 31 December 2022 the information and fair value hierarchy level classification of lands and buildings are as follows:

		Fair value as of reporting date		
	30 September 2023	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Land	541.602.794	-	541.602.794	-
Building	164.442.032	-	164.442.032	-

		Fair value as of reporting date		
	31 December 2022	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Land	1.385.806.074	-	1.385.806.074	-
Building	383.738.752	-	383.738.752	-

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

NOTE 7- PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and related accumulated depreciation for the period ended 30 September 2023 are as follows:

	1 January 2022	Currency Transition Differences	Additions	Disposals	30 September 2023
Cost		**Currency**			
Land and land improvements	430.015.981	24.032.849	-	-	454.048.830
Buildings	233.925.871	33.633.255	486.321	-	268.045.447
Machinery and equipment	962.494.308	212.492.314	46.938	(312.046.282)	862.987.278
Motor vehicles	920.142	-	-	-	920.142
Furniture and fixtures	57.346.814	4.550.325	5.293.893	(3.332.662)	63.858.370
Special costs	22.284.480	-	899.770	(634)	23.183.616
Leasehold improvements	25.547.571	-	7.656.076	(1.304.186)	31.899.461
Other tangible assets	13.767.975	6.298.456	-	-	20.066.431
Ongoing investments	24.718	-	-	-	24.718
	1.746.327.860	**281.007.199**	**14.382.998**	**(316.683.764)**	**1.725.034.293**
Accumulated amortization					
Machinery and equipment	(952.525.079)	(210.357.508)	(2.065.742)	310.354.294	(854.594.035)
Motor vehicles	(920.139)	-	-	-	(920.139)
Furniture and fixtures	(50.656.436)	(4.182.394)	(2.787.218)	3.332.662	(54.293.386)
Special costs	(14.558.554)	-	(904.397)	634	(15.462.317)
Leasehold improvements	(7.411.026)	-	(3.930.121)	604.668	(10.736.479)
Other tangible assets	(13.283.602)	(6.184.649)	(593.012)	-	(20.061.263)
	(1.039.354.836)	**(220.724.551)**	**(10.280.490)**	**314.292.258**	**(956.067.619)**
Net book value	**706.973.024**				**768.966.674**

As of 30 September 2023 there are mortgages on land and building classified under property, plant and equipment amounting to 158,610,322 TL (December 31, 2022: 73,442,908 TL).

For the period ending on 30 September 2023, depreciation expenses amounting to 6.414.799 TL are included in the cost of goods sold (Note 13) (30 September 2022: 5.626.163 TL) and 3.865.691 TL in marketing and general administrative expenses (30 September 2022: 4.723.912 TL).

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

NOTE 7- PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	1 January 2022	Currency Differences transition	Additions	Disposals	Sales of subsidiary	30 September 2022
Cost						
Land and land improvements	521.212.404	8.580.264	-	-	-	529.792.668
Buildings	204.921.153	11.984.038	62.498	-	-	216.967.689
Machinery and equipment	838.732.364	75.616.690	870.152	(5.734)	(57.648)	915.155.824
Motor vehicles	920.142	-	-	-	-	920.142
Furniture and fixtures	51.564.451	1.629.375	3.442.783	(339.986)	(1.575.313)	54.721.310
Special costs	22.764.759	-	212.501	-	(740.203)	22.237.057
Leasehold improvements	53.395.380	-	2.162.554	(34.352.309)	-	21.205.625
Other tangible assets	10.130.692	2.244.235	-	-	-	12.374.927
Ongoing investments	24.718	24.368	-	(24.368)	-	24.718
	1.703.666.063	**100.078.970**	**6.750.488**	**(34.722.397)**	**(2.373.164)**	**1.773.399.960**
Accumulated amortization						
Machinery and equipment	(827.711.262)	(74.705.781)	(3.068.684)	5.732	57.648	(905.422.347)
Motor vehicles	(920.139)	-	-	-	-	(920.139)
Furniture and fixtures	(48.033.427)	(1.597.387)	(1.327.829)	296.388	1.523.052	(49.139.203)
Special costs	(13.743.017)	-	(1.271.532)	-	734.182	(14.280.367)
Leasehold improvements	(14.037.205)	-	(4.062.784)	12.692.805	-	(5.407.184)
Other tangible assets	(9.064.743)	(2.041.553)	(619.246)	-	-	(11.725.542)
	(913.509.793)	**(78.344.721)**	**(10.350.075)**	**12.994.925**	**2.314.882**	**(986.894.782)**
Net book value	**790.156.270**					**786.505.178**

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

NOTE 8- INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization for the period ended 30 September 2023 are as follows:

	1 January 2023	Currency Differences transition	Additions	Disposals	30 September 2023
Cost					
Trade names and licenses	109.918.833	35.899.544	-	(18.761.000)	127.057.377
Customer list	944.426.195	397.772.684	-	-	1.342.198.879
Computer software and rights	256.153.652	104.980.890	-	-	361.134.542
Internet domain names	7.467.610	-	-	-	7.467.610
Other intangible assets	15.627.293	-	-	-	15.627.293
	1.333.593.583	**538.653.118**	**-**	**(18.761.000)**	**1.853.485.701**
Accumulated amortization					
Trade names and licenses	(102.822.569)	(34.323.424)	(25.139)	9.380.500	(127.790.632)
Customer list	(944.426.190)	(397.772.689)	-	-	(1.342.198.879)
Computer software and rights	(254.385.763)	(104.933.215)	(790.137)	-	(360.109.115)
Internet domain names	(7.467.610)	-	-	-	(7.467.610)
Other intangible assets	(10.693.101)	-	(551.641)	-	(11.244.742)
	(1.319.795.233)	**(537.029.328)**	**(1.366.917)**	**9.380.500**	**(1.848.810.978)**
Net book value	**13.798.350**				**4.674.723**

Amortization expenses amounting to 852.926 TL for the period ended 30 September 2023 are included in the cost of goods sold (Note 13) (30 September 2022: 1.014.293 TL) and 513.991 TL in marketing and general administrative expenses (30 September 2022: : 851.634 TL).

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

NOTE 8- INTANGIBLE ASSETS (cont'd)

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

	1 January 2022	Currency Differences transition	Additions	Disposals	Sales of subsidiary	30 September 2022
Cost						
Trade names and licenses	83.332.962	25.681.985	-	-	-	109.014.947
Customer list	682.161.234	253.353.596	-	-	-	935.514.830
Computer software and rights	187.962.747	66.806.436	350.625	-	(1.322.488)	253.797.320
Internet domain names	7.467.610	-	-	-	-	7.467.610
Other intangible assets	16.598.913	-	-	-	(971.620)	15.627.293
	977.523.466	**345.842.017**	**350.625**	**-**	**(2.294.108)**	**1.321.422.000**
Accumulated amortization						
Trade names and licenses	(78.342.045)	(23.342.052)	(305.612)	-	-	(101.989.709)
Customer list	(682.161.234)	(253.353.596)	-	-	-	(935.514.830)
Computer software and rights	(184.846.907)	(66.803.999)	(1.185.346)	-	1.198.376	(251.637.876)
Internet domain names	(7.467.610)	-	-	-	-	(7.467.610)
Other intangible assets	(11.102.916)	-	(374.969)	-	975.175	(10.502.710)
	(963.920.712)	**(343.499.647)**	**(1.865.927)**	**-**	**2.173.551**	**(1.307.112.735)**
Net book value	**13.602.754**					**14.309.265**

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

NOTE 9- PROVISIONS, CONTINGENCIES AND LIABILITIES

As of 30 September 2023 and 31 December 2022 short-term provisions are as follows:

Short-term provision for Employee Benefits:

Provision for unused leave rights

	30 September 2023	31 December 2022
Provision for unused leave rights	75.842.493	60.126.102
Total	**75.842.493**	**60.126.102**

The movements of the provision for unused vacation rights in the interim accounting periods ending on 30 September 2023 and 2022 are as follow;

	2023	2022
1 January	**60.126.102**	**43.561.603**
Additions during the period	23.069.020	23.231.159
Payments related to provisions	(7.812.545)	(2.763.326)
Sales of subsidiary	-	(547.933)
Currency translation differences	459.916	313.324
30 September	**75.842.493**	**63.794.827**

Other short-term provisions:

Provisions for lawsuit and compensation

Provisions:	30 September 2023	31 December 2022
Provisions for lawsuit and compensation	19.799.162	22.980.372
Total	**19.799.162**	**22.980.372**

The lawsuits against the Group are amounted to 19.112.554 TL' (31 December 2022: 18,660,715 TRY). This amount represents the sum of the amounts at the time the lawsuits were filed, and there may be an increase in the risk amounts related to the cases during the court process. 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 30 September 2023, the Group has set a provision of 19.799.162 TL for lawsuits (31 December 2022: 22,980,372 TL) but not sure about the payment maturity for the litigation.

As of 30 September 2023 and 31 December 2022 ongoing lawsuits against the Group are as follows:

	30 September 2023	31 December 2022
Legal lawsuits	11.548.235	6.491.732
Labor lawsuits	6.938.319	11.542.983
Commercial lawsuits	626.000	626.000
Total	**19.112.554**	**18.660.715**

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

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 30 September 2023 and 2022 are as follows:

	2023	2022
1 January	**22.980.372**	**18.481.397**
Additions during the period	1.801.245	7.774.065
Payments related to provisions and compensation	(145.060)	(7.256.808)
Provision reversed	(5.195.985)	(1.220.511)
Decrease related to sales of subsidiary	-	(359.061)
Currency translation differences	358.590	228.346
30 September	**19.799.162**	**17.647.428**

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 16 May 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 TL 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. The Group has 1.274.358 TL amounted receivables as of 30 September 2023 which were invoiced and recognized to financial statements but not yet goods or services were received (31 December 2022: 1,988,666 TL).

