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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 1 JANUARY - 30 JUNE 2020

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the General Assembly of Doğan Şirketler Grubu Holding A.Ş.

Introduction

1. We have reviewed the accompanying consolidated interim statement of financial position of Doğan Şirketler Grubu Holding A.Ş. (the "Company") and its subsidiaries ("collectively referred to as the ("Group") as at 30 June 2020 and the consolidated interim statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended and summary of significant accounting policies and other explanatory notes. The management of the Group is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

2. We conducted our review in accordance with Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the consolidated interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not fairly, in all material respects, the financial position of Doğan Şirketler Grubu Holding A.Ş. as at 30 June 2020, and its financial performance and cash flows for the six-month period then ended in accordance with TAS 34.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökhan Yüksel, SMMM
Partner
İstanbul, 13 August 2020

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 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(*)*** ***Reviewed*** ***Current Period*** **30 June 2020**	***Reviewed*** ***Current Period*** **30 June 2020**	***Audited*** ***Prior Period*** **31 December 2019**
Current assets		**1,043,982**	**7,143,135**	**6,988,247**
Cash and cash equivalents	6	444,577	3,041,883	3,278,832
Financial investments	7	297,269	2,033,977	1,177,726
Trade receivables				
- Due from related parties	34	1,237	8,463	3,495
- Due from non-related parties	9	195,030	1,334,434	1,704,886
Other receivables				
- Due from related parties	34	97	665	-
- Due from non-related parties	10	3,591	24,572	25,153
Inventories	11	79,230	542,110	621,783
Prepaid expenses	21	10,804	73,920	67,006
Derivative instruments	22	-	-	18,993
Biological assets	12	1,735	11,872	13,167
Other current assets	20	9,918	67,859	58,172
Non-current assets classified as held for sale	31	494	3,380	19,034
Non-current assets		**641,568**	**4,389,735**	**4,252,344**
Trade receivables				
- Due from non-related parties	9	5,126	35,075	26,083
Financial investments	7	37,415	256,000	202,845
Investments accounted for by the equity method	4	18,050	123,501	128,557
Investment properties	13	200,845	1,374,219	1,357,167
Property, plant and equipment	14	165,550	1,132,729	1,102,314
Intangible assets				
- Other intangible assets	15	87,902	601,443	599,600
- Goodwill	15	9,394	64,274	64,274
Rights of use assets	16	39,332	269,118	236,915
Prepaid expenses	21	10,488	71,758	58,281
Deferred tax asset	32	15,582	106,614	97,796
Other non-current assets	20	51,884	355,004	378,512
Total assets		**1,685,550**	**11,532,870**	**11,240,591**

The consolidated financial statements as of and for the interim period ended 30 June 2020 have been approved by the Board of Directors on 13 August 2020.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 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(*)* *Reviewed* *Current Period* 30 June 2020	*Reviewed* *Current Period* 30 June 2020	*Audited* *Prior Period* 31 December 2019
Short-term liabilities		**369,506**	**2,528,235**	**2,831,115**
Short-term borrowings				
- Short-term borrowings from non-related parties				
- Bank borrowings	8	217,924	1,491,079	1,603,847
- Issued debt instruments	8	13,929	95,306	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	890	6,089	6,238
Short-term portion of long term borrowings from non-related parties				
-Bank borrowings	8	2,254	15,423	71,071
-Lease borrowings	8	8,261	56,521	36,734
Trade payables				
- Due to related parties	34	85	581	363
- Due to non-related parties	9	80,948	553,864	745,720
Payables related to employee benefits	23	2,758	18,870	19,267
Deferred income (Except obligations arising from customer contracts)				
- Deferred income from non-related parties (Except obligations arising from customer contracts)	21	7,109	48,639	39,593
Derivative instruments	22	2,078	14,219	339
Other payables				
- Due to related parties	34	3	22	-
- Due to non-related parties	10	20,029	137,043	126,831
Current income tax liability	32	7,569	51,790	7,381
Short-term provisions				
- Short-term provisions for employment benefits	23	3,120	21,349	20,395
- Other short-term provisions	18	1,959	13,406	10,083
Other short term liabilities		590	4,034	6,090
Long-term liabilities		**111,984**	**766,218**	**778,136**
Long-term borrowings				
- Long-term borrowings from related parties				
- Lease borrowings	8, 34	2,351	16,088	18,906
Long -term borrowings from non-related parties				
- Bank borrowings	8	59,038	403,951	407,133
- Lease borrowings	8	22,264	152,333	170,416
Investments accounted for by the equity method	4	1,441	9,863	-
Other payables				
- Due to non-related parties	10	1,308	8,947	1,923
Deferred income (Except obligations arising from customer contracts)				
- Deferred income from non-related parties (Except obligations arising from customer contracts)	21	1,318	9,021	4,970
Long-term provisions				
- Long-term provisions for employment benefits	23	6,750	46,182	42,930
-Other long term provisions		222	1,521	1,531
Other long term liabilities		-	-	1,442
Deferred tax liability	32	17,292	118,312	128,885
EQUITY		**1,204,060**	**8,238,417**	**7,631,340**
Equity attributable to equity holders of the parent company		**1,125,248**	**7,699,170**	**7,136,609**
Share capital	24	382,470	2,616,938	2,616,938
Adjustments to share capital	24	20,977	143,526	143,526
Repurchased shares (-)	24	(2,344)	(16,035)	(7,073)
Share premiums (discounts)	24	5,139	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	(1,637)	(11,202)	(11,202)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	4	85	581	581
Other comprehensive income (losses) that will be reclassified in profit or loss				
- Change in currency translation reserves	24	82,057	561,447	461,331
- Gain (loss) on revaluation and reclassification of financial assets held for sale	24	5,050	34,555	45,451
Restricted reserves	24	116,164	794,820	722,081
Retained earnings or accumulated losses		431,196	2,950,332	2,513,028
Net profit or loss for the period		86,091	589,049	616,789
Non-controlling interests		**78,812**	**539,247**	**494,731**
Total liabilities		**1,685,550**	**11,532,870**	**11,240,591**

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 - 30 JUNE 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(*)* *Reviewed* *Current Period* 1 January - 30 June 2020	*Reviewed* *Current Period* 1 January - 30 June 2020	*Unreviewed* *Current Period* 1 April - 30 June 2020	*Reviewed* *Prior Period* 1 January - 30 June 2019	*Unreviewed* *Prior Period* 1 April - 30 June 2019
Profit or Loss						
Revenue	25	651,767	4,459,517	2,054,963	6,228,710	3,171,856
Cost of Sales (-)	25	(577,691)	(3,952,677)	(1,799,325)	(5,712,455)	(2,897,334)
Gross Profit (Loss)	**25**	**74,076**	**506,840**	**255,638**	**516,255**	**274,522**
General Administrative Expenses (-)	26	(17,556)	(120,121)	(57,861)	(133,279)	(67,599)
Marketing Expenses (-)	26	(30,123)	(206,109)	(95,104)	(196,711)	(103,109)
Other Income From Operating Activities	28	70,116	479,746	192,333	533,895	206,637
Other Expenses From Operating Activities (-)	28	(7,949)	(54,391)	(27,950)	(123,921)	(63,307)
Share of Gain (Loss) on Investments Accounted for by the Equity Method	4	(2,345)	(16,043)	483	69,772	87,085
Operating Profit/(Loss)		**86,218**	**589,922**	**267,539**	**666,011**	**334,229**
Income from Investment Activities	29	44,825	306,699	110,711	133,547	62,805
Expenses from Investment Activities (-)	29	(2,971)	(20,327)	(11,358)	(3,351)	(1,182)
Operating Profit (Loss) Before Finance (Expense)/Income		**128,072**	**876,294**	**366,892**	**796,207**	**395,852**
Finance Income	30	-	-	-	37,819	(13,339)
Finance Expenses (-)	30	(26,776)	(183,207)	(84,425)	(319,240)	(158,428)
Profit (Loss) Before Taxation From Continued Operations		**101,296**	**693,087**	**282,467**	**514,786**	**224,085**
Tax Expense From Continued Operations	32	**(19,110)**	**(130,756)**	**(27,627)**	**(85,683)**	**(9,781)**
Tax Income/(Expense) for the Period		(21,919)	(149,971)	(60,505)	(89,006)	(26,824)
Deferred Tax Income/(Expense)		2,808	19,215	32,878	3,323	17,043
Profit/(Loss) For The Period		**82,186**	**562,331**	**254,840**	**429,103**	**214,304**
Allocation of Profit/(Loss) For The Period						
Attributable to Non-Controlling Interests		(3,905)	(26,718)	(13,447)	(22,586)	(7,363)
Attributable to Equity Holders of the Parent Company		86,091	589,049	268,287	451,689	221,667
Gain/(Loss) Per Share Attributable to Equity Holders of the Parent Company	33	0.033	0.226	0.103	0.173	0.085

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS 1 JANUARY - 30 JUNE 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(*)* *Reviewed* *Current Period* 1 January- 30 June 2020	*Reviewed* *Current Period* 1 January - 30 June 2020	*Unreviewed* *Current Period* 1 April - 30 June 2020	*Reviewed* *Prior Period* 1 January - 30 June 2019	*Unreviewed* *Prior Period* 1 April- 30 June 2019
Profit/(Loss) For The Period		**82,186**	**562,331**	**254,840**	**429,103**	**214,304**
OTHER COMPREHENSIVE INCOME						
That will be reclassified as profit or loss						
Currency translation differences		15,021	102,774	41,767	45,036	19,083
Gain/(loss) on revaluation and/or reclassification of financial assets available for sale	7	(1,822)	(12,468)	119,632	4,537	25,029
Other comprehensive income (loss) related with cash flow hedges		-	-	-	-	-
Taxes related to other comprehensive income that will be reclassified as profit or loss		230	1,572	(24,018)	(998)	(5,506)
- Tax effect of comprehensive income related with cash flow hedges		-	-	-	-	-
- Tax effect on revaluation and/or reclassification of financial assets available for sale		*230*	*1,572*	*(24,018)*	*(998)*	*(5,506)*
OTHER COMPREHENSIVE INCOME /(LOSS)		**13,428**	**91,878**	**137,381**	**48,575**	**38,606**
TOTAL COMPREHENSIVE INCOME /(LOSS)		**95,614**	**654,209**	**392,221**	**477,678**	**252,910**
Allocation of Total Comprehensive Income/(Loss)						
Attributable to Non-Controlling Interests		(3,516)	(24,060)	(13,447)	(22,610)	(7,364)
Attributable to Equity Holders of the Parent Company		99,130	678,269	405,668	500,288	260,274

(*) 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 30 June 2020.

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIODS 1 JANUARY - 30 JUNE 2020 AND 2019

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

					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				
	Notes	Share Capital	Adjustments to share capital	Repurchased shares	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	Equity attributable to equity holders of the parent company	Non-controlling interest	Equity
Balances at 1 January 2020	**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)	(174)	(99,653)
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	68,750	68,750
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)
Total comprehensive income/(loss)		-	-	-	-	-	-	**(10,896)**	**100,116**	-	-	**589,049**	**678,269**	**(24,060)**	**654,209**
Profit (loss) for the period		-	-	-	-	-	-	-	-	-	-	589,049	589,049	(26,718)	562,331
Other comprehensive income (loss)		-	-	-	-	-	-	**(10,896)**	***100,116***	-	-	-	***89,220***	***2,658***	***91,878***
Currency translation differences		-	-	-	-	-	-	-	*100,116*	-	-	-	*100,116*	*2,658*	*102,774*
- Change in financial asset revaluation fund		-	-	-	-	-	-	*(10,896)*	-	-	-	-	*(10,896)*	-	*(10,896)*
Balances at 30 June 2020	**24**	**2,616,938**	**143,526**	**(16,035)**	**(11,202)**	**581**	**35,159**	**34,555**	**561,447**	**794,820**	**2,950,332**	**589,049**	**7,699,170**	**539,247**	**8,238,417**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIODS 1 JANUARY - 30 JUNE 2020 AND 2019

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

						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				
	Notes	Share Capital	Adjustments to share capital	Repurchased shares	Gain/(loss) on revaluation of property plant and equipment	Actuarial gains/(losses) on defined benefit plans	Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	Share premiums/ (discounts)	Gain/(loss) on revaluation and/or reclassification of financial assets available for sale	Currency translation differences	Gain/(losses) from hedge reserves	Restricted reserves	Retained earnings/ accumulated (losses)	Net profit/ (loss) for the period	Equity attributable to equity holders of the parent company	Non-controlling interests	Equity
Balances at 1 January 2019	**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		-	-	-	-	-	-	-	-	-	-	475,167	3,157,929	(3,633,096)	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	-	(260,995)	-	(260,995)	(3,322)	(264,317)
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,615	167,615
Acquisition or disposal of subsidiary		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,685**	**-**	**3,685**	**(3,685)**	**-**
- Effects of ownership rate change of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	*3,685*	-	*3,685*	*(3,685)*	-
- Acquisition or disposal of a subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with non-controlling interest shareholders		-	-	-	-	-	-	-	-	-	-	-	29,400	-	29,400	2,320	31,720
Increase (decrease) due to repurchase transactions of shares		-	-	(4,993)	-	-	-	-	-	-	-	-	-	-	(4,993)	-	(4,993)
Total comprehensive income/(loss)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,539**	**45,060**	**-**	**-**	**-**	**451,689**	**500,288**	**(22,610)**	**477,678**
Profit (loss) for the period		-	-	-	-	-	-	-	-	-	-	-	-	451,689	451,689	(22,586)	429,103
Other comprehensive income (loss)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	***3,539***	***45,060***	**-**	**-**	**-**	**-**	***48,599***	***(24)***	***48,575***
- Currency translation differences		-	-	-	-	-	-	-	-	*45,060*	-	-	-	-	*45,060*	*(24)*	*45,036*
- Change in financial asset revaluation fund		-	-	-	-	-	-	-	*3,539*	-	-	-	-	-	*3,539*	-	*3,539*
Balances at 30 June 2019		**2,616,938**	**143,526**	**(7,073)**	**-**	**(8,502)**	**(892)**	**35,159**	**3,519**	**459,590**	**-**	**722,081**	**2,513,028**	**451,689**	**6,929,063**	**480,531**	**7,409,594**

