

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

**DOĐAN ŐİRKETLER GRUBU HOLDİNG A.Ő.**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM  
PERIOD ENDED 1 JANUARY - 31 MARCH 2020**

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

ASSETS	Notes	USD(*) Unaudited Current Period 31 March 2020	Unaudited Current Period 31 March 2020	Audited Prior Period 31 December 2019
<b>Current assets</b>		<b>1,080,263</b>	<b>7,038,995</b>	<b>6,988,247</b>
Cash and cash equivalents	6	450,343	2,934,432	3,278,832
Financial investments	7	274,174	1,786,520	1,177,726
Trade receivables				
- Due from related parties	34	1,459	9,504	3,495
- Due from non-related parties	9	220,189	1,434,753	1,704,886
Other receivables				
- Due from related parties	34	80	523	-
- Due from non-related parties	10	6,660	43,398	25,153
Inventories	11	91,058	593,334	621,783
Prepaid expenses	21	15,019	97,867	67,006
Derivative instruments	22	4,155	27,074	18,993
Biological assets	12	2,222	14,480	13,167
Other current assets	20	14,339	93,434	58,172
Non-current assets classified as held for sale	31	564	3,676	19,034
<b>Non-current assets</b>		<b>656,441</b>	<b>4,277,369</b>	<b>4,252,344</b>
Trade receivables				
- Due from non-related parties	9	6,190	40,335	26,083
Financial investments	7	34,019	221,668	202,845
Investments accounted for by the equity method	4	19,057	124,176	128,557
Investment properties	13	209,617	1,365,865	1,357,167
Property, plant and equipment	14	165,671	1,079,511	1,102,314
Intangible assets				
- Other intangible assets	15	94,653	616,759	599,600
- Goodwill	15	9,864	64,274	64,274
Rights of use assets	16	36,697	239,118	236,915
Prepaid expenses	21	9,276	60,442	58,281
Deferred tax asset	32	15,956	103,967	97,796
Other non-current assets	20	55,441	361,254	378,512
<b>Total assets</b>		<b>1,736,704</b>	<b>11,316,364</b>	<b>11,240,591</b>

The consolidated financial statements as of and for the interim period ended 31 March 2020 have been approved by the Board of Directors on 28 May 2020.

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

LIABILITIES	Notes	USD(*)	Unaudited	Audited
		Current Period	Current Period	Prior Period
		31 March 2020	31 March 2020	31 December 2019
<b>Short-term liabilities</b>		<b>410,862</b>	<b>2,677,179</b>	<b>2,831,115</b>
Short-term borrowings				
- Short-term borrowings from non-related parties				
- Bank borrowings	8	222,096	1,447,175	1,603,847
- Issued debt instruments	8	14,428	94,015	136,713
- Other short-term borrowings	8	-	-	36
- Lease borrowings	8	-	-	414
Short-term portion of long-term borrowings				
- Short-term portion of long term borrowings from related parties				
- Lease borrowings	8, 34	937	6,108	6,238
- Short-term portion of long term borrowings from non-related parties				
- Bank borrowings	8	15,710	102,367	71,071
- Lease borrowings	8	9,921	64,646	36,734
Trade payables				
- Due to related parties	34	264	1,717	363
- Due to non-related parties	9	83,524	544,240	745,720
Payables related to				
- employee benefits	23	2,173	14,161	19,267
Deferred income (Except obligations arising from customer contracts)				
- Deferred income from non-related parties (Except obligations arising from customer contracts)	21	5,850	38,120	39,593
Derivative instruments	22	1,355	8,829	339
Other payables				
- Due to related parties	34	9,509	61,960	-
- Due to non-related parties	10	26,866	175,057	126,831
Current income tax liability	32	12,314	80,235	7,381
Short-term provisions				
- Short-term provisions for employment benefits	23	3,099	20,194	20,395
- Other short-term provisions	18	2,083	13,572	10,083
Other short term liabilities		733	4,783	6,090
<b>Long-term liabilities</b>		<b>128,578</b>	<b>837,815</b>	<b>778,136</b>
Long-term borrowings				
- Long-term borrowings from related parties				
- Lease borrowings	8, 34	2,694	17,555	18,906
Long-term borrowings from non-related parties				
- Bank borrowings	8	73,003	475,687	407,133
- Lease borrowings	8	22,701	147,922	170,416
Investments accounted for				
- by the equity method	4	1,703	11,099	-
Other payables				
- Due to non-related parties	10	1,237	8,059	1,923
Deferred income (Except obligations arising from customer contracts)				
- Deferred income from non-related parties (Except obligations arising from customer contracts)	21	1,374	8,955	4,970
Long-term provisions				
- Long-term provisions for employment benefits	23	6,750	43,984	42,930
- Other long term provisions		234	1,524	1,531
Other long term liabilities		-	-	1,442
Deferred tax liability	32	18,881	123,030	128,885
<b>EQUITY</b>		<b>1,197,264</b>	<b>7,801,370</b>	<b>7,631,340</b>
<b>Equity attributable to equity holders of the parent company</b>		<b>1,119,322</b>	<b>7,293,502</b>	<b>7,136,609</b>
Share capital	24	401,617	2,616,938	2,616,938
Adjustments to share capital	24	22,027	143,526	143,526
Repurchased shares (-)	24	(2,461)	(16,035)	(7,073)
Share premiums (discounts)	24	5,396	35,159	35,159
Other comprehensive income (losses) that will not be reclassified in profit or loss				
- Actuarial gains (losses) on defined benefit plans	24	(1,719)	(11,202)	(11,202)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	4	89	581	581
Other comprehensive income (losses) that will be reclassified in profit or loss				
- Change in currency translation reserves	24	79,754	519,680	461,331
- Gain (loss) on revaluation and reclassification of financial assets held for sale	24	(9,371)	(61,059)	45,451
Restricted reserves	24	121,980	794,820	722,081
Retained earnings or accumulated losses		452,783	2,950,332	2,513,028
Net profit or loss for the period		49,227	320,762	616,789
<b>Non-controlling interests</b>		<b>77,942</b>	<b>507,868</b>	<b>494,731</b>
<b>Total liabilities</b>		<b>1,736,704</b>	<b>11,316,364</b>	<b>11,240,591</b>

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIODS 1 JANUARY - 31 MARCH 2020 AND 2019

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

		<i>USD<sup>(*)</sup></i>		
	Notes	<i>Unaudited Current Period 1 January - 31 March 2020</i>	<i>Unaudited Current Period 1 January - 31 March 2020</i>	<i>Unaudited Prior Period 1 January – 31 March 2019</i>
<b>Profit or Loss</b>				
Revenue	25	369,023	2,404,554	3,056,854
Cost of Sales (-)	25	(330,471)	(2,153,352)	(2,815,121)
<b>Gross Profit/(Loss)</b>	<b>25</b>	<b>38,552</b>	<b>251,202</b>	<b>241,733</b>
General Administrative Expenses (-)	26	(9,555)	(62,260)	(65,680)
Marketing Expenses (-)	26	(17,036)	(111,005)	(93,602)
Other Income From Operating Activities	28	44,109	287,413	327,258
Other Expenses From Operating Activities (-)	28	(4,058)	(26,441)	(60,614)
Share of Gain (Loss) on Investments Accounted for by the Equity Method	4	(2,536)	(16,526)	(17,313)
<b>Operating Profit/(Loss)</b>		<b>49,476</b>	<b>322,383</b>	<b>331,782</b>
Income from Investment Activities	29	30,077	195,988	70,742
Expenses from Investment Activities (-)	29	(1,376)	(8,969)	(2,169)
<b>Operating Profit (Loss) Before Finance (Expense)/Income</b>		<b>78,177</b>	<b>509,402</b>	<b>400,355</b>
Finance Income	30	-	-	51,158
Finance Expenses (-)	30	(15,160)	(98,782)	(160,812)
<b>Profit (Loss) Before Taxation From Continued Operations</b>		<b>63,017</b>	<b>410,620</b>	<b>290,701</b>
<b>Tax Expense From Continued Operations</b>	<b>32</b>	<b>(15,827)</b>	<b>(103,129)</b>	<b>(75,902)</b>
Tax Income/(Expense) for the Period		(13,730)	(89,466)	(62,182)
Deferred Tax Income/(Expense)		(2,097)	(13,663)	(13,720)
<b>Profit/(Loss) For The Period</b>		<b>47,190</b>	<b>307,491</b>	<b>214,799</b>
<b>Allocation of Profit/(Loss) For The Period</b>				
Attributable to Non-Controlling Interests		(2,037)	(13,271)	(15,223)
Attributable to Equity Holders of the Parent Company		49,227	320,762	230,022
Gain/(Loss) Per Share Attributable to Equity Holders of the Parent Company	33	0.0189	0.123	0.088

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS 1 JANUARY - 31 MARCH 2020 AND 2019

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

	<i>USD<sup>(*)</sup></i>		
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>Current Period</i>	<i>Current Period</i>	<i>Prior Period</i>
	<i>1 January -</i>	<i>1 January -</i>	<i>1 January -</i>
	<i>31 March 2020</i>	<i>31 March 2020</i>	<i>31 March 2019</i>
<b>Profit For The Period</b>	<b>47,190</b>	<b>307,491</b>	<b>214,799</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>That will not be reclassified as profit or loss</b>			
Defined benefit plans re-measurement gains / (losses)	-	-	-
Defined benefit plans re-measurement gains / (losses) of investments valued by equity method	-	-	-
<b>Taxes on other comprehensive income that will not be reclassified in profit or loss</b>			
- Tax effect of gains (losses) on revaluation of property plant and equipments	-	-	-
- Tax effect of actuarial gains (losses) on defined benefit plans	-	-	-
<b>That will be reclassified as profit or loss</b>			
Currency translation differences	9,363	61,007	25,953
Gain on revaluation and/or reclassification of financial assets available for sale	(20,273)	(132,100)	(20,492)
Other comprehensive income (loss) related with cash flow hedges	-	-	-
Taxes related to other comprehensive income that will be reclassified as profit or loss	-	-	-
- Tax effect of comprehensive loss related with cash flow hedges	-	-	-
- Tax effect on revaluation and/or reclassification of financial assets available for sale	3,927	25,590	4,508
<b>OTHER COMPREHENSIVE INCOME /(LOSS)</b>	<b>(6,983)</b>	<b>(45,503)</b>	<b>9,969</b>
<b>TOTAL COMPREHENSIVE INCOME /(LOSS)</b>	<b>40,207</b>	<b>261,988</b>	<b>224,768</b>
<b>Allocation of Total Comprehensive Income/(Loss)</b>			
Attributable to Non-Controlling Interests	(1,629)	(10,613)	(15,246)
Attributable to Equity Holders of the Parent Company	41,836	272,601	240,014

(\*) As explained in the Note 2.1.8 to the consolidated financial statements, USD amounts presented in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board (“CMB”) as of 31 March 2020.

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIODS 1 JANUARY - 31 MARCH 2020 AND 2019

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

	Notes	Share Capital	Adjustments to share capital	Repurchased shares	Accumulated other comprehensive income or loss that will not be reclassified to profit or loss			Accumulated other comprehensive income or loss that will be reclassified to profit or loss			Retained earnings		Equity attributable equity holders of the parent company	Non-controlling interest	Equity
					Actuarial gain/(losses) on defined benefit plans	Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	Shares premiums (discounts)	Gain/(loss) on revaluation and/or reclassification of financial assets available for sale	Currency translation differences	Restricted reserves	Retained earnings/ accumulated (losses)	Net profit/(loss) for the period			
<b>Balances at 1 January 2020</b>	24	2,616,938	143,526	(7,073)	(11,202)	581	35,159	45,451	461,331	722,081	2,513,028	616,789	7,136,609	494,731	7,631,340
Transfers		-	-	-	-	-	-	-	-	72,739	544,050	(616,789)	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	(99,479)	-	(99,479)	-	(99,479)
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	23,750	23,750
Transactions with non-controlling interest shareholders		-	-	-	-	-	-	-	-	-	(7,267)	-	(7,267)	-	(7,267)
Increase (decrease) due to repurchase transactions of shares		-	-	(8,962)	-	-	-	-	-	-	-	-	(8,962)	-	(8,962)
<b>Total comprehensive income/(loss)</b>		-	-	-	-	-	-	(106,510)	58,349	-	-	320,762	272,601	(10,613)	261,988
Profit (loss) for the period		-	-	-	-	-	-	-	-	-	-	320,762	320,762	(13,271)	307,491
<b>Other comprehensive income (loss)</b>		-	-	-	-	-	-	(106,510)	58,349	-	-	-	(48,161)	2,658	(45,503)
Currency translation differences		-	-	-	-	-	-	-	58,349	-	-	-	58,349	2,658	61,007
- Change in financial asset revaluation fund		-	-	-	-	-	-	(106,510)	-	-	-	-	(106,510)	-	(106,510)
<b>Balances at 31 March 2020</b>	24	2,616,938	143,526	(16,035)	(11,202)	581	35,159	(61,059)	519,680	794,820	2,950,332	320,762	7,293,502	507,868	7,801,370

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIODS 1 JANUARY - 31 MARCH 2020 AND 2019

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

	Notes	Share capital	Adjustments to share capital	Repurchased shares	Accumulated other comprehensive income or loss that will not be reclassified to profit or loss		Share premiums (discounts)	Accumulated other comprehensive income or loss that will be reclassified to profit or loss			Retained earnings				Equity	
					Actuarial gain/(losses) on defined benefit plans	Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		Gain/(loss) on revaluation and/or reclassification of financial assets available for sale	Currency translation differences	Gain/(loss) from hedge reserves	Restricted reserves	Retained earnings/accumulated (losses)	Net profit/(loss) for the period	Equity attributable equity holders of the parent company		Non-controlling interests
<b>Balances at 1 January 2019</b>	24	2,616,938	143,526	(2,080)	(8,502)	(892)	35,159	(20)	414,530	-	246,914	(416,991)	3,633,096	6,661,678	340,213	7,001,891
Transfers	-	-	-	-	-	-	-	-	-	-	474,165	3,158,931	(3,633,096)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(261,004)	-	(261,004)	(3,330)	(264,334)
Dividend payments	-	-	-	-	-	-	-	-	-	-	-	(261,004)	-	(261,004)	-	(261,004)
Dividend payment of subsidiaries to non-group companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,330)	(3,330)
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,615	167,615
Acquisition or disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	3,686	-	3,686	(3,683)	3
- Effects of ownership rate change of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	3,686	-	3,686	(3,686)	-
- Acquisition or disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	3
Transactions with non-controlling interest shareholders	-	-	-	-	-	-	-	-	-	-	-	29,400	-	29,400	2,320	31,720
Increase (decrease) due to repurchase transactions of shares	-	-	-	(3,991)	-	-	-	-	-	-	-	-	-	(3,991)	-	(3,991)
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-	-	-	(15,984)	25,976	-	-	-	230,022	240,014	(15,246)	224,768
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	230,022	230,022	(15,223)	214,799
Other comprehensive income (loss)	-	-	-	-	-	-	-	(15,984)	25,976	-	-	-	-	9,992	(23)	9,969
Currency translation differences	-	-	-	-	-	-	-	-	25,976	-	-	-	-	25,976	(23)	25,953
- Change in financial asset revaluation fund	-	-	-	-	-	-	-	(15,984)	-	-	-	-	-	(15,984)	-	(15,984)
<b>Balances at 31 March 2019</b>		2,616,938	143,526	(6,071)	(8,502)	(892)	35,159	(16,004)	440,506	-	721,079	2,514,022	230,022	6,669,783	487,889	7,157,672

The accompanying notes are an integral part of these consolidated financial statements



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE INTERIM PERIODS 1 JANUARY - 31 MARCH 2020 AND 2019

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

	Notes	USD(*) Unaudited Current Period 1 January - 31 March 2020	Unaudited Current Period 1 January - 31 March 2020	Unaudited Prior Period 1 January - 31 March 2019
<b>A. Net Cash From Operating Activities</b>		<b>47,433</b>	<b>309,076</b>	<b>220,764</b>
Profit/(loss) for the period		47,190	307,491	214,799
<b>Profit/(Loss) for the period from continued operations</b>		<b>47,190</b>	<b>307,491</b>	<b>214,799</b>
<b>Adjustments regarding reconciliation of net profit (loss) for the period</b>		<b>(6,471)</b>	<b>(42,163)</b>	<b>(75,156)</b>
Adjustments related to depreciation and amortization	11,14,15,16	11,622	75,731	68,468
Adjustments related to provisions				
- Adjustments related to provisions for (reversal of) employee benefits	23	360	2,346	4,233
- Adjustments related to provisions (reversal) for lawsuits and/or penalty	18	406	2,648	493
- Adjustments related to other provisions (reversals)		2,145	13,976	1,469
Adjustments related to interest (income) and expenses				
- Adjustments related to interest income	28, 29	(6,215)	(40,494)	(55,681)
- Adjustments related to interest expenses	29, 30	8,709	56,746	98,751
- Deferred financial expense due to purchases with maturity	28	1,275	8,307	15,432
- Unearned financial income due from sales with maturity	28	(1,996)	(13,009)	(34,193)
Adjustments related to changes in unrealised foreign exchange differences		(38,880)	(253,343)	(184,822)
Adjustments related to fair value (gains) losses		(470)	(3,064)	(82,875)
Adjustments related to losses (gains) on disposal of non-current assets		(1,790)	(11,662)	(1,033)
Adjustments related to undistributed profits of investments accounted for by the equity method	4	2,536	16,526	17,313
Adjustments related to tax income (expense)	32	15,827	103,129	75,902
Other adjustments related to profit (loss) reconciliation			-	1,387
<b>Changes in working capital</b>		<b>3,063</b>	<b>19,959</b>	<b>57,344</b>
Adjustments for decrease/(increase) in inventories		2,142	13,956	77,150
Adjustments for decrease/(increase) in trade receivables				
- (Increase)/decrease in trade receivables from related parties		(922)	(6,009)	(2,116)
- (Increase)/decrease in trade receivables from non-related parties		43,791	285,341	3,898
Increase (decrease) in payables due to employee benefits		(784)	(5,106)	(1,278)
Adjustments regarding decrease/(increase) in other receivables on operations				
- (Increase)/decrease in other receivables regarding operations with related parties		(80)	(523)	-
- (Increase)/decrease in other receivables regarding operations with non-related parties		(2,800)	(18,245)	(3,889)
Adjustments regarding increase (decrease) in trade payables				
- Increase/(decrease) in trade payables to related parties		208	1,354	(740)
- Increase/(decrease) in trade payables to non-related parties		(32,196)	(209,787)	44,837
Adjustments regarding increase (decrease) in other payables on operations				
- Increase/(decrease) in other payables to non-related parties		2,585	16,843	(144,700)
Adjustments for other increase (decrease) in working capital				
- (Increase)/decrease in other assets regarding operations		(8,844)	(57,628)	89,905
- Increase/(decrease) in other liabilities regarding operations		(36)	(237)	(5,723)
<b>Net Cash From Operating Activities</b>		<b>43,783</b>	<b>285,287</b>	<b>196,987</b>
Employee termination benefits paid	23	(229)	(1,493)	(1,693)
Income tax refunds (payments)		(2,549)	(16,612)	(62,447)
Other cash inflows/(outflows)		55	359	-
Interest received		6,374	41,535	87,917

The accompanying notes are an integral part of these consolidated financial statements

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE INTERIM PERIODS 1 JANUARY - 31 MARCH 2020 AND 2019

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

	Notes	USD(*) Unaudited Current Period 1 January - 31 March 2020	Unaudited Current Period 1 January - 31 March 2020	Unaudited Prior Period 1 January - 31 March 2019
<b>B. Net Cash From Investing Activities</b>		<b>(117,141)</b>	<b>(763,290)</b>	<b>(342,289)</b>
Cash outflows regarding capital increase and/or share purchase of associates and/or joint ventures	4	(153)	(1,000)	(21,198)
Cash inflow due to capital reduction or sale of shares in associates and / or joint ventures		-	-	980
Cash inflow due to sale of property, plant, equipment and intangible assets		3,571	23,270	3,317
Cash outflows from purchase of property, plant, equipment and intangible assets	14, 15	(8,688)	(56,608)	(30,355)
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments		(114,387)	(745,345)	(476,961)
Cash inflows related to sales not resulting in loss of control of subsidiaries		-	-	31,720
Cash outflows related to purchases to gain control of subsidiaries		(1,115)	(7,267)	(17,410)
Other cash inflows/(outflows)		3,631	23,660	167,618
<b>C. Net Cash from Financing Activities</b>		<b>(30,979)</b>	<b>(201,859)</b>	<b>249,433</b>
Proceeds from borrowings				
- Cash inflows from borrowings		134,400	875,749	5,905,002
Cash outflows on debt payments				
- Cash outflows due to payments of bank borrowings		(158,439)	(1,032,391)	(5,580,549)
Cash outflows on debt payments due to leasing		(3,660)	(23,846)	(22,801)
Interest paid		(1,904)	(12,409)	(44,898)
Dividends paid		-	-	(3,330)
Cash outflows from the purchase of the company's own shares and other equity instruments		(1,375)	(8,962)	(3,991)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES (A+B+C)</b>		<b>(100,687)</b>	<b>(656,073)</b>	<b>127,908</b>
<b>D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS</b>		<b>47,992</b>	<b>312,714</b>	<b>225,765</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(52,695)</b>	<b>(343,359)</b>	<b>353,673</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	6	<b>502,879</b>	<b>3,276,758</b>	<b>3,809,364</b>
<b>F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	6	<b>450,184</b>	<b>2,933,399</b>	<b>4,163,037</b>

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Doğan Şirketler Grubu Holding A.Ş. (“Doğan Holding”, “Holding” or the “Group”) was established on 22 September 1980 and is registered in Turkey. Main operating activity of the Holding is to invest in various sectors via associates, to provide all necessary support to its subsidiaries and joint ventures in order to develop their activities.

Doğan Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on Borsa İstanbul (“Borsa İstanbul”) since 21 June 1993. Within the frame of Resolution No, 21/655 dated 23 July 2010 of CMB with the decision on 30 October 2014 numbered 31/1059; according to the records of Central Registry Agency (“CRA”), 35.84% shares of Doğan Holding are to be considered in circulation as of 31 March 2020 (31 December 2019: 35.84%). As of 27 May 2020, circulation rate of shares are 35.84%.

The address of Holding is as follows:

Burhaniye Mahallesi Kısıklı Caddesi No: 65  
Üsküdar 34676 İstanbul

As of 31 March 2020, the total number of personnel in the domestic and abroad subsidiaries and associates of the Group, that are consolidated, is 3,192 (domestic 2,889) (31 December 2019: 3,250; domestic 2,955). Holding has 43 employees (31 December 2019: 44 employees).

The natures of the business, segment and countries of the subsidiaries (“Subsidiaries”) and joint ventures (“Joint Ventures”) of Doğan Holding are as follows:

#### *Fuel Retail*

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Aytemiz Akaryakıt Dağıtım A.Ş. (“Aytemiz Akaryakıt”)	Energy	Turkey
Aytemiz Petrolcülük Ticaret Limited Şirketi (“Aytemiz Petrolcülük”)	Energy	Turkey
İstasyon Petrol Ticaret Limited Şirketi (“İstasyon Petrolcülük”)	Energy	Turkey
Doel Elektrik Enerjisi Toptan Satış A.Ş. (“Doel Elektrik”) <sup>(1)</sup>	Energy	Turkey
<b>Joint Ventures</b>	<b>Nature of business</b>	<b>Country</b>
Gas Plus Erbil Ltd. (“Gas Plus Erbil”)	Energy	Jersey

<sup>(1)</sup> The shares of the related subsidiary were decided to be taken over by Aytemiz Akaryakıt with the decision of the Board of Directors dated 19 February 2020 and the merger with Aytemiz Akaryakıt was registered on 22 May 2020.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

##### *Electricity Production and Trade*

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. ("Doğan Enerji")	Energy	Turkey
Galata Wind Enerji A.Ş. ("Galata Wind")	Energy	Turkey
Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A. Ş. ("Sunflower")	Energy	Turkey

<b>Joint ventures</b>	<b>Nature of business</b>	<b>Country</b>
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat Elektrik")	Energy	Turkey
Aslancık Elektrik Üretim A.Ş. ("Aslancık Elektrik")	Energy	Turkey

##### *Industry and Trade*

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Çelik Halat ve Tel Sanayi A.Ş. ("Çelik Halat")	Production	Turkey
Celik Halat Netherlands B.V. ("Çelik Halat Netherlands")	Trade	Holland
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş Doğan")	Production	Turkey
Ditas America LLC ("Ditas America")	Trade	USA
D Stroy Limited ("D Stroy") <sup>(1)</sup>	Trade	Russia
Doğan Dış Ticaret ve Müessellik A.Ş. ("Doğan Dış Ticaret")	Foreign trade	Turkey
Falcon Purchasing Services Ltd. ("Falcon")	Foreign trade	England
Neta Yönetim Danışmanlık Havacılık Hizmetleri A.Ş. ("Neta Yönetim")	Aviation	Turkey
Kelkit Doğan Besi İşletmeleri A.Ş. ("Kelkit Doğan Besi")	Husbandry	Turkey

<sup>(1)</sup> As of 21 May 2020, it was decided to start the liquidation process.

##### *Automotive Trade and Marketing*

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Suzuki Motorlu Araçlar Pazarlama A.Ş. ("Suzuki")	Trade	Turkey
Trend Motosiklet Pazarlama A.Ş. ("Trend Motosiklet")	Trade	Turkey

##### *Financing and Investment*

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Öncü Girişim")	Investment	Turkey
Doruk Faktoring A.Ş. ("Doruk Faktoring")	Factoring	Turkey
Doruk Finansman A.Ş. ("Doruk Finansman")	Finance	Turkey
İlke Turistik Yatırımları A.Ş. ("İlke Turistik")	Investment	Turkey
DHI Investment B.V. ("DHI Investment")	Investment	Holland
Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş. ("Değer Merkezi")	Administrative consultancy	Turkey

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

##### *Internet and Entertainment*

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Dogan Media International S.A. (“Kanal D Romanya”)	TV publishing	Romania
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. (“Rapsodi Radyo”)	Radio publishing	Turkey
Doğan Müzik Yapım ve Ticaret A.Ş. (“DMC”) <sup>(1)</sup>	Music and entertainment	Turkey
Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş. (“Glokal”)	Internet services	Turkey
Proje Land Dijital Hizmetler Pazarlama ve Ticaret A.Ş. (“Proje Land”)	Internet services	Turkey
DMC Invest B.V. (“DMC Invest”)	Investment	Holland
Dogan Media Invest B.V. (“Dogan Media Invest”)	Investment	Holland
Glocal Invest B.V. (“Glocal Invest”)	Investment	Holland
NetD Müzik Video Dijital Platform ve Ticaret A.Ş. (“NetD Müzik”)	Internet services	Turkey
İnnobil Bilişim Teknolojileri ve Danışmanlık Ltd. Şti. (“İnnobil”)	Technology and informatics	Turkey

<sup>(1)</sup> As explained in Note 38, 60% of its shares was decided to be sold with the Board of Directors' decision dated 16 April 2020.

<b>Joint Ventures</b>	<b>Nature of business</b>	<b>Country</b>
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. (“Ultra Kablolu”) <sup>(2)</sup>	Telecommunication	Turkey
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”)	Magazine Publishing	Turkey
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Egmont”)	Magazine Publishing	Turkey
Dergi Pazarlama Planlama ve Ticaret A.Ş. (“DPP”)	Planning	Turkey

<sup>(2)</sup> The related joint venture has ceased its operations as of November 2006.