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

NOTE 10- COMMITMENTS (cont'd)

The Group's collaterals/pledge/mortgage ("CPM") position as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023		31 December 2022	
	Foreign Currency	TL Equivalent	Foreign Currency	TL Equivalent
A. CPM's given in the name of its own legal personality				
-Collaterals				
TRY	464.938	464.938	464.938	464.938
Russian Rouble	-	-	-	-
-Warranty notes				
TRY	203.937	203.937	203.937	203.937
Euro	25.000	725.763	25.000	498.373
US Dollar	1.250.000	34.220.875	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	-	-	-	-
TL (*)	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				
TL	-	-	-	-
iii) Total amount of CPM's given in favor of third parties that are not within the scope of article C	-	-	-	-
Total		**350.615.513**		**339.540.123**

The ratio of other CPMs given by the Group to the Group's equity is 19% as of 30 September 2023 (31 December 2022: 17%).

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

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

NOTE 11- PROVISION FOR EMPLOYEE BENEFITS

Provision long-term provisions for employment termination benefits as of 30 September 2023 and 31 December 2022 are as follow;

Long-term provisions for employment termination benefits

	30 September 2023	31 December 2022
Provision for employment termination benefits	89.997.327	71.413.908
Total	**89.997.327**	**71.413.908**

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

According to the Turkish Labor Law, the Group is obliged to pay severance pay to employees who are terminated without cause, called up for military service, deceased, disabled, retired, or reached retirement age, provided they complete one year of service. As of September 30, 2023, the severance pay to be paid is capped at 19,982.83 TRY per month for each year of service (31 December 2022: 15,371.40 TRY). The calculation of the Group's severance pay provision takes into account the ceiling amount of 19,982.83 TRY in effect on 30 September 2023 (31 December 2022: 15,371.40 TRY in effect on 31 December 2022).

On the other hand, according to the Law on the Regulation of Relations Among Those Employed in the Press Profession, the Group is obliged to pay severance pay to any of its personnel subject to this law and who has worked in the journalism profession for at least 5 years in case of termination of the employment contract for any reason. The severance pay to be paid is limited to the amount of the gross salary for 30 days for each year worked. The obligation to pay severance pay is not subject to any funding, and there is no legal requirement for any funding.

The provision for severance pay is calculated based on the present value estimate of the Group's potential future obligation arising from employees' retirement. "Employee Benefits" ("TAS 19") anticipates the development of actuarial valuation methods to estimate the Group's severance pay provision. Accordingly, the assumptions used in calculating the total obligation are based on the report prepared by the actuarial firm:

The main assumption is that the maximum liability amount for each year of service will increase parallel to inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects. As of 30 September 2023, the provisions in the attached financial statements are calculated by estimating the present value of the potential obligation arising from employees' retirement.

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

NOTE 11- PROVISION FOR EMPLOYEE BENEFITS

Long-term provisions for employment termination benefits (cont'd);

Age of retirement is based on considering the Company's historical operating data and taken as the average age of retirement from the Group.

The movements in provision for employment termination benefits during the periods ended at 30 September 2023 and 2022 are as follows:

	2023	2022
1 January	**71.413.908**	**58.177.148**
Service cost during the period	38.941.049	25.505.698
Interest cost during the period	3.666.088	476.579
Payments and reversal of provisions during the period	(24.023.718)	(17.398.629)
Decrease related to sales of subsidiary	-	(482.839)
30 September	**89.997.327**	**66.277.957**

NOTE 12- EQUITY

The Company adopted the registered share capital system and set a ceiling on its registered share capital representing registered type shares with a nominal value of 1 TRY. There are no privileged shares, The Company's historical authorized and paid-in share capital at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Registered share capital	800.000.000	800.000.000
Paid-in share capital	592.000.000	592.000.000

The Companies in Turkey may exceed the limit for registered share capital in case of issuance of free capital shares to existing shareholders.

Dogan Şirketler Grubu Holding A.Ş on May 16, 2018, transferred all 552,000,000 registered shares, representing 77.67% of the issued capital of Hurriyet, to Demiroren Medya, all of which were registered in the Merkezi Güvelik Kuruluşu A.Ş. The transfer of shares was completed through an extraordinary general assembly held on June 6, 2018. As a result of this transaction, Demiroren Media became the ultimate majority shareholder, and the Demiroren Family became the ultimate joint shareholders of the Company.

In addition, based on the decision of the Board of Directors dated November 19, 2018, within the registered capital ceiling of 800,000,000 TL, the issued capital of 552,000,000 TL, divided into 552,000,000 shares with a nominal value of 1.00 TL each, was increased by 40,000,000 TL (7.24%) in cash through a capital increase, bringing the total to 592,000,000 TL. The capital increase was approved by the Capital Markets Board with its decision numbered 63/1446 dated December 13, 2018. The amount of 40,000,000 TL was collected in cash from Demiroren Media, and the capital increase process was completed on December 21, 2018, and registered by the Istanbul Trade Registry Office on January 15, 2019.

Under the Capital Markets Board's Communique on Tender Offers under II-26.1, Demiroren Medya Investments Trade Inc., the controlling shareholder of the Company through Ziraat Investment Securities Inc., completed a mandatory tender offer process for the publicly held shares representing Hurriyet's capital between January 28, 2022, and February 10, 2022. As a result of the tender offer, a total of 12,017,987.48 shares were acquired from 291 investors outside the stock exchange, with a total value of 88,946,447.24 TL. No shares were acquired from the stock exchange as part of the tender offer process.