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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE INTERIM PERIODS 1 JANUARY - 30 JUNE 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(*)* *Reviewed* *Current Period* 1 January - 30 June 2020	*Reviewed* *Current Period* 1 January - 30 June 2020	*Reviewed* *Prior Period* 1 January - 30 June 2019
A. Net Cash From Operating Activities		**70,818**	**484,554**	**434,062**
Profit/(loss) for the period		82,186	562,331	429,103
Profit/(Loss) for the period from continued operations		**82,186**	**562,331**	**429,103**
Adjustments regarding reconciliation of net profit (loss) for the period		**(35,824)**	**(245,116)**	**(73,422)**
Adjustments related to depreciation and amortization	11,14,15,16	22,715	155,418	147,797
Adjustments related to provisions				
- Adjustments related to provisions for (reversal of) employee benefits	*23*	*884*	*6,048*	*7,308*
- Adjustments related to provisions (reversal) for lawsuits and/or penalty	*18*	*332*	*2,269*	*1,519*
- Adjustments related to other provisions (reversals)		*850*	*5,816*	*6,160*
Adjustments related to interest (income) and expenses				
- Adjustments related to interest income	*28,29*	*(9,155)*	*(62,640)*	*(111,524)*
- Adjustments related to interest expenses	*30*	*15,867*	*108,563*	*199,894*
- Deferred financial expense due to purchases with maturity	*28*	*1,796*	*12,292*	*49,994*
- Unearned financial income due from sales with maturity	*28*	*(3,042)*	*(20,816)*	*(70,160)*
Adjustments related to changes in unrealised foreign exchange differences		(86,245)	(590,103)	(286,425)
Adjustments related to fair value (gains) losses		764	5,228	(31,920)
Adjustments related to losses (gains) on disposal of non-current assets		(2,045)	(13,990)	(1,976)
Adjustments related to undistributed profits of investments accounted for by the equity method	4	2,345	16,043	(69,772)
Adjustments related to tax (income) expense	32	19,110	130,756	85,683
Changes in working capital		**32,285**	**220,898**	**40,276**
Adjustments for decrease/(increase) in inventories		11,679	79,909	(20,222)
Adjustments for decrease/(increase) in trade receivables				
- (Increase)/decrease in trade receivables from related parties		*(726)*	*(4,968)*	*(102)*
- (Increase)/decrease in trade receivables from non-related parties		*57,432*	392,960	*109,199*
Increase (decrease) in payables due to employee benefits		(58)	(397)	(1,581)
Adjustments regarding decrease/(increase) in other receivables on operations				
- (Increase)/decrease in other receivables regarding operations with related parties		*(97)*	*(665)*	*20,536*
- (Increase)/decrease in other receivables regarding operations with non-related parties		*85*	*581*	*(17,927)*
Adjustments regarding increase (decrease) in trade payables				
- Increase/(decrease) in trade payables to related parties		*32*	*218*	*(24)*
- Increase/(decrease) in trade payables to non-related parties		*(29,837)*	*(204,148)*	*(78,514)*
Adjustments regarding increase (decrease) in other payables on operations				
- Increase/(decrease) in other payables regarding operations with related parties		*3*	*22*	*(163,548)*
- Increase/(decrease) in other payables regarding operations with non-related parties		*783*	*5,356*	-
Adjustments for other increase (decrease) in working capital				
- (Increase)/decrease in other assets regarding operations		*(8,414)*	*(57,569)*	*189,788*
- Increase/(decrease) in other liabilities regarding operations		*1,403*	*9,599*	*2,671*
Net Cash From Operating Activities		**78,646**	**538,113**	**395,957**
Employee termination benefits paid	23	(269)	(1,842)	(3,017)
Income tax refunds (payments)		(15,428)	(105,562)	(74,661)
Other cash inflows/(outflows)		73	498	735
Interest received		7,797	53,347	115,048

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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE INTERIM PERIODS 1 JANUARY - 30 JUNE 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(*)* *Reviewed* *Current Period* 1 January - 30 June 2020	*Reviewed* *Current Period* 1 January - 30 June 2020	*Reviewed* *Prior Period* 1 January - 30 June 2019
B. Net Cash From Investing Activities		**(115,932)**	**(793,229)**	**(786,912)**
Cash outflows regarding capital increase and/or share purchase of associates and/or joint ventures	4	(169)	(1,155)	(21,198)
Cash inflow due to capital reduction or sale of shares in associates and / or joint ventures		-	-	15,933
Cash inflow due to sale of- property, plant, equipment and intangible assets		6,801	46,534	7,750
Cash outflows from purchase of property, plant, equipment and intangible assets		(22,133)	(151,435)	(86,332)
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments		(200,305)	(1,370,529)	(920,539)
Cash inflows from the sale of shares or debt instruments of other enterprises or funds	7	101,130	691,953	189,730
Cash inflows related to sales that result in loss of control of subsidiaries		-	-	31,720
Cash outflow regarding purchase of the subsidiaries resulting in take of control		(1,062)	(7,267)	-
Other cash inflows/(outflows)		(194)	(1,330)	(3,976)
C. Net Cash from Financing Activities		**(62,672)**	**(428,814)**	**(203,109)**
Proceeds from borrowings				
Cash inflows from borrowings		*248,435*	*1,699,840*	*9,301,828*
Cash inflows from issued debt instruments		*13,822*	*94,574*	*59,555*
Cash outflows on debt payments				
Cash outflows due to payments of bank borrowings		*(302,275)*	*(2,068,227)*	*(9,379,374)*
Cash outflows on debt payments due to leasing	*8*	*(7,124)*	*(48,742)*	*(47,061)*
Interest paid		(9,704)	(66,394)	(39,684)
Dividends paid		(14,539)	(99,479)	(260,995)
Other cash inflows/(outflows)		10,023	68,576	167,615
Cash outflows from the acquisition of the company's own shares and other equity instruments		(1,310)	(8,962)	(4,993)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES (A+B+C)		**(107,785)**	**(737,489)**	**(555,959)**
D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS		**73,150**	**500,506**	**349,758**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(34,635)**	**(236,983)**	**(206,201)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**6**	**478,904**	**3,276,758**	**3,809,364**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**6**	**444,269**	**3,039,775**	**3,603,163**

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

(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"), 35.82% shares of Doğan Holding are to be considered in circulation as of 30 June 2020 (31 December 2019: 35.84%). As of 12 August 2020, circulation rate of shares are 35.83%.

The address of Holding is as follows:

Burhaniye Mahallesi Kısıklı Caddesi No: 65
Üsküdar 34676 İstanbul

As of 30 June 2020, the total number of personnel in the domestic and abroad subsidiaries and associates of the Group, that are consolidated, is 3,122 (domestic 2,816) (31 December 2019: 3,250; domestic 2,955). Holding has 44 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

Subsidiaries	**Nature of business**	**Country**
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

Joint Ventures	**Nature of business**	**Country**
Gas Plus Erbil Ltd. ("Gas Plus Erbil")	Energy	Jersey

(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

Subsidiaries	Nature of business	Country
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. ("Doğan Enerji") (1)	Energy	Turkey
Galata Wind Enerji A.Ş. ("Galata Wind")	Energy	Turkey
Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A. Ş. ("Sunflower")	Energy	Turkey

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

Industry and Trade

Subsidiaries	Nature of business	Country
Çelik Halat ve Tel Sanayi A.Ş. ("Çelik Halat")	Production	Turkey
Celik Halat Netherlands B.V. ("Celik Halat Netherlands")	Trade	Holland
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş Doğan")	Production	Turkey
Ditas America LLC ("Ditas America") (2)	Trade	USA
D Stroy Limited ("D Stroy") (3)	Trade	Russia
Doğan Dış Ticaret ve Mümessillik 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

Automotive Trade and Marketing

Subsidiaries	Nature of business	Country
Suzuki Motorlu Araçlar Pazarlama A.Ş. ("Suzuki")	Trade	Turkey
Trend Motosiklet Pazarlama A.Ş. ("Trend Motosiklet")(4)	Trade	Turkey

Financing and Investment

Subsidiaries	Nature of business	Country
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") (5)	Investment	Turkey
DHI Investment B.V. ("DHI Investment")	Investment	Holland
Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş. ("Değer Merkezi")	Administrative consultancy	Turkey
D Yatırım Bankası A.Ş. ("D Yatırım Bankası") (6)	Investment Banking	Turkey

(1) According to the Board of Directors Resolutions dated 11 June 2020, merger in a "facilitated" method under Doğan Holding have been started, and the necessary legal appeals have been made to the Capital Markets Board.
(2) As of 7 July 2020, it was decided to start the liquidation process.
(3) As of 21 May 2020, it was decided to start the liquidation process.
(4) The trademark of the related subsidiary was changed to "Doğan Trend Otomotiv Ticaret Hizmet ve Teknoloji A.Ş." on 17 July 2020.
(5) According to the Board of Directors Resolutions dated 11 June 2020, merger in a "facilitated" method under Doğan Holding have been started, and the necessary legal appeals have been made to the Capital Markets Board.
(6) The establishment of the related subsidiary was realized on 22 June 2020.

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Internet and Entertainment

Subsidiaries	Nature of business	Country
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") (7)	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
DG Invest B.V. ("DG Invest") (8)	Investment	Holland
NetD Müzik Video Dijital Platform ve Ticaret A.Ş. ("NetD Müzik") (7)	Internet services	Turkey
İnnobil Bilişim Teknolojileri ve Danışmanlık Ltd. Şti. ("İnnobil")	Technology and informatics	Turkey

Joint Ventures	Nature of business	Country
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu") (9)	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

Real Estate Investments

Subsidiaries	Nature of business	Country
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	USA

Joint Ventures	Nature of business	Country
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.

(7) It was decided that 60% of the shares of the subsidiaries was decided to be sold to Believe International Company with the Board of Directors decision dated April 16, 2020 and the sales process was completed on 21 July 2020.
(8) Although the establishment of the related subsidiary was realized on 26 May 2020, the company has not been included in the consolidation as of the reporting date, since the subsidiary's activities are not significant yet.
(9) The related joint venture has ceased its operations as of November 2006.

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 Standarts

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).

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).

(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 the 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 30 June 2020 and 31 December 2019:

Fuel Retail

	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 (%)	
Subsidiaries	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31December 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 (1)	-	100.00	-	-	-	100.00	-	50.00
Doel Elektrik (2)	-	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 on 22 May 2020, the merger with Aytemiz Akaryakıt was registered and the subsidiary was liquidated.

(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

	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 (%)	
Subsidiaries	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 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

	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 (%)	
Subsidiaries	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 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	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

Automotive Trade and Marketing

	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 (%)	
Subsidiaries	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 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

	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 (%)	
Subsidiaries	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 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
D Yatırım Bankası[3]	100.00	-	-	-	100.00	-	100.00	-

(3) The establishment of the related subsidiary was registered on 22 June 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

	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 (%)	
Subsidiaries	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31December 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
DG Invest (4)	100.00	-	-	-	100.00	-	100.00	-
NetD Müzik	100.00	100.00	-	-	100.00	100.00	100.00	100.00
İnnobil	85.00	85.00	-	-	85.00	85.00	67.34	67.34

Real Estate Investments

	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 (%)	
Subsidiaries	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 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

(4) Although the establishment of the related subsidiary was realized on 26 May 2020, the company has not been included in the consolidation as of the reporting date, since the subsidiary's activities are not significant yet.

(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.

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)

(c) Joint Ventures (Continued)

Joint Ventures

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

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 30 June 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 -30 June 2020, are presented comparatively with the consolidated financial statements as of the interim period 1 January - 30 June 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.

"Other Expenses From Operating Activities" which was amounting to TRY30,536 in the consolidated statement of profit or loss for the interim period ended 1 January-30 June 2019 have been netted with "Other Income From Operating Activities" in the related period in order to comply with the consolidated statement of profit or loss prepared as of 1 January-30 June 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 30 June 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.

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")

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.

a) Standards, amendments and interpretations applicable as at 30 June 2020:

- Amendments to TAS 1 and TAS 8 on the definition of material; 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:
  - i) use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting;
  - ii) clarify the explanation of the definition of material; 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 TFRS 9, TAS 39 and TFRS 7 – Interest rate benchmark reform; effective from 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 companies in all industries.

- Amendment to TFRS 16, 'Leases' – Covid-19 related rent concessions; effective from periods beginning on or after 1 June 2020. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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, amendments and interpretations that are issued but not effective as at 30 June 2020:

- TFRS 17, 'Insurance contracts'; effective from periods beginning on or after 1 January 2023. 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.

- Amendments to TAS 1, Presentation of financial statements on classification of liabilities; effective from 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.

- A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 17 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16; effective from periods beginning on or after 1 January 2022.

    - Amendments to TFRS 3, 'Business combinations' update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

    - Amendments to TAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

    - Amendments to TAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

    Annual improvements make minor amendments to TFRS 1, 'First-time Adoption of TFRS', TFRS 9, 'Financial instruments', TAS 41, 'Agriculture' and the Illustrative Examples accompanying TFRS 16, 'Leases'.

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.

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

2.1 Basis of Presentation (Continued)

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 6.8422 = USD 1.00 as of 30 June 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.

(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

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

2.2 Summary of Significant Accounting Policies (Continued)

Related parties (Continued)

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.

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.

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

2.2 Summary of Significant Accounting Policies (Continued)

Trade receivables and provision for doubtful receivables (Continued)

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).

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 though profit of loss, financial assets carried at fair value though 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.

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

2.2 Summary of Significant Accounting Policies (Continued)

Financial Assets (Continued)

(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:

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).

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)

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.

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.

(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)

2.2 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:

	Years
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.

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 Akaryakıt 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:

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

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).

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).

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 on 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.

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.

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 it 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.

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

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

In assessing whether it is highly probable that there will be no significant cancellation in the amount of cumulative revenue recognized in the consolidated financial statements when the uncertainty regarding the variable price disappears later, the Group considers both the likelihood and the magnitude of the revenue reversal.

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):

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.

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.

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.

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.

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.

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.

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).

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.

(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)

2.2 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 Europe, Romania and the United States. Foreign currencies and exchange rates at 30 June 2020 and 31 December 2019 are summarized below:

Country	Currency	30 June 2020	31 December 2019
Eurozone	Euro	7.7082	6.6506
USA	USD	6.8422	5.9402
Romania	Romanian Leu	1.5822	1.3832

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.

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).

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 other short-term investments that are readily convertible into cash and highly liquid with three months or less to maturity and do not have a significant risk of value change.

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 TRY276,264 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 TRY70,416 (31 December 2019: TRY69,865) arising from unused tax losses amounting to TRY346,815 (31 December 2019: TRY317,568) as of 30 June 2020, considering the future profit projections (Note 32).

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 30 June 2020 doubtful provision is TRY103,622 (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)

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 is continuing to exist as of the date the consolidated financial statements were approved. In this respect:

Aytemiz Akaryakıt

Aytemiz, a subsidiary of the Group, recognised a decrease in its fuel sales due to the increasing number of COVID-19 cases. Especially because of the limitations on intercity travel and curfews in April and May, the fuel sales in April and May 2020 shrunk by 44% and 41% respectively compared to the same period of the previous year. With short-term working allowance as well as expense optimisation studies, the Company tried to even out the decrease in the sales in the first six-month period. Also, the Group took action to minimise investment expenses and operational costs, and reviewed the cash management strategy to strengthen the liquidity position. There were no delays in payments to suppliers or collection of receivables during the period.

The Group continues its evaluation of the content and scope of the impact of the circumstances on general operations, operational results and financial position, and plans to take additional actions if necessary.