##### *Real Estate Investments*

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. (“Milpa”)	Real estate / Trade	Turkey
D Gayrimenkul Yatırımları ve Ticaret A.Ş. (“D Gayrimenkul”)	Real estate management	Turkey
SC D-Yapı Real Estate, Investment and Construction S.A. (“D Yapı Romanya”)	Real estate management	Romania
Milta Turizm İşletmeleri A.Ş. (“Milta Turizm”)	Real estate management	Turkey
Marlin Otelcilik ve Turizm A.Ş. (“Marlin Otelcilik”)	Real estate management	Turkey
M Investment 1 LLC (“M Investment”)	Real estate management	USD

<b>Joint Ventures</b>	<b>Nature of business</b>	<b>Country</b>
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. (“Kandilli Gayrimenkul”)	Real estate management	Turkey

By considering the natures of business of subsidiaries and joint ventures, “Other” segment was closed and the segment structure of the Group was updated.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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

#### 2.1 Basis of Presentation

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

###### **Adopted Financial Reporting Standards**

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

The Group maintains their legal books of accounts in Turkish Lira in accordance with the Tax Legislation, and the Uniform Chart of Accounts (General Communiqué on Accounting System Implementation) issued by the Ministry of Finance.

These consolidated financial statements, except for the financial assets and investment properties that are presented at fair value, are prepared on the basis of historical cost.

###### **Adjustment to the financial statements in hyperinflationary periods**

In accordance with the decision of CMB dated as 17 March 2005 and numbered 11/367, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with TFRS. Accordingly, No: 29, “Financial Reporting in Hyperinflationary Economies” (“TAS 29”), has not been applied commencing from 1 January 2005.

###### Functional and Presentation Currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Turkish Lira, which is the functional and presentation currency of Doğan Holding.

##### 2.1.2 Financial statements of subsidiaries and joint ventures operating in foreign countries

Financial statements of subsidiaries and joint ventures operating in foreign countries are prepared in accordance with the laws and regulations in force in the countries in which they are registered and required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Group’s accounting policies.

If the group entities’ functional currency is different from the presentation currency; it is translated into the presentation currency as below:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement of profit or loss are translated at average exchange rates in the accounting period; and all resulting exchange differences are recognised as a separate component of equity and statements of other comprehensive income (currency translation differences).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of Presentation (Continued)

##### 2.1.2 Financial statements of subsidiaries and joint ventures operating in foreign countries (Continued)

When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the consolidated statement of profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

##### 2.1.3 Consolidation and equity method accounting principles

The consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures (collectively referred as the "Group") on the basis set out in sections (a) to (c) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and Note 2.1.2 and application of uniform accounting policies and presentations; adjustments and reclassifications. Financial statements of consolidated entities are restated in accordance with the TAS considering the accounting policies and presentation requirements applied by the Group.

##### (a) *Subsidiaries*

Subsidiaries comprise of the companies directly or indirectly controlled by Doğan Holding.

Control is achieved when the Group:

- Has power over the company/asset;
- Is exposed, or has rights, to variable returns from its involvement with the company/asset; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are indicators of a situation or an event that may cause any changes to at least one of the elements of control listed above.

When the Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in the relevant investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities (including voting patterns at previous shareholders' meetings).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of Presentation (Continued)

##### 2.1.3 Consolidation and equity method accounting principles (Continued)

###### (a) Subsidiaries (Continued)

Subsidiaries are consolidated by the date the Group takes the control and from the date the control is over, subsidiaries are excluded from the consolidation scope. Proportion of ownership interest represents the effective shareholding of the Group through the shares held by Doğan Holding and/or indirectly by its subsidiaries. In the consolidated financial statements, interests owned by Doğan family members are treated as non-controlling interests and excluded from net asset and profit of the Group.

Intercompany transactions and balances are eliminated on consolidation. The dividends arising from shares held by Doğan Holding in its subsidiaries are eliminated from equity and income for the period.

Subsidiaries acquired or disposed of during the accounting period are included in the consolidation from the date at which the control of operations are transferred to the Group and excluded from the consolidation when the control is lost. Even if non-controlling interests result in a deficit balance, total comprehensive income is attributed to the owners and to the non-controlling interests.

Income and expenses of a subsidiary, acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

###### *Changes in ownership interests*

The group assesses transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their indirect interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity of Doğan Holding

The table below sets out the proportion of voting power held by Doğan Holding, Doğan Family and its subsidiaries and effective ownership interests as of 31 March 2020 and 31 December 2019:

###### *Fuel Retail*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Aytemiz Akaryakıt	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Aytemiz Petrolcülük	100.00	100.00	-	-	100.00	100.00	50.00	50.00
İstasyon Petrolcülük	100.00	100.00	-	-	100.00	100.00	50.00	50.00
D&A Energy <sup>(1)</sup>	-	100.00	-	-	-	100.00	-	50.00
Doel Elektrik <sup>(2)</sup>	100.00	100.00	-	-	100.00	100.00	100.00	100.00

(1) The related subsidiary was liquidated on 7 January 2020.

(2) The shares of the related subsidiary were decided to be taken over by Aytemiz Akaryakıt with the decision of the Board of Directors dated 19 February 2020 and the merger with Aytemiz Akaryakıt was registered on 22 May 2020.



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of Presentation (Continued)

##### 2.1.3 Consolidation and equity method accounting principles (Continued)

###### (a) Subsidiaries (Continued)

###### *Electricity Production and Trade*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Doğan Enerji	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Galata Wind	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Sunflower	100.00	100.00	-	-	100.00	100.00	100.00	100.00

###### *Industry and Trade*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Çelik Halat	77.65	77.65	-	-	77.65	77.65	77.65	77.65
Celik Halat Netherlands	100.00	100.00	-	-	100.00	100.00	77.65	77.65
Ditaş Doğan	72.62	72.62	-	-	72.62	72.62	72.62	72.62
Ditas America	100.00	100.00	-	-	100.00	100.00	72.62	72.62
D Stroy <sup>(1)</sup>	100.00	100.00	-	-	100.00	100.00	72.62	72.62
Doğan Dış Ticaret	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Falcon	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Neta Yönetim	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Kelkit Doğan Besi	100.00	100.00	-	-	100.00	100.00	100.00	100.00

(1) As of 21 May 2020, it has been decided to start the liquidation process of the related subsidiary.

###### *Automotive Trade and Marketing*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Suzuki	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Trend Motosiklet	100.00	100.00	-	-	100.00	100.00	100.00	100.00

###### *Financing and Investment*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Öncü Girişim	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Doruk Faktoring	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Doruk Finansman	97.02	97.02	2.98	2.98	100.00	100.00	97.02	97.02
İlke Turistik	100.00	100.00	-	-	100.00	100.00	100.00	100.00
DHI Investment	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Değer Merkezi	100.00	100.00	-	-	100.00	100.00	100.00	100.00

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of Presentation (Continued)

##### 2.1.3 Consolidation and equity method accounting principles (Continued)

##### (a) Subsidiaries (Continued)

##### *Internet and Entertainment*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)			Proportion of effective ownership interest (%)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	
Glokal	100.00	100.00	-	-	100.00	100.00	79.22	79.22	
Proje Land	86.00	86.00	-	-	86.00	86.00	68.13	68.13	
Kanal D Romanya	99.99	99.99	-	-	99.99	99.99	99.99	99.99	
Rapsodi Radyo	100.00	100.00	-	-	100.00	100.00	100.00	100.00	
DMC	100.00	100.00	-	-	100.00	100.00	100.00	100.00	
DMC Invest	100.00	100.00	-	-	100.00	100.00	100.00	100.00	
Dogan Media Invest	100.00	100.00	-	-	100.00	100.00	100.00	100.00	
Glocal Invest	79.22	79.22	-	-	79.22	79.22	79.22	79.22	
NetD Müzik	100.00	100.00	-	-	100.00	100.00	100.00	100.00	
innobil	85.00	85.00	-	-	85.00	85.00	67.34	67.34	

##### *Real Estate Investments*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)			Proportion of effective ownership interest (%)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	
Milpa	83.09	83.09	0.16	0.16	83.25	83.25	83.09	83.09	
D Gayrimenkul	100.00	100.00	-	-	100.00	100.00	100.00	100.00	
D-Yapı Romanya	100.00	100.00	-	-	100.00	100.00	100.00	100.00	
Milta Turizm	100.00	100.00	-	-	100.00	100.00	100.00	100.00	
Marlin Otelcilik	100.00	100.00	-	-	100.00	100.00	100.00	100.00	
M Investment	100.00	100.00	-	-	100.00	100.00	100.00	100.00	

##### (b) Non-Controlling Interests

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as non-controlling interest and non-controlling profit/loss in the consolidated statement of financial position and consolidated statement of income.

##### (c) Joint Ventures

According to TFRS-11 Joint Agreements, investments under joint agreements are classified as joint activities or joint ventures. The classification is based on contractual rights and obligations of all investors, rather than the legal structure of the joint agreement.

##### *Joint Ventures*

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of Presentation (Continued)

##### 2.1.4 Offsetting

Financial assets and liabilities are offset and the net amount is reported when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

##### 2.1.5 Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. The Group presents comparatively its consolidated statement of financial position as of 31 March 2020 with 31 December 2019. Consolidated statement of profit or loss and consolidated other comprehensive income, consolidated statement of cash flow and consolidated statement of changes in equity for the interim period ended 1 January -31 March 2020, are presented comparatively with the consolidated financial statements as of the interim period 1 January - 31 March 2019.

In the current period, in case of a necessity, prior period financial statements are reclassified in order to comply with the presentation of its current period consolidated financial statements and significant changes are explained.

“Financial Expenses” which was amounting to TRY47,731 in the consolidated statement of profit or loss for the interim period ended 1 January-31 March 2019 have been reclassified to “Income from Investment Activities ”in the related period in order to comply with the consolidated statement of financial position prepared as of 1 January-31 March 2020.

“Trade Receivables from Non-Related Parties” which was amounting to TRY7,137 in the consolidated statement of financial position for the period ended 31 December 2019 have been reclassified to “Other Receivables from Non-Related Parties” in the related period in order to comply with the consolidated statement of financial position prepared as of 31 March 2020.

##### 2.1.6 Significant accounting policies and changes in accounting estimates and errors and restatement of prior period financial statements

Changes of accounting policies resulting from the first time implementation of the TAS are implemented retrospectively or prospectively in accordance with the transition provisions. Major accounting mistakes detected are applied retrospectively and the financial statements of previous period are revised. If the changes in accounting estimates only apply to one period, then they are applied in the current period when the change occurs; if the changes apply also to the future periods, they are applied in both the period of change and in the future period.

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

In the current period there is no such standard or interpretation affecting the Group’s financial performance, statement of financial position, presentation or note disclosures. However, the details of standards and interpretations effective in the current period but have no effect on the consolidated financial statements and standards and interpretations not yet effective and have not been early adopted by the Group are set out below.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of Presentation (Continued)

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

###### a) New standards applicable as of 31 March 2020 and amendments to existing previous standards and interpretations:

- Amendment to TFRS 9, “Financial instruments”; effective from periods beginning on or after 1 January 2019. This amendment confirmed two points: (1) that reasonable compensation for prepayments can be both negative or positive cash flows when considering whether a financial asset solely has cash flows that are principal and interest and (2) that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39. The relevant amendment does not have a material impact on the financial position or performance of the Group.
- Amendment to TAS 28, “Investments in associates and joint venture”; effective from periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using TFRS 9.
- TFRS 16, “Leases’ standard”; effective from periods beginning on or after 1 January 2019. This standard replaces the current guidance in TAS 17. Under TAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). TFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a ‘right of use asset’ for virtually all lease contracts. For lessors, the accounting stays almost the same. Under TFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration
- TFRS 23, “Uncertainty over income tax treatments”; effective from periods beginning on or after 1 January 2019. This IFRIC clarifies how the recognition and measurement requirements of TAS 12 ‘Income taxes’, are applied where there is uncertainty over income tax treatments. The TFRS IC had clarified previously that not TAS 12, however TAS 37 ‘Provisions, contingent liabilities and contingent assets’, applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

Annual improvements 2015-2017; effective from periods beginning on or after 1 January 2019. These amendments include minor changes to:

- TFRS 3, “Business combinations”; - a company remeasures its previously held interest in a joint operation when it obtains control of the business.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of Presentation (Continued)**

**2.1.7 New and revised Turkish Financial Reporting Standards (“TFRS”) (Continued)**

**a) New standards applicable as of 31 March 2020 and amendments to existing previous standards and interpretations (Continued):**

- TFRS 11, “Joint arrangements”; - a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - TAS 12, “Income taxes”; - a company accounts for all income tax consequences of dividend payments in the same way.
  - TAS 23, “Borrowing costs”; - a company treats any borrowing originally made to develop an asset when the asset is ready for its intended use or sale, as part of the general borrowings.
  - Amendments to TAS 19, “Employee benefits” on plan amendment, curtailment or settlement; effective from periods beginning on or after 1 January 2019. These amendments require an entity to:
    - Use updated assumptions to determine current service cost and net interest for the remaining period after a plan amendment, curtailment or settlement; and,
    - Recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.
  - Amendments to TAS 1 and TAS 8 on the definition of materiality; effective from periods beginning on or after 1 January 2020. These amendments to TAS 1, “Presentation of financial statements”; and TAS 8, “Accounting policies, changes in accounting estimates and errors”, and consequential amendments to other TFRSs are as follows:
    - i) Use a consistent definition of materiality throughout TFRSs and the Financial Reporting framework;
    - ii) Clarify the explanation of the definition of materiality; and
    - iii) Incorporate some of the guidance in TAS 1 about immaterial information.
  - Amendments to TFRS 3 - definition of a business; effective from periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
  - Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform; effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect all companies in the industry.
- b) Standards and amendments that are issued but not effective as at 31 March 2020:**
- TFRS 17, “Insurance contracts”; effective from periods beginning on or after 1 January 2022. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of Presentation (Continued)

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

##### b) Standards and amendments that are issued but not effective as at 31 March 2020 (Continued):

- Amendments to TAS 1, Presentation of financial statements’ on classification of liabilities; effective from periods beginning on or after 1 January 2022. These narrow-scope amendments to TAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the ‘settlement’ of a liability.

The Group has not determined the effects that may occur in the consolidated financial statements as a result of the application of the aforementioned standards but has not anticipated that these differences will have a significant impact on the consolidated financial statements.

##### 2.1.8 US Dollar convenience translation

US Dollar (“USD”) amounts presented in the consolidated financial statements have been included solely for the convenience of the reader and are translated from Turkish Lira (“TRY”), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate of TRY 6.5160 = USD 1.00 as of 31 March 2020. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with the generally accepted accounting standards issued by the CMB. Such translations should not be construed as a representation that the TRY amounts have been or could be converted into USD at this or any other rate.

##### 2.2 Summary of Significant Accounting Policies

##### Related parties

Related parties are people or entities that are related to the entity (reporting entity) that is preparing its financial statements.

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:
- (i) Has control or joint control over the reporting entity,
  - (ii) Has significant influence over the reporting entity; or,
  - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Related parties (Continued)

- (b) An entity is related to a reporting entity if any of the following conditions apply:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Under the guidance of the explanations mentioned above and also in compliance with TAS 24, Doğan Şirketler Grubu Holding A.Ş. directly or indirectly has participation, including any entities under common control; real persons and/or legal entities that have direct or indirect individual or joint control over the company and their close family members (relatives up to second-degree) and legal entities having direct or indirect individual or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company’s subsidiaries and members of the Board of Directors, key management personnel and their close family members (relatives up to second-degree) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly (Note 34).

###### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments without a significant risk over the change in their value, whose maturity at the time of purchase is three months or less (Note 6).

###### Sales and repurchase agreements

Funds given in return for financial assets purchase with the requirement of selling back (“Reverse repo”) are recognized as reverse repurchase agreements at consolidated financial statements (Note 6). Income discount is calculated for the difference between the buying and selling prices, determined with aforementioned reverse repo agreements, accrued for the period according to internal discount rate method and recognized by the adding to the cost of reverse repos. Funds provided in return for financial assets reverse repurchase are recognized under cash and cash equivalents in the consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

**Trade receivables and provision for doubtful receivables**

The Group’s trade receivables from providing goods or services to customers are carried at net of unrealized finance income (“unearned financial income due to sales with maturity”). Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Effective interest method is calculating the present value in accordance with the compound interest basis. The rate determined by compound interest basis and applied in this method is named “effective interest rate”. Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant (Note 9).

When calculating the impairment of trade receivables, which are recognised based on the cost amortised in financial statements and do not include an important financing component, Group preferred to adopt “simplified approach” in TFRS 9 standard.

According to “simplified approach” of TFRS 9 Standard, loss provisions concerning trade receivables are calculated equal to “lifetime expected credit loss” if trade receivables are not impaired due to valid reasons as stated in TFRS 9.

TAS 39, “Financial Instruments” valid before 1 January 2018: Instead of “realised credit losses model” in Accounting and Measurement Standard, “expected credit loss model” was defined in TFRS 9 “Financial Instruments” Standard. Expected credit loss is estimated by weighting credit losses, expected to occur throughout the expected life of financial instruments, based on previous statistics. When calculating the expected credit losses, credit losses in the previous years and forecasts of the Group are considered.

The Group decides to allocate provision for doubtful receivables, whose payment was not made within the ordinary commercial activity cycle of the Group, considering whether the trade receivable is subject to administrative and/or legal proceeding, whether or not they have a guarantee and there is an objective finding. The amount of such provision is the difference between the book value of the receivable and the collectible amount. The collectible amount is the current value of the expected cash flow, including the amounts to be collected from guarantees and collaterals, which is discounted based on the original effective interest rate of the initial receivable.

When trade receivables are not impaired for certain reasons along with realised impairment losses, Group recognises expected credit loss provision equal to lifetime expected credit loss for trade receivables as per TFRS 9. Expected credit loss is calculated by expected credit loss rates determined based on previous credit loss experiences of the Group and prospective macroeconomic indicators. Changes in expected credit loss provisions are recognised under other income and expenses from operating activities (Note 28).

If there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognized as other income from operating activities following the write-down of the total provision amount (Note 9, 28).



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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

**Inventories**

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale (net realizable value). Cost elements included in inventory are purchasing costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 11).

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in the consolidated statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of the changing economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial impairment.

**Financial Assets**

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

*(a) Financial assets carried at amortized cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group’s financial assets carried at amortized cost comprise “trade receivables”, “other receivables” and “cash and cash equivalents” in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty

*Impairment*

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision is not provided to the trade receivables as a result of a specific event, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectation based on the macroeconomic indications.

*(b) Financial assets carried at fair value*

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the statement of consolidated financial position, they are classified as non-current assets. Group makes a choice that cannot be changed later for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Financial Assets (Continued)

(b) *Financial assets carried at fair value (Continued)*

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

Financial assets at fair value through profit or loss consist of "derivative instruments" in consolidated statement of financial position and "financial asset", which are acquired to benefit from short-term price or other fluctuations in the market or which are a part of a portfolio aiming to earn profit in the short-run, irrespective of the reason of acquisition, and kept for trading purposes. Derivative instruments are recognised as asset if their fair value is positive and as liability if their fair value is negative. Group's derivative instruments consist of transactions concerning future contracts and transactions related to commodity contracts. Financial assets that are measured by their fair value and associated with the profit or loss statement are initially reflected on the consolidated statement of financial position with their costs including the transaction cost. These financial assets are valued based on their fair value after they are recognised. Realised or unrealised profit and losses are recognised under "financing income/(expense)". Dividends are recognised as dividend income in consolidated profit or loss statement. Financial assets including the derivative products not determined as hedging instruments are classified as financial assets whose fair value difference is reflected as profit or loss (Note 22).

ii) *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income consist of equities and certain debt securities held by the Group and listed in a stock exchange of an active market and they are recognised under "financial investments" in consolidated statement of financial position. Impairment in these assets, which are recognised with their fair value, and unrealised profit or loss, which arise from changes other than changes in profit or loss concerning exchange rate differences in interest and monetary assets calculated by efficient interest method are tracked under consolidated other comprehensive income statement and under financial asset shall be recognized in equity, through the investment revaluation reserve until the financial asset is removed from consolidated financial statements. If the assets whose fair value difference is recognised under consolidated other comprehensive income statement are sold, valuation differences classified under consolidated other comprehensive income statement are classified under "Retained Earnings/(Losses)"

###### Derivative financial instruments and hedge accounting

Derivative financial instruments, predominantly foreign currency and interest swap agreements, commodity exchange contracts and foreign currency forward agreements are comprised. Derivative financial instruments are subsequently remeasured at their fair value. Fair values of derivative financial instruments are obtained from quoted market prices or discounted cash flow models as appropriate. Based on positive or negative fair value, derivative financial instruments are carried as assets or liabilities in the statement of financial position respectively (Note 22).

In the case of future cash flows being subject to cash flow hedges and related transactions being effective, the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in equity directly whereas the ineffective portion is recognized immediately in the statement of profit or loss.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Derivative financial instruments and hedge accounting (Continued)

If the cash flow hedge of a firm commitment or an expected forward transaction result in the recognition of an asset or liability, at the initial recognition of this asset or liability the gain or loss previously recognized under equity related to derivatives is included in the measurement of the initial amount of the asset or liability. In a hedge accounting that does not result in the recognition of an asset or a liability, the amounts previously recognized under equity are transferred to statement of profit or loss in the period in which the hedged item has an effect on profit or loss. The changes in the fair value of derivatives that do not meet the criteria for hedge accounting are recognized in the statement of profit or loss.

The Group utilizes foreign exchange derivatives to protect future significant transactions and cash flows from financial risk. Group has signed various forward exchange contracts, commodity contracts and option contracts regarding the management of fluctuations in exchange rates and fuel prices. The derivative instruments purchased are mainly denominated in foreign currencies in which the Group operates.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in equity remains in equity until the forecast transaction or firm commitment affects profit or loss. If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or losses previously recognized in equity are transferred to the profit/(loss) statement.

###### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. As of the date of the report, the properties held for a currently undetermined future use by the Group management, have been classified as investment properties.

Subsequent to initial recognition, at the end of each year when there is an indication of impairment, in accordance with the appraisal reports obtained from licensed real estate appraisal organizations under the Capital Market Legislation, investment properties are stated at fair value which reflects the market conditions as of the statement of financial position date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated profit or loss in the period in which they arise. Deferred tax (liability)/asset has been calculated from all the temporary differences from investment properties.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in consolidated profit or loss in the period in which the property is derecognized.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Investment properties (Continued)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between cost value and fair value at the date of the change is recognized as revaluation fund in consolidated statement of other comprehensive income (Note 13).

###### Property, plant and equipment

Property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses (Note 14). Depreciation is provided on property, plant and equipment on a straight-line basis (except land). Lands are not subject to depreciation due to their unlimited useful life. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Years</u>
Land improvements	5 - 50
Buildings	10 - 50
Machinery and equipment	2 - 28
Motor vehicles	2 - 20
Furniture and fixtures	2 - 15
Development costs of leased tangible assets	2 - 39
Other tangible assets	2 - 50
Leasehold improvements	2 - 25

Expected useful life, residual value and depreciation method are reviewed annually for possible effects of changes in estimates and are recognized prospectively if there is a change in estimates.

An item of property, plant and equipment is derecognized in the consolidated statement of financial position upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as income or expenses from investing activities in consolidated profit or loss.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Property, plant and equipment (Continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount provided to allocate provision. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets as of the consolidated statement of financial position date.

Repair and maintenance expenses are charged to the consolidated statement of profit or loss as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset.

Gain and losses regarding sale of property, plant and equipment are accounted as other income and expenses from investing activities.

###### Intangible assets and related amortization

Intangible assets excluding goodwill and assets with infinite useful lives comprise of terrestrial broadcasting permissions and licenses (frequency rights), other identified rights and computer software.

Prepaid dealer agreement amounts have been recognized under intangible assets within the context of dealer agreements made with certain fuel oil and LPG dealers to guarantee product sales by Aytemiz Akaryakit and the duration of these dealer agreements is 5 years.

Intangible assets with estimated useful life are accounted for at acquisition costs and amortized on a straight-line method (Note 15).

Estimated useful lives of intangible assets are as follows:

	<u>Years</u>
Electricity production licenses	45 - 47
Trademark	20 - 25
Computer software and rights	3 - 15
Dealer agreements	5
Other intangible rights	5 - 49

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Intangible assets and related amortization (Continued)

Intangible assets with estimated useful lives are tested to determine whether there is an indication that the intangible assets may be impaired and if the carrying value of the intangible asset is higher than the recoverable amount, the carrying value of the intangible asset is written down to its recoverable amount provided to allocate provision. The amount recoverable from an intangible asset is either the discounted net cash flows generated from the use of that intangible asset or the net sales value of that intangible asset depending whether the former or the latter being higher. Provision for impairment is recognised under the statement of profit or loss in the related period.

Marina utilization right which is held by the Group's subsidiary Milta Turizm and classified in other intangible rights, is being amortized for a period of 49 years regarding the transfer agreement on 13 November 1997 with the Privatization Administration (Note 15)

###### Development costs

Development costs for the design and testing of detectable and unique products controlled by the Group are recognized as intangible assets when the following conditions are met:

- It is technically possible to complete the product to be ready for use;
- Management intends to complete and use or sell the product;
- Possibility to use and sell the product;
- Certainty on how the product is likely to provide future economic benefits;
- Availability of sufficient technical, financial and other resources to complete the development phase and to use or sell the product; and
- Reliable measurement of expenses related to the product during the development process.

Capitalized development costs are recognized as intangible assets and are amortized beginning from the date the asset is ready for use.

###### Broadcasting programme rights

Television programme rights are initially recognised at acquisition cost of the license when the Group controls, in substance, the respective assets and the risks and rewards attached to them. Television programme rights are evaluated to determine if expected revenue is sufficient to cover the unconsumed portion of the program. To the extent that expected revenue is insufficient, the programme rights are written down to their net realizable value. (Note 15).

###### Impairment of assets excluding goodwill and intangible assets with infinite useful lives

At each statement of financial position date, the Group evaluates whether there are any indications that an asset other than goodwill or infinite life intangible assets may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Impairment losses are recognized in the consolidated statement of profit or loss (Note 15).

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Taxation

Taxation on income includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of statement of financial position date and includes adjustments related to the previous year's tax liabilities. Turkish tax legislation does not permit a parent company to file a consolidated tax return for its subsidiary and its joint venture. Therefore, tax provisions, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Deferred income tax is provided, using the liability method, on temporary differences arising between the statutory tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities (Note 32).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority (Note 32).

###### Current and deferred tax

Tax is included in the statement of profit or loss, unless it is related to an operation that is accounted directly under equity. Otherwise, tax is accounted under equity as well as the related transaction (Note 32).

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Repurchased shares

The Group's redeemed shares (repurchased own shares) are not considered as a separate financial asset as a financial instrument based on the Group's equity, regardless of any reason. In the case of repurchase of financial instruments based on equity, the Company recognizes such instruments by deducting them from equity, in accordance with the related legal regulations, legal reserves are allocated over the acquisition cost equal to the share amount received and the legal reserves are accounted under "restricted reserves" account under shareholders' equity (Note 24).

###### Financial borrowings and borrowing costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in the profit or loss as finance expense over the period of the borrowings (Note 8). The borrowing costs which are directly related with the acquisition, manufacturing or production of a specialty good (means that a long period of time is required to make available for sale and use as purposed) are capitalized as a part of the related asset.

###### Employment termination benefits

The provision for employment termination benefit represents the present value of the estimated total reserves of the future probable liability of the Group arising from the retirement of the employees measured in accordance with the Turkish Labour and Press Labour Laws (Note 23).

According to the amendment in TAS 19, the Group calculated employment benefit in accordance with the report prepared by the actuarial firm and recognised all actuarial loss and gains in the other comprehensive statement of profit or loss as of the statement of financial position date.

###### Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present legal or constructive obligation or a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously treated as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised by the Group in the financial statements of the period in which the change occurs.



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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Provisions, contingent assets and liabilities (Continued)

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities. A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 18).

###### Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognized as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the General Assembly (Note 24).