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

NOTE 12- EQUITY (cont'd)

With the completion of the buyback process, according to MKK records, as of March 31, 2022, Hürriyet Gazetecilik ve Matbaacılık A.Ş.'s free float is 18,79% and the share of Company's controlling shareholder, Demirören Medya Yatırımları Ticaret A.Ş., has been 81,21%.

The Board of Directors of the Company decided on 27,01,2022 to extend the current Registered Capital Ceiling period of the Company for another 5 (five) years, starting from 2022, including 2026, As a result of the said decision, the necessary application was made to the Capital Markets Board and the application was made with the permission letter of the Capital Markets Board ("CMB") dated 14,02,2022 and numbered E-29833736-110,04,04-17286 and the permission letter of Trade Ministry of Turkey dated 01,03,2022 and numbered E-50035491-431,02-00072383775, As a result of the mentioned approval, an amendment to the Company's Articles of Association was presented to the shareholders for approval at the General Assembly Meeting held on March 31, 2022, and it was accepted.

Shareholders	30 September 2023	Share (%)	31 December 2022	Share (%)
Demirören Medya	480.780.776	81,21	480.750.776	81,21
Other shareholders (BİAŞ) and other shareholders	111.219.224	18,79	111.249.224	18,79
Issued share capital	**592.000.000**	**100,00**	**592.000.000**	**100,00**
Issued share capital	77.096.295		77.096.295	
Total	**669.096.295**	**100,00**	**669.096.295**	**100,00**

In accordance with the Capital Markets Board's (the "CMB") Resolution No: 31/1059 October 30, 2014 and Resolution No, 21/655 issued on July 23, 2010, it is regarded that 18,77% of the shares are in circulaton in accordance with CSD as of June 30, 2022 (December 31, 2022: 18,79%) (Note 1).

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 Will not be Reclassified to Profit or Loss

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

	30 September 2023	31 December 2022
Property, plant and equipment revaluation increases (decreases)	830.191.832	1.341.312.238
Defined benefit plans remeasurement gains (losses)	(32.010.303)	(32.010.303)
Total	**798.181.529**	**1.309.301.935**

Accordingly, the Group has accounted for the fair value increase amounting to 830,191,832 TRY which occurred in the 30 September 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 30 September 2023.

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

NOTE 12- EQUITY (cont'd)

Other Accumulated Comprehensive Income and Expenses to Will not be Reclassified to Profit or Loss (cont'd)

In the interim accounting period from 1 January-30 September 2023, a valuation report has not been received for the mentioned tangible assets.

The provision for employment termination benefits is calculated by estimating the present value of the Group's probable future obligation arising from the retirement of employees. The Group has accounted for all actuarial losses and gains related to employment termination benefits in the other comprehensive income statement. Measurement losses shown under equity in the balance sheet as revaluation measurement difference is 32,010,303 TRY (31 December 2022: 32,010,303 TRY).

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

	30 September 2023	31 December 2022
Foreign currency conversion differences	173.021.982	118.945.188
Total	**173.021.982**	**118.945.188**

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 30 September 2023 (31 December 2022: 117,176,268 TRY) consist of legal reserves and gain on sale of real estate and affiliates and R&D incentive grant.

	30 September 2023	31 December 2022
Gain on sale of real estate (1)	56.728.014	56.728.014
General legal reserves	59.265.973	59.265.973
Gain on sale of subsidiary	683.990	683.990
R&D incentive grant	498.291	498.291
Total	**117.176.268**	**117.176.268**

(1) As a result of the sales of the lands in İzmir Gaziemir and Esenyurt in 2014, the sale of real estate in Ankara Cinnah in 2016, the sale of land in Muğla Milas, Bağcılar and Trabzon Warehouse in 2017 by the Group management, the total amount of 86,647,154 TRY in the legal records. It has been decided that the portion of 56,728,014 TL, which is the portion of the real estate sales profits benefiting from the exemption in Article 5-1/e of the Corporate Tax Law, will not be subject to profit distribution in accordance with the Tax Legislation, Capital Market Legislation and other relevant financial legislation, and will be taken into a special fund account in liabilities.

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

NOTE 12- EQUITY (cont'd)

Dividend distribution

Grup, Turkish Commercial Code (TCC), Capital Markets Board (CMB), Regulations and Decisions, Tax Laws, relevant other legal regulations, and the Articles of Association, and decisions of the General Assembly, takes decisions on profit distribution and distributes profits accordingly. The principles of profit distribution are determined by the Profit Distribution Policy.