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 results prepared as of 30 June 2020.

D Gayrimenkul

The Trump Offices and Shopping Mall property, where shopping mall activities are performed on parcel No 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. Trump Shopping Mall restarted its operations on 1 June 2020. In April, May and June, when the pandemic had the most impact, various discounts on rent were implemented in good faith, and necessary measures to reduce operational costs were taken. The Company follows the COVID-19 developments closely and struggles to manage the processes as efficiently and as effectively as possible with stakeholders.

Çelik Halat

Çelik Halat, a subsidiary of the Group, stopped production temporarily between 1 April 2020 and 4 May 2020 to protect its employees' health and ensure work safety to help fight the further spread of the pandemic and benefited from the short-term work allowance in this period. The relevant material event statement was published on Public Disclosure Platform on 9 April 2020. More detailed explanations on the issue are disclosed in Çelik Halat's financial statement published on Public Disclosure Platform on 11 August 2020.

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 (Continued)

Ditaş

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 (PDP) on 17 April 2020. More detailed explanations on the issue are disclosed in Ditaş's financial statement published on Public Disclosure Platform on 12 August 2020.

NOTE 3 - BUSINESS COMBINATIONS

Business combinations as of 30 June 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.

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.

(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

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 Yapımcılık 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 Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu")	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 30 June 2020 and 31 December 2019:

	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 (%)	
Joint Ventures	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 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	45.02	45.02	-	-	45.02	45.02	45.02	45.02
Doğan Egmont	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Gas Plus Erbil (1)	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 Kablolu (2)	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

(1) 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. Besides, the operational activities of the related joint venture were suspended during the period.

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

(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)

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 30 June 2020 and 31 December 2019 are as follows:

30 June 2020	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)
Kandilli Gayrimenkul	198,884	14,798	184,086	92,043	-	4,638	2,319
Doğan Burda	53,503	35,037	18,466	8,313	26,518	(3,437)	(1,547)
Doğan Egmont	74,705	35,262	39,443	19,722	14,368	97	49
Ultra Kablolu	6,804	30	6,774	3,387	-	(250)	(125)
DPP	266	202	64	36	783	(129)	(72)
Total	**334,162**	**85,329**	**248,833**	**123,501**	**41,669**	**919**	**624**
Boyabat Elektrik (1)	1,689,130	4,667,907	(2,978,777)	-	62,019	(728,591)	-
Aslancık Elektrik (2)	475,343	504,935	(29,592)	(9,863)	102,958	(50,005)	(16,667)

31 December 2019	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)
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 Kablolu	7,051	27	7,024	3,512	-	(168)	(84)
DPP	417	224	193	108	2,271	111	62
Total	**343,863**	**96,160**	**247,703**	**122,773**	**133,055**	**4,691**	**2,476**
Boyabat Elektrik (1)	1,828,364	4,012,718	(2,184,354)	-	329,717	(431,372)	32,403
Aslancık Elektrik (2)	481,722	464,369	17,353	5,784	139,764	(24,396)	(8,131)

(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 21June 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. The first interest payment date after the refinancing is June 19, 2020 and for the main loan USD 12,088,703 (exact) and EUR 10,784,529 (exact) interest payments were made. For the consecutive loan, USD 1,309,103 (exact) and EUR 1,167,873 (exact) interest payments were made.

(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. The first payment date after the refinancing was 19 June 2020, and an interest of USD12,088,703 (exact) and EUR10,784,529 (exact) was paid for the main loan and an interest of USD1,309,103 (exact) and EUR1,167,873 (exact) for the consecutive loan.

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

	2020	2019
1 January	**128,557**	**(29,821)**
Share of gain (loss) on investments accounted for by the equity method	(16,043)	(36,153)
Capital increase	1,155	21,198
Capital decrease	-	(750)
Unrecognized provisions	-	105,925
Other	(31)	-
30 June	**113,638**	**60,399**

(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:

30 June 2020	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	Doğan Egmont	DPP	Total
Cash and cash equivalents	23,080	27,991	3	22,138	90	4,232	46	77,580
Other current assets	22,879	8,046	220	21,835	6,691	63,470	213	123,354
Other non current assets	1,643,171	439,306	198,661	9,530	23	7,003	7	2,297,701
Total assets	**1,689,130**	**475,343**	**198,884**	**53,503**	**6,804**	**74,705**	**266**	**2,498,635**
Short-term borrowings	207,359	20,841	-	3,450	-	5,000	-	236,650
Other short-term liabilities	23,564	38,515	117	22,340	12	30,262	202	115,012
Long-term borrowings	4,220,930	445,272	-	713	-	-	-	4,666,915
Other long-term liabilities	216,054	307	14,681	8,534	18	-	-	239,594
Total liabilities	**4,667,907**	**504,935**	**14,798**	**35,037**	**30**	**35,262**	**202**	**5,258,171**
Net assets:	(2,978,777)	(29,592)	184,086	18,466	6,774	39,443	64	(2,759,536)
Group's share	*0.33*	*0.33*	*0.50*	*0.45*	*0.50*	*0.50*	*0.56*	
Group's net asset share	**-**	**(9,863)**	**92,043**	**8,313**	**3,387**	**19,772**	**36**	**113,638**

(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
Total assets	**1,828,364**	**481,722**	**192,896**	**59,425**	**7,051**	**84,074**	**417**	**2,653,949**
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
Total liabilities	**4,012,718**	**464,369**	**13,604**	**37,522**	**27**	**44,783**	**224**	**4,573,247**
Net assets:	(2,184,354)	17,353	179,292	21,903	7,024	39,291	193	(1,919,298)
Group's share	*0.33*	*0.33*	*0.50*	*0.45*	*0.50*	*0.50*	*0.56*	
Group's net asset share	**-**	**5,784**	**89,646**	**9,861**	**3,512**	**19,646**	**108**	**128,557**

(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 January – 30 June 2020	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	DPP	Doğan Egmont
Revenue	62,019	102,958	-	26,518	-	783	14,368
Operating profit/(loss)	(1,239)	30,933	5,793	(3,791)	(47)	(128)	(2,591)
Net financial (expense)/income	(727,348)	(76,883)	-	(745)	-	-	(196)
Profit/(loss) before income tax	(728,587)	(45,950)	5,793	(4,534)	(250)	(128)	97
Total comprehensive income/(loss)	**(728,591)**	**(50,005)**	**4,638**	**(3,437)**	**(250)**	**(129)**	**97**
Group's share	*0.33*	*0.33*	*0.50*	*0.45*	*0.50*	*0.56*	*0.50*
Group's net share on profit/(loss)	**-**	**(16,667)**	**2,319**	**(1,547)**	**(125)**	**(72)**	**49**

1 April – 30 June 2020	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	DPP	Doğan Egmont
Revenue	40,458	63,749	-	11,070	-	304	5,319
Operating profit/(loss)	8,812	33,721	5,802	(2,239)	(2,955)	(118)	(2,154)
Net financial (expense)/income	(332,551)	(29,532)	-	(339)	-	-	(54)
Profit/(loss) before income tax	(323,739)	4,189	5,802	(2,576)	(3,158)	(118)	(1,064)
Total comprehensive income/(loss)	**(323,738)**	**3,707**	**4,637**	**(1,984)**	**(3,158)**	**(119)**	**(1,064)**
Group's share	*0.33*	*0.33*	*0.50*	*0.45*	*0.50*	*0.56*	*0.50*
Group's net share on profit/(loss)	**-**	**1,235**	**2,318**	**(893)**	**(1,579)**	**(66)**	**(532)**

(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 January - 30 June 2019	**Boyabat Elektrik**	**Aslancık Elektrik**	**Kandilli Gayrimenkul**	**Doğan Burda**	**Ultra Kablolu**	**Doğan Egmont**
Revenue	138,608	93,712	-	44,349	-	17,986
Operating profit/(loss)	40,136	37,660	3,331	1,201	(24)	(921)
Net financial (expense)/income	(499,750)	(70,264)	27	(1,127)	-	(662)
Profit/(loss) before income tax	(459,614)	(32,604)	3,358	77	(24)	(1,583)
Total comprehensive income/(loss)	**(459,609)**	**(23,625)**	**2,683**	**54**	**(24)**	**1,876**
Group's share	*0.33*	*0.33*	*0.50*	*0.45*	*0.50*	*0.50*
Group's net share on profit/(loss)	**75,354**	**(7,874)**	**1,342**	**24**	**(12)**	**938**

1 April - 30 June 2019	**Boyabat Elektrik**	**Aslancık Elektrik**	**Kandilli Gayrimenkul**	**Doğan Burda**	**Ultra Kablolu**	**Doğan Egmont**
Revenue	76,392	64,033	-	20,668	-	8,499
Operating profit/(loss)	21,236	31,280	3,384	(68)	-	(1,092)
Net financial (expense)/income	(193,088)	(25,418)	10	(553)	-	(282)
Profit/(loss) before income tax	(171,853)	5,863	3,393	(621)	(10)	(4,019)
Total comprehensive income/(loss)	**(171,850)**	**12,355**	**2,715**	**(498)**	**(10)**	**(560)**
Group's share	*0.33*	*0.33*	*0.50*	*0.45*	*0.50*	*0.50*
Group's net share on profit/(loss)	**82,119**	**4,118**	**1,358**	**(225)**	**(5)**	**(280)**

(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 - 30 June 2020	**1 April - 30 June 2020**	**1 January - 30 June 2019**	**1 April - 30 June 2019**
Fuel retail [(1)]	3,258,259	1,454,046	5,224,237	2,664,798
Electricity production and trade	147,839	69,017	75,734	47,078
Industry and trade	501,761	227,367	409,161	202,875
Automotive trade and marketing	187,940	121,627	159,296	63,131
Financing and investment	115,525	64,717	117,865	55,877
Internet and entertainment	192,533	95,902	169,810	94,322
Real estate investments	55,660	22,287	72,607	43,775
	4,459,517	**2,054,963**	**6,228,710**	**3,171,856**

(1) Due to Doel's cessation of commercial activities, there was no trade income recognised during the period of 1 January - 30 June 2020 (30 June 2019: TRY1,359,017). 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 on 22 May 2020, the merger with Aytemiz Akaryakıt was registered and the subsidiary was liquidated.

b) Profit/(loss) before income tax

	1 January - 30 June 2020	**1 April - 30 June 2020**	**1 January - 30 June 2019**	**1 April - 30 June 2019**
Fuel retail	(42,009)	(18,549)	(47,971)	(16,940)
Electricity production and trade	73,001	45,429	40,459	5,850
Industry and trade	2,071	1,716	2,163	1,664
Automotive trade and marketing	5,607	6,848	(4,370)	(9,880)
Financing and investment	601,650	220,893	489,198	215,756
Internet and entertainment	13,492	9,392	4,758	7,297
Real estate investments	39,275	16,738	30,549	20,338
	693,087	**282,467**	**514,786**	**224,085**

(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 - 30 June 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	3,258,259	147,839	501,761	187,940	115,525	192,533	55,660	-	4,459,517
Inter segment revenue	2,330	44	445	1,080	18,528	-	4,888	(27,315)	-
Total revenue	**3,260,589**	**147,883**	**502,206**	**189,020**	**134,053**	**192,533**	**60,548**	**(27,315)**	**4,459,517**
Revenue	3,260,589	147,883	502,206	189,020	134,053	192,533	60,548	(27,315)	4,459,517
Cost of sales	(3,136,751)	(48,226)	(438,399)	(159,131)	(43,922)	(98,749)	(31,076)	3,577	(3,952,677)
Gross profit/(loss)	**123,838**	**99,657**	**63,807**	**29,889**	**90,131**	**93,784**	**29,472**	**(23,738)**	**506,840**
General administrative expenses	(17,297)	(6,774)	(24,789)	(6,640)	(53,606)	(25,390)	(6,230)	20,605	(120,121)
Marketing expenses	(116,708)	(1,163)	(20,023)	(16,517)	-	(51,646)	(3,919)	3,867	(206,109)
Share of gain/(loss) on investments accounted for by the equity method	-	(16,667)	-	-	-	(1,695)	2,319	-	(16,043)
Other income/(expenses) from operating activities, net	28,216	44,845	5,606	2,007	331,317	2,300	13,869	(2,805)	425,355
Income/(expenses) from investment activities, net	11,199	8,207	501	3,272	260,971	(1,117)	4,093	(754)	286,372
Financial income/ (expense), net	(71,257)	(55,104)	(23,031)	(6,404)	(27,163)	(2,744)	(329)	2,825	(183,207)
Profit/(loss) before taxation from continued operations	**(42,009)**	**73,001**	**2,071**	**5,607**	**601,650**	**13,492**	**39,275**	**-**	**693,087**

(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 April - 30 June 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	1,454,046	69,017	227,367	121,627	64,717	95,902	22,287	-	2,054,963
Inter segment revenue	1,501	-	106	974	8,794	-	2,425	(13,800)	-
Total revenue	**1,455,547**	**69,017**	**227,473**	**122,601**	**73,511**	**95,902**	**24,712**	**(13,800)**	**2,054,963**
Revenue	1,455,547	69,017	227,473	122,601	73,511	95,902	24,712	(13,800)	2,054,963
Cost of sales	(1,395,144)	(23,242)	(197,041)	(105,137)	(19,476)	(47,287)	(14,260)	2,262	(1,799,325)
Gross profit/(loss)	**60,403**	**45,775**	**30,432**	**17,464**	**54,035**	**48,615**	**10,452**	**(11,538)**	**255,638**
General administrative expenses	(8,409)	(3,260)	(11,716)	(3,011)	(26,571)	(11,897)	(2,585)	9,588	(57,861)
Marketing expenses	(55,805)	(478)	(9,336)	(7,226)	-	(22,724)	(1,437)	1,902	(95,104)
Share of gain/(loss) on investments accounted for by the equity method	-	1,235	-	-	-	(3,070)	2,318	-	483
Other income/(expenses) from operating activities, net	18,708	17,639	2,648	850	122,758	313	4,239	(2,772)	164,383
Income/(expenses) from investment activities, net	532	1,248	569	2,880	91,270	(996)	3,850	-	99,353
Financial income/ (expense), net	(33,978)	(16,730)	(10,881)	(4,109)	(20,599)	(849)	(99)	2,820	(84,425)
Profit/(loss) before taxation from continued operations	**(18,549)**	**45,429**	**1,716**	**6,848**	**220,893**	**9,392**	**16,738**	**-**	**282,467**

(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 - 30 June 2019:

	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	5,224,237	75,734	409,161	159,296	117,865	169,810	72,607	-	6,228,710
Inter segment revenue	6,837	44,264	1,047	6	21,572	-	4,766	(78,492)	-
Total revenue	**5,231,074**	**119,998**	**410,208**	**159,302**	**139,437**	**169,810**	**77,373**	**(78,492)**	**6,228,710**
Revenue	5,231,074	119,998	410,208	159,302	139,437	169,810	77,373	(78,492)	6,228,710
Cost of sales	(5,033,081)	(44,792)	(355,890)	(131,255)	(74,767)	(89,133)	(36,372)	52,835	(5,712,455)
Gross profit/(loss)	**197,993**	**75,206**	**54,318**	**28,047**	**64,670**	**80,677**	**41,001**	**(25,657)**	**516,255**
General administrative expenses	(17,856)	(7,125)	(21,998)	(7,579)	(65,960)	(25,659)	(12,184)	25,082	(133,279)
Marketing expenses	(121,652)	(570)	(19,664)	(11,063)	-	(43,365)	(3,519)	3,122	(196,711)
Share of gain/(loss) on investments accounted for by the equity method	-	(7,874)	-	-	75,354	950	1,342	-	69,772
Other income/(expenses) from operating activities, net	25,027	22,229	11,413	1,878	354,457	(3,521)	6,268	(7,777)	409,974
Income/(expenses) from investing activities, net	532	3,159	(1,069)	29	129,027	(1,079)	(403)	-	130,196
Financial income/ (expenses), net	(132,015)	(44,566)	(20,837)	(15,682)	(68,350)	(3,245)	(1,956)	5,230	(281,421)
Profit/(loss) before taxation from continued operations	**(47,971)**	**40,459**	**2,163**	**(4,370)**	**489,198**	**4,758**	**30,549**	**-**	**514,786**

(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 April - 30 June 2019:

	Fuel Retail	Electricity Production Trade	Industry and Trade	Automotive Trade and Marketing	Financing and Investment	Internet and Entertainment	Real Estate Investments	Inter Segment Elimination	Total
External revenue	2,664,798	47,078	202,875	63,131	55,877	94,322	43,775	-	3,171,856
Inter segment revenue	2,639	8,083	828	4	11,396	-	2,523	(25,473)	-
Total revenue	**2,667,437**	**55,161**	**203,703**	**63,135**	**67,273**	**94,322**	**46,298**	**(25,473)**	**3,171,856**
Revenue	2,667,437	55,161	203,703	63,135	67,273	94,322	46,298	(25,473)	3,171,856
Cost of sales	(2,553,292)	(23,978)	(174,648)	(49,600)	(35,823)	(47,970)	(22,379)	10,356	(2,897,334)
Gross profit/(loss)	**114,145**	**31,183**	**29,055**	**13,535**	**31,450**	**46,352**	**23,919**	**(15,116)**	**274,522**
General administrative expenses	(10,093)	(2,250)	(12,635)	(3,378)	(36,277)	(10,289)	(5,973)	13,295	(67,599)
Marketing expenses	(62,341)	(340)	(10,282)	(5,649)	-	(24,381)	(1,713)	1,597	(103,109)
Share of gain/(loss) on investments accounted for by the equity method	-	4,118	-	-	82,119	(510)	1,358	-	87,085
Other income/(expenses) from operating activities, net	12,404	66	6,367	778	126,170	(4,597)	3,716	(1,574)	143,330
Income/(expenses) from investing activities, net	393	910	(1,214)	(162)	62,050	49	(403)	-	61,623
Financial income/ (expenses), net	(71,448)	(27,837)	(9,627)	(15,004)	(49,756)	673	(566)	1,799	(171,767)
Profit/(loss) before taxation from continued operations	**(16,940)**	**5,850**	**1,664**	**(9,880)**	**215,756**	**7,297**	**20,338**	**-**	**224,085**

(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

Total assets	30 June 2020	31 December 2019
Fuel retail [1]	2,002,042	2,233,154
Electricity production and trade	1,545,393	1,499,167
Industry and trade	647,468	620,212
Automotive trade and marketing	185,672	116,852
Financing and investment	10,302,895	9,459,888
Internet and entertainment	477,819	436,304
Real estate investments	1,665,199	1,750,876
Total	**16,826,488**	**16,116,453**
Less: Segment elimination [2]	(5,293,618)	(4,875,862)
Total assets per consolidated financial statements	**11,532,870**	**11,240,591**

(1) 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 on 22 May 2020, the merger with Aytemiz Akaryakıt was registered and the subsidiary was liquidated. The reason of the decrease in total assets is ceasing of commercial activities of Doel.

Equity	30 June 2020	31 December 2019
Fuel retail [3]	(138,146)	(106,182)
Electricity production and trade	322,462	251,187
Industry and trade	21,466	29,320
Automotive trade and marketing [3]	(37,324)	(41,001)
Financing and investment	12,590,013	12,085,244
Internet and entertainment [3]	(34,488)	(68,105)
Real estate investments	422,202	394,991
Total	**13,146,185**	**12,545,454**
Less: Segment elimination [4]	(5,447,015)	(5,408,845)
Total shareholders' equity per consolidated financial statements	**8,238,417**	**7,631,340**
Non-controlling interests	539,247	494,731
Equity attributable to equity holders of the parent company	**7,699,170**	**7,136,609**

(2) Segment elimination amount consists of the elimination of mutual payables and receivables balances between the Group's operating segments.

(3) The paid-in capital for these companies was disregarded because of elimination of capital. Considering the paid-in capital, the equities of these operation groups represent positive amounts.

(4) The amount of segment elimination represents the reciprocal elimination of affiliate amounts with adjusted capital amounts within total equity amount of each business segment.

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NOTE 5 - SEGMENT REPORTING (Continued)

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

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Purchases				
Fuel retail	92,370	56,795	49,574	41,882
Electricity production and trade	63,436	61,047	1,074	519
Industry and trade	15,847	9,070	9,423	4,829
Automotive trade and marketing	25,547	8,530	1,521	1,282
Financing and investment	550	355	5,250	934
Internet and entertainment	36,058	19,104	27,886	14,317
Real estate investments	10,021	8,142	7,823	4,978
Total	**243,829**	**163,043**	**102,551**	**68,741**

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Depreciation and amortization [(1)]				
Fuel retail	82,156	42,537	75,806	43,913
Electricity production and trade	17,997	8,825	17,066	8,922
Industry and trade	11,245	5,751	14,485	8,333
Automotive trade and marketing	6,871	2,767	3,392	1,695
Financing and investment	12,685	6,026	9,276	2,020
Internet and entertainment	20,405	11,669	21,124	12,715
Real estate investments	4,059	2,112	6,648	1,731
Total	**155,418**	**79,687**	**147,797**	**79,329**

(1) Depreciation expense related to industry and trade segment amounting to TRY 536 has been recognised under inventory account (31 December 2019: TRY408).

(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 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
Cash	11,231	1,990
Banks		
- Demand deposits	428,555	144,505
- Time deposits	2,557,977	3,125,308
Other liquid assets	44,120	7,029
	3,041,883	**3,278,832**

As of 30 June2020 the gross effective interest rates of USD, EUR and TRY denominated time deposits of the Group are between 0.20% and 2.00% (31 December 2019: 0.95% and 2.45%), 0.45% and 0.60% (31 December 2019: 0.25% and 0.30%) and 2.25% and 7.50% (31 December 2019: 1.91% and 10.50%) and the maturity of the time deposits is shorter than 3 months.

As of 30 June 2020 other liquid assets consist of credit card slip receivables amounting to TRY44,120 (31 December 2019: TRY 7,029). As of 30 June 2020, there are blocked deposits amounting to TRY42,588 (31 December 2019: TRY645).

Cash and cash equivalents disclosed in the consolidated statements of cash flow as of 30 June 2020, 31 December 2019, 30 June 2019 and 31 December 2018 are shown below:

	30 June 2020	31 December 2019	30 June 2019	31 December 2018
Cash and cash equivalents	3,041,883	3,278,832	3,608,241	3,817,966
Accrued interest (-)	(2,108)	(2,074)	(5,078)	(8,602)
Cash and cash equivalents	**3,039,775**	**3,276,758**	**3,603,163**	**3,809,364**

NOTE 7 - FINANCIAL INVESTMENTS

a) Short-term financial investments

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

	30 June 2020	31 December 2019
Private sector and government bonds and bills		
Financial assets carried at fair value through other comprehensive income [(1)]	*2,033,112*	*1,176,618*
Financial assets carried at fair value through profit or loss	*865*	*1,108*
	2,033,977	**1,177,726**

(1) 30% of financial investments consist of government and 70% private sector bonds and bills (31 December 2019: 29% government and 71% private sector).

(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)

a) Short-term financial investments (Continued)

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

	2020	**2019**
1 January	**1,177,726**	**423,682**
Purchase of available for sale financial assets	1,370,529	803,407
Change in fair value	(12,711)	4,555
Recognized in the statement of income	*(243)*	*18*
Recognized in the statement of other comprehensive income	*(12,468)*	*4,537*
Financial investment disposal	(691,953)	(189,730)
Interest accrual	9,259	38,852
Currency translation differences	181,127	47,256
30 June	**2,033,977**	**1,128,022**

b) Long-term financial investments

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

	30 June 2020		**31 December 2019**	
	TRY	**(%)**	**TRY**	**(%)**
Financial assets carried at fair value through other comprehensive income [(1)]				
Lexin Nassau L.P.[(2)]	*181,866*	*22.15*	*157,891*	*22.15*
Financial assets carried at fair value through profit or loss [(1)]				
Mediterra Capital Partners I LP	*11,857*	*1.88*	*11,128*	*1.88*
Insider SG PTE Limited	*34,119*	*3.07*	*9,772*	*3.28*
Mediterra Capital Partners II LP	*9,550*	*2.23*	*8,231*	*2.23*
GRI Gıda Sanayi ve Ticaret A.Ş	*9,059*	*1.71*	*7,407*	*1.71*
Düş Yeri Bilişim Teknolojileri ve Animasyon A.Ş.	*8,437*	*3.75*	*7,874*	*3.75*
Collective Spark Fund BV	*1,112*	*1.23*	*542*	*1.13*
	256,000		**202,845**	

(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 TRY181,866 (equivalent of USD26,580) as of 30 June 2020. A capital increase of TRY69 was realized during the period regarding the investment. Accordingly, the foreign currency translation difference amounting to TRY23,906 has been accounted in the other comprehensive income statement for the interim period ended 30 June 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 (Continued)

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

	2020	2019
1 January	**202,845**	**196,084**
Purchase of available for sale financial assets	1,292	654
Change in fair value	27,888	3,646
Recognized in the statement of income	*27,888*	*3,646*
Financial investment disposal	-	(15,183)
Capital increase	69	-
Currency translation differences	23,906	13,469
30 June	**256,000**	**198,670**

NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS

Financial Borrowings

The details of financial borrowings at 30 June 2020 and 31 December 2019 are as follows:

Short-term borrowings:	**30 June 2020**	**31 December 2019**
Short-term bank borrowings	1,491,079	1,603,847
Financing bond [(1)]	95,306	136,713
Factoring borrowings	-	36
Lease borrowings from non-related parties	-	414
Total	**1,586,385**	**1,741,010**

(1) 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 was 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. The 3rd coupon payment amounting to TRY1,462,400 (exact) was made on 8 May 2020.A portion of TRY5,073,233 (exact) with the interest accrued and purchased by Doğan Holding is eliminated within the scope of consolidation. The 4th coupon payment amounting to TRY1,044,250 (exact) was made and the bond amounting to TRY50,000,000 (exact) nominal was redeemed on 24 July 2020.

Short-term portions of long-term borrowings:	**30 June 2020**	**31 December 2019**
Short-term portions of long-term bank borrowings	15,423	71,071
Lease borrowings from non-related parties	56,521	36,734
Lease borrowings from related parties	6,089	6,238
Total	**78,033**	**114,043**

Long-term borrowings:	**30 June 2020**	**31 December 2019**
Long-term bank borrowings	403,951	407,133
Lease borrowings from non-related parties	152,333	170,416
Lease borrowings from related parties	16,088	18,906
Total	**572,372**	**596,455**

(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 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020			31 December 2019		
	Interest rate per annum (%)	**Original currency**	**TRY**	**Interest rate per annum (%)**	**Original currency**	**TRY**
Short-term bank borrowings:						
TRY denominated bank borrowings	3.60 – 16.90	1,398,257	1,398,257	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 – 3.00	12,042	92,822	0.85 - 3.45	21,220	141,129
Subtotal			**1,491,079**			**1,603,847**
Short-term financing bonds:						
TRY denominated financing bonds			95,306			136,713
Subtotal			**95,306**			**136,713**
Short-term portion of long-term bank borrowings:						
TRY denominated bank borrowings	8.50 – 10.82	4,100	4,100	12.25 - 16.24	57,888	57,888
EUR denominated bank borrowings	0.60 – 4.22	1,469	11,323	0.65 - 4.22	1,982	13,183
Subtotal			**15,423**			**71,071**
Total short-term bank borrowings and financing bonds			**1,601,808**			**1,811,631**
Long term bank borrowings:						
TRY denominated bank borrowings	8.50 – 10.82	321,720	321,720	12.80 - 22.55	326,077	326,077
EUR denominated bank borrowings	0.60 – 4.22	10,668	82,231	0.65 - 2.63	12,188	81,056
Total long-term bank borrowings			**403,951**			**407,133**

(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 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020			31 December 2019		
	Interest rate per annum (%)	**Original currency**	**TRY**	**Interest rate per annum (%)**	**Original currency**	**TRY**
Short-term lease borrowings:						
EUR denominated lease borrowings from non-related parties	-	-	-	2.90 - 3.45	62	414
Subtotal			**-**			**414**
Short-term portion of long-term lease borrowings:						
TRY denominated lease borrowings from related parties	11.16 – 26.15	6,089	6,089	22.55 - 26.15	6,238	6,238
TRY denominated lease borrowings from non- related parties	11.16 – 26.15	44,930	44,930	22.55 - 26.15	16,386	16,386
USD denominated lease borrowings from non-related parties	12.41	483	3,305	12.41	347	2,063
EUR denominated lease borrowings from non-related parties	3.10 – 10.20	1,075	8,286	3.83 - 10.20	2,747	18,269
RUB denominated lease borrowings from non-related parties	-	-	-	6.25 - 7.00	177	16
Subtotal			**62,610**			**42,972**
Total short-term lease borrowings			**62,610**			**43,386**
Long-term lease borrowings:						
TRY denominated lease borrowings from related parties	11.16 – 26.15	16,088	16,088	22.55 - 26.15	18,906	18,906
TRY denominated lease borrowings from non- related parties	11.16 – 26.15	134,823	134,823	22.55 - 26.15	149,648	149,648
USD denominated lease borrowings from non-related parties	12.41	2,558	17,502	12.41	3,443	20,452
EUR denominated lease borrowings from non-related parties	3.10 – 10.20	1	8	3.83 - 10.20	48	316
Total long-term lease borrowings			**168,421**			**189,322**

(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:

	30 June 2020	**30 June 2019**
Beginning of the period	232,294	222,449
Additions	28,220	11,773
Payments	(48,742)	(47,061)
Interest expense (Note 30)	15,599	16,458
Currency translation differences	3,677	1,390
Early termination	(17)	-
	231,031	**205,009**

The reconciliation of the net financial borrowings as of 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	**31 December 2019**
Cash and cash equivalents (Note 6)	3,041,883	3,278,832
Short-term borrowings	(1,601,808)	(1,812,081)
Long-term borrowings	(403,951)	(407,133)
Short term lease borrowings	(62,610)	(42,972)
Long term lease borrowings	(168,421)	(189,322)
Net financial assets/(liabilities)	**805,093**	**827,324**

	Short and long term borrowings	**Lease borrowings**	**Cash and cash equivalents**	**Net financial liability**
1 January 2020	**2,219,214**	**232,294**	**(3,278,832)**	**(827,324)**
Cash flow effect	(273,813)	(20,539)	583,519	289,167
Currency translation adjustments	33,784	3,677	(348,678)	(311,217)
Interest accrual, net	26,574	15,599	2,108	44,281
30 June 2020	**2,005,759**	**231,031**	**(3,041,883)**	**(805,093)**

	Short and long term borrowings	**Lease borrowings**	**Cash and cash equivalents**	**Net financial liability**
1 January 2019	**2,488,641**	**-**	**(3,817,966)**	**(1,329,325)**
TFRS 16 Opening effect	-	222,449	-	222,449
Cash flow effect	(17,991)	(35,288)	515,117	461,838
Currency translation adjustments	35,543	1,390	(310,470)	(273,537)
Interest accrual, net	143,752	16,458	5,078	165,288
30 June 2019	**2,649,945**	**205,009**	**(3,608,241)**	**(753,287)**

(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 30 June 2020 and 31 December 2019 is as follows.