###### Revenue recognition

When the Group meets its performance obligation by transferring a product or service that is committed before, the revenue is recognised in consolidated financial statements. When the the client takes over the control of an asset, the asset is deemed transferred.

The Company transfers the revenue to the financial statements based on the following five principles:

- Determining client agreements,
- Determining performance obligations in agreements,
- Determining transaction price in agreements,
- Distributing transaction price to performance obligations in agreements,
- Recognising the revenue as each performance obligation is met.

If all the below-mentioned conditions are met, Group recognises an agreement made with the client as revenue:

- Parties to the agreement approved the agreement (in writing, orally or in other means in line with commercial practices) and committed to meet their respective obligations,
- Group can define the rights of each party concerning the goods or services to be transferred,
- Group can define payment conditions concerning the goods or services to be transferred,
- The agreement is commercial in essence.
- It is possible that the Group will collect money in return for goods and services to be transferred to the client.

When determining whether the money can be collected, Group only considers its client's ability and intention to pay the money in time. At the beginning of the agreement, Group evaluates the goods or services committed to the client in the agreement and defines each commitment to transfer goods or services as performance obligation.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Revenue recognition (Continued)

At the beginning of the agreement, Group evaluates the goods or services committed to the client in the agreement and defines each commitment to transfer goods or services as performance obligation as follows:

- a) Different goods or service (goods or service packages) or
- b) A group of different goods or services which are similar in a great extent and transferred to the client with the same method.

A group of different goods or services are subject to the same transfer method if the below conditions are met:

- a) Each different product or service that the Group committed to transfer to the client must meet required conditions and constitute a performance obligation to be met in time and
- b) As per the relevant paragraph of the standard, using the same method to measure the progress of the Group in meeting its obligation to transfer each product or service included in the group to the client.

Group sells different products and services as a package and also can sell them separately. Each product and service which are determined through agreement and Group transferred to its clients in a package are described as different goods and services. Additionally, because clients can benefit from these services separately, these services can be described independently from other commitments in the agreement. Based on this, each service in a package is recognised as a separate performance.

If a third party is involved in the process where goods or services are provided to client, when the Group determines its performance liability it assess whether its commitment is about providing (primary) the good or service by itself or mediating (agent) the sale of the goods or services provided by other parties. According to this, if the Group checks the goods or services before delivering them to client, the Group is in the primary position related to sale of good or services. When (or as long as) the Group meets its performance liability, it recognises the revenue equal to gross amount of price, which it expects to earn in return for transferred goods or services, in the consolidated financial statements. If the Group mediates the process where other parties provide the goods and services, it is in the agent position and cannot include the revenue for the performance liability in the consolidated financial statements.

Group takes into account agreement provisions and commercial customs in order to determine transaction price. Transaction price is the price, which the Group expects to deserve in return for goods and services Group committed to provide to client, excluding amounts (e.g. some sales taxes) collected on behalf of third parties. A committed price in an agreement with a client can include both the fixed amounts and variable amounts. There are variable amounts because the agreements Group made with clients have scores from turnover-based discounts, returns and customer loyalty programs. If the price the Group commits in the agreement is variable, the Group determines the price it deserves in return for goods and services committed to client through estimation. For the Group to include some or all of cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated. When assessing whether or not there will be an important cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated, the Group must take into account both realisation possibility and impact of revenue cancellation.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Revenue recognition (Continued)

If a company offers its client in an agreement a choice to receive additional good or services, this choice leads to a performance liability if the choice gives the client a tangible right that client cannot use as long as the client does not sign the agreement as a party. If the choice gives client a tangible right, the client makes prepayment to the company for the goods and service it will receive in the future. The company includes this revenue in the financial statements when these future goods and services are transferred or this choice expires.

If independent sale price related to client’s choice to receive additional good or service cannot be observed, the company determines this through estimation. If client chooses to receive good or service, this estimation reflects the discount the client will get based on the followings:

- (a) Discount if the client does not choose to receive good or service,
- (b) Possibility of using the choice.

After receiving pre-payment from client, the company includes an agreement liability equal to pre-payment in return for performance liability related to transferring goods or services in the future or making them ready to be transferred. When the company completes transfer of goods or services and therefore meets its performance liability, it removes this agreement liability from financial statements (and the revenue is included in the financial statements).

Because the awards related to “Vendor Loyalty Project”, which the Group applies for sales transactions with vendors and end-sellers, and card loyalty programs (Aytemiz card etc.) the Group provides to its clients give clients a tangible right that client cannot use as long as it does not sign the agreement as a party, the amounts the relevant client earns are recognised as agreement liability in the consolidated financial statements. When these awards from “Vendor Loyalty Project” are used, they are recognised by deducting from gross revenue in the financial statement by deducting from agreement liability.

When the Group expects to collect a price and accepts to pay some or all of this price back to client, it includes the return liability in the financial statements. Return liability is measured based on the collected (or receivable) price (in other words, amounts which are not included in the transaction price) the company does not expect to deserve. Return liability (change in the transaction price and agreement liability) is updated at the end of every reporting period by considering the changes in the conditions.

The Group includes the following things in the financial statement in order to recognise the transfer transaction of products which can be returned (along with some delivered services, on condition with being subject to return):

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Revenue recognition (Continued)

- (a) Revenue in return for products transferred at the value which the company expects to deserve (therefore the revenue related to product that are expected to be returned is not included in the financial statements)
- (b) A return liability and
- (c) An asset in return for a right to get the products back from client after the company meets its return liability (based on this, an adjustment in sales cost).

An asset, recorded in financial statements in scope of the right to take the products back from the client to carry out refund liability, should be evaluated considering the resulting amount after the costs (including the potential decrease of value of the returned product from the perspective of the business) to be made in scope of taking back these products at previous book value (if available). The group updates its refund liability measure in a manner that it reflects the changes in the expected refund amounts and reflects the necessary adjustments in consolidated financial statements as revenue (or discounts from revenue).

A good or service's contractually specified price is its independent sale price. If there is more than one good or service to transfer in the contract, the Group allocates the transaction price to each performance liability (or different good or service) in an amount that shows the amount which the client expects to have a right to in return for transfer of the goods or services committed to the client. To reach its distribution target, the Group allocates the transaction price to each performance liability specified in the contract at a proportional independent sale price. To allocate the transaction price to each performance liability on a basis of a proportionate individual sale price, the Group determines the individual sale price of different goods or services that make up the basis of each performance liability in the contract at the beginning date of the contract and allocates transaction price in proportion to these individual sale prices.

When a party carries out the contract, the Group reflects the contract as a contract asset or contractual liability in the statement of financial position, depending on the relationship between the business performance and client payment. The Group records its unconditional rights related to the price as a receivable.

If the sum of sale prices of the individual goods and services committed in the contract exceeds the amount committed for them in the contract, it means that the client received a discount in return for purchasing goods or a service package. Except for the cases where there are observable indications that the discount is related to one or a few of the performance liabilities regulated in the contract and not all of them, the Group allocates the discount directly proportional to all performance liabilities.

###### Advertisement revenue

The Group's advertisement income is made up of income gained from the advertisements that were published on written, visual and digital media. If the client simultaneously gets the benefits of performance as the advertisement is published and consumes it, that means the Group has transferred the service's control over time. Therefore, as performance liability is carried out (as the advertisement is published), revenue is recognised over time and depending on the output method. The unpublished portion of the ads are recognised in the financial statement as contractual liability.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Revenue recognition (Continued)

###### Revenues from circulation and magazine sales

Circulation revenues consist of revenues from mass sales. Revenues generated within the scope of this service are accounted "at a certain moment of time" on the date of the shipping of the magazines.

###### Subscription and membership income

Subscription and membership income includes revenues from real estate site, digital platform and internet subscriptions. The Group monitors the memberships of real estate sites individually and institutionally.

The Group may sell subscriptions and memberships by combining sold products and services in packages. (Example: Publishing a listing through a real estate site, highlighting service and mobile phone may be sold as a package.) Each product and service included in the package is recognised as a separate performance. For each performance, independent sale price is determined considering observable prices. When the control of the performance is passed over to the client, it is recorded as income. The clients can benefit from publishing listings and highlighting service simultaneously, so it is recognised "over time" and through output method. When the physical ownership of packaged products is transferred to the client, the income is recognised.

###### Fuel sale income

Fuel sale income is the amount remaining when the Group has deducted estimated client refunds, discounts and provisions from fuel sales that it has carried out through dealerships or from its own stations. The revenue gained through fuel sales is recognised at a specific point in time in case control concerning the property is transferred to the client, the income amount is reliably calculated, it is possible that economic benefits concerning the transaction flows to the business and the costs arising out of the transaction may be reliably calculated.

###### Electricity sale revenues

The group earns electric sales income through generation and sales of electricity from hydroelectric plants, solar energy plants and wind energy plants. Since electricity is a service provided as a series that the client gets and consumes simultaneously, it is recognized as one performance, over time and through output method.

###### Industry and trade income

The Group's industrial income is made up of income that the Group gets through the activities of its subsidiaries Çelik Halat and Ditaş. This income gained through product sales is recognised when the client takes over the control of the committed asset, "at a specific point in time". Trade incomes of the Group are defined as merchandise sales and brokerage and commission income. The Group records the merchandise sales income at a specific time, when it transfers the control of the merchandise to the other party. Foreign trade incomes of the Group are recognized over time, at the time the service is completed.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Revenue recognition (Continued)

###### Real estate income

The revenue gained from Milpa’s (a subsidiary of the group) residence construction projects is realized “at a specific point in time” after the Group carries out all duties specified in the contract fully and the buyer confirms the delivery report and control arising from owning legally an asset are transferred to the buyer of the property.

In addition to this the related income consists of Group’s subsidiary Milta’s Marina income. Marina income is consisted of accommodation of sea vehicles and store rent incomes. The said rent income is recorded during the rent contracts over time and based on the output method

###### Rent income

The rent income gained from real estates is recognised throughout the relevant rent agreement, over time and with output method.

###### Factoring income

Interest and commissions arising from factoring transactions are reflected to the statement of profit or loss on an accrual basis depending on the duration of the factoring contracts.

###### Financial income

Interest income and expenses are recognized on an accrual basis. Interest income is deducted from the records as soon as the management decides that the loans and advances given to customers cannot be repaid, and the accruals recorded until that date are cancelled and not recorded as revenue until the collection is made.

###### Administration consultancy income

The related income is made up of consultancy. Throughout the related consultancy projects, the accounting is performed according to the “over time” and “output” method.

###### Vehicle sales income

The control after paying special consumption tax and issuing a registration for the sold vehicles is accepted to have been transferred to the client. It is recognized as income “at a specified moment in time” through reliable calculation of income amount.

Before the group transfers a good or a service to the client, if the said client pays the price or the business has an unconditional receivable on the price, it reflects the contract as a contractual liability on the date the payment is made or when the payment is due (whichever is earlier). Contract liability is the liability of the business to transfer goods or services to the client in return for the amount it has collected (or earned the right to collect). In cases where the customer does not pay the cost or the performance obligation is met by transferring the goods or services to the customer before the due date, the Group presents the contract as a contract asset except the amounts presented as receivable.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### *Leases*

If a contract regulates the right to control the use of an asset that is defined in the contract for a certain period and for a specific price, this contract is considered as a lease in its nature or includes a lease transaction. At the beginning of a contract, the Group assesses whether the contract is a lease or include a lease transaction. The Group considers the following conditions when assessing whether or not a contract transfers the right to control the use of a defined asset for a specified period of time:

- a) The existence of a clearly or implicitly identifiable asset that constitutes the subject of the lease,
- b) The lessee has the right to obtain almost all of the economic benefits from the use of the defined asset that constitutes the subject of the lease,
- c) The lessee has the right to manage the use of the defined asset that constitutes the subject of the lease. According to circumstances listed below, the tenant is deemed to have the right to manage the defined asset constituting the subject of the lease;
  - i. The lessee has the right to operate the property for the duration of its use (or to direct others to operate the property in its own way) and the lessor does not have the right to change these operating instructions or
  - ii. Designing the asset (or certain features of the asset) in advance in a manner of how and for what purpose the asset will be used during its occupancy by the lessee.

In case that the contract fulfills these conditions, the Group reflects a right of use asset and a lease liability to the consolidated financial statements at the date of the lease's actual start.

###### *The right of use assets*

The right-of-use asset is initially recognized by the cost method and includes the followings:

- a) The first measurement amount of the lease liability to be recognized as the right of use asset,
- b) Deduction of all leasing incentives related to the lease, from the first measurement amount of the lease liability recorded as a right of use asset,
- c) All direct costs, that are related to the lease, incurred by the Group to be added to the first measurement amount of the lease liability, which will be recognized as a right of use asset, and
- d) Estimated costs to be incurred by the Group shall be added to the initial measurement amount in relation to the dismantling and transporting of the defined asset constituting the subject of the lease, the restoration of the area in which it is placed, or the restoration of the defined asset as required by the terms and conditions of the lease.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### *Leases (Continued)*

###### *The right of use assets (Continued)*

In applying the cost method, the Group measures the right of use asset by:

- a) Deducting the accumulated depreciation and accumulated impairment losses and
- b) Measuring the cost of the lease in accordance with the re-measurement of the lease liability.

The Group applies depreciation provisions in “TAS 16 Property, Plant and Equipment” while depreciating the right of use asset. In order to determine whether the right of use asset has been impaired or not and to recognize any impairment losses the “TAS 36 Impairment of Assets” standard is implemented.

###### *Lease liability*

At the effective date of the lease, the Company measures its leasing liability at the present value of the lease payments not realized at that date. If the interest rate on the lease can be easily determined, this rate is used in discount; if the implied interest rate cannot be easily determined, the payments are discounted by using the alternative borrowing interest rate of the lessee.

Lease payments that are included in the measurement of the lease liability of the Group and the payments that have not occurred on the date when the lease is actually started consist of the following:

- a) Amount deducted from all types of rental incentive receivables from fixed payments;
- b) Lease payments based on an index or a rate, lease payments made using an index or a rate at the time the initial measurement was actually started.
- c) The penalty for termination of the lease in cases the lessee shows a sign of it will use an option to terminate the lease.

After the effective date of the lease, the Group measures its lease liability as follows:

- a) Increasing the book value by reflecting interest on lease liability
- b) Reducing the book value by reflecting the lease payments made
- c) Re-measures the book value to reflect any re-evaluations and reconfigurations, if any. The Group reflects the remeasured amount of the lease obligation to the consolidated financial statements as adjustment in the use of right.

###### *Extension and early termination options*

A lease obligation is determined by considering the extension of the contracts and early termination options. Most of the extension and early termination options included in the contracts consist of options that are jointly applicable by the Company and the lessor. However, if such extension and early termination options are at the Company's discretion in accordance with the contract and the use of the options is reasonably certain, the lease term shall be determined by taking this issue into account. If there is a significant change in the conditions, the evaluation is reviewed by the Company.



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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### *Leases (Continued)*

###### *Facilitative applications*

Contracts related to IT equipment leases (mainly printer, laptop, mobile phone, etc.), which are determined by the Company as low value, short-term lease agreements with a period of 12 months and less, have been assessed under the exemption granted by the TFRS 16 Leases Standard, and payments for these contracts are recognized as an expense in the period in which they are incurred.

###### **Business combinations**

The acquisition of businesses is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange for control of the acquire. Acquisition-related costs are generally recognised as cost as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with TFRS 2 *Share-based Payment* at the acquisition date;
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after revaluation, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TAS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with if it is found to be within the standart of TFRS 9 Financial Instruments: Recognition and Measurement, the mentioned conditional price is measured at its fair value and the gain or loss arising out of the change is recognised under profits, losses or other comprehensive income. Those not covered under the scope of TFRS 9, is recognized in profit or loss as per TAS 37 Provisions or other suitable “TAS”

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date (Note 3).

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Business combinations (Continued)

Legal mergers between entities controlled by the Group are not considered within the scope of TFRS 3 "Business Combinations". Therefore, goodwill is not calculated in such mergers. Besides, transactions occurring between the parties in legal mergers are subject to amendments during the preparation of the consolidated financial statements. In the accounting of share transfers under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with their carrying values. Mergers between entities under common control are recognized by "Pooling of Interests" method. In applying the "Pooling of Interests" method, the consolidated financial statements are adjusted as if the acquisition was performed as of the beginning at the relevant reporting period in which the common control is carried out and they are presented comparatively as of the beginning of the relevant reporting period. As a result of these transactions, no goodwill or negotiable purchase effect is calculated (Note 3). Business combinations subject under common control are not within the scope of TFRS 3 "Business Combinations" and the Group does not recognize any goodwill with respect to such transactions. If the carrying amount of the acquired net assets on the date of the merger exceeds the transferred value, the difference is considered as the additional capital contributions of the shareholders and reflected to the Share Premiums. On the contrary, namely as a difference that occurs when the net value of the transferred assets exceeds the carrying amount of the net assets of the Company, on the date of the merger, the difference is reflected in the section "Effects of Mergers of Entities Under Common Control".

###### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

The cash-generating unit, where the goodwill is allocated, is tested for impairment annually. If there is any indication that the unit is impaired, the impairment test is performed more frequently.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated financial statements. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Gains or losses resulting from the sale or purchase of subsidiaries under the control of Doğan Holding (transactions that do not result in a change in control) are recognised under equity. TAS 27 (Revised) requires ownership decreases or increases which do not result in a change in control to be recorded under equity for accounting periods beginning on or after 1 July 2009. For accounting periods beginning prior to 1 July 2009, the difference resulted in favor of acquisition value in connection with sale or purchase of subsidiaries under the control of the Group which does not result in a change in control was recognised as goodwill.

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### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.2 Summary of Significant Accounting Policies (Continued)

##### Foreign currency transactions

###### Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, under finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis under other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised under other comprehensive income.

###### Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency (none of which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each income statement are translated at average exchange rates unless this average is not reasonable approximate of the cumulative effect of the prevailing on the transaction dates in which case income and expenses are translated at the rate on the dates of the transactions, and
- All resulting exchange differences are recognized in other comprehensive income.

A significant portion of the Group's foreign operations is performed in Russia, Europe, Romania and the United States. Foreign currencies and exchange rates at 31 March 2020 and 31 December 2019 are summarized below:

<u>Country</u>	<u>Currency</u>	<u>31 March 2020</u>	<u>31 December 2019</u>
Eurozone	Euro	7.2150	6.6506
Russia	Ruble	0.0812	0.0955
USA	USD	6.5160	5.9402
Romania	Romanian Leu	1.4847	1.3832

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Assets Held for Sale

Fixed assets (or groups of assets to be disposed of) are classified as held for sale because their book values can be regained through sale rather than ongoing use, and when it’s accepted that the possibility for sale is high. Deferred tax assets, assets gained as a result of employee benefits, financial assets, investment properties moved at their fair value and those rights other than the rights arising out of the contracts on insurance policies have been specifically excluded. Assets such as these held for sale are measured with whatever is lower, the book value or the sales-cost-deducted fair value.

If the value of an impairment of an asset (or group of assets to be disposed of) is lowered to its sales-cost-deducted fair value at the beginning or later, the impairment loss is recognised. If it does not exceed the accumulated impairment losses recognised beforehand, any increase to the sales-cost-deducted value of an asset (or group of assets to be disposed of) is recognised as income. Income or loss of an asset (or group of assets to be disposed of) that was not recognised before the day it was sold is recognised as of the day when the said asset is left out of the statement of financial position

Fixed assets classified as held for sale (a fixed asset which is part of an asset group to be disposed of) cannot be depreciated or amortised. Interest or other expenses of debts related to the asset group classified as held for sale or to be disposed of continue to be recognised.

A fixed asset recognised as held for sale, and assets in a group of assets to be disposed of classified as held for sale, are shown separately from other assets in the statement of financial position. Debts related to an asset group classified as held for sale are shown separately from other debts in the statement of financial position

###### Segment Reporting

Industrial segment which is an asset and operation group producing goods and services is exposed to different risks and rewards from other industrial segments. The Group operations were monitored and reported as seven main segments, “Fuel Retail”, “Electricity Production and Trade”, “Industry and Trade”, “Automotive Sales and Marketing” “Financing and Investment”, “Internet and Entertainment”, “Real Estate Investment” by the management. The Group management may change the structure of segment reporting, if they reach the conclusion that new structure may affect financial statement users’ decisions and/or it will be useful during the review of financial statements. As the sales and the purchases of the Group are made and the assets of the Group are located mainly in Turkey, no geographic segmental information is considered necessary (Note 5).

In segment reporting, intra-segmental operations are recognised at segment level and inter-segmental operations are recognised as eliminations at consolidation level.

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Earnings/(loss) per share

Earnings/(loss) per share is determined by dividing net income/(loss) by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their issued capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares for all of the periods presented in the financial statements. Therefore, the weighted average number of shares used in earnings per share computations are made with regards to the distribution of shares occurred in the prior years (Note 33)

###### Government grants

Government grants are not recognized in the financial statements until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants which are financial assets, should be recognized as deferred revenue in the consolidated statement of financial position rather than recognised in the statement of profit or loss to clarify the expenditure item that is financed and transferred to profit or loss on a systematic and rational basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates (Note 17).

###### Subsequent events

In the case that events requiring a correction to be made occur subsequent, the Group makes the necessary corrections to the consolidated financial statements.

In the case that events not requiring a correction to be made occur subsequent, those events are disclosed in the notes of consolidated financial statements (Note 38).

###### Statement of cash flows

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group’s activities.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Statement of cash flows (Continued)

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with three months or less to maturity

##### 2.3 Critical Accounting Estimates, Assumptions and Decisions

###### 2.3.1 Critical accounting estimates and assumptions

###### a) *VAT amount subject to discount within the scope of law no: 6111*

As of November 2011, the Group management considered the VAT principle amounting to TRY454,281 imposed as a consequence of share exchanges and transfers recognised in the statutory accounts of Doğan TV Holding, D Yapım, Doğan Prodüksiyon (the related subsidiary merged with D Yapım in 2013 and dissolve without liquidation) and Alp Görsel (the related subsidiary merged with Doğan TV in 2014 and dissolved without liquidation) and restructured within the scope of Law no: 6111 in the year 2011 as input VAT through issuance of “recourse VAT invoice” by each entity who transfers the shares to the respective entity, sequentially with the amount of corresponding VAT imposed. In this context, input VAT amounting to TRY367,990 and TRY86,291 have been recognised in the statutory records of D Yapım and Doğan TV Holding respectively. This amount has been included in the financial statements of Galatawind as a result of the merger of D Yapım and Galatawind at the date of 30 July 2019. Due to the specific nature of the transaction and considering precautionary principle, the Group management adopted the policy that such “Deductible VAT” should not be recorded as an asset in the consolidated financial statements based on its actual utilization in subsequent taxation periods. However, the Group management has adopted the application of accounting in line with the opinion it formed considering the previous actual utilization performance of such “Deductible VAT” asset as per the applicable legislation and relevant declaration and audit applications, and recognized TRY288,778 in “other non-current assets”.

###### b) *Deferred tax assets*

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TAS published by POAASA and their statutory financial statements. The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations. The Group has recognized deferred tax assets amounting to TRY66,895 (31 December 2019: TRY69,865) arising from unused tax losses amounting to TRY304,068 (31 December 2019: TRY317,568) as of 31 March 2020, considering the future profit projections (Note 32).

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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)

##### 2.3.1 Critical accounting estimates and assumptions (Continued)

###### c) *Provision for doubtful trade receivables*

When there is an indicator that the collection of receivables will be impossible, provision is provided for the receivables. The amount of the provision is determined based on the assessment of the Group based on the aging of receivables and the payment performance of the customers. The provision for doubtful receivables is an accounting estimate determined based on the past payment performance and financial situations of the customers. Considering the ordinary course of trade cycle of the Group, provision for doubtful receivables for the trade receivables is considered for the trade receivables for which the collection period is over the ordinary course of trade cycle considering the fact that trade receivable is in the administrative and/or legal proceedings, with or without guarantee, objective evidence etc. When trade receivables are not impaired along with realised impairment losses for certain reasons, the Group recognises an expected credit loss provision equal to the expected lifetime credit loss for these trade receivables as per TFRS 9. Expected credit loss is calculated using expected credit loss rates determined based on previous credit loss experiences of the Group and prospective macroeconomic indicators. Changes in expected credit loss provisions are recognised under other income and expenses from main activities. As of 31 March 2020 doubtful provision is TRY100,741 (31 December 2019: TRY99,648) (Note 9).

###### d) *Investment properties*

Important assumptions of the Group Management regarding investment properties are disclosed in Note 13.

###### e) *Impairment of subsidiaries*

The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the “prudence” principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil’s fields will not be sustained and the only way of producing oil from the wells is using “heavy oil” production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management. In this context, the Group has decided to terminate the related contracts and leave the sites it operates and no provision has been set as the amount of expenses to be incurred cannot be measured reliably yet. In addition to this, it is not expected that the costs incurred will have a significant impact on the consolidated financial statements (Note 4)



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#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)

##### 2.3.1 Critical accounting estimates and assumptions (Continued)

###### *f) Impact of the Covid-19 Epidemic on Group Operations*

In late 2019, COVID-19 (a coronavirus) appeared in China, and a limited number of cases were reported to the World Health Organisation. In the first months of 2020, the virus continued to spread globally, and its negative impact increased. This situation was continuing to evolve as of the date the consolidated financial statements were approved. In this respect:

- The group's subsidiary, Ditaş, decided to temporarily suspend production between 2 and 9 April 2020 to prevent the spread of the epidemic, and restarted production on 9 April 2020, benefiting from the short-term working allowance. Ditaş benefited from 50% of the said allowance and published a material event statement in this regard on the Public Disclosure Platform on 17 April 2020.
- Çelik Halat, one of the Group's subsidiaries, also suspended production between 1 April 2020 and 4 May 2020 to prevent the spread of the epidemic, and restarted production on 4 May 2020. The subsidiary benefits from the short-term working allowance.
- The Trump Shopping Mall property, where shopping mall activities are performed on parcel 3, on block 2524 in the Mecidiyeköy neighbourhood in the Şişli District of Istanbul, and which is owned by the group's subsidiary, D Gayrimenkul, temporarily suspended its activities to prevent the spread of the epidemic. Office operations on the other hand, continued without interruption. It is planned that Trump Shopping Mall will continue its operations on 1 June 2020.

In addition, our group companies benefit from government aid such as the short-term working allowance, VAT, withholding tax and SSI postponements. In our evaluations we did not find any material impact on the consolidated financial statements prepared as of 31 March 2020.

#### NOTE 3 - BUSINESS COMBINATIONS

*Business combinations as of 31 March 2020:*

None.

*Business combinations as of 31 December 2019:*

##### **Merging solar energy companies through acquisition**

The Group purchased and acquired the shares representing 100% of the capitals of Baroj Elektrik Üretim Sanayi ve Ticaret A.Ş., Alaköy Elektrik Üretim Sanayi ve Ticaret A.Ş., Mor Güneş Enerji A.Ş., Mir Güneş Enerji A.Ş., Uranus Güneş Enerjisi Üretim A.Ş., Prospero Güneş Enerjisi Üretim A.Ş., Ser Güneş Enerji A.Ş., Pir Güneş Enerji A.Ş., Sarı Güneş Enerji A.Ş., Jupiter Güneş Enerji Üretim A.Ş., Oberon Güneş Enerji Üretim A.Ş., Plüton Güneş Enerji Üretim A.Ş., Bianca Güneş Enerji Üretim A.Ş., Cordelia Güneş Enerji Üretim A.Ş., Sun Güneş Enerji A.Ş., Venus Güneş Enerjisi Üretim A.Ş., Merkür Güneş Enerji Üretim A.Ş. on 29 March 2019 for TRY17,941 (USD3,204). As of the acquisition date, goodwill amounting to TRY19,526 between the paid amount and the net liabilities corresponding to the Group is accounted for in the consolidated financial statements. The merger of these companies within Galata Wind was registered on 29 March 2019.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 3 - BUSINESS COMBINATIONS(Continued)

*Business combinations as of 31 December 2019 (Continued):*

##### Acquisition of Radio Impuls

The rights (brand, publishing licenses, internet domain names, social media accounts, etc.), fixed assets, other ownership rights, and rights and obligations arising from existing contracts belonging to Radio Impuls of Adway Direction S.R.L were acquired by Kanal D Romanya, a subsidiary of the Group, for EUR1,700 in February 2019 and goodwill amounting to TRY10,272 related to purchase transaction has been accounted in consolidated financial statements.