On the other hand,

a) In first adoption of TAS, 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- REVENUE AND COST OF SALES

Revenue

The detail of revenues for the years ended 30 September 2023 and 2022 are as follow;

	1 January - 30 September 2023	**1 July - 30 September 2023**	**1 January - 30 September 2022**	**1 July - 30 September 2022**
Advertising revenue	151.576.632	58.863.574	115.407.363	35.261.050
Circulation and publishing sales	256.518.348	104.243.323	204.612.884	75.011.114
Other	26.731.020	8.710.823	31.634.911	11.385.760
Net sales	**434.826.000**	**171.817.720**	**351.655.158**	**121.657.924**
Cost of sales (-)	(573.256.816)	(236.065.403)	(441.936.351)	(187.837.218)
Gross profit (loss)	**(138.430.816)**	**(64.247.683)**	**(90.281.193)**	**(66.179.294)**

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

NOTE 13- REVENUE AND COST OF SALES (cont'd)

Revenue (cont'd)

	Printing Media 1 January- 30 September 2023	Digital Media 1 January- 30 September 2023	Printing Media 1 January- 30 September 2022	Digital Media 1 January- 30 September 2022
Domestic	197.522.006	64.852.905	179.095.594	55.575.216
Foreign	172.451.089	-	115.485.003	1.499.345
Total revenue	**369.973.095**	**64.852.905**	**294.580.597**	**57.074.561**
Performance Obligations				
Circulation sales	241.386.854	-	159.365.166	-
Subcontracted printing sales	15.131.494	-	45.247.718	-
Advertising sales	86.723.727	64.852.905	58.332.802	57.074.561
Other sales	26.731.020	-	31.634.911	-
	369.973.095	**64.852.905**	**294.580.597**	**57.074.561**
Fulfillment of the performance obligations				
In time	283.249.368	-	236.247.795	-
At a specific moment in time	86.723.727	64.852.905	58.332.802	57.074.561
	369.973.095	**64.852.905**	**294.580.597**	**57.074.561**

Cost of Sales

The details of cost of sales for the periods ended 30 September 2023 and 2022 are as follows:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Raw material	(185.243.223)	(71.183.383)	(174.339.385)	(66.648.592)
Paper	*(96.374.611)*	*(32.426.125)*	*(83.082.485)*	*(31.942.853)*
Printing and ink	*(39.059.509)*	*(16.575.322)*	*(49.244.414)*	*(19.842.210)*
Other	*(49.809.103)*	*(22.181.936)*	*(42.012.486)*	*(14.863.529)*
Personnel expenses	(296.423.499)	(130.447.281)	(210.726.007)	*(97.967.139)*
Depreciation Expenses (Note 8,9)	(7.267.725)	(3.563.558)	(6.640.456)	*(2.030.752)*
Agency expenses	(12.109.133)	(3.579.475)	(8.411.539)	*(2.898.751)*
Distribution, storage and travel expenses	(13.613.066)	(5.491.008)	(7.390.269)	*(2.833.474)*
Fuel, electricity, water and office Expenses	(7.105.002)	(2.608.347)	(20.329.887)	*(10.301.374)*
Outsourced services	(37.390.557)	(13.821.368)	(4.242.441)	*(1.414.451)*
Communication expenses	(3.547.486)	(1.274.984)	(2.344.158)	*(832.012)*
Maintenance and repair expenses	(2.136.172)	(847.496)	(3.641.723)	*(1.358.133)*
Rent Expenses	(8.229.660)	(3.152.040)	(2.140.183)	*(1.235.498)*
Packaging expenses	(189.606)	(95.955)	(556.263)	(180.731)
Other	(1.687)	(508)	(1.174.040)	(136.311)
Total	**(573.256.816)**	**(236.065.403)**	**(441.936.351)**	**(187.837.218)**

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

NOTE 14- INCOME FROM INVESTING ACTIVITIES

The details of income from investing activities for the interim periods ended 30 September 2023 and 2022 are as follow;

	1 January - 30 September 2023	1 July- 30 September 2023	1 January - 30 September 2022	1 July- 30 September 2022
Gains on sale of tangible assets and investment properties	111.339.846	26.846.361	194.936	99.323
Rent income (Note 7)	5.608.715	837.766	6.360.226	4.028.988
Profit of sale of subsidiary (Note 20)	-	-	34.030.604	34.030.604
Total	**61.119.177**	**27.684.127**	**40.585.766**	**38.158.915**

NOTE 15- EXPENSES FROM INVESTING ACTIVITIES

The details of expenses from investing activities for the interim periods ended 30 September 2023 and 2022 are as follow;

	1 January - 30 September 2023	1 July- 30 September 2023	1 January - 30 September 2022	1 July- 30 September 2022
Losses from tangible fix assests And investment properties	(143.898.600)	-	-	-
Impairment expenses of investment properties (Note 7)	(69.864)	(53.489)	-	-
Total	**(143.968.464)**	**(53.489)**	-	-

NOTE 16- FINANCIAL INCOME (EXPENSES)

Financing expenses for the interim accounting periods ending on 30 September 2023 and 2022 are as follows:

	1 January - 30 September 2023	1 July- 30 September 2023	1 January - 30 September 2022	1 July- 30 September 2022
Interest expense	(16.962.546)	(6.816.665)	(13.353.354)	(3.139.938)
Loan commission, bank costs and factoring expense	(4.385.352)	(2.186.778)	(667.775)	(443.743)
Foreign exchange income/(losses), net	(468.172)	(167.334)	(370.228)	(3.406)
Delay interest expense	-	-	(6.673.260)	(3.045.390)
Other	(20.894)	(8.479)	(9.368)	(3.230)
Total	**(21.836.964)**	**(9.179.256)**	**(21.073.985)**	**(6.635.707)**

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

NOTE 17- INCOME TAXES

Liabilities related to current period tax:

	30 September 2023	31 December 2022
Corporate and income tax payable	730.698	796.997
Less: Prepaid taxes	-	-
Current profit income tax liabilities	**730.698**	**796.997**

The company and its subsidiaries within the scope of consolidation are subject to the tax legislation and practices of the countries in which they operate.