	30 June 2020	**31 December 2019**
2021	85,585	337,853
2022	253,186	11,776
2023	9,311	9,300
2024 and after	55,869	48,204
Total	**403,951**	**407,133**

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 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	**31 December 2019**
Financial borrowings with fixed interest rates (Note 35)	2,115,815	2,300,645
Financial borrowings with floating interest rates (Note 35)	120,975	150,863
Total	**2,236,790**	**2,451,508**

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

<u>Short-term trade receivables from non- related parties</u>

	30 June 2020	**31 December 2019**
Trade receivables	1,355,369	1,627,097
Notes and cheques receivable	81,670	180,694
Income accruals	4,586	1,286
Total	**1,441,625**	**1,809,077**
Less: Unearned financial income due to sales with maturity	(3,569)	(4,543)
Less: Provision for expected credit losses (-)	(602)	(877)
Less: Provision for doubtful receivables (-)	(103,020)	(98,771)
Total	**1,334,434**	**1,704,886**

The average maturity of not overdue trade receivables of the Group that are followed up by Doruk Faktoring is between 52 to 83 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 TRY 10.38%, USD 2.65%, and EUR 1.30% (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.

(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

	30 June 2020	31 December 2019
Notes and cheques receivable [1]	37,456	29,116
Unearned financial income due to sales with maturity	(2,381)	(3,033)
	35,075	**26,083**

[1] 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
1 January	**(99,648)**	**(92,574)**
Provision from continued operations in the current period (Note 28)	(7,546)	(7,621)
Expected credit loss, net	275	(124)
Written off uncollectible receivables [1]	2,799	996
Collections	498	735
30 June	**(103,622)**	**(98,588)**

[1] 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 30 June 2020, although trade receivables amounting to TRY 139,713 (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 30 June 2020, the Group has collateral, pledge, mortgage and surety amounting to TRY 1,136,860 (31 December 2019: TRY 1,530,294) for trade receivables amounting to TRY 1,369,509 (31 December 2019: TRY 1,730,969) from non-related parties (Note 35).

Short term trade payables to non-related parties

	30 June 2020	31 December2019
Trade payables	501,314	717,983
Provisions for liabilities and expenses	52,839	30,770
Cheques and notes payables	839	-
Less: Unrealized finance expense due to purchases with maturity	(1,128)	(3,033)
Total	**553,864**	**745,720**

The average maturity of trade payables is between 40 to 92 days as of 30 June 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 10.38%, USD 2.65 %, and EUR 1.30% (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.

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

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables from non-related parties

	30 June 2020	31 December 2019
Deposits and guarantees given (1)	5,971	5,787
TEİAŞ power transmission line receivables	5,782	7,137
Other receivables (2)	12,819	12,229
Total	**24,572**	**25,153**

(1) 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.

(2) A significant portion of other receivables consists of the tax receivables of the Group's subsidiaries.

Other short-term payables to non-related parties

	30 June 2020	31 December 2019
Taxes and funds payable	121,858	120,474
Other short-term payables (3)	15,185	6,357
Total	**137,043**	**126,831**

Other long-term payables to non-related parties

	30 June 2020	31 December 2019
Deposits and guarantees received	1,324	1,385
Other long-term payables (3)	7,623	538
Total	**8,947**	**1,923**

(3) A significant portion of the other 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

	30 June 2020	31 December 2019
Finished goods and merchandise	481,644	560,267
Raw materials and supplies	26,987	29,612
Semi-finished goods	15,984	14,511
Other inventories	19,857	19,455
Provision for impairment of inventory (-)	(2,362)	(2,062)
Total	**542,110**	**621,783**

Depreciation and amortization expenses amounting to TRY 536 have been reflected to cost of inventories as of 30 June 2020 (31 December 2019: TRY408).

The movement of the provision for impairment of inventories for the interim periods ended 30 June 2020 and 2019 are as follows:

	2020	2019
1 January	**(2,062)**	**(1,992)**
Reversal of provision for impairment of inventories	-	137
Provision booked in the current period	(300)	-
30 June	**(2,362)**	**(1,855)**

NOTE 12 - BIOLOGICAL ASSETS

As of 30 June 2020, the amount of biological assets of the Group's subsidiary Kelkit Doğan Besi is TRY 11,872 (31 December 2019: TRY13,167).

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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 13 - INVESTMENT PROPERTIES

The movements of investment properties for the interim periods ended 30 June 2020 and 2019 are as follows:

	1 January 2020	Transfers	Currency translation differences	Fair value adjustment	30 June 2020
Land	386,044	-	-	-	386,044
Buildings	971,123	-	17,052	-	988,175
Net book value	**1,357,167**	**-**	**17,052**	**-**	**1,374,219**

	1 January 2019	Transfers	Currency translation differences	Fair value adjustment	30 June 2019
Land	252,102	303	-	262	252,667
Buildings	962,578	-	7,659	-	970,237
Net book value	**1,214,680**	**303**	**7,659**	**262**	**1,222,904**

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

As of 30 June 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 level as of the reporting date		
	Fair Value		Level 1	Level 2	Level 3
	30 June 2020	31 December 2019			
Investment properties	1,374,219	1,357,167	-	1,374,219	-

(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 30 June 2020 and 2019 are as follows:

	1 January 2020	Additions (*)	Disposals	Transfers	Currency translation differences	30 June 2020
Cost:						
Land and land improvements	176,055	26	(8,874)	112	-	167,319
Buildings	86,012	1,365	(983)	40	44	86,478
Machinery and equipment	907,908	4,968	(112)	4,621	4,825	922,210
Motor vehicles	142,268	16,062	(9,393)	-	517	149,454
Furniture and fixtures	124,622	3,857	(435)	341	108	128,493
Development costs of leased tangible assets	105,171	179	-	89	1,116	106,555
Other tangible assets	159,486	2,547	(1,149)	-	-	160,884
Construction in progress	28,734	72,833	(19)	(8,379)	13	93,182
	1,730,256	**101,837**	**(20,965)**	**(3,176)**	**6,623**	**1,814,575**
Accumulated depreciation:						
Land improvements	5,634	402	-	-	-	6,036
Buildings	72,007	2,993	(203)	-	(4)	74,793
Machinery and equipment	337,187	24,239	(32)	-	3,527	364,921
Motor vehicles	54,873	5,400	(2,437)	-	294	58,130
Furniture and fixtures	52,039	5,216	(365)		96	56,986
Development costs of leased tangible assets	36,176	4,227	-	-	938	41,341
Other tangible assets	70,026	10,491	(878)	-	-	79,639
	627,942	**52,968**	**(3,915)**	**-**	**4,851**	**681,846**
Net book value	**1,102,314**					**1,132,729**

(*) The majority of the investments in the first half of 2020 are the investments of Galata, Kanal D Romanya, Aytemiz and Suzuki, subsidiaries of the Group. The investments in Galata increased by TRY63,180 due to the construction of Taşpınar power plant. Aytemiz made investments amounting to TRY13,484 in the relevant period due to the new station investments. Also, Kanal D Romanya made TRY27,014 worth of program rights purchases. As the result of the renewal of distribution agreement at Suzuki, intangible fixed assets increased by TRY11,882 and an additional purchase of vehicles in the amount of TRY12,145 was made.

As of 30 June 2020, there is no mortgage on property, plant and equipment. (31 December 2019: None). As of 30 June 2020, the Group has no property, plant and equipment acquired by financial leasing (31 December 2019: TRY414).

(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	Transfer	Acquisition of subsidiary(*)	Currency translation differences	30 June 2019
Cost:							
Land and land improvements	173,141	33	-	(166)	952	-	173,960
Buildings	85,129	2,214	-	172	-	20	87,535
Machinery and equipment	804,492	4,319	(4,144)	744	93,969	2,047	901,427
Motor vehicles	135,920	6,763	(5,367)	211	-	170	137,697
Furniture and fixtures	101,816	4,201	(1,765)	2,245	13,633	46	120,176
Development costs of leased tangible assets	77,203	1,913	(522)	1,634	-	463	80,691
Other tangible assets	145,881	8,633	(2,892)	2	-	-	151,624
Construction in progress	40,496	23,558	(198)	(8,373)	68	(376)	55,175
	1,564,078	**51,634**	**(14,888)**	**(3,531)**	**108,622**	**2,370**	**1,708,285**
Accumulated depreciation:							
Land improvements	5,011	271	-	-	-	-	5,282
Buildings	66,070	2,875	-	-	-	(1)	68,944
Machinery and equipment	288,349	24,520	(3,089)	-	2,158	1,477	313,415
Motor vehicles	40,377	6,487	(3,610)	-	-	136	43,390
Furniture and fixtures	48,243	3,603	(1,719)	-	15	40	50,182
Development costs of leased tangible assets	29,608	2,816	(67)	-	-	348	32,705
Other tangible assets	52,990	10,012	(2,429)	-	-	-	60,573
	530,648	**50,584**	**(10,914)**	**-**	**2,173**	**2,000**	**574,491**
Net book value	**1,033,430**						**1,133,794**

(*) Explained in Note 3.

(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 30 June 2020 and 2019 are as follows:

	1 January 2020	Additions	Disposals	Currency translation differences	Transfers	30 June 2020
Cost						
Trade names	7,876	-	-	-	-	7,876
Electricity production license	354,644	-	-	-	-	354,644
Other	219,136	20,980	(648)	1,302	3,176	243,946
	581,656	**20,980**	**(648)**	**1,302**	**3,176**	**606,466**
Accumulated amortization:						
Trade names	7,481	-	-	-	-	7,481
Electricity production license	45,035	3,824	-	-	-	48,859
Other	145,705	12,904	(55)	1,139	-	159,693
	198,221	**16,728**	**(55)**	**1,139**	**-**	**216,033**
Dealer agreements	181,120	-	-	-	-	154,369
Television programme rights	35,045	-	-	-	-	56,641
	599,600					**601,443**

Movement of television programme rights and dealer agreements for the interim period ended 30 June 2020 is as follows:

	1 January 2020	Additions [1]	Amortization	Disposals[2]	Currency translation differences	30 June 2020
Dealer agreements	181,120	13,484	(25,334)	(14,901)	-	154,369
Television programme rights	35,045	27,014	(12,626)	-	7,208	56,641

(1) Kanal D Romanya, subsidiary of the Group purchased programme rights amounting to TRY 27,014 during the period.
(2) The balance consists of the sales support premiums returns, given by Aytemiz.

(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):

	1 January 2019	Additions	Disposals	Currency translation differences	Transfer	Acquisition of subsidiary [3]	30 June 2019
Cost							
Trade names	7,876	-	-	-	-	-	7,876
Electricity production license	354,644	-	-	-	-	-	354,644
Other	195,453	6,881	(525)	282	3,228	78	205,397
	557,973	**6,881**	**(525)**	**282**	**3,228**	**78**	**567,917**
Accumulated amortization:							
Trade names	5,906	788	-	-	-	-	6,694
Electricity production license	37,388	3,824	-	-	-	-	41,212
Other	129,826	7,500	(481)	443	-	53	137,341
	173,120	**12,112**	**(481)**	**443**	**-**	**53**	**185,247**
Dealer agreements	265,970	-	-	-	-	-	204,959
Television programme rights	32,411	-	-	-	-	-	36,358
	683,234						**623,987**

Movement of television programme rights and dealer agreements for the interim period ended 30 June 2019 is as follows:

	1 January 2019	Additions [1]	Amortization	Currency translation differences	Disposal of subsidiary	TFRS 16 opening effect [2]	30 June 2019
Dealer agreements	265,970	8,364	(27,615)	-	-	(41,760)	204,959
Television programme rights	32,411	19,453	(18,383)	2,877	-	-	36,358

(1) Kanal D Romanya, subsidiary of the Group purchased programme rights amounting to TRY19,453 during the period.

(2) Within the scope of the accounting policy change resulting from the first-time adoption of TFRS 16 "Leases" Standard, dealer contracts amounting to TRY41,760 were classified to right of use assets.

(3) Explained in Note 3.

(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 30 June 2020, there is no additional goodwill. As of 30 June 2019, an additional goodwill of TRY29,798 has been recognized in the consolidated financial statements through the business combinations described in Note 3. As of 30 June 2020 and 2019, the movement table of goodwill is as follows:

	2020	2019
1 January	**64,274**	**34,476**
Additions (Note 3)	-	29,798
30 June	**64,274**	**64,274**

NOTE 16 - RIGHT OF USE ASSETS

	1 January 2020	Additions	Disposals	30 June 2020
Cost:				
Buildings	248,201	74,032	-	322,233
Motor vehicles	37,031	70	-	37,101
Land	16,795	-	-	16,795
Offices	14,561	297	(27)	14,831
Warehouses	3,592	3,452	-	7,044
Machinery and equipment	1,958	1,790	-	3,748
Frequencies	819	873	-	1,692
	322,957	**80,514**	**(27)**	**403,444**

	1 January 2020	Additions	Disposals	30 June 2020
Accumulated amortization:				
Buildings	(56,902)	(34,441)	-	(91,343)
Motor vehicles	(20,699)	(10,067)	-	(30,766)
Land	(800)	(322)	-	(1,122)
Offices	(2,601)	(769)	14	(3,356)
Warehouses	(2,525)	(1,323)	-	(3,848)
Machinery and equipment	(1,820)	(949)	-	(2,769)
Frequencies	(695)	(427)	-	(1,122)
	(86,042)	**(48,298)**	**14**	**(134,326)**
Net book value	**236,915**			**269,118**

(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 (*)	30 June 2019
Cost:				
Buildings	227,523	12,762	(21,782)	218,503
Motor vehicles	36,029	3,455	-	39,484
Land	16,780	-	(9,396)	7,384
Offices	4,849	-	(635)	4,214
Warehouses	3,527	2	(29)	3,500
Machinary and equipments	1,958	-	(1,606)	352
Frequencies	819	-	(9)	810
	291,485	**16,219**	**(33,457)**	**274,247**

	1 January 2019	Additions	Other	30 June 2019
Accumulated amortization:				
Buildings	-	(24,360)	-	(24,360)
Motor vehicles	-	(11,666)	-	(11,666)
Land	-	(819)	-	(819)
Offices	-	(793)	-	(793)
Warehouses	-	(1,246)	-	(1,246)
Machinary and equipments	-	(55)	-	(55)
Frequencies	-	(370)	-	(370)
	-	**(39,309)**	**-**	**(39,309)**
Net book value	**291,485**			**234,938**

(*) TFRS 16 transition effects have been re-evaluated and adjustments have been made accordingly.