##### Acquisition of İnnobil

On 18 January 2019, Glokal, a subsidiary of the Group, purchased İnnobil for TRY1,400.

#### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

Joint ventures of Doğan Holding are presented below. Joint venture’s nature of businesses, segments, registered countries and entrepreneurial partners are summarized as following:

Joint venture	Country	Nature of business	Entrepreneurial partner
Aslancık Elektrik Üretim A.Ş. (“Aslancık Elektrik”)	Turkey	Energy	Doğuş Holding A.Ş. and Anadolu Endüstri Holding A.Ş.
Boyabat Elektrik Üretim ve Ticaret A.Ş. (“Boyabat Elektrik”)	Turkey	Energy	Unit Investment N.V. Doğuş Holding A.Ş.
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”)	Turkey	Magazine publishing	Burda GmbH
Doğan ve Egmont Yayıncılık ve Yayıncılık Ticaret A.Ş. (“Doğan Egmont”)	Turkey	Magazine publishing	Egmont
Gas Plus Erbil Ltd. (“Gas Plus Erbil”)	Jersey	Energy	Newage Alzarooni Limited
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. (“Kandilli Gayrimenkul”)	Turkey	Real Estate Management	Rönesans Gayrimenkul Yatırım A.Ş.
Ultra Kablolü Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. (“Ultra Kablolü”)	Turkey	Telecommunication	Koç Holding A.Ş.
Dergi Pazarlama Planlama ve Ticaret A.Ş. (“DPP”)	Turkey	Planning	Burda GmbH

The table below sets out the Joint Ventures, Doğan Holding and its subsidiaries and Doğan family voting power and effective ownership interests at 31 March 2020 and 31 December 2019:

Joint Ventures	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Aslancık Elektrik	33.33	33.33	-	-	33.33	33.33	33.33	33.33
Boyabat Elektrik	33.00	33.00	-	-	33.00	33.00	33.00	33.00
Doğan Burda <sup>(1)</sup>	45.01	45.02	-	-	45.01	45.02	45.01	45.02
Doğan Egmont	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Gas Plus Erbil <sup>(2)</sup>	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Kandilli Gayrimenkul	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Ultra Kablolü <sup>(3)</sup>	50.00	50.00	-	-	50.00	50.00	50.00	50.00
DPP	56.00	56.00	-	-	56.00	56.00	56.00	56.00

<sup>(1)</sup> Proportion of the related joint venture changed due to the sale of shares with respect to market making.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

- (2) The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the “prudence” principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil’s fields will not be sustained and the only way of producing oil from the wells is using “heavy oil” production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management. In this context, the Group has decided to terminate the related contracts and leave the sites it operates and no provision has been set as the amount of expenses to be incurred cannot be measured reliably yet. In addition to this, it is not expected that the costs incurred will have a significant impact on the consolidated financial statements. Financial information of Gas Plus Erbil has not been included since the Group has no future expectations regarding its activities.
- (3) The related joint venture has ceased its operations as of November 2006.

Profit and loss arising from the transactions between the Group’s subsidiaries and its joint ventures are eliminated in accordance with the Group’s share in its related subsidiary or its joint venture. The summary of the Group’s share of the financial statements of the investments accounted for by the equity method as of 31 March 2020 and 31 December 2019 are as follows:

	Total assets	Total liabilities	Net assets	Group’s share on net assets/ liabilities	Net sales	Profit/(loss) for the period	Group’s share on net profit (loss)
<b>31 March 2020</b>							
Kandilli Gayrimenkul	192,890	13,598	179,292	89,646	-	1	1
Doğan Burda	55,635	35,186	20,449	9,206	15,448	(1,453)	(654)
Doğan Egmont	78,183	37,676	40,507	20,254	9,049	1,161	581
Ultra Kabloolu	9,958	25	9,933	4,967	-	2,908	1,454
DPP	364	180	184	103	479	(10)	(6)
<b>Total</b>	<b>337,030</b>	<b>86,665</b>	<b>250,365</b>	<b>124,176</b>	<b>24,976</b>	<b>2,607</b>	<b>1,376</b>
Boyabat Elektrik <sup>(1)</sup>	1,849,056	4,504,101	(2,655,045)	-	21,561	(404,853)	-
Aslancık Elektrik <sup>(2)</sup>	484,838	518,137	(33,299)	(11,099)	39,209	(53,712)	(17,902)
<b>31 December 2019</b>							
Kandilli Gayrimenkul	192,896	13,604	179,292	89,646	-	4,435	2,218
Doğan Burda	59,425	37,522	21,903	9,861	84,978	(2,481)	(1,117)
Doğan Egmont	84,074	44,783	39,291	19,646	45,806	2,794	1,397
Ultra Kabloolu	7,051	27	7,024	3,512	-	(168)	(84)
DPP	417	224	193	108	2,271	111	62
<b>Total</b>	<b>343,863</b>	<b>96,160</b>	<b>247,703</b>	<b>122,773</b>	<b>133,055</b>	<b>4,691</b>	<b>2,476</b>
Boyabat Elektrik <sup>(1)</sup>	1,828,364	4,012,718	(2,184,354)	-	329,717	(431,372)	32,403
Aslancık Elektrik <sup>(2)</sup>	481,722	464,369	17,353	5,784	139,764	(24,396)	(8,131)

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

- (1) The Amendment Agreements were signed on 21 June 2019 and the credit agreements were concluded between Boyabat and the banks on 26 June 2013 and 26 June 2015 were amended. The entry into force of the Amendment Agreements is subject to the payment of the interest accrued under the Main Loan Agreement and the inclusion of the interest accrued under the Consecutive Credit Agreement and the BSMV to the principal amount. It is accepted that the effective date of the contracts is 8 July 2019. The first interest payment after the effective date will be made on 21 June 2020 and the second will be made on 31 December 2020, and the each of the following payments will be made within twelve-month periods after 31 December 2020. Effective interest rate until 21 June 2020 will be 4.25% and after it will be 5.25%. As a result of these developments, the aforementioned provision has been reversed due to the disappearance of the uncertainties mentioned above. In addition, the Group, as a guarantor, made the payment of interest accrued for existing loans but not yet paid by Boyabat amounting to USD 8,650,073 (exact) and EUR 2,482,125 (exact) in full and in cash which was on its own share within 11 business days following the date of the Amendment Agreements were signed. This amount includes 2,854,524 (exact) US Dollars and 819,101 (exact) Euro which belongs to the share of one of the shareholders and which cannot be paid and corresponds to Doğan Enerji's share, in addition expense accrual is accounted in the consolidated financial statements as of the balance sheet date for these amount.
- (2) Aslancık Elektrik completed the negotiations with the creditors regarding the restructuring of the loan contracts in 2019, and signed the Amendment and Participation Agreement dated 24 January 2011 with the creditors as of 30 December 2019. As a prerequisite before restructuring, Aslancık Elektrik performed a capital increase of TRY141,000,000 (exact) and the capital was paid in cash by the shareholders. In addition, as of 27 December 2019, a total amount of EUR7,933,896 (exact) of the loan was paid to the Alternative Bank for a loan amounting to EUR23,363,594 (exact) through the performed capital increase, and for the remaining EUR15,429,698 (exact) loan, Euro loan was closed with USD17,218,000 (exact) which were obtained from the same bank. The newly purchased loan amounting to USD17,218,000 (exact) is included in the consortium loans, the first interest and principal payment after the effective date is 30 June 2020 and the interest rate is Libor + 3.95. With the related restructuring, USD53,333,333 (exact) and EUR20,863,594 (exact) loan liability has been reduced to USD69,482,000 (exact).

The movements of investments accounted for by the equity method for the related period are as follows:

	2020	2019
<b>1 January</b>	<b>128,557</b>	<b>(29,821)</b>
Share of gain (loss) on investments accounted for by the equity method	(16,526)	(17,313)
Capital increase	1,000	21,198
Capital decrease	-	(980)
Capital commitments	-	230
Other	46	-
<b>31 March</b>	<b>113,077</b>	<b>(26,686)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Condensed financial information after consolidation adjustments of Joint Ventures is as follows:

##### Condensed statement of financial position information:

31 March 2020	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	Doğan Egmont	DPP	Total
Cash and cash equivalents	177,281	26,504	16	21,281	109	3,104	6	228,301
Other current assets	15,030	14,784	74	24,046	9,816	68,382	349	132,481
Other non-current assets	1,656,745	443,550	192,800	10,308	33	6,697	9	2,310,142
<b>Total assets</b>	<b>1,849,056</b>	<b>484,838</b>	<b>192,890</b>	<b>55,635</b>	<b>9,958</b>	<b>78,183</b>	<b>364</b>	<b>2,670,924</b>
Short-term borrowings	345,168	26,873	-	3,625	-	5,000	-	380,666
Other short-term liabilities	23,770	57,147	83	21,657	9	32,676	180	135,522
Long-term borrowings	3,927,811	433,802	-	1,729	-	-	-	4,363,342
Other long-term liabilities	207,352	315	13,515	8,175	16	-	-	229,373
<b>Total liabilities</b>	<b>4,504,101</b>	<b>518,137</b>	<b>13,598</b>	<b>35,186</b>	<b>25</b>	<b>37,676</b>	<b>180</b>	<b>5,108,903</b>
Net assets:	(2,655,045)	(33,299)	179,292	20,449	9,933	40,507	184	(2,437,979)
<i>Group's share</i>	<i>0.33</i>	<i>0.33</i>	<i>0.50</i>	<i>0.45</i>	<i>0.50</i>	<i>0.50</i>	<i>0.56</i>	
<b>Group's net asset share</b>	<b>-</b>	<b>(11,099)</b>	<b>89,646</b>	<b>9,206</b>	<b>4,967</b>	<b>20,254</b>	<b>103</b>	<b>113,077</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

##### Condensed statement of financial position information (continued):

31 December 2019	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	Doğan Egmont	DPP	Total
Cash and cash equivalents	139,848	5,139	25	21,797	113	2,517	4	169,443
Other current assets	22,789	5,933	72	26,451	6,894	74,831	403	137,373
Other non-current assets	1,665,727	470,650	192,799	11,177	44	6,726	10	2,347,133
<b>Total assets</b>	<b>1,828,364</b>	<b>481,722</b>	<b>192,896</b>	<b>59,425</b>	<b>7,051</b>	<b>84,074</b>	<b>417</b>	<b>2,653,949</b>
Short-term borrowings	313,132	19,759	-	4,432	-	6,500	-	343,823
Other short-term liabilities	19,819	48,677	79	22,563	10	38,283	224	129,655
Long-term borrowings	3,553,987	395,596	-	2,552	-	-	-	3,952,135
Other long-term liabilities	125,780	337	13,525	7,975	17	-	-	147,634
<b>Total liabilities</b>	<b>4,012,718</b>	<b>464,369</b>	<b>13,604</b>	<b>37,522</b>	<b>27</b>	<b>44,783</b>	<b>224</b>	<b>4,573,247</b>
Net assets:	(2,184,354)	17,353	179,292	21,903	7,024	39,291	193	(1,919,298)
<i>Group's share</i>	<i>0.33</i>	<i>0.33</i>	<i>0.50</i>	<i>0.45</i>	<i>0.50</i>	<i>0.50</i>	<i>0.56</i>	
<b>Group's net asset share</b>	<b>-</b>	<b>5,784</b>	<b>89,646</b>	<b>9,861</b>	<b>3,512</b>	<b>19,646</b>	<b>108</b>	<b>128,557</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

<b>1 January - 31 March 2020</b>	<b>Boyabat Elektrik</b>	<b>Aslancık Elektrik</b>	<b>Kandilli Gayrimenkul</b>	<b>Doğan Burda</b>	<b>Ultra Kablolu</b>	<b>DPP</b>	<b>Doğan Egmont</b>
Revenue	21,561	39,209	-	15,448	-	479	9,049
Operating profit/(loss)	(10,051)	(2,788)	(9)	(1,552)	2,908	(10)	(437)
Net financial income/(expense)	(394,797)	(47,351)	-	(406)	-	-	(142)
Profit/(loss) before income tax	(404,848)	(50,139)	(9)	(1,958)	2,908	(10)	1,161
<b>Total comprehensive income/(loss)</b>	<b>(404,853)</b>	<b>(53,712)</b>	<b>1</b>	<b>(1,453)</b>	<b>2,908</b>	<b>(10)</b>	<b>1,161</b>
<i>Group's share</i>	<i>0.33</i>	<i>0.33</i>	<i>0.50</i>	<i>0.45</i>	<i>0.50</i>	<i>0.56</i>	<i>0.50</i>
<b>Group's net share on profit/(loss)</b>	<b>-</b>	<b>(17,902)</b>	<b>1</b>	<b>(654)</b>	<b>1,454</b>	<b>(6)</b>	<b>581</b>

<b>1 January - 31 March 2019</b>	<b>Boyabat Elektrik</b>	<b>Aslancık Elektrik</b>	<b>Kandilli Gayrimenkul</b>	<b>Doğan Burda</b>	<b>Ultra Kablolu</b>	<b>Doğan Egmont</b>
Revenue	62,216	29,679	-	23,681	-	9,487
Operating profit/(loss)	18,900	6,380	(53)	1,269	(24)	171
Net financial income/(expense)	(306,662)	(44,846)	17	(574)	-	(380)
Profit/(loss) before income tax	(287,761)	(38,467)	(35)	698	(14)	2,436
<b>Total comprehensive income/(loss)</b>	<b>(287,759)</b>	<b>(35,980)</b>	<b>(32)</b>	<b>552</b>	<b>(14)</b>	<b>2,436</b>
<i>Group's share</i>	<i>0.33</i>	<i>0.33</i>	<i>0.50</i>	<i>0.45</i>	<i>0.50</i>	<i>0.50</i>
<b>Group's net share on profit/(loss)</b>	<b>(6,765)</b>	<b>(11,992)</b>	<b>(16)</b>	<b>249</b>	<b>(7)</b>	<b>1,218</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 5 - SEGMENT REPORTING

The presentation of Segment Reporting was updated, and in this context the presentation of “Other” segment is no longer required. The group entities in the said “Other” segment have been reclassified to the relevant segments. The Updated Segment details are presented in Note 1.

##### a) External revenue

	1 January - 31 March 2020	1 January - 31 March 2019
Fuel retail <sup>(1)</sup>	1,804,213	2,559,439
Electricity production and trade	78,822	28,656
Industry and trade	274,394	206,286
Automotive trade and marketing <sup>(2)</sup>	66,313	96,165
Financing and investment	50,808	61,988
Internet and entertainment	96,631	75,488
Real estate investments	33,373	28,832
	<b>2,404,554</b>	<b>3,056,854</b>

<sup>(1)</sup> Due to Doel's cessation of commercial activities, there was no trade income recognised during the period of 1 January - 31 March 2020.(31 March 2019: TRY786,709).The shares of the related subsidiary were decided to be taken over by Aytemiz Akaryakıt with the decision of the Board of Directors dated 19 February 2020 and the merger with Aytemiz Akaryakıt was registered on 22 May 2020.

<sup>(2)</sup> Trade income has not been generated for the interim period ended as of 1 January - 31 March 2020 due to the fact that Global Motorlu Araçlar (DAF) has ceased its commercial activities (31 March 2019: TRY16,167).

##### b) Profit/(loss) before income tax

	1 January - 31 March 2020	1 January - 31 March 2019
Fuel retail	(23,460)	(31,031)
Electricity production and trade	27,572	34,609
Industry and trade	355	499
Automotive trade and marketing	(1,241)	5,510
Financing and investment	380,757	273,442
Internet and entertainment	4,100	(2,539)
Real estate investments	22,537	10,211
	<b>410,620</b>	<b>290,701</b>



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 5 - SEGMENT REPORTING (Continued)

##### c) Segmental analysis for the interim period ended as of 1 January - 31 March 2020:

	Fuel Retail	Electricity Production and Trade	Industry and Trade	Automotive Trade and Marketing	Financing and Investment	Internet and Entertainment	Real Estate Investments	Inter Segment Elimination	Total
External revenue	1,804,213	78,822	274,394	66,313	50,808	96,631	33,373	-	2,404,554
Inter segment revenue	829	44	339	106	9,734	-	2,463	(13,515)	-
<b>Total revenue</b>	<b>1,805,042</b>	<b>78,866</b>	<b>274,733</b>	<b>66,419</b>	<b>60,542</b>	<b>96,631</b>	<b>35,836</b>	<b>(13,515)</b>	<b>2,404,554</b>
Revenue	1,805,042	78,866	274,733	66,419	60,542	96,631	35,836	(13,515)	2,404,554
Cost of sales	(1,741,607)	(24,984)	(241,358)	(53,994)	(24,446)	(51,462)	(16,816)	1,315	(2,153,352)
<b>Gross profit/(loss)</b>	<b>63,435</b>	<b>53,882</b>	<b>33,375</b>	<b>12,425</b>	<b>36,096</b>	<b>45,169</b>	<b>19,020</b>	<b>(12,200)</b>	<b>251,202</b>
General administrative expenses	(8,888)	(3,514)	(13,073)	(3,629)	(27,035)	(13,493)	(3,645)	11,017	(62,260)
Marketing expenses	(60,903)	(685)	(10,687)	(9,291)	-	(28,922)	(2,482)	1,965	(111,005)
Share of gain/(loss) on investments accounted for by the equity method	-	(17,902)	-	-	-	1,375	1	-	(16,526)
Other income/(expenses) from operating activities, net	9,508	27,206	2,958	1,157	208,559	1,987	9,630	(33)	260,972
Income/(expenses) from investment activities, net	10,667	6,959	(68)	392	169,701	(121)	243	(754)	187,019
Financial income/(expense), net	(37,279)	(38,374)	(12,150)	(2,295)	(6,564)	(1,895)	(230)	5	(98,782)
<b>Profit/(loss) before taxation from continued operations</b>	<b>(23,460)</b>	<b>27,572</b>	<b>355</b>	<b>(1,241)</b>	<b>380,757</b>	<b>4,100</b>	<b>22,537</b>	<b>-</b>	<b>410,620</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 5 - SEGMENT REPORTING (Continued)**

**c) Segmental analysis for the interim period ended as of 1 January - 31 March 2019:**

	<b>Fuel Retail</b>	<b>Electricity Production and Trade</b>	<b>Industry and Trade</b>	<b>Automotive Trade and Marketing</b>	<b>Financing and Investment</b>	<b>Internet and Entertainment</b>	<b>Real Estate Investments</b>	<b>Inter Segment Elimination</b>	<b>Total</b>
External revenue	2,559,439	28,656	206,286	96,165	61,988	75,488	28,832	-	3,056,854
Inter segment revenue	4,198	36,181	219	2	10,176	-	2,243	(53,019)	-
<b>Total revenue</b>	<b>2,563,637</b>	<b>64,837</b>	<b>206,505</b>	<b>96,167</b>	<b>72,164</b>	<b>75,488</b>	<b>31,075</b>	<b>(53,019)</b>	<b>3,056,854</b>
Revenue	2,563,637	64,837	206,505	96,167	72,164	75,488	31,075	(53,019)	3,056,854
Cost of sales	(2,479,789)	(20,814)	(181,242)	(81,655)	(38,944)	(41,163)	(13,993)	42,479	(2,815,121)
<b>Gross profit/(loss)</b>	<b>83,848</b>	<b>44,023</b>	<b>25,263</b>	<b>14,512</b>	<b>33,220</b>	<b>34,325</b>	<b>17,082</b>	<b>(10,540)</b>	<b>241,733</b>
General administrative expenses	(7,763)	(4,875)	(9,363)	(4,201)	(29,683)	(15,370)	(6,211)	11,786	(65,680)
Marketing expenses	(59,311)	(230)	(9,382)	(5,414)	-	(18,984)	(1,806)	1,525	(93,602)
Share of gain/(loss) on investments accounted for by the equity method	-	(11,992)	-	-	(6,765)	1,460	(16)	-	(17,313)
Other income/(expenses) from operating activities, net	12,623	22,163	5,046	1,100	228,287	1,076	2,552	(6,203)	266,644
Income/(expenses) from investment activities, net	139	2,249	145	191	66,977	(1,128)	-	-	68,573
Financial income/(expense), net	(60,567)	(16,729)	(11,210)	(678)	(18,594)	(3,918)	(1,390)	3,432	(109,654)
<b>Profit/(loss) before taxation from continued operations</b>	<b>(31,031)</b>	<b>34,609</b>	<b>499</b>	<b>5,510</b>	<b>273,442</b>	<b>(2,539)</b>	<b>10,211</b>	<b>-</b>	<b>290,701</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 5 - SEGMENT REPORTING (Continued)

##### d) Segment assets

	31 March 2020	31 December 2019
<b>Total assets</b>		
Fuel retail <sup>(1)</sup>	2,015,593	2,233,154
Electricity production and trade	1,536,385	1,499,167
Industry and trade	692,287	620,212
Automotive trade and marketing	160,958	116,852
Financing and investment	9,883,723	9,459,888
Internet and entertainment	458,701	436,304
Real estate investments	1,735,087	1,750,876
<b>Total</b>	<b>16,482,734</b>	<b>16,116,453</b>
Less: Segment elimination <sup>(1)</sup>	(5,166,370)	(4,875,862)
<b>Total assets per consolidated financial statements</b>	<b>11,316,364</b>	<b>11,240,591</b>

<sup>(1)</sup> The shares of Doel were decided to be taken over by Aytemiz Akaryakıt with the decision of the Board of Directors dated 19 February 2020 and the merger with Aytemiz Akaryakıt was registered on 22 May 2020. The reason of the decrease in total assets is cessation of commercial activities of Doel.

	31 March 2020	31 December 2019
<b>Equity</b>		
Fuel retail <sup>(3)</sup>	(118,722)	(106,182)
Electricity production and trade	282,045	251,187
Industry and trade	22,376	29,320
Automotive trade and marketing <sup>(3)</sup>	(45,964)	(41,001)
Financing and investment	12,273,643	12,085,244
Internet and entertainment <sup>(3)</sup>	(51,839)	(68,105)
Real estate investments	392,384	394,991
<b>Total</b>	<b>12,753,923</b>	<b>12,545,454</b>
Less: Segment elimination <sup>(2)</sup>	(5,460,421)	(5,408,845)
<b>Total shareholders' equity per consolidated financial statements</b>	<b>7,801,370</b>	<b>7,631,340</b>
Non-controlling interests	507,868	494,731
<b>Equity attributable to equity holders of the parent company</b>	<b>7,293,502</b>	<b>7,136,609</b>

<sup>(1)</sup> Segment elimination amount consists of the elimination of mutual payables and receivables balances between the Group's operating segments.

<sup>(2)</sup> Segment elimination amount represents the reciprocal elimination of the adjusted capital amounts in each segment's total equity amount with the participation amounts.

<sup>(3)</sup> Due to capital elimination, the paid-in capital of these companies has not been considered. When the paid-in capitals are also considered, the shareholders' equity constitutes positive amounts.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 5 - SEGMENT REPORTING (Continued)

e) **Purchase of property, plant and equipment, intangible assets and investment properties and depreciation and amortization charge**

	<b>1 January - 31 March 2020</b>	<b>1 January - 31 March 2019</b>
<b><u>Purchases</u></b>		
Fuel retail	35,575	7,692
Electricity production and trade	2,389	555
Industry and trade	6,777	4,594
Automotive trade and marketing	17,017	239
Financing and investment	195	4,316
Internet and entertainment	16,954	13,569
Real estate investments	1,879	2,845
<b>Total</b>	<b>80,786</b>	<b>33,810</b>

	<b>1 January - 31 March 2020</b>	<b>1 January - 31 March 2019</b>
<b><u>Depreciation and amortization</u></b> <sup>(1)</sup>		
Fuel retail	39,619	31,893
Electricity production and trade	9,172	8,144
Industry and trade	5,494	6,152
Automotive trade and marketing	4,104	1,697
Financing and investment	6,659	7,256
Internet and entertainment	8,736	8,409
Real estate investments	1,947	4,917
<b>Total</b>	<b>75,731</b>	<b>68,468</b>

<sup>(1)</sup> Depreciation expense related to industry and trade segment amounting to TRY101 has been recognised under inventory account (31 December 2019: TRY408).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Cash	1,041	1,990
Banks		
- Demand deposits	126,877	144,505
- Time deposits	2,775,217	3,125,308
Other liquid assets	31,297	7,029
	<b>2,934,432</b>	<b>3,278,832</b>

As of 31 March 2020 the gross effective interest rates of USD, EUR and TRY denominated time deposits of the Group are between 0.40% and 1.65% (31 December 2019: 0.95% and 2.45%), 0.15% and 0.20% (31 December 2019: 0.25% and 0.30%) and 2.25% and 9.75% (31 December 2019: 1.91% and 10.50%) and the maturity of the time deposits is shorter than 3 months.

As of 31 March 2020 other liquid assets consist of credit card slip receivables amounting to TRY31,297 (31 December 2019: TRY 7,029). As of 31 March 2020, there are blocked deposits amounting to TRY672 (31 December 2019: TRY645).

Cash and cash equivalents disclosed in the consolidated statements of cash flow as of 31 March 2020, 31 December 2019, 31 March 2019 and 31 December 2018 are shown below:

	31 March 2020	31 December 2019	31 March 2019	31 December 2018
Cash and cash equivalents	2,934,432	3,278,832	4,169,682	3,817,966
Accrued interest (-)	(1,033)	(2,074)	(6,645)	(8,602)
<b>Cash and cash equivalents</b>	<b>2,933,399</b>	<b>3,276,758</b>	<b>4,163,037</b>	<b>3,809,364</b>

#### NOTE 7 - FINANCIAL INVESTMENTS

##### a) Short-term financial investments

The Group's financial assets classified as short term financial investments are as follows:

	31 March 2020	31 December 2019
Private sector and government bonds and bills		
<i>Financial assets carried at fair value through other comprehensive income<sup>(1)</sup></i>	1,771,002	1,176,618
<i>Financial assets carried at fair value through profit or loss</i>	15,518	1,108
	<b>1,786,520</b>	<b>1,177,726</b>

<sup>(1)</sup> 26% of financial investments consist of government and 74% private sector bonds and bills (31 December 2019: 29% government and 71% private sector).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 7 - FINANCIAL INVESTMENTS (Continued)

##### b) Long-term financial investments

The Group's financial assets classified as long term financial investments are as follows:

	<b>31 March 2020</b>		<b>31 December 2019</b>	
	<b>TRY</b>	<b>(%)</b>	<b>TRY</b>	<b>(%)</b>
Financial assets carried at fair value through other comprehensive income <sup>(1)</sup>				
<i>Lexin Nassau L.P.</i> <sup>(2)</sup>	173,195	22.15	157,891	22.15
Financial assets carried at fair value through profit or loss <sup>(1)</sup>				
<i>Mediterra Capital Partners I LP</i>	11,099	1.88	11,128	1.88
<i>Insider SG PTE Limited</i>	10,719	3.28	9,772	3.28
<i>Mediterra Capital Partners II LP</i>	8,939	2.23	8,231	2.23
<i>GRI Gıda Sanayi ve Ticaret A.Ş.</i>	8,238	1.71	7,407	1.71
<i>Düş Yeri Bilişim Teknolojileri ve Animasyon A.Ş.</i>	8,437	3.75	7,874	3.75
<i>Collective Spark Fund BV</i>	1,041	1.13	542	1.13
	<b>221,668</b>		<b>202,845</b>	

(1) As the following situations are not present, the Group does not carry out any significant activities on the subsidiary:

- Being represented by the board of directors or similar executive body of the invested entity,
- Participating in the entity's policy determination processes including dividends or other distribution decisions,
- Carrying out important transactions between the investor and invested entities,
- Providing know-how required for business operations or administrative officer exchange between entities

(2) Nassau L.P. is included in the long-term investments of M Investment, a subsidiary of the Group. The related investment is accounted for as an available-for-sale financial asset and the fair value of the asset is TRY 173,195 (equivalent of USD26,580) as of 31 March 2020. Accordingly, the foreign currency translation difference amounting to TRY15,306 has been accounted in the other comprehensive income statement for the interim period ended 31 March 2020.