The corporate tax rate in Turkey is 25% (2022: %23). Corporate tax is declared until the evening of the last day of the fourth month following the end of the relevant year and is paid until the end of the relevant month. Income earned on a quarterly basis, in accordance with tax regulations, is subject to a 25% provisional tax, and the amounts paid in this manner are offset against the annual calculated tax on earnings.

Companies calculate and pay a temporary tax at a rate of 25% based on their quarterly financial profits. They declare and pay this tax by the 17th day of the second month following the respective quarter, by the evening of the 17th day. Temporary tax paid throughout the year is offset against the corporate tax calculated on the corporate tax return for that year, which is filed in the following year. If there is an excess amount of temporarily paid tax even after offsetting, this amount can be refunded in cash or used to offset any other financial debt owed 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 30 September 2023 and 31 December 2022, the tax amounts to be paid are netted for each Subsidiary and are classified separately in the consolidated financial statements.

As of 30 September 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:

Country	Tax Rate(%)
Germany	28
Belarussian	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.

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

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.

	30 September 2023	31 December 2022
Deferred tax liabilities	(113.416.110)	(206.107.673)
Deferred tax assets	128.878	117.418
Deferred tax liabilities, net	**(113.287.232)**	**(205.990.255)**

The temporary differences and deferred tax assets/(liabilities) using the enacted tax rates as of 30 September 2023 and 31 December 2022 are as follows:

	Accumulated Temporary Differences		Deferred tax Assets / (liability)	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Provision for employee termination benefits and unused vacation right	164.678.536	130.771.301	40.012.335	26.154.261
Difference between tax base an carrying value of trade receivables	32.355.658	32.213.783	8.053.233	6.442.757
Leasing Transactions Classification Difference (TFRS 16)	10.594.154	5.184.226	2.648.539	1.036.845
Difference between tangible fixed assets and Intangible fixed assets and tax assetsments With carrying value of investment property	(1.501.373.886)	(2.218.752.929)	(179.726.348)	(242.207.888)
Other, net	63.391.744	12.918.140	15.725.009	2.583.770
Total	**(1.230.353.794)**	**(2.037.665.479)**	**(113.287.232)**	**(205.990.255)**

As of 30 September 2023, carryforward tax losses for which deferred tax asset was not recognized amounted to 649,677,705 TL (31 December 2022: 649,677,705 TRY).

The net tax income/(expense) for the interim periods ending on September 30, 2023, and 2022 is summarized below:

	1 January - 30 September 2023	1 January - 30 September 2022
Current tax income/(expense)	(730.698)	-
Deferred tax income/(expense)	103.727.451	2.431.703
Total	**102.996.753**	**2.431.703**

NOTE 18- ASSETS CLASSIFIED AS HELD FOR SALE AND DISCOUNTINUE 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.

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

NOTE 19 - RELATED PARTY DISCLOSURES

i) Balances of related parties:

a) Short-term trade receivables from related parties:

	30 September 2023	31 December 2022
Trade receivables from related parties		
Milliyet Gazetecilik Yayıncılık A.Ş.	32.713.255	39.593.908
Demirören Reklam ve Yatırım A. Ş.	13.039.162	9.956.946
Demirören Yayıncılık ve Gazetecilik A. Ş.	13.017.796	33.872.425
Other	2.094.798	2.527.268
	60.865.011	**85.950.547**

b) Short term payables to related parties:

	30 September 2023	31 December 2022
Trade payables to related parties		
Vatan Gazetecilik A.Ş.	11.372.383	-
Demıroren Ajansı A.S	10.823.646	4.380.560
Yenibiriş İnsan Kaynakları Hizmetleri Danışmanlık ve Yayıncılık A.Ş.	8.172.361	8.023.974
Opal Televizyon ve Radyo Yayıncılık A. Ş.	7.090.981	-
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A. Ş.	2.734.940	2.722.249
Andromeda TV Dijital Platform Hizmetleri A.Ş.	1.579.786	3.346.902
Other	113.151	186.925
	41.887.248	**18.660.610**

c) Other receivables from related parties:

	30 September 2023	31 December 2022
Other short-term receivables from related parties		
Demirören Medya Yatırımları A.Ş.	488.736.487	-
Demirören TV Radyo Yayıncılık Yapım	173.764.101	-
Demirören Media International GmbH	119.730.488	62.258.453
	782.231.076	**62.258.453**

d) Other payables to related parties:

	30 September 2022	31 December 2022
Other short-term payables to related parties		
Demirören TV Radyo Yayıncılık Yapımcılık A. Ş.	-	176.044.376
	-	**176.044.376**

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

NOTE 19- RELATED PARTY DISCLOSURES (cont'd)

ii) Significant transactions with related parties:

Transactions in related parties for the periods ended 30 September 2023 and 2022 are as follows:

a) Significant service and product sales to related parties:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Demirören Reklam ve Yatırım A.Ş.	31.785.018	20.074.031	25.056.294	13.589.944
Demirören Yayıncılık ve Gazetecilik A.Ş.	6.827.188	3.450.770	19.779.358	10.369.731
Andromeda TV Dijital Platform Hizmetleri A.Ş.	4.897.099	2.298.370	1.640	1.640
Milliyet Gazetecilik Yayıncılık A.Ş.	1.924.382	977.663	7.813.988	3.854.875
Taksim Gayrimenkul Yatırımı Geliştirme ve İşl. A.Ş	-	-	5.523.145	2.777.584
Other	2.054.878	529.783	1.288.926	69.817
	47.488.565	**27.330.617**	**59.463.351**	**30.663.591**

b) Significant service and product purchases from related parties:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Demirören Medya Yatırımları A.Ş.	60.978.737	22.215.820	2.419.847	786.915
Vatan Gazetecilik A. Ş.	12.113.641	5.612.963	18.132	18.132
Andromeda TV Dijital Platform Hizmetleri A.Ş.	11.917.605	3.470.006	1.135.680	50.989
Demirören Ajansı A.Ş	9.191.552	3.331.453	41.784.641	15.731.760
Demirören Reklam ve Yatırım A.Ş.	4.121.278	2.085.742	4.914.784	3.520.408
Demirören TV Radyo Yayıncılık Yapımcılık A.Ş.	1.468.463	111.997	298.643	190.405
Milliyet Gazetecilik Yayıncılık A.Ş.	1.018.825	764.791	1.834.708	213.000
Demirören Yayıncılık ve Gazetecilik A.Ş.	1.006.130	718.526	5.523.145	-
Demirören Teknoloji A.Ş.	92.461	39.912	1.502.574	3.783
Demirören Media International GmbH	-	-	5.011.086	1.663.565
Other	11.373.003	6.790.817	1.017.347	202.118
	113.281.695	**45.142.027**	**65.460.587**	**22.381.075**

c) Other income from related parties:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Demirören Medya Yatırımları A.Ş.	351.517.508	337.859.640	-	-
Demirören Televizyon Yayıncılığı A.Ş.	26.220.796	25.986.425	258.859	135.827
Demirören TV Radyo Yayıncılık Yapımcılık A.Ş.	20.204.795	14.509.562	1.149.241	894.139
Milliyet Gazetecilik Yayıncılık A.Ş.	9.109.671	6.485.911	3.018.008	1.254.460
Andromeda TV Dijital Platform Hizmetleri A.Ş.	9.020.729	9.008.017	291.039	-
Demirören Ajansı A.Ş	8.216.586	7.212.322	-	-
Demirören Yayıncılık ve Gazetecilik A.Ş.	5.666.639	4.840.445	706.780	534.803
Other	10.419.028	6.146.829	968.162	284.004
	440.375.752	**412.049.151**	**6.392.089**	**3.103.233**

As of 30 September 2023, the total reflected amount for shared expenses such as personnel salaries and building costs billed to related parties is 236,250,925 TL (30 September 2022: 154.157.743 TL). Due to being reconciled with relevant expense accounts, this has not been presented in the consolidated financial statements and transactions with related parties.

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

NOTE 19- RELATED PARTY DISCLOSURES (cont'd)

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

Financial expenses:	**1 January - 30 September 2023**	**1 July - 30 September 2023**	**1 January - 30 September 2022**	**1 July - 30 September 2022**
Demirören Medya Yatırımları A.Ş.	1.919.381	964.794	3.238.809	635.076
Demirören Ajansı A.Ş.	666.421	320.399	-	-
Other	362.115	299.192	258.340	228.163
	2.947.917	**1.584.385**	**3.497.149**	**863.239**

iii) Key Management Personnel:

	1 January - 30 September 2023	**1 July - 30 September 2023**	**1 January - 30 September 2022**	**1 July - 30 September 2022**
Salaries and other short-term benefits	8.338.993	3.401.683	4.471.430	1.790.957
	8.338.993	**3.401.683**	**4.471.430**	**1.790.957**

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

21.1 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 TL. 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.

TL equivalents of assets and liabilities denominated in foreign currencies as of 30 September 2023 and 31 December 2022 are as follow:

(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)

	30 September 2023	31 December 2022
Assets	75.992.055	48.468.542
Liabilities	(10.792.758)	(10.840.310)
Net foreign currency position	**65.199.297**	**37.628.232**

As of September 30, 2023, the foreign currency balances on the assets and liabilities are translated at the following exchange rates: 25.8231 TRY = 1 US Dollar and 28.1540 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 30 September 2023 and December 31, 2022. The carrying amount of foreign currency denominated assets and liabilities of the Group are as follows:

30 September 2023	**TL Equivalent**	**USD**	**Euro**	**Other**
1. Trade receivables	3.908.196	29.559	106.748	-
2a. Monetary Financial Assets	-	-	-	-
(Cash. Banks included)	170.288	6.050	16	4.214
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	71.913.571	-	2.477.173	-
4. Current Assets (1+2+3)	**75.992.055**	**35.609**	**2.583.937**	**4.214**
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**75.992.055**	**35.609**	**2.583.937**	**4.214**
10. Trade Payables	10.792.758	279.047	108.622	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Short-term Liabilities (10+11+12)	**10.792.758**	**279.047**	**108.622**	**-**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-
17. Long-term Liabilities (14+15+16)	**-**	**-**	**-**	**-**
18. Total Liabilities (13+17)	**10.792.758**	**279.047**	**108.622**	**-**
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19a. Off-balance active sheet foreign	-	-	-	-
currency derivative instruments	-	-	-	-
19b. Off-balance passive sheet foreign	-	-	-	-
currency derivative instruments	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	**65.199.297**	**(243.438)**	**2.475.315**	**4.214**
21. Net foreign currency asset / liability position of monetary items (1+2a+3+5+6a-10-11-12a-14-15-16a)	**65.199.297**	**(243.438)**	**2.475.315**	**4.214**
22. Fair value of foreign currency hedged financial assests	**-**	**-**	**-**	**-**

(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)

31 December 2022	TL Equivalent	USD	Euro	Other
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	-
4. Current Assets (1+2+3)	**48.468.542**	**86.627**	**2.349.948**	**2.782**
5. Trade receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**48.468.542**	**86.627**	**2.349.948**	**2.782**
10. Trade Payables	10.840.310	579.748	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. Short-term Liabilities (10+11+12)	**10.840.310**	**579.748**	**-**	**-**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-
17. Long-term Liabilities (14+15+16)	**-**	**-**	**-**	**-**
18. Total Liabilities (13+17)	**10.840.310**	**579.748**	**-**	**-**
19. Net asset / liability position of off-balance sheet derivatives (19a-19b)	**-**	**-**	**-**	**-**
19a. Off-balance active sheet foreign currency derivative instruments	**-**	**-**	**-**	**-**
19b. Off-balance passive sheet foreign currency derivative instruments	**-**	**-**	**-**	**-**
20. Net foreign currency asset liability position (9-18+19)	**37.628.232**	**(493.121)**	**2.349.948**	**2.782**
21. Net foreign currency asset / liability position of monetary items	**-**	**-**	**-**	**-**
(1+2a+3+5+6a-10-11-12a-14-15-16a)	**37.628.232**	**(493.121)**	**2.349.948**	**2.782**
22. Fair value of foreign currency hedged financial assests	**-**	**-**	**-**	**-**

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

NOTE 20-NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk (cont'd)

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

30 September 2023	**Profit/(Loss)**	
	Foreign currency appreciation	**Foreign currency appreciation**
If the US Dollar had changed by 20% against the TRY		
USD net (liabilities)/assets	(1.332.906)	1.332.906
Hedging amount of USD	-	-
USD net effect on (loss)/income	**(1.332.906)**	**1.332.906**
If the EUR had changed by 20% against the TRY		
Euro net (liabilities)/assets	14.371.926	(14.371.926)
Hedging amount of Euro	-	-
Euro net effect on (loss)/income	**14.371.926**	**(14.371.926)**
If other foreign currency had changed by 20% against the TRY		
Other foreign currency net (liabilities)/assets	843	(843)
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss)/income	**843**	**(843)**

31 December 2022	**Profit/(Loss)**	
	Foreign currency appreciation	**Foreign currency appreciation**
If the US Dollar had changed by 20% against the TRY		
USD net (liabilities)/assets	(1.844.101)	1.844.101
Hedging amount of USD	-	-
USD net effect on (loss)/income	**(1.844.101)**	**1.844.101**
If the EUR had changed by 20% against the TRY		
Euro net (liabilities)/assets	9.369.196	(9.369.196)
Hedging amount of Euro	-	-
Euro net effect on (loss)/income	**9.369.196**	**(9.369.196)**
If other foreign currency had changed by 20% against the TL		
Other foreign currency net (liabilities)/assets	556	(556)
Hedging amount of other foreign currency	-	-
Other foreign currency net effect on (loss)/income	**556**	**(556)**

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

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

30 September 2023	Assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through profit or loss	Carrying value	Note
Financial assests					
Cash and cash equivalents	7.350.876	-	-	7.350.876	-
Trade receivables from non-related parties	94.775.141	-	-	94.775.141	5
Trade receivables from related parties	60.865.011	-	-	60.865.011	19
Other receivables from non-related parties	21.252.708	-	-	21.252.708	-
Other receivables from related parties	782.231.076	-	-	782.231.076	19
Financial investments	89.831	-	313.923	403.754	-
Financial liabilities					
Financial borrowings	-	31.283.661	-	31.283.661	
Trade payables to non-related parties	-	139.923.653	-	139.923.653	5
Trade payables to related parties	-	41.887.248	-	41.887.248	19
Payables within the scope of employee benefits	-	53.424.891	-	53.424.891	-
Other payables to non-related parties	-	124.164.360	-	124.164.360	-
Other short-term liabilities	-	237.007.613	-	237.007.613	-

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

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

31 December 2022	Assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through profit or loss	Carrying value	Note
Financial assests					
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	-
Financial liabilities					
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
Employee benefit payables (payables to employees)	-	44.243.812	-	44.243.812	-
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 liabilities	-	118.690.039	-	118.690.039	-

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;

• 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

None.

Approval of Financial Statements

Condensed consolidated financial statements for the interim period ended 30 September 2023 have approved by the Board of Directors on 8 November 2023.

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