NOTE 17 - GOVERNMENT GRANTS

In the scope of the Social Insurance and General Health Insurance Law, the Group receives insurance premium incentives (law no. 5510), regional incentives (law no. 56486), SSI incentives and Minimum Wage incentives (law no. 56645). In this context, the incentive amounting to TRY847 (30 June 2019: TRY523) is recorded against the labor expense under cost of goods sold in the financial statements as of 30 June 2020. Also, during the COVID-19 pandemic, the Group companies benefited from short-term working allowance in varying degrees in scope of "Employment Incentive" effective as of 17 April 2020.

NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions

	30 June 2020	31 December 2019
Provision for lawsuits and indemnity	10,745	8,476
Other	2,661	1,607
	13,406	**10,083**

(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 30 June 2020 and 2019 is as follows:

	2020	2019
1 January	**8,476**	**6,440**
Additions in the current period (Note 28)	3,280	2,023
Reversal of provisions booked in prior periods	(1,011)	(504)
30 June	**10,745**	**7,959**

The Group reserved provisions of TRY10,745 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 32,700 as of 30 June 2020 (31 December 2019: TRY26,192).

	30 June 2020	31 December 2019
Legal cases	16,782	13,322
Business cases	9,422	2,490
Commercial cases	6,496	9,005
Other	-	1,375
Total	**32,700**	**26,192**

(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 m² 2,238,207 which consist of two separate parcels with no:1154 (2,093,941 m2) and 1155 (144,266 m2), 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).

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 m² of parcel no 1154 and 142,012 m² 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 m² 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 m² 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 m2, whose 98,702 m2 (68.42%) belongs to the Company, in the parcel no:1155 located at Pendik District, Kurtdoğmuş 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.

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. At the trial of the case dated 18 June 2020, it was decided to conduct an on-site expert discovery for Parcel No. 1155 and therefore the trial date was postponed to 24 November 2020.

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 Yenişehir neighborhood of Pendik district numbered NİP-22054 Pin Number 1/5000 Scale including Pendik district Kurtdoğmuş neighborhood 1154 and 1155 parcels and Ballıca, 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 is 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[(1)]," 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 Istanbul 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 TRY 292,489 (31 December 2019: TRY292,489) of Ömerli Land.

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 TRY355,970 (without VAT) based on the Valuation Report dated 20 January 2020 of a real estate company, 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 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 in the region, 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 m²).

The share of Milpa in the Parcel No. 1154 is 1,720,521 m², which equals to 82.17% of the whole parcel, and amounts to TRY292,489 as of 30 June 2020. (As of 31 December 2019 the share of Milpa is 1,720,521 m², which equals to 82.17% of the whole parcel, and the share of Milpa amounts to TRY180,655). As mentioned above, the registration 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 TRY 307 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 30 June 2020, the fair value of the Ömerli land was most recently determined with the real estate appraisal report dated 20 June 2020. During the time that passed from the date of the report, the Company Management has not made an evaluation or discovered a finding that the value of the Ömerli land increased or decreased significantly. Besides, due to the fact that there have been significant decreases in mortgage interest rates in scope of COVID-19 measures, new and second hand housing market livened up, the number of transactions increased, and real estate prices significantly increased. As a natural result of this development, the values of real estate such as plots of land, farms, etc. were also positively affected. Considering all the above mentioned facts, no change was made on the fair value of Milpa's investment properties.

1 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.

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

NOTE 19 - COMMITMENTS

(a) Letters of guarantee and guarantee notes given

	30 June 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 [1]	1,656,327	771,847	58,868	62,491	1,530,294	846,372	60,033	49,216
Pledge [3]	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
B. CPM's given on behalf of the fully consolidated companies								
Collaterals [1] [2]	388,587	7,764	55,658	-	341,370	7,764	56,161	-
Pledge [3]	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Total	**2,045,300**	**779,997**	**114,526**	**62,491**	**1,872,050**	**854,522**	**116,194**	**49,216**

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

(2) Within the scope of the project of Aslancık Elektrik's hydroelectric power plant, Doğan Holding has given collateral to the credit institutions amounting to USD22,658 (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.

(3) 33.33% shares of Aslancık Elektrik, and 33.00% 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.

(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 30 June 2020 (31 December 2019: 0%). The details of letter of guarantees and guarantee notes given by the Group are as follows:

	30 June 2020		31 December 2019	
	Original Currency	**TRY equivalent**	**Original Currency**	**TRY equivalent**
Letters of guarantees - TRY	572,186	572,186	646,711	646,711
Letters of guarantees - USD	3,792	25,946	4,957	29,443
Letters of guarantees - EUR	62,281	480,074	49,006	325,920
Guarantee notes - USD	55,076	376,841	55,076	327,162
Guarantee notes - TRY	200,047	200,047	200,047	200,047
Guarantee notes - EUR	210	1,619	210	1,397
Total		**1,656,713**		**1,530,680**

(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 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020		31 December 2019	
	Original Currency	**TRY equivalent**	**Original Currency**	**TRY equivalent**
Bails - USD	55,658	380,823	56,161	333,606
Bails - TRY	7,764	7,764	7,764	7,764
Total		**388,587**		**341,370**

(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

Other current assets	**30 June 2020**	**31 December 2019**
Value added tax ("VAT") receivables [(1)]	61,190	49,466
Prepaid tax and funds	3,392	6,345
Personnel advances	1,935	1,207
Job advances	962	589
Other	380	565
	67,859	**58,172**

(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.

Other non-current assets	**30 June 2020**	**31 December 2019**
Value added tax ("VAT") receivables [(2)]	349,424	376,237
Other	5,580	2,275
	355,004	**378,512**

(2) TRY276,264 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 30 June 2020 and 31 December 2019 are as follows:

Short term prepaid expenses	**30 June 2020**	**31 December 2019**
Advances given [(1)]	52,594	45,754
Prepaid expenses [(2)]	21,326	21,252
	73,920	**67,006**

(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 Milta which are subsidiaries of the Group.

(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)

Long term prepaid expenses	**30 June 2020**	**31 December 2019**
Advances given [(1)]	66,318	50,404
Prepaid expenses for future years	5,440	7,877
	71,758	**58,281**

[(1)] A significant portion of advances given consists of advances given regarding the establishment of Taşpınar wind power plant by Galata Wind which is a subsidiary of the Group.

Short-term deferred income	**30 June 2020**	**31 December 2019**
Deferred income [(2)]	37,134	33,141
Advances received [(3)]	11,505	6,452
	48,639	**39,593**

Long-term deferred income	**30 June 2020**	**31 December 2019**
Deferred income [(2)]	9,021	4,970
	9,021	**4,970**

[(2)] A significant portion of short-term 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. A significant portion of long-term deferred income consists of deferred income related to salary promotion income of Doğan Şirketler Grubu Holding A.Ş.

[(3)] Significant amount of advances received consist of Kanal D Romanya 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:

	30 June 2020		**31 December 2019**	
	Asset	**Liability**	**Asset**	**Liability**
Currency derivative transactions with maturity [(1)]	-	12,506	18,993	339
Commodity agreements [(2)]	-	1,713	-	-
Total	**-**	**14,219**	**18,993**	**339**

(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) 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. On the other hand, 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 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
Social security payables [1]	11,152	5,125
Payables to personnel	7,718	14,142
	18,870	**19,267**

(1) The increase in social security payables is associated with the postponement of premium payments of employers and insurance holders effected by the Covid-19 epidemic within the scope of force majeure adjudication.

b) Short term provisions for employment benefits

The details of short term provisions for employment benefits as of 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
Provision for unused vacation	21,187	18,138
Provision for bonuses and premiums	162	2,257
	21,349	**20,395**

c) Long term provisions for employment benefits

Details of long term provisions for employment benefits as of 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
Provision for employment termination benefits	46,182	42,930
	46,182	**42,930**

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

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

NOTE 23 - PROVISION FOR EMPLOYMENT BENEFITS (Continued)

c) Long term provisions for employment benefits (Continued)

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies and achieves the retirement age. As of 30 June 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 TRY7,117.17 (exact) which is effective from 1 July 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%(1) (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.(2)

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

(1) 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%)

(2) 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
1 January	**42,930**	**34,071**
Current period service cost and net interest expense from continued operations	5,094	4,837
Payments during the period due to continued operations	(1,842)	(3,017)
30 June	**46,182**	**35,891**

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

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 30 June 2020 and 31 December 2019 are as follows:

	30 June 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 30 June 2020 and 31 December 2019 are as follows

Shareholder	Shares (%)	30 June 2020	Shares (%)	31 December 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 (1)	35.87	938,633	35.87	938,633
Issued capital	**100.00**	**2,616,938**	**100.00**	**2,616,938**
Adjustment to issued capital		143,526		143,526
Repurchased shares (-)		(16,035)		(7,073)
Total		**2,744,429**		**2,753,391**

(1) 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 35.82% of the shares (31 December 2019: 35.84%) are outstanding as of 30 June 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.

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

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 half 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 30 June 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.

	30 June 2020	**31 December 2019**
Share premiums	163,724	163,724
Share discounts (-)	(128,565)	(128,565)
Total	**35,159**	**35,159**

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 30 June 2020 and 31 December 2019 are as follows:

Restricted reserves	**30 June 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
Total	**794,820**	**722,081**

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 increase of assets held for sale presented under equity in the statement of financial position is TRY34,555 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 30 June 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 TRY100,116 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).

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 repreparation 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.

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 TRY18,930,598.66 (exact), "Venture Capital Fund" amounting to TRY44,847,381.64 (exact) and "Legal Reserves Reserved Within the Context of Repurchased Shares" amounting to TRY4,993,397.58 (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 TRY18,930,598.66 (exact) and "Legal Reserves Reserved Within the Context of Repurchased Shares" amounting to TRY4,993,397.58 (exact) were deducted, a "Net Distributable Period Profit" amounting to TRY354,687,977.05 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 TRY448,017,622.12(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 TRY254,687,977.05(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 TRY4,382,666 (31 December 2019: TRY4,060,725).

(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 - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Domestic sales	4,414,372	2,046,371	6,108,152	3,117,272
Foreign sales	136,491	55,380	181,506	85,943
Sales return and discounts (-)	(91,346)	(46,788)	(60,948)	(31,359)
Net sales	**4,459,517**	**2,054,963**	**6,228,710**	**3,171,856**
Cost of sales (-)	(3,952,677)	(1,799,325)	(5,712,455)	(2,897,334)
Gross profit	**506,840**	**255,638**	**516,255**	**274,522**

Sales details of fuel retail segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Fuel sales income	2,677,814	1,210,159	3,240,772	1,744,082
LPG sales income	530,507	217,403	586,237	327,563
Trade income (1)	370	7	1,359,017	572,308
Other	49,568	26,477	38,211	20,844
Total	**3,258,259**	**1,454,046**	**5,224,237**	**2,664,798**

(1) During the period 1 January – 30 June 2020, trade income has not been generated due to the fact that Doel has ceased its commercial activities (1 January – 30 June 2019: TRY1,359,017)

Sales details of electricity production and trade segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Electricity income (2)	147,839	69,017	75,734	47,078
Total	**147,839**	**69,017**	**75,734**	**47,078**

(2) During the period 1 January – 30 June 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 - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
External trade income	302,389	150,699	172,187	80,675
Industrial income	188,674	69,858	218,612	117,043
Other	10,698	6,810	18,362	5,157
Total	**501,761**	**227,367**	**409,161**	**202,875**

(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 - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Vehicle sales income	187,940	121,627	159,296	63,131
Total	**187,940**	**121,627**	**159,296**	**63,131**

Sales details of financing and investment segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Factoring income	66,662	29,358	91,674	43,423
Investment income	34,047	27,750	6,760	2,996
Management consultancy income	10,550	5,680	8,912	4,329
Financing income	4,266	1,929	10,519	5,129
Total	**115,525**	**64,717**	**117,865**	**55,877**

Sales details of internet and entertainment segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Advertisement income	117,867	57,360	115,716	65,326
Music production income	25,717	14,364	20,702	11,204
Subscription income	12,460	5,620	20,482	11,029
Other [(2)]	36,489	18,558	12,910	6,763
Total	**192,533**	**95,902**	**169,810**	**94,322**

[(2)] Consists of Kanal D Romanya's satellite and transmitter service revenues.

Sales details of real estate investments segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Rent income	31,000	11,697	36,897	18,533
Real estate management income	24,411	10,489	35,167	24,989
Other	249	101	543	253
Total	**55,660**	**22,287**	**72,607**	**43,775**

(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 30 June 2020 and 2019 are as follows:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Fuel retail	(3,136,737)	(1,395,140)	(4,986,238)	(2,545,277)
Electricity production and trade	(48,183)	(23,219)	(43,560)	(24,958)
Industry and trade	(438,184)	(196,944)	(355,009)	(174,231)
Automotive trade and marketing	(158,378)	(105,138)	(131,247)	(49,592)
Financing and investment	(43,922)	(19,476)	(74,529)	(35,698)
Internet and entertainment	(98,380)	(47,149)	(88,337)	(47,465)
Real estate investments	(28,893)	(12,259)	(33,535)	(20,113)
Total	**(3,952,677)**	**(1,799,325)**	**(5,712,455)**	**(2,897,334)**

Details of the cost of sales of fuel retail segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Fuel and LPG sales cost	(3,097,259)	(1,374,811)	(3,659,101)	(1,964,740)
Electricity costs (1)	(367)	-	(1,295,119)	(552,681)
Other	(39,111)	(20,329)	(32,018)	(27,856)
Total	**(3,136,737)**	**(1,395,140)**	**(4,986,238)**	**(2,545,277)**

(1) During the period 1 January – 30 June 2020, electricity costs did not occur due to the fact that Doel has ceased its commercial activities (1 January – 30 June 2019: TRY1,295,119).