The movements of long-term financial investments for the related period are as follows:

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>202,845</b>	<b>196,084</b>
Purchase of available for sale financial assets	44	337
Change in fair value	3,473	3,063
<i>Recognized in the statement of income</i>	3,473	3,063
Currency translation differences	15,306	9,930
<b>31 March</b>	<b>221,668</b>	<b>209,414</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS

##### a) Financial borrowings

The details of financial borrowings at 31 March 2020 and 31 December 2019 are as follows:

<b>Short-term borrowings:</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Short-term bank borrowings	1,447,175	1,603,847
Financing bond <sup>(1)</sup>	94,015	136,713
Factoring borrowings	-	36
Lease borrowings from non-related parties	-	414
<b>Total</b>	<b>1,541,190</b>	<b>1,741,010</b>

<sup>(1)</sup> The Group’s subsidiary, Doruk Faktoring, issued and sold discounted financing bonds to qualified investors, without a public offering, on 12 February 2020. The nominal value of the bonds amounts to TRY50,300,000 (exact) with the maturity of 182 days. The bonds’ simple annual interest rate is 11.95% and the annual compound interest rate is 12.31%, and the bonds will be redeemed on 12 August 2020.

On 19 September 2019, Doruk Finansman, a subsidiary of the Group, issued and sold discounted financing bonds to qualified investors, without a public offering at a nominal amount of TRY25,000,000 (exact) with 176 days maturity, an annual simple interest at a rate of 19.00% and annual compound interest rate of 19.94%. Financing bond amounting to TRY25,000,000 (exact) nominal was redeemed on 13 March 2020.

On 9 August 2019, Aytemiz Akaryakıt, the subsidiary of the Group, issued a 50,000,000 (exact) Turkish Lira nominal bond with 350 days maturity, 4 coupon payments and a variable interest rate of 3 months TRYLIBOR + 1.5% annual simple additional interest to qualified investors without public offering. The maturity date of the bond with a nominal value of TRY50,000,000 (exact) is 24 July 2020 and the 1st coupon payment was paid on 8 November 2019 as 2,542,350 (exact). The 2nd coupon payment amounting to TRY1,921,050 (exact) was made on 7 February 2020. A portion of TRY5,085,837 (exact) with the interest accrued and purchased by Doğan Holding is eliminated within the scope of consolidation.

<b>Short-term portions of long-term borrowings:</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Short-term portions of long-term bank borrowings	102,367	71,071
Lease borrowings from non-related parties	64,646	36,734
Lease borrowings from related parties	6,108	6,238
<b>Total</b>	<b>173,121</b>	<b>114,043</b>

<b>Long-term borrowings:</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Long-term bank borrowings	475,687	407,133
Lease borrowings from non-related parties	147,922	170,416
Lease borrowings from related parties	17,555	18,906
<b>Total</b>	<b>641,164</b>	<b>596,455</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

##### a) Bank borrowings and financing bonds

Details of the bank borrowings and financing bonds as of 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020			31 December 2019		
	Interest rate per annum (%)	Original currency	TRY	Interest rate per annum (%)	Original currency	TRY
<b>Short-term bank borrowings:</b>						
TRY denominated bank borrowings	4.50 - 16.90	1,295,314	1,295,314	5.00 - 27.95	1,437,175	1,437,175
USD denominated bank borrowings	-	-	-	6.10 - 6.10	4,300	25,543
EUR denominated bank borrowings	0.60 - 2.95	21,048	151,861	0.85 - 3.45	21,220	141,129
<b>Subtotal</b>			<b>1,447,175</b>			<b>1,603,847</b>
<b>Short-term financing bonds:</b>						
TRY denominated financing bonds			94,015			136,713
<b>Subtotal</b>			<b>94,015</b>			<b>136,713</b>
<b>Short-term portion of long-term bank borrowings:</b>						
TRY denominated bank borrowings	8.50 - 16.50	91,819	91,819	12.25 - 16.24	57,888	57,888
EUR denominated bank borrowings	0.60 - 4.22	1,462	10,548	0.65 - 4.22	1,982	13,183
<b>Subtotal</b>			<b>102,367</b>			<b>71,071</b>
<b>Total short-term bank borrowings and financing bonds</b>			<b>1,643,557</b>			<b>1,811,631</b>
<b>Long term bank borrowings:</b>						
TRY denominated bank borrowings	8.50 - 16.50	398,718	398,718	12.80 - 22.55	326,077	326,077
EUR denominated bank borrowings	0.60 - 4.22	10,668	76,969	0.65 - 2.63	12,188	81,056
<b>Total long-term bank borrowings</b>			<b>475,687</b>			<b>407,133</b>



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

##### b) Lease borrowings

Details of the lease borrowings as of 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020			31 December 2019		
	Interest rate per annum (%)	Original currency	TRY	Interest rate per annum (%)	Original currency	TRY
<b>Short-term lease borrowings:</b>						
TRY denominated lease borrowings from non- related parties	-	-	-	-	-	-
EUR denominated lease borrowings from non-related parties	-	-	-	2.90 - 3.45	62	414
<b>Subtotal</b>		-	-			<b>414</b>
<b>Short-term portion of long-term lease borrowings:</b>						
TRY denominated lease borrowings from related parties	11.16 - 26.15	6,108	6,108	22.55 - 26.15	6,238	6,238
TRY denominated lease borrowings from non- related parties	11.16 - 26.15	47,372	47,372	22.55 - 26.15	16,386	16,386
USD denominated lease borrowings from non-related parties	12.41	493	3,212	12.41	347	2,063
EUR denominated lease borrowings from non-related parties	3.10 - 10.20	1,949	14,062	3.83 - 10.20	2,747	18,269
RUB denominated lease borrowings from non-related parties	-	-	-	6.25 - 7.00	177	16
<b>Subtotal</b>			<b>70,754</b>			<b>42,972</b>
<b>Total short-term lease borrowings</b>			<b>70,754</b>			<b>43,386</b>
<b>Long-term lease borrowings:</b>						
TRY denominated lease borrowings from related parties	11.16 - 26.15	17,555	17,555	22.55 - 26.15	18,906	18,906
TRY denominated lease borrowings from non- related parties	11.16 - 26.15	130,842	130,842	22.55 - 26.15	149,648	149,648
USD denominated lease borrowings from non-related parties	12.41	2,608	16,995	12.41	3,443	20,452
EUR denominated lease borrowings from non-related parties	3.10 - 10.20	12	85	3.83 - 10.20	48	316
<b>Total long-term lease borrowings</b>			<b>165,477</b>			<b>189,322</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

The movement table of the lease borrowings is as follows:

	31 March 2020	31 March 2019
Beginning of the period	232,294	222,449
Additions	18,889	-
Payments	(23,846)	(22,801)
Interest expense (Note 30)	6,613	8,061
Currency translation differences	2,298	888
Early termination	(17)	-
	<b>236,231</b>	<b>208,597</b>

The reconciliation of the net financial borrowings as of 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Cash and cash equivalents (Note 6)	2,934,432	3,278,832
Short-term borrowings	(1,643,557)	(1,812,081)
Long-term borrowings	(475,687)	(407,133)
Short term lease borrowings <sup>(1)</sup>	(70,754)	(42,972)
Long term lease borrowings <sup>(1)</sup>	(165,477)	(189,322)
<b>Net financial assets/(liabilities)</b>	<b>578,957</b>	<b>827,324</b>

	Short and long term borrowings	Lease borrowings	Cash and cash equivalents	Net financial liability
<b>1 January 2020</b>	<b>2,219,214</b>	<b>232,294</b>	<b>(3,278,832)</b>	<b>(827,324)</b>
Cash flow effect	(156,642)	(4,974)	564,910	403,293
Currency translation adjustments	18,944	2,298	(221,543)	(200,300)
Interest accrual, net	37,728	6,613	1,033	45,374
<b>31 March 2020</b>	<b>2,119,244</b>	<b>236,231</b>	<b>(2,934,432)</b>	<b>(578,957)</b>

	Short and long term borrowings	Lease borrowings	Cash and cash equivalents	Net financial liability
<b>1 January 2019</b>	<b>2,488,641</b>	-	<b>(3,817,966)</b>	<b>(1,329,325)</b>
TFRS 16 Opening effect	-	222,449	-	222,449
Cash flow effect	324,453	(22,801)	(116,717)	184,935
Currency translation adjustments	22,934	888	(241,644)	(217,822)
Interest accrual, net	61,224	8,061	6,645	75,930
<b>31 March 2019</b>	<b>2,897,252</b>	<b>208,597</b>	<b>(4,169,682)</b>	<b>(1,063,833)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS (Continued)

The redemption schedule of long-term bank borrowings as of 31 March 2020 and 31 December 2019 is as follows.

	31 March 2020	31 December 2019
2021	404,519	337,853
2022	10,159	11,776
2023	8,716	9,300
2024 and after	52,293	48,204
<b>Total</b>	<b>475,687</b>	<b>407,133</b>

Carrying value of the financial liabilities is considered to be same with the fair value since discount effect is not material. The Group borrows loans on fixed and floating interest rates.

Allocation of borrowings with fixed and floating interest rates of the Group excluding financial liabilities to be paid to the suppliers as of 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Financial borrowings with fixed interest rates (Note 35)	2,227,822	2,300,645
Financial borrowings with floating interest rates (Note 35)	127,653	150,863
<b>Total</b>	<b>2,355,475</b>	<b>2,451,508</b>

#### NOTE 9 - TRADE RECEIVABLES AND PAYABLES

##### Short-term trade receivables from non-related parties

	31 March 2020	31 December 2019
Trade receivables	1,425,589	1,627,097
Notes and cheques receivable	110,010	180,694
Income accruals	4,150	1,286
<b>Total</b>	<b>1,539,749</b>	<b>1,809,077</b>
Less: Unearned financial income due to sales with maturity	(4,255)	(4,543)
Less: Provision for expected credit losses (-)	(767)	(877)
Less: Provision for doubtful receivables (-)	(99,974)	(98,771)
<b>Total</b>	<b>1,434,753</b>	<b>1,704,886</b>

The average maturity of not overdue trade receivables of the Group that are followed up by Doruk Faktoring is between 47 to 87 days as of the statement of financial position date (31 December 2019: 52 - 87 days). The maturity of the trade receivables of the Group varies and the effective interest rate applied for trade receivables is TRY11.16%, USD3.10%, and EUR1.36% (31 December 2019: TRY13.83%, USD3.69%, EUR1.68%). The rate used in this method is determined on the basis of compound interest called “effective interest rate”; which has been determined taking into consideration the data of the Central Bank of the Republic of Turkey.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

##### Long-term trade receivables from non- related parties

	31 March 2020	31 December 2019
Notes and cheques receivable <sup>(1)</sup>	43,895	29,116
Unearned financial income due to sales with maturity	(3,560)	(3,033)
	<b>40,335</b>	<b>26,083</b>

<sup>(1)</sup> Long term notes receivables are mainly consisted of commercial activities related to fuel sales and financing services.

The movements of provisions for doubtful receivables for the related period are as follows:

	2020	2019
<b>1 January</b>	<b>(99,648)</b>	<b>(92,574)</b>
Provision from continued operations in the current period (Note 28)	(3,616)	(3,289)
Expected credit loss, net	110	(515)
Written off uncollectible receivables <sup>(1)</sup>	2,054	1,219
Collections	359	-
<b>31 March</b>	<b>(100,741)</b>	<b>(95,159)</b>

<sup>(1)</sup> The Group has decided to derecognise the receivables recorded as doubtful within prior periods, in accordance with the provisional article 7 of TCC, which are from the companies extracted from trade registry and the companies that have completed ordinary liquidation process and the companies dissolved by commercial courts' decision and the companies dissolved by bankruptcy estate and also determined as bad debts, from the statement of financial position.

##### **Guarantees for trade receivables**

As of 31 March 2020, although trade receivables amounting to TRY 132,144 (31 December 2019: TRY 115,721), were overdue, they were not assessed as doubtful receivable (Note 35). The Group does not foresee any collection risk regarding to overdue receivables by considering sector dynamics and circumstances as of the reporting date (Note 2).

As of 31 March 2020, the Group has collateral, pledge, mortgage and surety amounting to TRY 1,219,731 (31 December 2019: TRY 1,530,294) for trade receivables amounting to TRY 1,475,088 (31 December 2019: TRY 1,730,969) from non-related parties (Note 35).

##### Short term trade payables to non-related parties

	31 March 2020	31 December 2019
Trade payables	505,160	717,983
Provisions for liabilities and expenses	38,806	30,770
Cheques and notes payables	1,506	-
Less: Unrealized finance expense due to purchases with maturity	(1,232)	(3,033)
<b>Total</b>	<b>544,240</b>	<b>745,720</b>

The average maturity of trade payables is between 40 to 81 days as of 31 March 2020 (31 December 2019: 40 to 91 days). The maturity of the trade payables of the Group varies and the effective interest rate applied for trade payables is TRY 11.16%, USD 3.10 %, and EUR 1.36% (31 December 2019 TRY 13.83%, USD 3.69%, and EUR 1.68%). The rate used in this method is determined on the basis of compound interest called "effective interest rate"; which has been determined taking into consideration the data of the Central Bank of the Republic of Turkey.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 10 - OTHER RECEIVABLES AND PAYABLES

##### Other short-term receivables from non-related parties

	31 March 2020	31 December 2019
Deposits and guarantees given <sup>(1)</sup>	12,004	5,787
TEİAŞ power transmission line receivables	10,343	7,137
Other receivables <sup>(2)</sup>	21,051	12,229
<b>Total</b>	<b>43,398</b>	<b>25,153</b>

<sup>(1)</sup> The significant portion of deposits and guarantees given consists of deposits and guarantees given related to the operations of the Group's subsidiaries Suzuki and Aytemiz.

<sup>(2)</sup> A significant portion of the other receivables consists of VAT and special consumption tax receivables of the Group's subsidiaries Çelik Halat and Aytemiz.

##### Other short-term payables to non-related parties

	31 March 2020	31 December 2019
Taxes and funds payable	132,272	120,474
Dividens to be paid <sup>(3)</sup>	30,560	-
Other short-term payables <sup>(4)</sup>	12,225	6,357
<b>Total</b>	<b>175,057</b>	<b>126,831</b>

##### Other long-term payables to non-related parties

	31 March 2020	31 December 2019
Deposits and guarantees received	1,286	1,385
Other long-term payables <sup>(4)</sup>	6,773	538
<b>Total</b>	<b>8,059</b>	<b>1,923</b>

<sup>(3)</sup> Consists of cash dividend to be distributed by Group. Cash dividend was paid on 14 April 2020.

<sup>(4)</sup> A significant portion of the short-term and long-term payables is due to the liabilities of the Group's subsidiary, Suzuki arising from distributor agreement. (31 December 2019: A significant portion of the other short-term payables is due to the liabilities of the Group's subsidiary Kanal D Romanya arising from transactions other than their commercial activities).

#### NOTE 11 - INVENTORIES

	31 March 2020	31 December 2019
Finished goods and merchandise	544,713	560,267
Raw materials and supplies	31,554	29,612
Semi-finished goods	14,089	14,511
Other inventories	19,634	19,455
Provision for impairment of inventory (-)	(16,656)	(2,062)
<b>Total</b>	<b>593,334</b>	<b>621,783</b>

Depreciation and amortization expenses amounting to TRY101 have been reflected to cost of inventories as of 31 March 2020 (31 December 2019: TRY408).

The movement of the provision for impairment of inventories for the interim periods ended 31 March 2020 and 2019 are as follows:

	2020	2019
<b>1 January</b>	<b>(2,062)</b>	<b>(1,992)</b>
Reversal of provision for impairment of inventories	12	144
Provision booked in the current period <sup>(1)</sup>	(14,606)	-
<b>31 March</b>	<b>(16,656)</b>	<b>(1,848)</b>

<sup>(1)</sup> Provisions are related to Aytemiz's commodity contracts.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 12 - BIOLOGICAL ASSETS

As of 31 March 2020, the amount of biological assets of the Group's subsidiary Kelkit Doğan Besi is TRY14,480 (31 December 2019: TRY13,167).

#### NOTE 13 - INVESTMENT PROPERTIES

The movements of investment properties for the interim periods ended 31 March 2020 and 2019 are as follows:

	1 January 2020	Currency translation differences	31 March 2020
Land	386,044	-	386,044
Buildings	971,123	8,698	979,821
<b>Net book value</b>	<b>1,357,167</b>	<b>8,698</b>	<b>1,365,865</b>

	1 January 2019	Currency translation differences	31 March 2019
Land	252,102	-	252,102
Buildings	962,578	2,793	965,371
<b>Net book value</b>	<b>1,214,680</b>	<b>2,793</b>	<b>1,217,473</b>

There is no collateral or mortgage on investment properties of the Group.

As of 31 March 2020, the investment properties of the Group comprise of parts of buildings held to earn rentals, lands and properties.

#### Level reclassification of financial assets and liabilities measured at fair value

Investment properties of the Group, has been valued by the real estate valuation establishments those are in the CMB list by using the market comparison analysis approach, cost approach and direct capitalisation approach methods. As a result, it was determined that the values calculated from different approaches is similar and consistent with the market comparison method and value has been determined according to the market comparison method. Real estate valuation establishments are authorized by CMB and provide property valuation appraisal services in accordance with the capital markets legislation and have sufficient experience and qualifications regarding the fair value measurement of the real estate in related regions.

Some of the financial assets and financial liabilities of the Group are reflected at their fair values to the financial statements at every statement of financial position date. According to the accounting policies stated in Note 2.2, The Group's investment properties are valued.

The following table gives information on how the fair values of the related financial asset and liabilities were determined:

	Fair Value		Fair value level as of the reporting date		
	31 March 2020	31 December 2019	Level 1	Level 2	Level 3
Investment properties	1,365,865	1,357,167	-	1,365,865	-

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the interim periods ended 31 March 2020 and 2019 are as follows:

	1 January 2020	Additions (*)	Disposals	Transfers	Currency translation differences	31 March 2020
<b>Cost:</b>						
Land and land improvements	176,055	26	(8,874)	112	-	167,319
Buildings	86,012	370	(983)	40	22	85,461
Machinery and equipment	907,908	3,014	(61)	1,862	2,430	915,153
Motor vehicles	142,268	5,328	(3,347)	-	280	144,529
Furniture and fixtures	124,622	1,516	(129)	90	55	126,154
Development costs of leased tangible assets	105,171	45	-	89	572	105,877
Other tangible assets	159,486	1,912	(391)	-	-	161,007
Construction in progress	28,734	4,552	(15)	(4,851)	2	28,422
	<b>1,730,256</b>	<b>16,763</b>	<b>(13,800)</b>	<b>(2,658)</b>	<b>3,361</b>	<b>1,733,922</b>
<b>Accumulated depreciation:</b>						
Land improvements	5,634	201	-	-	-	5,835
Buildings	72,007	1,492	(203)	-	(2)	73,294
Machinery and equipment	337,187	12,089	(5)	-	1,800	351,071
Motor vehicles	54,873	2,562	(1,850)	-	146	55,731
Furniture and fixtures	52,039	2,685	(88)	-	49	54,685
Development costs of leased tangible assets	36,176	2,102	(4)	-	474	38,748
Other tangible assets	70,026	5,264	(243)	-	-	75,047
	<b>627,942</b>	<b>26,395</b>	<b>(2,393)</b>	<b>-</b>	<b>2,467</b>	<b>654,411</b>
<b>Net book value</b>	<b>1,102,314</b>					<b>1,079,511</b>

(\*) In the first quarter of 2020, a significant portion of investments have been made by Aytemiz, Kanal D Romanya, Suzuki and Çelik Halat. There is purchase amounting to TRY11,023 in Aytemiz due to new station investments. Kanal D Romanya acquired programme rights amounting to TRY11,733. As a result of the renewal of the distributorship agreement in Suzuki, an increase of TRY 11,882 occurred in intangible assets. Due to the purchase of new machinery in Çelik Halat, an increase of TRY 2,063 has occurred.

As of 31 March 2020, there is no mortgage on property, plant and equipment. (31 December 2019: None). As of 31 March 2020, the Group has no property, plant and equipment acquired by financial leasing (31 December 2019: TRY414).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2019	Additions	Disposals	Transfers	Acquisition of subsidiary <sup>(*)</sup>	Currency translation differences	31 March 2019
<b>Cost:</b>							
Land and land improvements	173,141	87	-	-	952	-	174,180
Buildings	85,129	500	-	-	-	7	85,636
Machinery and equipment	804,492	3,576	(131)	566	93,969	407	902,879
Motor vehicles	135,920	2,057	(4,280)	89	-	54	133,840
Furniture and fixtures	101,816	1,641	(13)	86	13,453	(205)	116,778
Development costs of leased tangible assets	77,203	667	(474)	39	-	169	77,604
Other tangible assets	145,881	3,172	(326)	2	-	-	148,729
Construction in progress	40,496	5,580	-	(3,860)	68	(399)	41,885
	<b>1,564,078</b>	<b>17,280</b>	<b>(5,224)</b>	<b>(3,078)</b>	<b>108,442</b>	<b>33</b>	<b>1,681,531</b>
<b>Accumulated depreciation:</b>							
Land improvements	5,011	110	-	-	-	-	5,121
Buildings	66,070	1,330	-	-	-	-	67,400
Machinery and equipment	288,349	11,522	-	-	2,158	543	302,572
Motor vehicles	40,377	3,174	(2,849)	-	-	42	40,744
Furniture and fixtures	48,243	1,635	(5)	-	-	15	49,888
Development costs of leased tangible assets	29,608	1,400	(13)	-	-	129	31,124
Other tangible assets	52,990	4,967	(167)	-	-	-	57,790
	<b>530,648</b>	<b>24,138</b>	<b>(3,034)</b>	<b>-</b>	<b>2,158</b>	<b>729</b>	<b>554,639</b>
<b>Net book value</b>	<b>1,033,430</b>						<b>1,126,892</b>

(\*) Consists of business combinations of which the details are explained in Note 3.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 15 - INTANGIBLE ASSETS

##### Other intangible assets:

Movements of the intangible assets for the interim periods ended 31 March 2020 and 2019 are as follows:

	1 January 2020	Additions	Disposals	Currency translation differences	Transfers	31 March 2020
<b>Cost</b>						
Trade names	7,876	-	-	-	-	7,876
Electricity production license	354,644	-	-	-	-	354,644
Other	219,136	17,089	(211)	518	2,658	239,190
	<b>581,656</b>	<b>17,089</b>	<b>(211)</b>	<b>518</b>	<b>2,658</b>	<b>601,710</b>
<b>Accumulated amortization:</b>						
Trade names	7,481	395	-	-	-	7,876
Electricity production license	45,035	1,912	-	-	-	46,947
Other	145,705	7,060	(10)	576	-	153,331
	<b>198,221</b>	<b>9,367</b>	<b>(10)</b>	<b>576</b>	<b>-</b>	<b>208,154</b>
Dealer agreements	181,120					178,999
Television programme rights	35,045					44,204
	<b>599,600</b>					<b>616,759</b>

Movement of television programme rights and dealer agreements for the interim period ended 31 March 2020 is as follows:

	1 January 2020	Additions <sup>(1)</sup>	Amortization	Currency translation differences	31 March 2020
Dealer agreements	181,120	11,023	(13,144)	-	178,999
Television programme rights	35,045	11,733	(4,964)	2,390	44,204

<sup>(1)</sup> Kanal D Romanya, subsidiary of the Group purchased programme rights amounting to TRY 11,733 during the period.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 15 - INTANGIBLE ASSETS (Continued)**

**Other intangible assets (Continued):**

	<b>1 January 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Currency translation differences</b>	<b>Transfers</b>	<b>Acquisition of subsidiary</b>	<b>31 March 2019</b>
<b>Cost</b>							
Trade names	7,876	-	-	-	-	-	7,876
Electricity production license	354,644	-	-	-	-	-	354,644
Other	195,453	2,314	(94)	343	3,078	78	201,172
	<b>557,973</b>	<b>2,314</b>	<b>(94)</b>	<b>343</b>	<b>3,078</b>	<b>78</b>	<b>563,692</b>
<b>Accumulated amortization:</b>							
Trade names	5,906	394	-	-	-	-	6,300
Electricity production license	37,388	1,912	-	-	-	-	39,300
Other	129,826	3,397	-	165	-	52	133,440
	<b>173,120</b>	<b>5,703</b>	<b>-</b>	<b>165</b>	<b>-</b>	<b>52</b>	<b>179,040</b>
Dealer agreements	265,970						211,515
Television programme rights	32,411						36,884
	<b>683,234</b>						<b>633,051</b>

Movement of television programme rights and dealer agreements for the interim period ended 31 March 2019 is as follows:

	<b>1 January 2019</b>	<b>Additions <sup>(1)</sup></b>	<b>Amortization</b>	<b>Currency translation differences</b>	<b>IFRS 16 effect <sup>(2)</sup></b>	<b>31 March 2019</b>
Dealer agreements	265,970	2,002	(14,696)	-	(41,761)	211,515
Television programme rights	32,411	8,759	(5,380)	1,094	-	36,884

<sup>(1)</sup> Kanal D Romanya, subsidiary of the Group purchased programme rights amounting to TRY 8,759 during the period.

<sup>(2)</sup> Within the scope of the accounting policy change resulting from the first-time adoption of IFRS 16 “Leases” Standard, dealer contracts amounting to TRY41,761 were classified to right of use assets.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 15 - INTANGIBLE ASSETS (Continued)****Goodwill**

As of 31 March 2020, there is no additional goodwill. As of 31 March 2019, an additional goodwill of TRY 29,798 has been recognized in the consolidated financial statements through the business combinations described in Note 3. As of 31 March 2020 and 2019, the movement table of goodwill is as follows:

	2020	2019
<b>1 January</b>	<b>64,274</b>	<b>34,476</b>
Additions (Note 3)	-	29,798
<b>31 March</b>	<b>64,274</b>	<b>64,274</b>

**NOTE 16 - RIGHT OF USE ASSETS**

	1 January 2020	Additions	Disposals	31 March 2020
<b>Cost:</b>				
Buildings	248,201	21,279	-	269,480
Motor vehicles	37,031	70	-	37,101
Land	16,795	-	-	16,795
Offices	14,561	190	(27)	14,724
Warehouses	3,592	1	-	3,593
Machinery and equipment	1,958	1,790	-	3,748
Frequencies	819	848	-	1,667
	<b>322,957</b>	<b>24,178</b>	<b>(27)</b>	<b>347,108</b>

	1 January 2020	Additions	Disposals	31 March 2020
<b>Accumulated amortisation:</b>				
Buildings	(56,902)	(15,207)	-	(72,109)
Motor vehicles	(20,699)	(4,947)	-	(25,646)
Land	(800)	(107)	-	(907)
Offices	(2,601)	(403)	14	(2,990)
Warehouses	(2,525)	(612)	-	(3,137)
Machinery and equipment	(1,820)	(474)	-	(2,294)
Frequencies	(695)	(212)	-	(907)
	<b>(86,042)</b>	<b>(21,962)</b>	<b>14</b>	<b>(107,990)</b>
<b>Net book value</b>	<b>236,915</b>			<b>239,118</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 16 - RIGHT OF USE ASSETS (Continued)

	1 January 2019	Additions	Other (*)	31 March 2019
<b>Cost:</b>				
Buildings	227,523	-	(21,782)	205,741
Motor vehicles	36,029	3,455	-	39,484
Land	16,780	-	(9,396)	7,384
Offices	4,849	-	(635)	4,214
Warehouses	3,527	-	(29)	3,498
Machinery and equipment	1,958	-	(1,606)	352
Frequencies	819	-	(9)	810
	<b>291,485</b>	<b>3,455</b>	<b>(33,457)</b>	<b>261,483</b>

	1 January 2019	Additions	Other (*)	31 March 2019
<b>Accumulated amortisation:</b>				
Buildings	-	(11,112)	-	(11,112)
Motor vehicles	-	(5,854)	-	(5,854)
Land	-	(410)	-	(410)
Offices	-	(412)	-	(412)
Warehouses	-	(621)	-	(621)
Machinery and equipment	-	(27)	-	(27)
Frequencies	-	(188)	-	(188)
	-	<b>(18,624)</b>	-	<b>(18,624)</b>

<b>Net book value</b>	<b>291,485</b>			<b>242,859</b>
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(\*) TFRS 16 transition effects have been re-evaluated and corrections have been made accordingly.