Details of the cost of sales of electricity production and trade segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Amortization and depreciation	(17,944)	(8,709)	(15,966)	(6,116)
Electricity costs	(17,553)	(8,128)	(15,997)	(12,307)
Other	(12,686)	(6,382)	(11,597)	(6,535)
Total	**(48,183)**	**(23,219)**	**(43,560)**	**(24,958)**

(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 - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Cost of trade goods sold	(270,483)	(133,883)	(153,947)	(72,245)
Raw material cost	(109,352)	(36,061)	(128,187)	(56,422)
Personnel expenses	(27,638)	(13,063)	(26,150)	(14,397)
General production expenses	(18,466)	(7,418)	(33,003)	(24,502)
Amortization and depreciation	(8,306)	(4,364)	(10,278)	(5,107)
Other	(3,939)	(2,155)	(3,444)	(1,558)
Total	**(438,184)**	**(196,944)**	**(355,009)**	**(174,231)**

Cost of sales details of automotive trade and marketing segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Cost of trade goods sold	(158,378)	(105,138)	(131,247)	(49,592)
Total	**(158,378)**	**(105,138)**	**(131,247)**	**(49,592)**

Cost of sales details of financing and investment segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Cost of services sold	(43,922)	(19,476)	(74,529)	(35,698)
Total	**(43,922)**	**(19,476)**	**(74,529)**	**(35,698)**

Cost of sales details of internet and entertainment segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Personnel expenses	(27,772)	(13,303)	(26,553)	(14,040)
Amortization and depreciation	(19,700)	(11,203)	(21,659)	(14,575)
Cost of trade goods sold	(19,401)	(2,956)	(20,693)	(12,323)
Other	(31,507)	(19,687)	(19,432)	(6,527)
Total	**(98,380)**	**(47,149)**	**(88,337)**	**(47,465)**

Cost of sales details of real estate investments segment are presented below:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Cost of goods and services sold	(28,893)	(12,259)	(33,535)	(20,113)
Total	**(28,893)**	**(12,259)**	**(33,535)**	**(20,113)**

(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 - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
General administrative expenses	(120,121)	(57,861)	(133,279)	(67,599)
Marketing expenses	(206,109)	(95,104)	(196,711)	(103,109)
Operating expenses	**(326,230)**	**(152,965)**	**(329,990)**	**(170,708)**

Marketing expenses:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Amortization and depreciation (1)	(59,708)	(30,440)	(42,698)	(20,348)
Personnel expenses	(50,005)	(23,389)	(46,856)	(25,072)
Transportation, storage and travel expenses	(24,318)	(11,214)	(25,493)	(12,239)
Advertisement expenses	(23,908)	(8,048)	(19,511)	(9,983)
Royalty expenses	(22,904)	(12,481)	(16,695)	(9,845)
Outsourced service expenses	(5,277)	(2,634)	(2,237)	(1,082)
Consulting expenses	(2,771)	(980)	(5,743)	(4,403)
Electricity distribution expenses (2)	(63)	(2)	(15,917)	(7,607)
Other	(17,155)	(5,916)	(21,561)	(12,530)
Total	**(206,109)**	**(95,104)**	**(196,711)**	**(103,109)**

(1) The increase in amortization and depreciation is primarily related to the increase of amortization balance of TFRS 16.

(2) During the period 1 January - 30 June 2020, electricity distribution expenses have not occurred due to the fact that Doel has ceased its commercial activities. (1 January - 30 June 2019: TRY15,917)

General administrative expenses:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Personnel expenses	(71,329)	(35,060)	(69,094)	(31,778)
Amortization and depreciation (1)	(10,690)	(4,865)	(8,931)	(3,533)
Consulting expenses	(9,576)	(4,566)	(14,232)	(8,917)
Outsourced service expenses	(6,048)	(2,951)	(7,308)	(3,657)
Various taxes	(1,937)	(616)	(6,864)	(3,088)
Transportation, storage and travel expenses	(1,494)	(417)	(2,468)	(1,394)
Other	(19,047)	(9,386)	(24,382)	(15,232)
Total	**(120,121)**	**(57,861)**	**(133,279)**	**(67,599)**

(1) The increase in amortization and depreciation is primarily related to the increase of amortization balance of TFRS 16.

(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 30 June 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 - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Foreign exchange gains/losses,net	397,721	155,989	364,882	123,238
Interest income on bank deposit	29,928	15,162	74,331	35,142
Finance income due from sales with maturity	20,816	7,807	70,160	35,967
Unrecognized provisions	4,286	915	5,196	2,717
Other	26,995	12,460	19,326	9,573
Total	**479,746**	**192,333**	**533,895**	**206,637**

Other expenses from operating activities

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Foreign exchange gains/losses,net	(16,072)	(10,675)	(54,412)	(19,835)
Finance expense due to purchases with maturity	(12,292)	(3,985)	(49,994)	(34,562)
Provision for doubtful receivables (Note 9)	(7,546)	(3,930)	(7,621)	(4,332)
Donations and grants (*)	(6,284)	(6,081)	(773)	(749)
Provision for lawsuits (Note 18)	(3,280)	(216)	(2,023)	(1,255)
Other	(8,917)	(3,063)	(9,098)	(2,574)
Total	**(54,391)**	**(27,950)**	**(123,921)**	**(63,307)**

(*) The Group has donated TRY5,000 within the scope of the Covid-19 pandemic.

(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 - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Foreign exchange gains/losses, net	259,773	101,364	66,857	18,937
Interest income on marketable securities	32,712	6,984	37,193	20,701
Income from sales of tangible and intangible assets	14,214	2,363	3,732	1,076
Fair value increase/decrease of financial investments, net	-	-	25,622	22,037
Other	-	-	143	54
Total	**306,699**	**110,711**	**133,547**	**62,805**

Expenses from investment activities

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Loss on sale of marketable securities	(19,880)	(11,323)	(1,155)	(609)
Loss on sales of property, plant and equipment	(224)	(35)	(1,756)	(133)
Other	(223)	-	(440)	(440)
Total	**(20,327)**	**(11,358)**	**(3,351)**	**(1,182)**

NOTE 30 - FINANCE INCOME AND EXPENSES

Finance income

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Income from derivative instruments	-	-	30,488	(20,610)
Other	-	-	7,331	7,271
Total	**-**	**-**	**37,819**	**(13,339)**

Finance expenses

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Interest expense on bank borrowings	(92,964)	(42,831)	(183,436)	(92,746)
Foreign exchange losses/gains, net	(53,191)	(21,230)	(103,625)	(47,854)
Interest expense related to lease borrowings	(15,599)	(8,986)	(16,458)	(8,397)
Expenses from derivate instruments	(13,707)	(9,559)	-	-
Bank commission expenses	(7,638)	(1,741)	(14,266)	(8,900)
Other	(108)	(78)	(1,455)	(531)
Total	**(183,207)**	**(84,425)**	**(319,240)**	**(158,428)**

(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

As of 30 June 2020, non-current assets classified as held for sale amounting to TRY3,380 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 - 30 June 2020, a decrease was realized.

With the Board of Directors decision dated 16 April 2020, 60% of DMC and Net D Müzik, the subsidiaries of the Group, have been decided to be sold to Believe International Company and the sales transaction was completed on 21 July 2020. Considering the sales amount for the mentioned subsidiaries, no impairment has been detected as of 30 June 2020. However, considering the monetary materiality level, the classifications foreseen within the scope of TFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations" standard has not been applied.

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 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
Provision for current income tax	149,971	117,593
Prepaid corporate taxes	(98,181)	(110,212)
Taxes payable for the period	**51,790**	**7,381**

	30 June 2020	31 December 2019
Corporate and income taxes payable	51,790	7,381
Deferred tax (asset)/liabilities, net	11,698	31,089
Total taxes	**63,488**	**38,470**

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.

NOTE 32 - INCOME TAXES (Continued)

Corporate tax (Continued)

Turkey (Continued)

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 30 June 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.

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.

(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)

Corporate tax (Continued)

Turkey (Continued)

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).

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 30 June 2020 applicable in the foreign countries, where the significant part of the Group's operations are performed, are as follows:

Country	**Tax rates (%)**
USA	10.5
Romania	16.0
England	19.0
Netherlands	25.0

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.

(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 30 June 2020 and 31 December 2019 using the enacted tax rates are as follows:

	Cumulative temporary differences		**Deferred tax assets/(liabilities)**	
	30 June 2020	**31 December 2019**	**30 June 2020**	**31 December 2019**
Deductible tax losses	346,815	317,568	70,416	69,865
Provision for employment termination and unused vacation benefits	67,531	63,325	13,933	13,073
Deferred financial income of trade receivables	5,950	6,491	1,309	1,428
Provision for doubtful receivables	36,077	26,994	7,937	5,939
Other	195,282	66,195	42,962	17,526
Deferred tax assets	**651,655**	**480,573**	**136,557**	**107,831**
Net differences between the tax and registered value of property, plant and equipment, inventories and intangible assets	(527,600)	(480,925)	(105,520)	(96,185)
Net differences between the fair values of investment properties and values of taxation	(231,557)	(231,557)	(42,735)	(42,735)
Deferred tax liabilities	**(759,157)**	**(712,482)**	**(148,255)**	**(138,920)**
Deferred tax assets/ (liabilities) ,net			**(11,698)**	**(31,089)**

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 TRY346,815 of carry forward tax losses in the consolidated financial statements prepared in accordance with the TAS as of 30 June 2020 (31 December 2019: TRY317,568). As of 30 June 2020 and 31 December 2019, the maturity analysis of carry forward tax losses is as follows:

	30 June 2020	**31 December 2019**
2020	(128)	(128)
2021 and after	(346,687)	(317,440)
	(346,815)	**(317,568)**

(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 30 June 2020 and 2019 are as follows:

	2020	**2019**
1 January	**(31,089)**	**(18,242)**
Current period income (expense)	19,215	3,323
Currency translation differences	(1,396)	75
Tax recognized under equity	1,572	(998)
30 June	**(11,698)**	**(15,842)**

The taxes on income reflected to the consolidated statement of profit or loss for the interim periods ended 30 June 2020 and 2019 are summarized below:

	1 January - 30 June 2020	**1 April - 30 June 2020**	**1 January - 30 June 2019**	**1 April - 30 June 2019**
Tax expense for the period	(149,971)	(60,505)	(89,006)	(26,824)
Deferred tax income/(expense)	19,215	32,878	3,323	17,043
Total tax (expense)/income	**(130,756)**	**(27,627)**	**(85,683)**	**(9,781)**

The reconciliation of the taxation on income in the consolidated statement of profit or loss for the interim periods ended 30 June 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	693,087	514,786
Current period tax income/(expense) calculated at 22% effective tax rate	(152,479)	(113,253)
Effect of carryforward tax losses not subject to deferred tax asset	(4,476)	(14,910)
Effect of investments accounted for by the equity method	(3,529)	15,350
Effect of expenses non- deductible/not subject to tax	(3,600)	(1,935)
Effect of change in statutory tax rate on deferred tax	(4,996)	(6)
Discount and exceptions	17,644	12,328
Current period portion of prior period carry forward tax losses used subject to deferred tax calculation	-	13,366
Incomes not subject to tax	26,668	6,401
Other	(5,988)	(3,024)
30 June	**(130,756)**	**(85,683)**

(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 - 30 June 2020	**1 April - 30 June 2020**	**1 January - 30 June 2019**	**1 April - 30 June 2019**
Net profit/(loss) for the period attributable to equity holders of the Parent Company	589,049	268,287	451,689	221,667
Weighted average number of shares with face value of TRY1 each [1]	2,605,398	2,605,398	2,611,518	2,611,518
Earnings/(loss) per share	**0.226**	**0.103**	**0.173**	**0.085**

[1] 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 30 June 2020 and 31 December 2019 are disclosed below:

i) Balances with related parties

Short term trade receivables from related parties

	30 June 2020	**31 December 2019**
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") [1] [2] [5]	2,344	1,052
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv") [3] [7]	1,771	29
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") [1] [2] [5]	1,363	974
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market") [5] [6]	1,018	630
Gümüştaş Madencilik ve Ticaret A.Ş. [4] [5] [7]	928	9
Deney Kent Eğitim Hizmetleri A.Ş. ("Deney Kent") [5]	429	421
Other	610	380
Total	**8,463**	**3,495**

[1] Receivables related to the Group's financial, legal, information processing and other areas of service sales.
[2] Receivables related to raw material sales of the Group.
[3] Receivables related to primarily stock materials sales of the Group.
[4] Receivables related to fuel oil sales of the Group.
[5] Receivables related to rent service sales of the Group.
[6] Receivables related to trade good sales of the Group.
[7] Receivables related to operating cost chargeout of the Group.

(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

	30 June 2020	31 December 2019
Ortadoğu Otomotiv[1]	665	-
Total	**665**	**-**

[1] Receivables related primarily to vehicle sales of the Group.

Short term trade payables to related parties

	30 June 2020	31 December 2019
İstinye Petrol Ticaret A.Ş. [1]	249	73
Deney Kent [2]	193	7
Doğan Burda [3]	95	39
D Market [4]	44	100
Boyabat Elektrik [5]	-	64
Other	-	80
Total	**581**	**363**

[1] Comprises of the fuel oil purchases of the Group.
[2] Comprises of the sponsorship service purchases of the Group.
[3] Comprises of the magazine purchases of the Group.
[4] Mostly comprises of purchases of stationery consumables, small fixtures and gift certificates of the Group.
[5] Comprises of the electricity purchases of the Group.

Short term other payables to related parties	30 June 2020	31 December 2019
Ortadogu Otomotiv	22	-
Total	**22**	**-**

Short-term portion of long-term lease payables to related parties

	30 June 2020	31 December 2019
Ortadoğu Otomotiv	3,269	3,570
Aydın Doğan Vakfı	2,815	2,663
Other	5	5
Total	**6,089**	**6,238**

Long-term lease payables to related parties

	30 June 2020	31 December 2019
Aydın Doğan Vakfı	14,420	15,708
Ortadoğu Otomotiv	1,661	3,192
Other	7	6
Total	**16,088**	**18,906**

(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 - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Ortadoğu Otomotiv (1)	5,170	2,028	5,062	2,311
D-Market (2)	1,031	760	534	423
Doğan Burda (3)	831	418	1,047	516
Adilbey Holding A.Ş. (1)	-	-	1,421	715
Boyabat Elektrik (4)	-	-	257	167
Other	701	402	126	76
Total	**7,733**	**3,608**	**8,447**	**4,208**

(1) Comprises of the lease services purchases of the Group.
(2) Comprises of mainly stationery supplies, small fixtures and gift vouchers purchase of the Group.
(3) Comprises of the magazine purchases of the Group.
(4) Comprises of the electricity purchases of the Group.