#### NOTE 17 - GOVERNMENT GRANTS

The subsidiary of the Group, Ditaş, benefits from insurance premium incentive under the Social Insurance and General Health Insurance Law (Law No. 5510), regional incentive (Law No. 56486), R&D premium incentive (Law No. 5746), Employees with Disabilities Employment incentives and Minimum Wage incentives (Law No. 4857). In this context, the incentive amounting to TRY748 (31 March 2019: TRY273) is recorded against the labor expense under cost of goods sold in the financial statements as of 31 March 2020.

#### NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### Other short-term provisions

	31 March 2020	31 December 2019
Provision for lawsuits and indemnity	11,124	8,476
Other	2,448	1,607
	<b>13,572</b>	<b>10,083</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### Other short-term provisions (Continued)

Movement of lawsuit provisions for the interim periods ended 31 March 2020 and 2019 is as follows:

	2020	2019
<b>1 January</b>	<b>8,476</b>	<b>6,440</b>
Additions in the current period (Note 28)	3,064	768
Reversal of provisions booked in prior periods	(416)	(275)
<b>31 March</b>	<b>11,124</b>	<b>6,933</b>

The Group reserved provisions of TRY11,124 considering the legal opinions on ongoing lawsuits and similar lawsuits finalized in the past, which were brought against it and the details of which are given below (31 December 2019: TRY 8,476).

##### (a) *Lawsuits*

The amount of lawsuits filed against the Group is TRY 31,747 as of 31 March 2020 (31 December 2019: TRY26,192).

	31 March 2020	31 December 2019
Legal cases	16,385	13,322
Commercial cases	7,085	9,005
Business cases	8,277	2,490
Other	-	1,375
<b>Total</b>	<b>31,747</b>	<b>26,192</b>

##### (b) *Other*

##### *Milpa*

##### *The Land of Ömerli*

Shares acquired step by step with the agreement “Building Construction Shared Floor/Revenue in Return Arrangement Form Land Share and Real Estate Promise to Sell Agreement” (“Agreement”) signed between March 2000 - October 2003 and recognised under “investment properties” by the Group, and in addition to these shares, the balance of the shares acquired from the result of the tender in relation to the lawsuit opened by one of the shareholders corresponding to his/her share in the real estate, located at İstanbul Province, Pendik District, Kurtdoğmuş Village with an area of m<sup>2</sup> 2,238,207 which consist of two separate parcels with no:1154 (2,093,941 m<sup>2</sup>) and 1155 (144,266 m<sup>2</sup>), have been recognised at fair value which has been appreciated in the Real Estate Valuation Report dated 20 January 2020 prepared by the Real Estate Appraisal Company on the list of CMB. Because of the qualifications of farm land due to the legal uncertainties stated below, Ömerli land hasn’t been recognised under normal business operations of the Company (project development, construction and sale etc.), and has been recognised as “investment properties” in accordance with TAS 40 (“Investment Properties”), in the context of Paragraph 8/(b).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### (b) Other (Continued)

##### *Milpa (Continued):*

##### *The Land of Ömerli (Continued)*

Milpa, has commitment to pay 25% of the revenue generated from the real estate project (the “Project”) by considering the share of the land owners who have assigned shares within the scope of revenue sharing constructions and/or flat for land basis contracts in accordance with the Contract verdicts that has been signed with the first acquisition of Ömerli Land which cannot be implemented due to the administrative and legal processes as described in detail below.

According to the İstanbul Environmental Recreation Plan, scale of 1/100,000 and dated 15 June 2009, a significant part of the land of which parcel no is 1154, is located partially within the borders of “Habitat Park Area”. The report on the Basin Location Information of the İstanbul Water Supply and Sanitation Administrative General Directory dated 30 January 2019 states that 2,586 m<sup>2</sup> of parcel no 1154 and 142,012 m<sup>2</sup> of parcel no 1155 are parts of the Forest Area. The related parcels are located in both the medium range(1000 m. - 2000 m.) protected area and the long range (2000 m. - 5000 m.) protected area of Ömerli Reservoir Basin. It was stated in the letter dated 20 January 2020 by General Directorate of Highways that the related parcels remain outside the expropriation area and are not subject to any expropriation process.

144,266 m<sup>2</sup> of the land parcel no: 1155 has been removed from the forest area with the court decision in year 2005. To this The Forestry Directorate appealed the decision at the Supreme Court of law No: 20 and the objection was accepted on 24 June 2008 and these decisions (removal from forest area) are sent to the Pendik First Civil Court for re-evaluation. The Court has reiterated its initial decision being right on 8 October 2009 in terms of content. The General Directorate of Forestry appealed the Court’s decision again and the related file was re-sent to the Supreme Court of law No: 20. The related office has resent the file to Pendik First Civil Court by disrupting the court decision. The Court for which the lawsuit is held, has been divided into two and the lawsuit was continued to be heard at 29th. Civil Court. The aforementioned court has decided to cancel the land register of the aforementioned 144,266 m<sup>2</sup> and parcel No: 1155 of land belonging to the Company and registered the land as forest title in the name of the treasury at 23 December 2014. In accordance with the Court decision for parcel No:1155 being registered as forestry land, it has been excluded from the financial statements as at 31 December 2014. Following the notification of the Court decision no 2013/320 at 9 January 2015, appeal to a superior court on 13 February 2015 has been made. Aforementioned appeal has not been accepted and the Company has been notified that Supreme Court No: 20 upheld the decision of 29th. Civil Court on 13 July 2017. On 20 July 2017, compensation lawsuit was opened due to civil wrong. At the hearing held on 18 April 2019, the Court stated that in relation to the “Land” of 144,266 m<sup>2</sup>, whose 98,702 m<sup>2</sup> (68.42%) belongs to the Company, in the parcel no: 1155 located at Pendik District, Kurdoğmuş Village; It has been decided that a compensation in favor of the Company in total amount of TRY85,117 is to be paid and the legal interest shall be calculated separately from the date of the case. The portion corresponding to the Company’s share of this amount is calculated as approximately TRY58,234 and the final amount will be determined after the legal processes are completed.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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#### NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### (b) Other (Continued)

##### *Milpa (Continued):*

##### *The Land of Ömerli (Continued)*

It was previously declared to the public that the decision of the Court was appealed by the defendant, and it was decided to abolish the court decision summarized above and to re-see the case, according to the court's appeal decision, which evaluated the appeal request

In the justified decision of the court, it was stated that the right to compensation is found appropriate, but whether the immovable subject to the lawsuit has the characteristics of "land" or not and its value must be examined by expert witnesses through various methods. Trial dated 19 March 2020 was postponed to 18 June 2020 due to the statement of the Council of Judges and Prosecutors on the measures to be taken on the Coronavirus.

On the other hand in relation to 1154 parcel, the letter communicated from İstanbul Metropolitan Municipality dated 30 November 2016 to the real estate appraisal company, development plan proposal and report of a part of Yenışehir neighborhood of Pendik district numbered NİP-22054 Pin Number 1/5000 Scale including Pendik district Kurtdoğmuş neighborhood 1154 and 1155 parcels and Ballica, Emirli, Kurna and Kurtdoğmuş neighborhoods were referred to İstanbul Metropolitan Municipality Assembly to be evaluated and decided within the scope of 3194 and 5216 law and related regulations, and also it has been learnt that the mentioned plan has been scaled on 6 December 2017. When the mentioned "Master Development Plan" is analyzed, it is seen that 30% of the land in Ömerli is allocated as "Municipal Service Area," and a large part of the remaining land is defined in the legend as "Sustainable Protection and Controlled Use Area," and a relatively smaller part as "Areas Requiring Special Measures Geologically."

It is understood from the mentioned "Master Development Plan" that the part allocated as the sub-function of "Sustainable Protection and Controlled Use Area" legend was planned to be 23% "Arboretum," 25% "Recreational Area," 40% "Area to Be Protected through Forestation<sup>(1)</sup>," 2% "Fairground," 5% "Hobby Gardens," and 5% "Camping Areas," and permission for maximum 1-floor prefabricated structuring with an average rate of 0.04 was granted for these areas. On the grounds that the legends and functions specified in the "Master Development Plan" include contradictions to law as well as planning and urban development procedures and principles, and that they violate the right of ownership, and with the request that "housing zone" legend is also accepted for the mentioned "Immovable," necessary legal and formal objections to the "Master Development Plan" were raised on 2 January 2018 within the allowed period. The objections of the Company were rejected by İstanbul Municipality Parliamentary Commission. The Company filed a lawsuit with the request for the cancellation of the decision regarding the amendment of the plan note. According to the decision of the Republic of Turkey İstanbul 2nd Administrative Court dated 26 December 2019, which took place in UYAP on 25 February 2020 and was notified on 28 February 2020, the Court has justified our request and cancelled the Master Plan for Parcel 1154. The Company has been notified that the appellee has applied to the court of appeal against the said Court Decision on 27 March 2020. The case file is of administrative nature and there is no hearing date.

In this context, the uncertainty in the current development plan due to the appeal, will be continued to be assessed in subsequent periods in the legal process.

The updated revaluation reports are obtained from CMB licensed real estate companies every year for the "investment properties" of Milpa that comprises of TRY292,489 (31 December 2019: TRY292,489) of Ömerli Land.

<sup>1</sup> In the 1 / 5,000 Master Development Plan, which was previously approved by IMM, "the value of the area to be protected through forestation" was declared as 10% by IMM as a result of a technical error, and it was later corrected as 40% by IMM.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### (b) Other (Continued)

##### *Milpa (Continued):*

##### *The Land of Ömerli (Continued)*

As per the information above, we have assessed Parcel No. 1154's fair value determined as TRY 335,970 (without VAT) based on the Valuation Report dated 20 January 2020 of a real estate company, considering the reasons laid out in the Master Development Plan announced on 6 December 2017 with a scale of 1/5,000 the parcel's topography being very steep and bumpy, accession to the land is limited and difficult under current conditions but there being few other parcel of the same size in the region where the land is located, the land being located close to the TEM highway and settlement area of Sultanbeyli, the existence of scale of 1/5000 Master Development Plan regarding the parcel is located and the scale of 1/1000 implementation development plan being in the approval process, the positive effect of the opening of the Northern Marmara Motorway on real estate values in the region and a positive reflection of the expectation that the 1/1000 scale of implementation development plan will be implemented soon, the fact that new information has been reached from the public sources about the expropriation costs within the scope of North Marmara Motorway construction in the parcels adjacent to Ömerli Land. On the other hand, the above mentioned amount is the evaluation for the whole of the land Parcel No. 1154 (2,093,941 m<sup>2</sup>).

The share of Milpa in the Parcel No. 1154 is 1,720,521 m<sup>2</sup>, which equals to 82.17% of the whole parcel, and amounts to TRY292,489 as of 31 March 2020. (As of 31 December 2019 the share of Milpa is 1,720,521 m<sup>2</sup>, which equals to 82.17% of the whole parcel, and the share of Milpa amounts to TRY180,655). As mentioned above, lawsuit decision regarding the record decision on the Forest Land for Parcel no. 1155 was approved by Supreme Court of Law No:20.

There is no fair value determined for the Parcel No. 1155 which was priorly derecognized from the statements of financial position through full amount of provision as of 31 December 2014. For Ömerli Land, security expenses amounting to TRY126 has been recognised under operational expenses (31 December 2019: TRY503). Additionally, no rental income has been recognised from the related property (31 December 2019: None).

As of 31 March 2020 the fair values of the Company's investment properties have been determined in accordance with the market comparison method taking into account the related land rented and for sale in the immediate vicinity.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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#### NOTE 19 - COMMITMENTS

##### (a) Letters of guarantee and guarantee notes given

	31 March 2020				31 December 2019			
	TRY Equivalent	TRY	USD	EUR	TRY Equivalent	TRY	USD	EUR
A. CPM’s given in the name of its own legal personality								
Collaterals <sup>(1)</sup>	1,688,640	826,756	59,503	65,719	1,530,294	846,372	60,033	49,216
Pledge <sup>(3)</sup>	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
B. CPM’s given on behalf of the fully consolidated companies								
Collaterals <sup>(1)(2)</sup>	373,709	7,764	56,161	-	341,370	7,764	56,161	-
Pledge <sup>(3)</sup>	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
C. CPM’s given on behalf of 3rd parties for ordinary course of business	386	386	-	-	386	386	-	-
D. Total amount of other CPM’s given								
i) Total amount of CPM’s given on behalf of the majority shareholders	-	-	-	-	-	-	-	-
ii) Total amount of CPM’s given on behalf of other group companies which are not in scope of B and C	-	-	-	-	-	-	-	-
iii) Total amount of CPM’s given on behalf of 3rd parties which are not in scope of C	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,062,735</b>	<b>834,906</b>	<b>115,664</b>	<b>65,719</b>	<b>1,872,050</b>	<b>854,522</b>	<b>116,194</b>	<b>49,216</b>

<sup>(1)</sup> The collaterals of the Group consist of letter of guarantees, guarantee notes and bails and the details are explained below

<sup>(2)</sup> Within the scope of the project of Aslancık Elektrik’s hydroelectric power plant, Doğan Holding has given collateral to the credit institutions amounting to USD23,161 (31 December 2019: USD 23,161) In addition, a bail amounting to USD 33,000 is given to credit institutions for Boyabat Elektrik’s refinancing loans.

<sup>(3)</sup> 33.33% shares of Aslancık Elektrik, and 33% shares of Boyabat Elektrik were given as pledges to financial institutions due to the Group’s long term borrowings and are not included in the table above.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 19 - COMMITMENTS (Continued)

##### (a) Letters of guarantee and guarantee notes given (Continued)

Other CPM's given by the Group to equity ratio is 0% as of 31 March 2020 (31 December 2019: 0%). The details of letter of guarantees and guarantee notes given by the Group are as follows:

	31 March 2020		31 December 2019	
	Original Currency	TRY equivalent	Original Currency	TRY equivalent
Letters of guarantees - TRY	627,095	627,095	646,711	646,711
Letters of guarantees - USD	4,427	28,846	4,957	29,443
Letters of guarantees - EUR	65,509	472,647	49,006	325,920
Guarantee notes - USD	55,076	358,875	55,076	327,162
Guarantee notes - TRY	200,047	200,047	200,047	200,047
Guarantee notes - EUR	210	1,515	210	1,397
<b>Total</b>		<b>1,689,025</b>		<b>1,530,680</b>

##### (b) Bails and mortgages given

The details of guarantees given by the Group for the financial liabilities and trade payables of the Group companies and related parties as of 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020		31 December 2019	
	Original Currency	TRY equivalent	Original Currency	TRY equivalent
Bails - USD	56,161	365,946	56,161	333,606
Bails - TRY	7,764	7,764	7,764	7,764
<b>Total</b>		<b>373,710</b>		<b>341,370</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 20 - OTHER ASSETS

<b>Other current assets</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Value added tax (“VAT”) receivables <sup>(1)</sup>	85,464	49,466
Prepaid tax and funds	4,150	6,345
Personnel advances	1,983	1,207
Job advances	1,160	589
Other	677	565
	<b>93,434</b>	<b>58,172</b>

(1) A significant portion of VAT receivables are related to Galata Wind; the remaining amount consists of VAT receivables related to the subsidiaries of the Group.

<b>Other non-current assets</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Value added tax (“VAT”) receivables <sup>(2)</sup>	359,115	376,237
Other	2,139	2,275
	<b>361,254</b>	<b>378,512</b>

(2) TRY288,778 is related to VAT receivables of Galata Wind (31 December 2019: TRY310,181).

#### NOTE 21 - PREPAID EXPENSES AND DEFERRED INCOME

The details of prepaid expenses and deferred income as of 31 March 2020 and 31 December 2019 are as follows:

<b>Short term prepaid expenses</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Advances given <sup>(1)</sup>	65,928	45,754
Prepaid expenses <sup>(2)</sup>	31,939	21,252
	<b>97,867</b>	<b>67,006</b>

(1) The significant portion of advances given consists of advances related to the operations of the Group's subsidiaries DMC and Suzuki.

(2) Significant portion of the prepaid expenses are comprised of the prepaid expense for the following months of Aytemiz Akaryakıt and Kanal D Romanya which are subsidiaries of the Group.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 21 - PREPAID EXPENSES AND DEFERRED INCOME (Continued)

<b>Long term prepaid expenses</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Advances given and prepayments <sup>(1)</sup>	58,172	50,404
Prepaid expenses for future years	2,270	7,877
	<b>60,442</b>	<b>58,281</b>

<sup>(1)</sup> Consists of advances given regarding the establishment of wind power plants by Galata Wind which is a subsidiary of the Group.

<b>Short-term deferred income</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Deferred income <sup>(2)</sup>	24,907	33,141
Advances received <sup>(3)</sup>	13,213	6,452
	<b>38,120</b>	<b>39,593</b>

<b>Long-term deferred income</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Deferred income <sup>(2)</sup>	8,955	4,970
	<b>8,955</b>	<b>4,970</b>

<sup>(2)</sup> A significant portion of deferred income consists of deferred income arising from the digital broadcasting rights of DMC, deferred income related to contracts with respect to advertising activities of Hürriyet Emlak and deferred income related to Milta Turizm's yacht tying income.

<sup>(3)</sup> Significant amount of advances received consist of Doğan Dış Ticaret and Suzuki.

#### NOTE 22 - DERIVATIVE INSTRUMENTS

##### *Foreign currency derivative transactions*

The Group utilizes foreign exchange derivatives and commodity derivatives to protect future significant transactions and cash flows from financial risk. Group has signed various forward exchange contracts and option contracts regarding the management of fluctuations in exchange rates and oil prices. The derivative instruments purchased are mainly denominated in foreign currencies in which the Group operates.

As of the statement of financial position date, the total nominal amount of the Group's foreign currency and option contracts with maturity that are not due and the Group is obliged to carry are as follows:

	<b>31 March 2020</b>		<b>31 December 2019</b>	
	<b>Asset</b>	<b>Liability</b>	<b>Asset</b>	<b>Liability</b>
Currency derivative transactions with maturity <sup>(1)</sup>	12,468	8,829	18,993	339
Commodity agreements <sup>(2)</sup>	14,606	-	-	-
<b>Total</b>	<b>27,074</b>	<b>8,829</b>	<b>18,993</b>	<b>339</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 22 - DERIVATIVE INSTRUMENTS (Continued)

##### *Foreign currency derivative transactions (Continued)*

- (1) Doğan Holding, Ditaş and Aytemiz Akaryakıt, the subsidiaries of the Group, make forward foreign exchange contracts with the banks in order to hedge their foreign exchange risk; on the date of the deal sells TRY and buys US Dollars and Euros. Derivative instruments of Galata Wind is related to foreign currency loans.
- (2) Consists of derivative commodity contracts signed by Aytemiz Akaryakıt, a subsidiary of the Group, to reduce the risk of fluctuation in oil prices.

#### NOTE 23 - PROVISION FOR EMPLOYMENT BENEFITS

##### *a) Payables related to employee benefits*

The details of payables related to employee benefits as of 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Payables to personnel	9,165	14,142
Social security payables	4,996	5,125
	<b>14,161</b>	<b>19,267</b>

##### *b) Short term provisions for employment benefits*

The details of short term provisions for employment benefits as of 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Provision for unused vacation	19,789	18,138
Provision for bonuses and premiums	405	2,257
	<b>20,194</b>	<b>20,395</b>

##### *c) Long term provisions for employment benefits*

Details of long term provisions for employment benefits as of 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Provision for employment termination benefits	43,984	42,930
	<b>43,984</b>	<b>42,930</b>

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

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 23 - PROVISION FOR EMPLOYMENT BENEFITS (Continued)

##### c) Long term provisions for employment benefits (Continued)

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies and achieves the retirement age. As of 31 March 2020, the maximum amount payable equivalent to one month of salary is TRY6,730.15 (exact) (31 December 2019: TRY6,379.86 (exact) for each year of service.) The retirement pay provision ceiling TRY6,730.15 (exact) which is effective from 1 January 2020, is taken into consideration in the calculation of provision for employment termination benefits (31 December 2019: TRY6,730.15 (exact) effective from 1 January 2020).

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group.

The standard TAS 19 “Employee Benefits” envisages the development of actuarial valuation methods in order to estimate the provision of severance pay. According to this, following assumptions were used in the calculation of total liability based on the report prepared by the actuarial firm.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2019, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees.

Discount rate applied as 11.86%<sup>(1)</sup> (31 December 2019: 11.86 %), inflation rate applied as 7.77% (31 December 2019: 7.77%) and increase in wages applied as 7.77% (31 December 2019: 7.77%) in the calculation.<sup>(2)</sup>

Age of retirement is based on considering the Company’s historical average age of retirement.

<sup>(1)</sup> The gross discount rate used for calculation of the severance payment liability is determined by considering Government Bond with 10 years maturity compound interest rate and the swap rates with 10-15 years maturity. Based on this, the net discount rate was determined as 3.80% (31 December 2019:3.80%)

<sup>(2)</sup> Calculation of employee termination benefits are determined by considering the 2020 inflation rate reports of the Central Bank of Republic of Turkey.

The movement of provision for employment termination benefits within the period is as follows:

	2020	2019
<b>1 January</b>	<b>42,930</b>	<b>34,071</b>
Current period service cost and net interest expense from continued operations	2,547	2,418
Payments during the period due to continued operations	(1,493)	(1,693)
<b>31 March</b>	<b>43,984</b>	<b>34,796</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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#### NOTE 24 - EQUITY

Doğan Holding adopted the registered paid-in capital system and set a limit on its registered paid-in capital representing registered type shares with a nominal value of TRY1.

Doğan Holding’s registered capital ceiling and issued capital at 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Registered authorized capital ceiling	4,000,000	4,000,000
Issued capital	2,616,938	2,616,938

There are no privileged shares of Doğan Holding.

The ultimate shareholders of Doğan Holding are Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y.Begümhan Doğan Faralyalı) and the shareholders of Holding and the historical values of shares in equity as of 31 March 2020 and 31 December 2019 are as follows

Shareholder	Shares (%)	31 March	Shares (%)	31 December
		2020		2019
Adilbey Holding A.Ş.	49.66	1,299,679	49.66	1,299,679
Doğan Family	14.47	378,626	14.47	378,626
Publicly traded on Borsa İstanbul <sup>(1)</sup>	35.87	938,633	35.87	938,633
<b>Issued capital</b>	<b>100.00</b>	<b>2,616,938</b>	<b>100.00</b>	<b>2,616,938</b>
Adjustment to issued capital		143,526		143,526
Repurchased shares (-)		(16,035)		(7,073)
<b>Total</b>		<b>2,744,429</b>		<b>2,753,391</b>

<sup>(1)</sup> In accordance with the “CMB” Resolution No: 31/1059 issued on 30 October 2014 and 21/655 issued on 23 July 2010, it is regarded that 35.84% of the shares (31 December 2019: 35.84%) are outstanding as of 31 March 2020 based on the Central Registry Agency’s (“CRA”) records.

Adjustment to share capital represents the difference between cash and cash equivalent contributions to the total amounts adjusted for inflation added to issued share capital and amounts before inflation adjustment.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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#### NOTE 24 - EQUITY (Continued)

##### *Repurchased shares*

With the decision of the Group’s Board of Directors dated 22 February 2019; “Share Buyback Program” that is prepared in accordance with the Turkish Commercial Code, Capital Markets Law, CMB’s Communiqué No: II-22.1 Repurchase of Shares adjustments published in the Official Gazette numbered 28871 and dated 3 January 2014 was accepted by the majority in the General Assembly meeting on 20 March 2019.

Within the framework of “Share Buyback Program”, the Company management has been authorized to perform the repurchase of its shares. In this context, it was decided that the maximum amount of funds allocated for repurchase would be TRY131,000,000 (exact) and that the maximum number of shares to be withdrawn would not exceed this amount.

In the first quarter of 2020, within the scope of the Share Buyback Program, the Company shares with a nominal value of TRY5,722,833 (exact) were purchased by the Company itself from Borsa İstanbul for an amount TRY8,961,410 (exact) as TRY 1.565904 per share. As of 31 March 2020, the total nominal amount of Repurchased Shares has increased to TRY13,632,838 (exact), together with those previously purchased except the scope of the “Share Repurchase Program”. (As of 31 December 2019, total nominal amount of Repurchased Shares is TRY7,910,005 (exact)).

##### *Share premiums/(discounts)*

Share premiums/(discounts) represent the positive or negative differences resulting from the nominal value and sales value of public shares.

	31 March 2020	31 December 2019
Share premiums	163,724	163,724
Share discounts (-)	(128,565)	(128,565)
<b>Total</b>	<b>35,159</b>	<b>35,159</b>

##### *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 TCC and TPL.

General Statutory Legal Reserves are reserved in accordance with the article 519 of Turkish Commercial Code and used in accordance with the principles set out in this article. The afore-mentioned amounts should be classified in “Restricted Reserves” in accordance with the TAS.

The details of restricted reserves as of 31 March 2020 and 31 December 2019 are as follows:

Restricted reserves	31 March 2020	31 December 2019
Gain on sale of subsidiary’s shares	442,349	442,349
General legal reserves	223,905	196,014
Venture capital investment fund	128,566	83,718
<b>Total</b>	<b>794,820</b>	<b>722,081</b>



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 24 - EQUITY (Continued)

##### *Accumulated Other Comprehensive Income and Losses that will not be Reclassified in Profit or Loss*

The Company's investment property revaluation reserves and actuarial losses of defined benefit plans that aren't reclassified in accumulated other comprehensive income and expenses are summarized below:

##### *i. Gain/(loss) on revaluation of property, plant and equipment*

Real estates recognised as property, plant and equipment in prior periods, can be transferred to investment property due to changes in use. The Group has reclassified some of its properties as investment property and has chosen to account such investment properties at fair value.

##### *ii. Actuarial gains (losses) on defined benefit plans*

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. The Group recognised all actuarial gains and losses in other comprehensive income. Remeasurement loss on defined benefit plans amounting to TRY11,202 is accounted under shareholders' equity (31 December 2019: TRY11,202).

##### *Accumulated Other Comprehensive Income and Losses that will be Reclassified in Profit or Loss*

##### *i. Revaluation and reclassification gains (losses)*

Financial assets revaluation reserves are calculated by accounting on net book values after reflecting deferred tax impact of unearned gains and losses composed of changes of fair values of assets held for sale. The amount of revaluation decrease of assets held for sale presented under equity in the statement of financial position is TRY 61,059 in the current period (31 December 2019: TRY 45,451 value increase).

##### *ii. Gain/(losses) from hedge reserve*

In the case of future cash flows being subject to cash flow hedges and related transactions being effective, the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in equity directly whereas the ineffective portion is recognized immediately in the statement of profit or loss. There is no gain or losses from cash flow hedge for the interim period ended as of 31 March 2020 (31 December 2019: None).

##### *iii. Currency translation differences*

Currency translation differences consist of currency translation differences of the Group's subsidiaries and joint ventures financial statements located out of Turkey using a measurement currency other than TRY and classified under equity. The increase in the currency translation difference attributable to parent is TRY58,349 and the increase amounting to TRY2,658 is attributable to non-controlling interest (31 December 2019: Increase amounting to TRY46,801 is attributable to parent and increase amounting to TRY2,582 is attributable to non-controlling interest).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 24 - EQUITY (Continued)

##### *Capital Reserves and Retained Earnings*

Subsequent to the first inflation adjusted financial statements, equity items such as; “Capital, Emission Premiums, General Statutory Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves” are carried at carrying value in the statement of financial position and their adjusted values based on inflation are collectively presented in equity accounts group.

In accordance with the CMB regulations, “Issued capital”, “Restricted Reserves” and “Share Premiums” shall be carried at their statutory amounts. The valuation differences resulted due to the inflation adjustment shall be disclosed as follows:

- If the difference is due to the “Issued Capital” and not yet been transferred to capital, it should be classified under “Capital adjustment difference”;
- If the difference is due to “Restricted Reserves” and “Share Premium” and the amount has not been subject to dividend distribution or capital increase yet, it shall be classified under “Retained Earnings/(Losses)”.

Other equity items are carried at the amounts valued in accordance with TAS.

Capital adjustment differences have no other use than to be included to the share capital.

##### *Dividend Distribution*

The Company decides to distribute dividend and makes dividend distribution in accordance with the Turkish Commercial Code (“TCC”), Capital Market Law (“CML”), Capital Market Board (“CMB”) Regulations and Laws; Tax Legislations; other related statutory legislation and Articles of Association and Resolutions of General Assembly. Dividend distribution is determined by Dividend Distribution Policy.

On the other hand,

- a) Retained earnings derived from the reparation of comparative financial statements based on the first time adoption of TAS,
- b) “Equity inflation adjustment differences” derived from resources that do not have any restriction regarding dividend distribution,
- c) Retained earnings derived from the first time inflation adjustment of financial statements, can be distributed to shareholders as cash dividends.

In addition, if the consolidated financial statements include the “Purchasing Impact on Equity” item under equity, the related item is not considered as a deductible or additional item when presenting net distributable profit for the period.

At the general shareholders meeting of the Company on 27 March 2020, the following legislation was considered: the Turkish Commercial Code (“TCC”), capital market legislation and Capital Markets Board (“CMB”) Regulations, corporate tax, income tax and other relevant legal legislation and the legislation relevant to the Main Agreement of the Company and the “Dividend Distribution Policy” and the relevant articles of the Dividend Distribution Policy disclosed to the public.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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#### NOTE 24 - EQUITY (Continued)

##### *Dividend Distribution (Continued)*

Under the “Communique on Financial Reporting in Capital Markets” (II-14.1) legislation of the CMB, according to the audited consolidated financial statements for the period 1 January 2019 - 31 December 2019 that are prepared in accordance with the Turkish Accounting Standards (“TAS”) and Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight, Accounting and Auditing Standards Board (POA), for which the presentation principles have been determined as per the relevant resolutions of the CMB, when “Deferred Tax Expense”, “Tax Expense for the Period” and “Non-controlling Interests” are considered together, a “Net Profit for the Period” amounting to TRY 616,789,000 (exact) was observed. After the “General Legal Reserve” amounting to TRY 18,930,598.66 (exact), “Venture Capital Fund” amounting to TRY 44,847,381.64 (exact) and “Legal Reserves Reserved Within the Context of Repurchased Shares” amounting to TRY 4,993,397.58 (exact) were deducted and “Donations” in 2019 amounting to TRY 11,908,118.50 (exact) were added to the remaining amount, a “Net Distributable Period Profit” of TRY 559,925,740.62 was calculated, which is in line with paragraph (1) of Article 519 of the TCC,

In the Legal Statutory Records (“Statutory Records”) for the period 1 January 2019 - 31 December 2019, kept as per tax legislation and prepared as per the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Finance, after “Tax Expense for the Period” and “Venture Capital Fund” were allocated, a “Net Period Profit” of TRY 378,611,973.29 (exact) was calculated; after the “General Legal Reserve” amounting to TRY 18,930,598.66 (exact) and “Legal Reserves Reserved Within the Context of Repurchased Shares” amounting to TRY 4,993,397.58 (exact) were deducted, a “Net Distributable Period Profit” amounting to TRY 354,687,977.05 was observed which was calculated as per paragraph (1) of Article 519 of the TCC,

Statutory Records are taken as basis in dividend distribution for the period 1 January 2019 – 31 December 2019,

Within this scope, it was understood that there is no need to allocate additional “General Legal Reserves” as per paragraph 4 of Article 519 of the TCC and with respect to article 12 of the Dividend Distribution Policy, a “Cash” dividend of TRY 100,000,000 (exact) (“gross”) and TRY 85,000,000 (exact) (“net”), which are equal 3.82126% gross and 3.24807% net of the “Issued Capital”, shall be distributed on 5 May 2020 at the latest,

As per the CMB and POA regulations, after the above-mentioned legal and special reserves were allocated in the consolidated financial statements prepared in line with TAS and TFRS, non-distributed profit amounting to TRY 448,017,622.12 (exact) was recognised under “Retained Earning/(Loss)”, after the above-mentioned legal and special reserves regarding to Statutory Records were allocated non-distributed profit amounting to TRY 254,687,977.05 (exact) was recognised under “Extraordinary Reserves,

The above matters were presented to the General Assembly and accepted via a majority vote. Dividend distribution transactions were started on 10 April 2020 and ended on 14 April 2020

The CMB requires the disclosure of the total net profit in the statutory records and other resources which may be subject to distribution. As of the date of the statement of financial position, the gross amount of the Company’s resources subject to dividend distribution based on the statutory records, excluding share premiums/discounts, is TRY 4,192,342 (31 December 2019: TRY 4,060,725).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 25 - REVENUE AND COST OF SALES

	1 January - 31 March 2020	1 January - 31 March 2019
Domestic sales	2,374,455	2,994,294
Foreign sales	74,657	92,149
Sales return and discounts (-)	(44,558)	(29,589)
<b>Net sales</b>	<b>2,404,554</b>	<b>3,056,854</b>
Cost of sales (-)	(2,153,352)	(2,815,121)
<b>Gross profit</b>	<b>251,202</b>	<b>241,733</b>

*Sales details of fuel retail segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Fuel sales income	1,467,655	1,496,690
LPG sales income	313,104	258,674
Trade income <sup>(1)</sup>	363	786,709
Other	23,091	17,366
<b>Total</b>	<b>1,804,213</b>	<b>2,559,439</b>

<sup>(1)</sup> During the period 1 January - 31 March 2020, trade income has not been generated due to the fact that Doel has ceased its commercial activities (31 March 2019: TRY786,709).

*Sales details of electricity production and trade segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Electricity income <sup>(2)</sup>	78,822	28,656
<b>Total</b>	<b>78,822</b>	<b>28,656</b>

<sup>(2)</sup> During the period 1 January - 31 March 2020, the intra-group elimination between Doel and Galata has not occurred due to the fact that Doel has ceased its commercial activities.

*Sales details of industry and trade segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
External trade income	151,691	91,511
Industrial income	118,816	101,569
Other	3,887	13,206
<b>Total</b>	<b>274,394</b>	<b>206,286</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 25 - REVENUE AND COST OF SALES (Continued)

*Sales details of automotive trade and marketing segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Vehicle sales income <sup>(1)</sup>	66,313	96,165
<b>Total</b>	<b>66,313</b>	<b>96,165</b>

<sup>(1)</sup> During the period 1 January - 31 March 2020, trade income has not been generated due to the fact that Glokal Motorlu Araçlar (DAF) has ceased its commercial activities (31 March 2019: TRY16,167).

*Sales details of financing and investment segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Factoring income	37,304	48,251
Investment income	6,297	3,764
Management consultancy income	4,870	4,585
Financing income	2,337	5,388
<b>Total</b>	<b>50,808</b>	<b>61,988</b>

*Sales details of internet and entertainment segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Advertisement income	60,506	50,390
Music production income	11,353	9,498
Subscription income	6,839	9,453
Other <sup>(2)</sup>	17,933	6,147
<b>Total</b>	<b>96,631</b>	<b>75,488</b>

<sup>(2)</sup> Consists of Kanal D Romanya’s satellite and transmitter service revenues.

*Sales details of real estate investments segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Rent income	19,302	18,364
Real estate management income	13,922	10,178
Other	149	290
<b>Total</b>	<b>33,373</b>	<b>28,832</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 25 - REVENUE AND COST OF SALES (Continued)

*Details of the cost of sales for the interim periods ended at 31 March 2020 and 2019 are as follows:*

	<b>1 January - 31 March 2020</b>	<b>1 January - 31 March 2019</b>
Fuel retail	(1,741,597)	(2,440,961)
Industry and trade	(241,240)	(180,778)
Automotive trade and marketing	(53,240)	(81,655)
Internet and entertainment	(51,231)	(40,872)
Electricity production and trade	(24,964)	(18,602)
Financing and investment	(24,446)	(38,831)
Real estate investments	(16,634)	(13,422)
<b>Total</b>	<b>(2,153,352)</b>	<b>(2,815,121)</b>

*Details of the cost of sales of fuel retail segment are presented below:*

	<b>1 January - 31 March 2020</b>	<b>1 January - 31 March 2019</b>
Fuel and LPG sales cost	(1,722,448)	(1,694,361)
Electricity costs <sup>(1)</sup>	(367)	(742,438)
Other	(18,782)	(4,162)
<b>Total</b>	<b>(1,741,597)</b>	<b>(2,440,961)</b>

<sup>(1)</sup> During the period 1 January - 31 March 2020, electricity costs did not occur due to the fact that Doel has ceased its commercial activities (31 March 2019: TRY742,438).

*Details of the cost of sales of electricity production and trade segment are presented below:*

	<b>1 January - 31 March 2020</b>	<b>1 January - 31 March 2019</b>
Electricity costs	(9,425)	(3,690)
Amortization and depreciation	(9,235)	(9,850)
Personnel expenses	(544)	(460)
General production expenses	(29)	(810)
Other	(5,731)	(3,792)
<b>Total</b>	<b>(24,964)</b>	<b>(18,602)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 25 - REVENUE AND COST OF SALES (Continued)

*Cost of sales details of industry and trade segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Cost of trade goods sold	(136,600)	(81,702)
Raw material cost	(73,291)	(71,765)
Personnel expenses	(14,575)	(11,753)
General production expenses	(11,048)	(8,501)
Amortization and depreciation	(3,942)	(5,171)
Other	(1,784)	(1,886)
<b>Total</b>	<b>(241,240)</b>	<b>(180,778)</b>

*Cost of sales details of automotive trade and marketing segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Cost of trade goods sold	(52,892)	(81,399)
Internet advertisement service cost	(345)	(114)
Personnel expenses	(3)	(142)
<b>Total</b>	<b>(53,240)</b>	<b>(81,655)</b>

*Cost of sales details of financing and investment segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Cost of services sold	(24,446)	(38,831)
<b>Total</b>	<b>(24,446)</b>	<b>(38,831)</b>

*Cost of sales details of internet and entertainment segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Cost of trade goods sold	(16,445)	(8,370)
Personnel expenses	(14,469)	(12,513)
Amortization and depreciation	(8,497)	(7,084)
Other	(11,820)	(12,905)
<b>Total</b>	<b>(51,231)</b>	<b>(40,872)</b>

*Cost of sales details of real estate investments segment are presented below:*

	1 January - 31 March 2020	1 January - 31 March 2019
Cost of goods and services sold	(16,634)	(13,422)
<b>Total</b>	<b>(16,634)</b>	<b>(13,422)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 26 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 March 2020	1 January - 31 March 2019
General administrative expenses	(62,260)	(65,680)
Marketing expenses	(111,005)	(93,602)
<b>Operating expenses</b>	<b>(173,265)</b>	<b>(159,282)</b>

#### Marketing expenses:

	1 January - 31 March 2020	1 January - 31 March 2019
Amortization and depreciation <sup>(1)</sup>	(29,268)	(22,350)
Personnel expenses	(26,616)	(21,784)
Advertisement expenses	(15,860)	(9,528)
Transportation, storage and travel expenses	(13,104)	(13,254)
Royalty expenses	(10,423)	(6,850)
Outsourced service expenses	(2,643)	(1,155)
Consulting expenses	(1,791)	(1,340)
Electricity distribution expenses	(61)	(8,310)
Other	(11,239)	(9,031)
<b>Total</b>	<b>(111,005)</b>	<b>(93,602)</b>

<sup>(1)</sup> The increase in amortization and depreciation is primarily related to the increase of amortization balance of TFRS 16.

#### General administrative expenses:

	1 January - 31 March 2020	1 January - 31 March 2019
Personnel expenses	(36,269)	(37,316)
Amortization and depreciation	(5,825)	(5,398)
Consulting expenses	(5,010)	(5,315)
Outsourced service expenses	(3,097)	(3,651)
Various taxes	(1,321)	(3,776)
Transportation, storage and travel expenses	(1,077)	(1,074)
Other	(9,661)	(9,150)
<b>Total</b>	<b>(62,260)</b>	<b>(65,680)</b>



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 27 - EXPENSES BY NATURE

Expenses are presented functionally for the interim periods ended 31 March 2020 and 2019 and the details are given in Note 25 and Note 26.

#### NOTE 28 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

##### Other income from operating activities

	1 January - 31 March 2020	1 January - 31 March 2019
Foreign exchange gains/losses, net	241,732	241,644
Interest income on bank deposit	14,766	39,189
Finance income due from sales with maturity	13,009	34,193
Unrecognized provisions	3,371	2,479
Other	14,535	9,753
<b>Total</b>	<b>287,413</b>	<b>327,258</b>

##### Other expenses from operating activities

	1 January - 31 March 2020	1 January - 31 March 2019
Finance expense due to purchases with maturity	(8,307)	(15,432)
Foreign exchange gains/losses, net	(5,397)	(34,577)
Provision for doubtful receivables (Note 9)	(3,616)	(3,289)
Provision for lawsuits (Note 18)	(3,064)	(768)
Other	(6,057)	(6,548)
<b>Total</b>	<b>(26,441)</b>	<b>(60,614)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 29 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

##### Income from investment activities

	1 January - 31 March 2020	1 January - 31 March 2019
Foreign exchange income/expense net	158,409	47,920
Interest income of marketable securities	25,728	16,492
Income from sales of tangible and intangible assets	11,851	2,656
Fair value increase/decrease of financial investments, net	-	3,585
Other	-	89
	<b>195,988</b>	<b>70,742</b>

##### Expenses from investment activities

	1 January - 31 March 2020	1 January - 31 March 2019
Loss on sale of marketable securities	(5,303)	(546)
Fair value increase/decrease of financial investments, net	(3,254)	-
Loss on sales of property, plant and equipment	(189)	(1,623)
Other	(223)	-
	<b>(8,969)</b>	<b>(2,169)</b>

#### NOTE 30 - FINANCE INCOME AND EXPENSES

##### Finance income

	1 January - 31 March 2020	1 January - 31 March 2019
Income from derivate instruments	-	51,098
Other	-	60
	-	<b>51,158</b>

##### Finance expenses

	1 January - 31 March 2020	1 January - 31 March 2019
Interest expense on bank borrowings	(50,133)	(90,690)
Foreign exchange losses/gains,net	(31,961)	(55,771)
Interest expense related to lease borrowings	(6,613)	(8,061)
Bank commission expenses	(5,897)	(5,366)
Expenses from derivate instruments	(4,148)	-
Other	(30)	(924)
	<b>(98,782)</b>	<b>(160,812)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 31 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

- a) As of 31 March 2020, non-current assets classified as held for sale amounting to TRY3,676 consists of real estates that Doruk Faktoring and Doruk Finansman assured in return for the receivables which could not be collected. (31 December 2019: TRY19,034). Due to the fact that some the related real estates are sold in the interim period of 1 January - 31 March 2020, a decrease was realized.

#### NOTE 32 - INCOME TAXES

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis for all the subsidiaries consolidated on a line-by-line basis.

##### *Corporate tax*

Corporate tax liabilities as of 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Provision for current income tax	89,466	117,593
Prepaid corporate taxes	(9,231)	(110,212)
<b>Taxes payable for the period</b>	<b>80,235</b>	<b>7,381</b>

  

	31 March 2020	31 December 2019
Corporate and income taxes payable	80,235	7,381
Deferred tax (asset)/liabilities, net	19,063	31,089
<b>Total taxes</b>	<b>99,298</b>	<b>38,470</b>

##### *Turkey*

The Corporate Tax Law has been amended as of 13 June 2006 by Law No: 5520. The majority of the clauses of Law No: 5520 are effective as of 1 January 2006. Corporate tax rate for the fiscal year 2020 is 22% (2019: 22%) for Turkey. Corporate tax is payable on the total income of the Group after adjusting for certain disallowable expenses, corporate income tax exemptions (exemption for participation in subsidiaries, etc.) and corporate income tax deductions (such as research and development expenditures deduction). No further tax is payable unless there is dividend distribution.

Companies calculate corporate tax quarterly at the rate of 22% over their corporate income and these amounts are disclosed by the end of 14th day and paid by the end of the 17th day of the second month following each calendar quarter-end. Advance taxes paid in the period are offset against the following period's corporate tax liability. If there is an outstanding advance tax balance as a result of offsetting, the related amount may either be refunded in cash or used to offset against for other payables to the government.

Within the scope of the "Law on the Amendment of Certain Tax Laws and Some Other Laws" numbered 7061, which was published in the Turkish Trade Registry Gazette dated 5 December 2017, the corporate tax rate for the years 2019 and 2020 was increased from 20% to 22%. As per this law, deferred tax assets and obligations were calculated in the financial statements dated 31 March 2020, applying a tax rate of 22% for temporary differences' portion to lead to tax effects in 2019 and 2020, and at 20% for the portion to lead to tax effects in 2021 and subsequent periods.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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#### NOTE 32 - INCOME TAXES (Continued)

##### *Corporate tax (Continued)*

##### *Turkey (Continued)*

According to, Amendments in Tax Procedural Law, Income Tax Law and Corporate Tax Law (“Law No. 5024”) published in the Official Gazette on December 30, 2003 and the income or corporations taxpayers whose determine their profits on the basis of the statement of financial position, the financial statements are subject to inflation adjustment starting from 1 January 2004. The merger premiums which occurred as a result of the related subsidiary mergers, were classified as an equalizing account, which is neither an asset nor a liability, by the Group, in its financial statements and applied an inflation adjustment for the calculation of the corporate tax in 2004, due to the related regulations and Tax Procedural Law, titled “Inflation Adjustment Application” with number 17 and dated 24 March 2005.

In accordance with the related law, the cumulative inflation of last 36 months inflation rate (PPI) must exceed 100% and the inflation rate (PPI) of last 12 months must exceed 10% in order to adjust inflation. There has not been any inflation adjustment after 2005 due to the absence of conditions required.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax authorities can review accounting records within five years and if they determine any errors on the accounting records, tax payable can be reassessed as a result of another tax assessment.

Under the Turkish tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. The exemptions that are related to the Group are as follows:

##### *Exemption for participation in subsidiaries*

Dividend income from participation in shares of capital of another fully fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

##### *Issued premiums exemption*

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

##### *Exemption for participation into foreign subsidiaries*

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company, (except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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#### NOTE 32 - INCOME TAXES (Continued)

##### *Corporate tax (Continued)*

##### *Turkey (Continued)*

##### *Exemption for sale of participation shares and property*

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and 50% of the gains derived from the sale of real estate property which have remained in assets for more than two full years are exempt from corporate tax. The relevant gain is required to be held in a fund account in liabilities for at least five years to gain the right to use the exemption. The amount of the sale should be collected until the end of the second calendar year following the year of the sale.

The tax rates at 31 March 2020 applicable in the foreign countries, where the significant part of the Group’s operations are performed, are as follows:

<b>Country</b>	<b>Tax rates (%)</b>
USA	10.5
Romania	16.0
England	19.0
Russia	20.0
Netherlands	25.0

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##### *Deferred tax*

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the POA’s Financial Reporting Standards. The temporary differences arise due to accounting treatments made in different reporting periods based on the applicable tax laws and the transfer of financial losses.

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 statement of financial position dates which are disclosed in the table and explanations above.

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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 32 - INCOME TAXES (Continued)

##### Deferred tax (Continued)

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 31 March 2020 and 31 December 2019 using the enacted tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Deductible tax losses	304,068	317,568	66,895	69,865
Provision for employment termination and unused vacation benefits	64,178	63,325	13,239	13,073
Deferred financial income of trade receivables	6,332	6,491	1,393	1,428
Provision for doubtful receivables	33,550	26,994	7,381	5,939
Other	224,809	214,370	49,458	47,161
<b>Deferred tax assets</b>	<b>632,937</b>	<b>628,748</b>	<b>138,366</b>	<b>137,466</b>
Net differences between the tax and registered value of property, plant and equipment, inventories and intangible assets	(532,710)	(480,925)	(106,542)	(96,185)
Net differences between the fair values of investment properties and values of taxation	(231,557)	(231,557)	(42,735)	(42,735)
Other	(40,760)	(148,175)	(8,152)	(29,635)
<b>Deferred tax liabilities</b>	<b>(805,027)</b>	<b>(860,657)</b>	<b>(157,429)</b>	<b>(168,555)</b>
<b>Deferred tax assets/(liabilities), net</b>			<b>(19,063)</b>	<b>(31,089)</b>

Conclusions of netting has been reflected to consolidated statement of financial position of the Group, since Doğan Holding, subsidiaries and joint ventures, which are separate taxpayer companies, have booked their deferred tax assets and liabilities by netting in their financial statements that were prepared in accordance with the TAS. Temporary differences and deferred tax assets and liabilities shown above have been prepared on the basis of gross values.

The Group recognized deferred tax assets over TRY304,068 of carry forward tax losses in the consolidated financial statements prepared in accordance with the TAS as of 31 March 2020 (31 December 2019: TRY317,568). As of 31 March 2020 and 31 December 2019, the maturity analysis of carry forward tax losses is as follows:

	31 March 2020	31 December 2019
2020	-	(128)
2021 and after	(304,068)	(317,440)
	<b>(304,068)</b>	<b>(317,568)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 32 - INCOME TAXES (Continued)

##### *Deferred tax (Continued)*

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Movements for net deferred taxes for the interim periods as of 31 March 2020 and 2019 are as follows:

	2020	2019
<b>1 January</b>	<b>(31,089)</b>	<b>(18,242)</b>
Current period income (expense)	(13,663)	(13,720)
Currency translation differences	99	83
Tax recognized under equity	25,590	4,508
<b>31 March</b>	<b>(19,063)</b>	<b>(27,371)</b>

The taxes on income reflected to the consolidated statement of profit or loss for the interim periods ended 31 March 2020 and 2019 are summarized below:

	1 January - 31 March 2020	1 January - 31 March 2019
Tax expense for the period	(89,466)	(62,182)
Deferred tax income/(expense)	(13,663)	(13,720)
<b>Total tax (expense)/income</b>	<b>(103,129)</b>	<b>(75,902)</b>

The reconciliation of the taxation on income in the consolidated statement of profit or loss for the interim periods ended 31 March 2020 and 2019 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	2020	2019
Income/(Loss) before tax and non-controlling interests	410,620	290,701
Current period tax income/(expense) calculated at 22% effective tax rate	(90,336)	(63,954)
Effect of carryforward tax losses not subject to deferred tax asset	(4,329)	(6,927)
Effect of investments accounted for by the equity method	(3,636)	(3,809)
Effect of expenses non- deductible/not subject to tax	(645)	(623)
Effect of change in statutory tax rate on deferred tax	2,057	(18)
Exceptions	1,943	679
Cancellation of carryforward tax losses subject to deferred tax assets in prior periods	-	(3,871)
Current period portion of prior period carry forward tax losses used subject to deferred tax calculation	-	2,572
Income not subject to tax	7,283	1,790
Other	(15,466)	(1,741)
<b>31 March</b>	<b>(103,129)</b>	<b>(75,902)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 33 - EARNING/LOSS PER SHARE

Gain/(loss) per share for each class of shares is disclosed below:

	1 January - 31 March 2020	1 January - 31 March 2019
Net profit/(loss) for the period attributable to equity holders of the Parent Company	320,762	230,022
Weighted average number of shares with face value of TRY1 each <sup>(1)</sup>	2,607,490	2,613,533
<b>Earning/(loss) per share</b>	<b>0.123</b>	<b>0.088</b>

<sup>(1)</sup> As explained in detail in Note 24, repurchased shares are excluded

#### NOTE 34 - RELATED PARTY DISCLOSURES

As of the statement of financial position date, due from and to related parties and related party transactions for the interim periods ending 31 March 2020 and 31 December 2019 are disclosed below:

##### i) Balances with related parties

##### Short term trade receivables from related parties

	31 March 2020	31 December 2019
D Market Elektronik Hizmetler ve Ticaret A.Ş. (“D Market”) <sup>(5) (6)</sup>	3,007	630
Ortadoğu Otomotiv Ticaret A.Ş. (“Ortadoğu Otomotiv”) <sup>(3) (7)</sup>	1,772	29
Gümüştaş Madencilik ve Ticaret A.Ş. <sup>(4) (5) (7)</sup>	1,750	9
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Egmont”) <sup>(1) (2) (5)</sup>	1,297	974
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”) <sup>(1) (2) (5)</sup>	1,245	1,052
Deney Kent Eğitim Hizmetleri A.Ş. <sup>(5)</sup> (“Deney Kent”)	269	421
Other	164	380
<b>Total</b>	<b>9,504</b>	<b>3,495</b>

<sup>(1)</sup> Receivables related to the Group’s financial, legal, information processing and other areas of service sales.

<sup>(2)</sup> Receivables related to raw material sales of the Group.

<sup>(3)</sup> Receivables related to primarily stock materials sales of the Group.

<sup>(4)</sup> Receivables related to fuel oil sales of the Group.

<sup>(5)</sup> Receivables related to rent service sales of the Group.

<sup>(6)</sup> Receivables related to trade good sales of the Group.

<sup>(7)</sup> Receivables related to operating cost reflection of the Group.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

##### i) Balances with related parties (Continued):

##### Other short term receivables from related parties

	31 March 2020	31 December 2019
Ortadoğu Otomotiv <sup>(1)</sup>	523	-
<b>Total</b>	<b>523</b>	<b>-</b>

(1) Receivables related to primarily vehicle sales of the Group.

##### Short term trade payables to related parties

	31 March 2020	31 December 2019
D Market <sup>(1)</sup>	1,675	100
Deney Kent <sup>(4)</sup>	10	7
İstinye Petrol Ticaret A.Ş. <sup>(2)</sup>	8	73
Boyabat Elektrik <sup>(3)</sup>	-	64
Other	24	119
<b>Total</b>	<b>1,717</b>	<b>363</b>

(1) Mostly comprises of purchases of stationery consumables, small fixtures and gift certificates of the Group.

(2) Comprises of the fuel oil purchases of the Group.

(3) Comprises of the electricity purchases of the Group.

(4) Comprises of the sponsorship service purchases of the Group.

##### Short term other payables to related parties

	31 March 2020	31 December 2019
Adilbey Holding A.Ş. <sup>(1)</sup>	49,664	-
Doğan Family <sup>(1)</sup>	12,296	-
<b>Total</b>	<b>61,960</b>	<b>-</b>

(1) Consists of cash dividend to be distributed by the Group. Cash dividend was paid on 14 April 2020.

##### Short-term portion of long-term lease payables to related parties

	31 March 2020	31 December 2019
Ortadoğu Otomotiv	3,412	3,570
Aydın Doğan Vakfı	2,691	2,663
Other	5	5
<b>Total</b>	<b>6,108</b>	<b>6,238</b>

##### Long-term lease payables to related parties

	31 March 2020	31 December 2019
Aydın Doğan Vakfı	15,093	15,708
Ortadoğu Otomotiv	2,455	3,192
Other	7	6
<b>Total</b>	<b>17,555</b>	<b>18,906</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

##### ii) Transactions with related parties:

##### Product and service purchases from related parties

	1 January - 31 March 2020	1 January - 31 March 2019
Ortadoğu Otomotiv <sup>(1)</sup>	3,142	2,751
Doğan Burda <sup>(2)</sup>	413	531
İstinye Petrol <sup>(4)</sup>	284	-
Adilbey Holding A.Ş. <sup>(1)</sup>	-	706
Boyabat Elektrik <sup>(3)</sup>	-	90
Other	286	161
<b>Total</b>	<b>4,125</b>	<b>4,239</b>

(1) Comprises of the lease services purchases of the Group.

(2) Comprises of the magazine purchases of the Group.

(3) Comprises of the electricity purchases of the Group.

(4) Comprises of the fuel oil purchases of the Group.

##### Product and service sales to related parties

	1 January - 31 March 2020	1 January - 31 March 2019
D-Market <sup>(1) (5)</sup>	12,412	5,734
Doğan Burda <sup>(1) (3) (5)</sup>	3,602	3,875
Ortadoğu Otomotiv <sup>(2) (6)</sup>	3,283	882
Doğan Egmont <sup>(1) (3) (4) (5)</sup>	2,689	2,746
Gümüştaş Madencilik <sup>(2) (4) (5)</sup>	1,867	765
Deney Kent <sup>(5)</sup>	1,623	300
D Elektronik <sup>(5)</sup>	942	912
Other	362	2,056
<b>Total</b>	<b>26,780</b>	<b>17,270</b>

(1) The balance consists of raw material and trade goods sales of the Group.

(2) The balance consists of receivables related to operating cost reflection of the Group.

(3) The balance consists financial, legal, data processing and other consultancy services sales of the Group.

(4) The balance consists of fuel oil sales of the Group.

(5) The balance consists of the Group's sales of lease services.

(6) The balance consists of vehicle, inventory and small fixtures sales of the Group.

##### Remuneration of the members of the Board of Directors and key management personnel:

Group determined member of the Board of Director's, Consultant of the Board, Members of the Executive Board and Vice President's, Chief Legal Counsel and Director's as Key Management Personnel. The compensation of board members and key management personnel includes salaries, bonus, health insurance, communication and transportation benefits and total amount of compensation is explained below:

	1 January - 31 March 2020	1 January - 31 March 2019
Salaries and other short term benefits	4,206	4,197
<b>Total</b>	<b>4,206</b>	<b>4,197</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

##### *Financial Instruments and Financial Risk Management*

The Group’s activities expose it to a variety of financial risks; these risks are credit risk, market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk and cash flow interest rate risk, and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments in a limited manner to hedge these exposures.

Financial risk management is carried out by individual subsidiaries and joint ventures under the policies, which are approved by their Board of Directors within the limits of general principles set out by the Group.

##### *a) Market risk*

##### *a.1) Foreign currency risk*

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency liabilities to local currency. These risks are monitored and limited by analyzing foreign currency position. TRY equivalents of foreign currency denominated monetary assets and liabilities as of 31 March 2020 and 31 December 2019 before consolidation adjustments and reclassifications are as follows:

The Group is exposed to foreign exchange risk arising primarily from the USD and EUR, the other currencies have no material impact.

	31 March 2020	31 December 2019
Foreign currency assets	4,193,935	3,825,957
Foreign currency liabilities	(441,535)	(667,964)
<b>Net foreign currency position</b>	<b>3,752,400</b>	<b>3,157,993</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### a) Market risk (Continued)

##### a.1) Foreign currency risk (Continued)

Sensitivity analysis of foreign currency risk as of 31 March 2020 and 31 December 2019 and foreign currency denominated asset and liability balances are summarized below. The recorded amounts of foreign currency assets and liabilities held by the Group are as follows, in terms of foreign currency:

31 March 2020	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	97,706	4,916	9,005	702
2a. Monetary Financial Assets (Cash, banks included)	2,483,034	200,047	163,287	1,412
2b. Non-Monetary Financial Assets	1,560,696	195,108	40,107	-
3. Other	818	99	24	-
<b>4. Current Assets (1+2+3)</b>	<b>4,142,254</b>	<b>400,170</b>	<b>212,423</b>	<b>2,114</b>
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	51,681	-	7,163	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>51,681</b>	<b>-</b>	<b>7,163</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>4,193,935</b>	<b>400,170</b>	<b>219,586</b>	<b>2,114</b>
10. Trade Payables	167,202	13,355	11,107	44
11. Financial Liabilities	179,683	493	24,459	-
12a. Other Monetary Liabilities	599	23	62	2
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>347,485</b>	<b>13,871</b>	<b>35,628</b>	<b>46</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	94,049	2,608	10,680	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>94,049</b>	<b>2,608</b>	<b>10,680</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>441,535</b>	<b>16,479</b>	<b>46,308</b>	<b>46</b>
<b>19. Net Asset/(Liability) Position Of Off Statement of Financial Position Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off Statement of Financial Position Foreign Currency Derivative Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off Statement of Financial Position Foreign Currency Derivative Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset/(Liability) Position (9-18+19)</b>	<b>3,752,400</b>	<b>383,691</b>	<b>173,278</b>	<b>2,068</b>
<b>21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>2,139,206</b>	<b>188,484</b>	<b>125,984</b>	<b>2,068</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

*a) Market risk (Continued)*

*a.1) Foreign currency risk (Continued)*

<b>31 December 2019</b>	<b>TRY Equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>
1. Trade Receivables	90,823	7,347	7,059	234
2a. Monetary Financial Assets (Cash, banks included)	2,687,269	389,380	51,507	31,719
2b. Non-Monetary Financial Assets	1,047,812	154,280	19,752	-
3. Other	53	4	4	-
<b>4. Current Assets (1+2+3)</b>	<b>3,825,957</b>	<b>551,011</b>	<b>78,322</b>	<b>31,953</b>
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>3,825,957</b>	<b>551,011</b>	<b>78,322</b>	<b>31,953</b>
10. Trade Payables	364,991	43,664	15,180	4,662
11. Financial Liabilities	200,618	4,647	26,011	25
12a. Other Monetary Liabilities	531	39	45	-
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>566,140</b>	<b>48,350</b>	<b>41,236</b>	<b>4,687</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	101,824	3,443	12,236	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>101,824</b>	<b>3,443</b>	<b>12,236</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>667,964</b>	<b>51,793</b>	<b>53,472</b>	<b>4,687</b>
<b>19. Net Asset/(Liability) Position Of Off Statement of Financial Position Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off Statement of Financial Position Foreign Currency Derivative Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off Statement of Financial Position Foreign Currency Derivative Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset/(Liability) Position (9-18+19)</b>	<b>3,157,993</b>	<b>499,218</b>	<b>24,850</b>	<b>27,266</b>
<b>21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>2,110,128</b>	<b>344,934</b>	<b>5,094</b>	<b>27,266</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Market risk (Continued)

##### a.1) Foreign currency risk (Continued)

As of 31 March 2020 and 31 December 2019, foreign currency denominated asset and liability balances were converted by the following exchange rates: TRY6.5160 = USD1 and TRY 7.2150 = EUR1 (31 December 2019: TRY5.9402 = USD1 and TRY6.6506 = EUR1).

31 March 2020	Income/(Loss)	
	Foreign currency appreciates	Foreign currency depreciates
If the USD had changed by 20% against the TRY		
1- USD net (liabilities)/assets	500,026	(500,026)
2- Hedging amount of USD (-)	-	-
<b>3- USD net effect on income/(loss) (1+2)</b>	<b>500,026</b>	<b>(500,026)</b>
If the EUR had changed by 20% against the TRY		
4- EUR net (liabilities)/assets	250,040	(250,040)
5- Hedging amount of EUR (-)	-	-
<b>6- EUR net effect on income/(loss) (4+5)</b>	<b>250,040</b>	<b>(250,040)</b>
If the other currencies had changed by 20% against the TRY		
7- Other currency net (liabilities)/assets	414	(414)
8- Hedging amount of other currency (-)	-	-
<b>9- Other currency net effect on (loss)/income (7+8)</b>	<b>414</b>	<b>(414)</b>
<b>TOTAL (3+6+9)</b>	<b>750,480</b>	<b>(750,480)</b>
31 December 2019		
	Income/(Loss)	
	Foreign currency appreciates	Foreign currency depreciates
If the USD had changed by 20% against the TRY		
1- USD net (liabilities)/assets	593,091	(593,091)
2- Hedging amount of USD (-)	-	-
<b>3- USD net effect on income/(loss) (1+2)</b>	<b>593,091</b>	<b>(593,091)</b>
If the EUR had changed by 20% against the TRY		
4- EUR net (liabilities)/assets	33,053	(33,053)
5- Hedging amount of EUR (-)	-	-
<b>6- EUR net effect on (loss)/income (4+5)</b>	<b>33,053</b>	<b>(33,053)</b>
If the other currencies had changed by 20% against the TRY		
7- Other currency net (liabilities)/assets	5,453	(5,453)
8- Hedging amount of other currency (-)	-	-
<b>9- Other currency net effect on (loss)/income (7+8)</b>	<b>5,453</b>	<b>(5,453)</b>
<b>TOTAL (3+6+9)</b>	<b>631,597</b>	<b>(631,597)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### a) Market risk (Continued)

##### a.2) Interest rate risk

Other operating segments are exposed to interest rate risk because of financial liabilities of these segments. Financial obligations in this segment are mainly composed of floating rate borrowings.

As of 31 March 2020, there is no floating interest rate loan in US Dollars (31 December 2019: None).

As of 31 March 2020 if interest rates on Euro denominated borrowings had been higher/lower by 100 basis points with all other variables held constant, profit before income taxes would have been TRY1,277 (31 December 2019: TRY1,509) higher/lower, mainly as a result of additional interest expense on floating rate borrowings.

The table presenting Group’s fixed and floating rate financial instruments is shown below:

	31 March 2020	31 December 2019
<b>Financial instruments with fixed rate</b>		
Financial assets		
- Banks (Note 6)	2,775,217	3,125,308
- Financial investments (Note 7)	2,008,188	1,380,571
Financial liabilities (Note 8)	2,227,822	2,300,645
<b>Financial instruments with floating rate</b>		
Financial liabilities (Note 8)	127,653	150,863

The average annual interest rates (%) of the Group's financial assets and liabilities are as follows:

	31 March 2020			31 December 2019		
	USD	EUR	TRY	USD	EUR	TRY
<b>Assets</b>						
Cash and cash equivalents (Note 6)	0.40 - 1.65	0.15 - 0.20	2.25 - 9.75	0.95 - 2.45	0.25 - 0.30	1.91 - 10.50
Financial investments	2.38 - 8.50	2.38 - 5.20	24.02 - 30.20	2.38 - 8.50	2.38 - 5.20	24.02 - 30.20
<b>Liabilities</b>						
Financial liabilities	12.41	0.60 - 10.20	4.50 - 26.15	6.10 - 12.41	0.65 - 10.20	5.00 - 27.95

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) *Market risk (Continued)*

a.2) *Interest rate risk (Continued)*

The interest sensitivity distribution regarding the remaining time of financial assets and liabilities to repricing is as follows:

<b>31 March 2020</b>	<b>Up to 1 year</b>	<b>1 year - 5 years</b>	<b>Over 5 years</b>	<b>Free of Interest</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents (Note 6)	2,775,217	-	-	159,215	2,934,432
Financial investments (Note 7)	1,786,520	-	-	-	1,786,520
<b>Total</b>	<b>4,561,737</b>	<b>-</b>	<b>-</b>	<b>159,215</b>	<b>4,720,952</b>
Short and long term					
financial liabilities (Note 8) <sup>(1)</sup>	1,714,311	588,870	52,294	-	2,355,475
<b>Total</b>	<b>1,714,311</b>	<b>588,870</b>	<b>52,294</b>	<b>-</b>	<b>2,355,475</b>
<b>31 December 2019</b>					
<b>Assets</b>					
Cash and cash equivalents (Note 6)	3,125,308	-	-	153,524	3,278,832
Financial investments (Note 7)	1,177,726	-	-	-	1,177,726
<b>Total</b>	<b>4,303,034</b>	<b>-</b>	<b>-</b>	<b>153,524</b>	<b>4,456,558</b>
Short and long term					
financial liabilities (Note 8) <sup>(1)</sup>	1,855,053	548,252	48,203	-	2,451,508
<b>Total</b>	<b>1,855,053</b>	<b>548,252</b>	<b>48,203</b>	<b>-</b>	<b>2,451,508</b>

<sup>(1)</sup> Bank borrowings and financial leasing amounts are included in the distribution of interest rate sensitivity regarding the remaining time to repricing of financial borrowings.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### b) Credit risk

Credit risk involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by setting credit limits to individual counterparties. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases and their dispersion across many different industries.

The table representing the Group’s credit risk of financial instruments as of 31 March 2020 is as follows:

	Trade receivables		Other receivables		Cash on deposit
	Related party	Other	Related party	Other	
<b>Maximum net credit risk as of the reporting date</b>	<b>9,504</b>	<b>1,475,088</b>	<b>523</b>	<b>43,398</b>	<b>2,933,391</b>
<b>The part of maximum risk under guarantee with collateral</b>	<b>-</b>	<b>1,219,731</b>	<b>-</b>	<b>-</b>	<b>-</b>
A. Net book value of neither past due nor impaired financial assets	9,504	1,342,944	523	43,398	2,933,391
- Guaranteed amount by collateral	-	1,142,349	-	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-
C. Net book value of past due but not impaired assets (Note 9)	-	132,144	-	-	-
- Guaranteed amount by collateral (Note 9)	-	77,382	-	-	-
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9, 19)	-	100,741	-	-	-
- Impairment (-) (Note 9, 19)	-	(100,741)	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### b) Credit risk (Continued)

The table representing the Group’s credit risk of financial instruments as of 31 December 2019 is as follows:

	Trade receivables		Other receivables		Cash on deposit
	Related party	Other	Related party	Other	
<b>Maximum net credit risk as of the reporting date</b>	<b>3,495</b>	<b>1,730,969</b>	-	<b>25,153</b>	<b>3,276,842</b>
<b>- The part of maximum risk under guarantee with collateral</b>	-	<b>1,530,294</b>	-	-	-
A. Net book value of neither past due nor impaired financial assets	-	-	-	-	-
	3,495	1,615,248	-	25,153	3,276,842
- Guaranteed amount by collateral	-	1,469,985	-	-	-
B. Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-
C. Net book value of past due but not impaired assets (Note 9)	-	115,721	-	-	-
- Guaranteed amount by collateral (Note 9)	-	60,309	-	-	-
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9, 19)	-	99,648	-	-	-
- Impairment (-) (Note 9, 19)	-	(99,648)	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### b) Credit risk (Continued)

The aging of the receivables of the Group, which are past due but not impaired including related party balances by taking into consideration past due dates are as follows:

	31 March 2020		31 December 2019	
	Related party	Other receivables	Related party	Other receivables
Maturity				
1-30 days overdue	-	59,648	-	51,857
1-3 months overdue	-	24,964	-	24,617
3-12 months overdue	-	15,976	-	5,572
1-5 years overdue	-	29,718	-	26,658
More than 5 years overdue	-	1,839	-	7,017
<b>Total</b>	<b>-</b>	<b>132,144</b>	<b>-</b>	<b>115,721</b>

##### Guaranteed amount by collateral

Fuel retail	-	41,486	-	35,749
Industry and trade	-	32,046	-	22,744
Automotive trade and marketing	-	-	-	-
Real estate investments	-	3,850	-	1,816
<b>Total</b>	<b>-</b>	<b>77,382</b>	<b>-</b>	<b>60,309</b>

	31 March 2020			31 December 2019		
	Trade Receivables	Credit loss ratio	Expected credit loss <sup>(1)</sup>	Trade Receivables	Credit loss ratio	Expected credit loss <sup>(1)</sup>
Not overdue	82	%2.82	2	82	%2.82	2
1-30 days overdue	71	%6.20	4	71	%6.41	5
1-3 months overdue	1,234	%7.42	92	1,234	%7.77	96
3-12 months overdue	3,045	%11.16	343	3,045	%12.14	373
More than 1 year overdue	1,167	%27.92	326	1,167	%34.33	401
<b>Total</b>	<b>5,599</b>		<b>767</b>	<b>5,599</b>		<b>877</b>

<sup>(1)</sup> The balance consists of trade receivables of the companies for which the credit loss is calculated.

##### c) Liquidity risk

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020**

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**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

*c) Liquidity risk (Continued)*

As of 31 March 2020 and 31 December 2019 undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

<b>31 March 2020</b>	<b>Book value</b>	<b>Contractual undiscounted cash flow</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>Non-derivative financial liabilities</b>						
Short term and long term						
financial liabilities (Note 8)	2,119,244	2,326,125	509,179	1,227,713	549,310	39,923
Lease payables (Note 8)	236,231	352,025	33,666	41,503	105,441	171,415
Trade payables to non-related parties (Note 9)	544,240	545,472	523,919	21,439	114	-
Other payables to non-related parties (Note 10)	183,116	183,116	175,057	-	8,059	-
Trade payables to related parties (Note 34)	1,717	1,717	1,717	-	-	-
Other payables to related parties (Note 34)	61,960	61,960	61,960	-	-	-
Payables related to						
employee benefits (Note 23)	14,161	14,161	-	14,161	-	-
Deferred income (Note 21)	47,075	47,075	38,120	-	8,955	-
Other short-term provisions (Note 18)	13,572	13,572	13,572	-	-	-
<b>Total</b>	<b>3,221,316</b>	<b>3,545,223</b>	<b>1,357,190</b>	<b>1,304,816</b>	<b>671,879</b>	<b>211,338</b>

<b>31 December 2019</b>	<b>Book value</b>	<b>Contractual undiscounted cash flow</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>Non-derivative financial liabilities</b>						
Short term and long term						
financial liabilities (Note 8)	2,218,800	2,388,298	763,934	1,181,488	394,673	48,203
Lease payables (Note 8)	232,708	357,813	9,004	38,431	197,501	112,877
Trade payables to non-related parties (Note 9)	745,720	748,753	300,125	448,628	-	-
Other payables to non-related parties (Note 10)	128,754	130,290	13,708	114,659	1,923	-
Trade payables to related parties (Note 34)	363	363	363	-	-	-
Payables related to						
employee benefits (Note 23)	19,267	19,267	-	19,267	-	-
Deferred income (Note 21)	44,563	44,563	39,593	-	4,970	-
Other short-term provisions (Note 18)	10,083	10,083	10,083	-	-	-
<b>Total</b>	<b>3,400,258</b>	<b>3,699,430</b>	<b>1,136,810</b>	<b>1,802,473</b>	<b>599,067</b>	<b>161,080</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

*d) Fair value of financial instruments*

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments are determined by the Group, using available market information and appropriate valuation methodologies for each segment of the Group. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are used in the estimation of the fair value of the financial instruments for which it is practicable to estimate fair value:

*Monetary assets*

The fair values of balances denominated in foreign currencies, which are translated at the period end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at cost, including fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature and immateriality of losses on collectibility. The fair value of investment securities has been estimated based on the market prices at the statement of financial position dates.

Trade receivables are disclosed at their amortized cost using the effective interest rate method and the carrying values of trade receivables along with the related allowances for collectability are estimated to be at their fair values.

*Monetary liabilities*

The fair value of bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates, and denominated in foreign currencies, are translated at the period-end exchange rates and accordingly, their fair values approximate their carrying values.

Trade payables are disclosed at their amortized cost using the effective interest rate method and accordingly their carrying amounts approximate their fair values.

*e) Capital risk management*

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net liability/total equity ratio. Net liability is calculated as the total liability less cash and cash equivalents, derivative instruments and tax liabilities. Total equity is calculated as the total of net liability and the equity as shown in the consolidated statement of financial position.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### e) *Capital risk management (Continued)*

The net liability/total equity ratio as of 31 March 2020 and 31 December 2019 is summarized below:

	31 March 2020	31 December 2019
Total liability <sup>(1)</sup>	3,302,900	3,472,646
Less: Cash and cash equivalents (Note 6)	(2,934,432)	(3,278,832)
<b>Net liabilities</b>	<b>368,468</b>	<b>193,814</b>
Equity attributable to equity holders of the parent company	7,293,502	7,136,609
<b>Total equity</b>	<b>7,661,970</b>	<b>7,330,423</b>
<b>Net liability/Total equity ratio</b>	<b>5%</b>	<b>3%</b>

<sup>(1)</sup> The amounts are calculated by deducting income tax payable, derivative financial instruments and deferred tax liability accounts from total liability.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31 March 2020		Loans and receivables (including cash and cash equivalents)	Financial assets available for sale	Financial liabilities at amortised cost	Instruments designated as hedges of financial risk	Instruments at fair value through profit or loss	Carrying value
Financial assets	Note						
Cash and cash equivalents	6	2,934,432	-	-	-	-	2,934,432
Trade receivables from non-related parties	9	1,475,088	-	-	-	-	1,475,088
Trade receivables from related parties	34	9,504	-	-	-	-	9,504
Other receivables from non-related parties	10	43,398	-	-	-	-	43,398
Other receivables from related parties	34	523	-	-	-	-	523
Derivative instruments	22	-	-	-	27,074	-	27,074
Financial investments	7	-	2,008,188	-	-	-	2,008,188
<b>Financial liabilities</b>							
Short and long term financial liabilities	8	-	-	2,119,244	-	-	2,119,244
Payables from lease borrowings	8	-	-	236,231	-	-	236,231
Trade payables to non-related parties	9	-	-	544,240	-	-	544,240
Trade payables to related parties	34	-	-	1,717	-	-	1,717
Other payables to non-related parties	10	-	-	183,116	-	-	183,116
Other payables to related parties	34	-	-	61,960	-	-	61,960
Payables related to employee benefits	23	-	-	14,161	-	-	14,161
Derivative instruments	22	-	-	-	8,829	-	8,829

The Group management believes that the carrying value of the financial instruments reflect the fair value.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31 December 2019		Loans and receivables (including cash and cash equivalents)	Financial assets available for sale	Financial liabilities at amortised cost	Instruments designated as hedges of financial risk	Instruments at fair value through profit or loss	Carrying value
Financial assets	Note						
Cash and cash equivalents	6	3,278,832	-	-	-	-	3,278,832
Trade receivables from non-related parties	9	1,730,969	-	-	-	-	1,730,969
Trade receivables from related parties	34	3,495	-	-	-	-	3,495
Other receivables from non-related parties	10	25,153	-	-	-	-	25,153
Derivative instruments	22	-	-	-	18,993	-	18,993
Financial investments	7	-	1,380,571	-	-	-	1,380,571
<b><u>Financial liabilities</u></b>							
Short and long term financial liabilities	8	-	-	2,218,800	-	-	2,218,800
Payables from lease borrowings	8	-	-	232,708	-	-	232,708
Trade payables to non-related parties	9	-	-	745,720	-	-	745,720
Trade payables to related parties	34	-	-	363	-	-	363
Other payables to non-related parties	10	-	-	128,754	-	-	128,754
Payables related to employee benefits	23	-	-	19,267	-	-	19,267
Derivative instruments	22	-	-	-	339	-	339

The Group management believes that the carrying value of the financial instruments reflect the fair value.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 36 - FINANCIAL INSTRUMENTS

##### Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- First Level: 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.
- Second Level: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on prices from observable current market transactions.
- Third Level: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

Based on the fair value hierarchy, the Group’s financial assets and liabilities are categorized as follows:

	31 March 2020	Fair value level as of reporting date		
		1. Level TRY	2. Level TRY	3. Level TRY
<b>Financial assets</b>				
Derivative instruments				
held for sale at fair value				
through profit or loss (Note 22)	27,074	-	27,074	-
Available-for-sale financial assets				
held at fair value				
through other comprehensive				
income statement (Note 7)	221,668	-	221,668	-
Bonds and bills (Note 7)	1,786,520	1,786,520	-	-
<b>Total</b>	<b>2,035,262</b>	<b>1,786,520</b>	<b>248,742</b>	<b>-</b>
<b>Financial liabilities</b>				
Derivative instruments				
held for sale at fair value				
through profit or loss (Note 22)	8,829	-	-	8,829
<b>Total</b>	<b>8,829</b>	<b>-</b>	<b>-</b>	<b>8,829</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2020

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#### NOTE 36 - FINANCIAL INSTRUMENTS (Continued)

Financial assets	31 December 2019	Fair value level as of reporting date		
		1. Level TRY	2. Level TRY	3. Level TRY
Derivative instruments held for sale at fair value through profit or loss (Note 22)	18,993	-	18,993	-
Available-for-sale financial assets held at fair value through other comprehensive income statement (Note 7)	202,845	-	202,845	-
Bonds and bills (Note 7)	1,177,726	1,177,726	-	-
<b>Total</b>	<b>1,399,564</b>	<b>1,177,726</b>	<b>221,838</b>	<b>-</b>
<b>Financial liabilities</b>				
Derivative instruments held for sale at fair value through profit or loss (Note 22)	339	-	-	339
<b>Total</b>	<b>339</b>	<b>-</b>	<b>-</b>	<b>339</b>

#### NOTE 37 - SHARES IN OTHER OPERATIONS

Financial information of Aytemiz which is a subsidiary not wholly-owned but controlled by the Group and having significant non-controlling interest for the Group’s consolidated financial statements, is presented below in accordance with TFRS 12.

AYTEMİZ	31 March 2020	31 December 2019
Current assets	1,099,142	1,162,712
Non-current assets	889,750	880,172
Short-term liabilities	960,611	1,121,865
Long-term liabilities	446,266	376,865
Total equity	582,015	544,154
	<b>1 January - 31 March 2020</b>	<b>1 January - 31 March 2019</b>
Revenue	1,803,850	1,772,731
Cost of sales	(1,741,222)	(1,698,523)
Gross profit/(loss)	63,457	74,208
Profit/(loss) before taxation	(23,149)	(29,680)

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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#### NOTE 38 - SUBSEQUENT EVENTS

##### **Doğan Şirketler Grubu Holding A.Ş.**

As accepted at the Ordinary General Assembly Meeting of Doğan Holding held on 27 March 2020, dividend distribution transactions amounting to gross TRY100,000,000 (exact) have started on 10 April 2020 and completed on 14 April 2020.

##### **Aytemiz Akaryakıt Dağıtım A.Ş.**

The subsequent events related to Aytemiz Akaryakıt Dağıtım A.Ş., in which the Group's direct subsidiary Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. has a 50% share in its capital are;

- The third coupon payment, amounting to TRY1,462,400 (exact) of financing bonds in circulation, was made on 8 May 2020.
- The merger transaction was registered on 22 May 2020 by taking over Doel Elektrik Enerjisi Toptan Satış A.Ş., which is 100% owned by Aytemiz.

##### **Doğan Müzik Yapım ve Ticaret A.Ş. and NetD Müzik Video Dijital Platform ve Ticaret A.Ş.**

The company's board of directors decision dated 16 April 2020 approved the sale of 60% of the shares representing the capital of Doğan Müzik Yapım ve Ticaret A.Ş. and NetD Müzik Video Dijital Platform ve Ticaret A.Ş., the group's subsidiaries operating in the music and entertainment industry, after obtaining all legal permissions required from official authorities and fulfilling the other routine "Closing Pre-requisites" specified in the agreement. The related sales transaction will be performed by the group's subsidiary, DMC Invest B.V., and the sales amount was defined as USD23,400,000 (exact).

##### **Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş.**

At the meeting of the Board of Directors of Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş direct subsidiary of the Company dated 21 May 2020, the liquidation process of D Stroy Ltd., which is located in Russia and wholly-owned by Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş, was decided to start.

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