Product and service sales to related parties

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
D-Market (1) (5)	24,647	12,235	13,543	7,809
Doğan Burda (1) (3) (5)	6,400	2,798	7,607	3,732
Doğan Egmont (1) (3) (4) (5)	5,297	2,608	6,098	3,352
Ortadoğu Otomotiv (2) (6)	4,837	1,554	1,589	707
Gümüştaş Madencilik (2) (4) (5)	4,416	2,549	1,718	953
D Elektronik (5)	1,961	1,019	1,874	962
Other	3,402	1,417	4,305	1,949
Total	**50,960**	**24,180**	**36,734**	**19,464**

(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 - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Salaries and other short term benefits	8,548	4,342	8,811	4,614
Total	**8,548**	**4,342**	**8,811**	**4,614**

(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 30 June 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.

	30 June 2020	**31 December 2019**
Foreign currency assets	4,333,256	3,825,957
Foreign currency liabilities	(461,078)	(667,964)
Net foreign currency position	**3,872,178**	**3,157,993**

(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 30 June 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:

30 June 2020	**TRY Equivalent**	**USD**	**EUR**	**Other**
1. Trade Receivables	87,023	4,396	7,355	251
2a. Monetary Financial Assets (Cash, banks included)	2,409,524	333,362	16,502	1,394
2b. Non-Monetary Financial Assets	1,772,132	211,146	42,478	-
3. Other	3,058	447	-	-
4. Current Assets (1+2+3)	**4,271,737**	**549,351**	**66,335**	**1,645**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	61,519	-	7,981	-
8. Non-Current Assets (5+6+7)	**61,519**	**-**	**7,981**	**-**
9. Total Assets (4+8)	**4,333,256**	**549,351**	**74,316**	**1,645**
10. Trade Payables	245,239	25,273	9,378	29
11. Financial Liabilities	115,737	483	14,586	-
12a. Other Monetary Liabilities	361	1	46	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Short Term Liabilities (10+11+12)	**361,337**	**25,757**	**24,010**	**29**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	99,741	2,558	10,669	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**99,741**	**2,558**	**10,669**	**-**
18. Total Liabilities (13+17)	**461,078**	**28,315**	**34,679**	**29**
19. Net Asset/(Liability) Position Of Off Statement of Financial Position Derivative Instruments (19a-19b)	**-**	**-**	**-**	**-**
19a. Off Statement of Financial Position Foreign Currency Derivative Assets	**-**	**-**	**-**	**-**
19b. Off Statement of Financial Position Foreign Currency Derivative Liabilities	**-**	**-**	**-**	**-**
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	**3,872,178**	**521,036**	**39,637**	**1,616**
21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	**2,035,469**	**309,443**	**(10,822)**	**1,616**

(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)

31 December 2019	**TRY Equivalent**	**USD**	**EUR**	**Other**
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	-
4. Current Assets (1+2+3)	**3,825,957**	**551,011**	**78,322**	**31,953**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**3,825,957**	**551,011**	**78,322**	**31,953**
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	-	-	-	-
13. Short Term Liabilities (10+11+12)	**566,140**	**48,350**	**41,236**	**4,687**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	101,824	3,443	12,236	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**101,824**	**3,443**	**12,236**	**-**
18. Total Liabilities (13+17)	**667,964**	**51,793**	**53,472**	**4,687**
19. Net Asset/(Liability) Position Of Off Statement of Financial Position Derivative Instruments (19a-19b)	-	-	-	-
19a. Off Statement of Financial Position Foreign Currency Derivative Assets	-	-	-	-
19b. Off Statement of Financial Position Foreign Currency Derivative Liabilities	**-**	**-**	**-**	**-**
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	**3,157,993**	**499,218**	**24,850**	**27,266**
21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	**2,110,128**	**344,934**	**5,094**	**27,266**

(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)

As of 30 June 2020 and 31 December 2019, foreign currency denominated asset and liability balances were converted by the following exchange rates: TRY6.8422 = USD1 and TRY 7.7082 = EUR1 (31 December 2019: TRY5.9402 = USD1 and TRY6.6506 = EUR1).

30 June 2020	**Income/(Loss)**	
	Foreign currency appreciates	**Foreign currency depreciates**
If the USD had changed by 20% against the TRY		
1- USD net (liabilities)/assets	713,007	(713,007)
2- Hedging amount of USD (-)	-	-
3- USD net effect on income/(loss) (1+2)	**713,007**	**(713,007)**
If the EUR had changed by 20% against the TRY		
4- EUR net (liabilities)/assets	61,106	(61,106)
5- Hedging amount of EUR (-)	-	-
6- EUR net effect on income/(loss) (4+5)	**61,106**	**(61,106)**
If the other currencies had changed by 20% against the TRY		
7- Other currency net (liabilities)/assets	323	(323)
8- Hedging amount of other currency (-)	-	-
9- Other currency net effect on (loss)/income (7+8)	**323**	**(323)**
TOTAL (3+6+9)	**774,436**	**(774,436)**

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 (-)	-	-
3- USD net effect on income/(loss) (1+2)	**593,091**	**(593,091)**
If the EUR had changed by 20% against the TRY		
4- EUR net (liabilities)/assets	33,053	(33,053)
5- Hedging amount of EUR (-)	-	-
6- EUR net effect on (loss)/income (4+5)	**33,053**	**(33,053)**
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 (-)	-	-
9- Other currency net effect on (loss)/income (7+8)	**5,453**	**(5,453)**
TOTAL (3+6+9)	**631,597**	**(631,597)**

(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 30 June 2020, there is no floating interest rate loan in US Dollars (31 December 2019: None).

As of 30 June 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 TRY1,210 (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:

	30 June 2020	**31 December 2019**
Financial instruments with fixed rate		
Financial assets		
- Banks (Note 6)	2,557,977	3,125,308
- Financial investments (Note 7)	2,033,977	1,177,726
Financial liabilities (Note 8)	2,115,815	2,300,645
Financial instruments with floating rate		
Financial liabilities (Note 8)	120,975	150,863

The average annual interest rates (%) of the Group's financial assets and liabilities are as follows:

	30 June 2020			**31 December 2019**		
	USD	**EUR**	**TRY**	**USD**	**EUR**	**TRY**
Assets						
Cash and cash equivalents (Note 6)	0.20 – 2.00	0.45 – 0.60	2.25 – 7.50	0.95 – 2.45	0.25 – 0.30	1.91 – 10.50
Financial investments	1.75 – 13.88	1.65 – 5.25	24.02 – 30.20	2.38 – 8.50	2.38 – 5.20	24.02 –30.20
Liabilities						
Financial liabilities (Note 8)	12.41	0.60 – 10.20	3.60 – 26.15	6.10 – 12.41	0.65 – 10.20	5.00 – 27.95

(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 (Continued)

The interest sensitivity distribution regarding the remaining time of financial assets and liabilities to repricing is as follows:

30 June 2020	**Up to 1 year**	**1 year - 5 years**	**Over 5 years**	**Free of Interest**	**Total**
Assets					
Cash and cash equivalents (Note 6)	2,557,977	-	-	483,906	3,041,883
Financial investments (Note 7)	2,033,977	-	-	-	2,033,977
Total	**4,591,954**	**-**	**-**	**483,906**	**5,075,860**
Short and long term financial liabilities (Note 8) [(1)]	1,664,418	529,781	42,591	-	2,236,790
Total	**1,664,418**	**529,781**	**42,591**	**-**	**2,236,790**

31 December 2019	**Up to 1 year**	**1 year - 5 years**	**Over 5 years**	**Free of Interest**	**Total**
Assets					
Cash and cash equivalents (Note 6)	3,125,308	-	-	153,524	3,278,832
Financial investments (Note 7)	1,177,726	-	-	-	1,177,726
Total	**4,303,034**	**-**	**-**	**153,524**	**4,456,558**
Short and long term financial liabilities (Note 8) [(1)]	1,855,053	548,252	48,203	-	2,451,508
Total	**1,855,053**	**548,252**	**48,203**	**-**	**2,451,508**

[(1)] Bank borrowings and financial leasing amounts are included in the distribution of interest rate sensitivity regarding the remaining time to repricing of financial borrowings.

(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 30 June 2020 is as follows:

	Trade receivables		Other receivables		Cash on
	Related party	Other	Related party	Other	deposit
Maximum net credit risk as of the reporting date	**8,463**	**1,369,509**	**665**	**24,572**	**3,030,652**
The part of maximum risk under guarantee with collateral	**-**	**1,136,860**	**-**	**-**	**-**
A. Net book value of neither past due nor impaired financial assets	8,463	1,229,796	665	24,572	3,030,652
- Guaranteed amount by collateral	-	1,050,885	-	-	-
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)	-	139,713	-	-	-
- Guaranteed amount by collateral (Note 9)	-	85,975	-	-	-
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9, 19)	-	103,622	-	-	-
- Impairment (-) (Note 9, 19)	-	(103,622)	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-

(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 table representing the Group's credit risk of financial instruments as of 31 December 2019 is as follows:

	Trade receivables		Other receivables		Cash on
	Related party	Other	Related party	Other	deposit
Maximum net credit risk as of the reporting date	**3,495**	**1,730,969**	**-**	**25,153**	**3,276,842**
- The part of maximum risk under guarantee with collateral	**-**	**1,530,294**	**-**	**-**	**-**
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	-	-	-	-	-

(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:

	30 June 2020		31 December 2019	
	Related party	Other receivables	Related party	Other receivables
Maturity				
1-30 days overdue	-	60,356	-	51,857
1-3 months overdue	-	28,471	-	24,617
3-12 months overdue	-	40,966	-	5,572
1-5 years overdue	-	9,920	-	26,658
More than 5 years overdue	-	-	-	7,017
Total	-	**139,713**	-	**115,721**
Guaranteed amount by collateral				
Fuel retail	-	42,090	-	35,749
Industry and trade	-	40,030	-	22,744
Automotive trade and marketing	-	50	-	-
Real estate investments	-	3,805	-	1,816
Total	-	**85,975**	-	**60,309**

	30 June 2020			31 December 2019		
	Trade Receivables	Credit loss ratio	Expected credit loss [(1)]	Trade Receivables	Credit loss ratio	Expected credit loss [(1)]
Not overdue	176	%2.60	5	82	%2.82	2
1-30 days overdue	152	%5.53	8	71	%6.41	5
1-3 months overdue	284	%6.55	19	1,234	%7.77	96
3-12 months overdue	1,021	%9.55	105	3,045	%12.14	373
More than 1 year overdue	2,169	%21.45	465	1,167	%34.33	401
Total	**3,802**		**602**	**5,599**		**877**

[(1)] 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.

(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)

c) Liquidity risk (Continued)

As of 30 June 2020 and 31 December 2019 undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

30 June 2020	**Book value**	**Contractual undiscounted cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Short term and long term financial liabilities (Note 8)	2,005,759	2,153,409	500,004	1,194,602	416,212	42,591
Lease payables (Note 8)	231,031	344,208	18,110	49,804	121,324	154,970
Trade payables to non-related parties (Note 9)	553,864	554,992	539,647	15,345	-	-
Other payables to non-related parties (Note 10)	145,990	145,990	135,288	1,755	8,947	-
Trade payables to related parties (Note 34)	581	581	581	-	-	-
Other payables to related parties (Note 34)	22	22	22	-	-	-
Payables related to employee benefits (Note 23)	18,870	18,870	-	18,870	-	-
Deferred income (Note 21)	57,660	57,660	48,639	-	9,021	-
Other short-term provisions (Note 18)	13,406	13,406	13,406	-	-	-
Total	**3,027,183**	**3,289,138**	**1,255,697**	**1,280,376**	**555,504**	**197,561**

31 December 2019	**Book value**	**Contractual undiscounted cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
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	-	-	-
Total	**3,400,258**	**3,699,430**	**1,136,810**	**1,802,473**	**599,067**	**161,080**

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.

(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)

e) Capital risk management (Continued)

The net liability/total equity ratio as of 30 June 2020 and 31 December 2019 is summarized below:

	30 June 2020	**31 December 2019**
Total liability [(1)]	3,110,132	3,472,646
Less: Cash and cash equivalents (Note 6)	(3,041,883)	(3,278,832)
Net liabilities	**68,249**	**193,814**
Equity attributable to equity holders of the parent company	7,699,170	7,136,609
Total equity	**7,767,419**	**7,330,423**
Net liability/Total equity ratio	**1%**	**3%**

(1) The amounts are calculated by deducting income tax payable, derivative financial instruments and deferred tax liability accounts from total liability.

(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)

30 June 2020 **Financial assets**	**Note**	**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**
Cash and cash equivalents	6	3,041,883	-	-	-	-	3,041,883
Trade receivables from non-related parties	9	1,369,509	-	-	-	-	1,369,509
Trade receivables from related parties	34	8,463	-	-	-	-	8,463
Other receivables from non-related parties	10	24,572	-	-	-	-	24,572
Other receivables from related parties	34	665	-	-	-	-	665
Financial investments	7	-	2,289,977	-	-	-	2,289,977
Financial liabilities							
Short and long term financial liabilities	8	-	-	2,005,759	-	-	2,005,759
Payables from lease borrowings	8	-	-	231,031	-	-	231,031
Trade payables to non-related parties	9	-	-	553,864	-	-	553,864
Trade payables to related parties	34	-	-	581	-	-	581
Other payables to non-related parties	10	-	-	145,990	-	-	145,990
Other payables to related parties	34	-	-	22	-	-	22
Payables related to employee benefits	23	-	-	18,870	-	-	18,870
Derivative instruments	22	-	-	-	14,219	-	14,219

The Group management believes that the carrying value of the financial instruments reflect the fair value.

(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)

31 December 2019 Financial assets	Note	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
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
Financial liabilities							
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.

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

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:

		Fair value level as of reporting date		
Financial assets	**30 June 2020**	**1. Level TRY**	**2. Level TRY**	**3. Level TRY**
Derivative instruments held for sale at fair value through profit or loss (Note 22)	-	-	-	-
Available-for-sale financial assets held at fair value through other comprehensive income statement (Note 7)	256,000	-	256,000	-
Bonds, bills and stocks (Note 7)	2,033,977	2,033,977	-	-
Total	**2,289,977**	**2,033,977**	**256,000**	**-**
Financial liabilities				
Derivative instruments held for sale at fair value through profit or loss (Note 22)	14,219	-	-	14,219
Total	**14,219**	**-**	**-**	**14,219**

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

NOTE 36 - FINANCIAL INSTRUMENTS (Continued)

		Fair value level as of reporting date		
Financial assets	**31 December 2019**	**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, bills and stocks (Note 7)	1,177,726	1,177,726	-	-
Total	**1,399,564**	**1,177,726**	**221,838**	**-**

Financial liabilities				
Derivative instruments held for sale at fair value through profit or loss (Note 22)	339	-	-	339
Total	**339**	**-**	**-**	**339**

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

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	**30 June 2020**	**31 December2019**[1]
Current assets	1,075,215	1,360,059
Non-current assets	882,188	880,759
Short-term liabilities	1,043,581	1,319,682
Long-term liabilities	268,315	376,865
Total equity	645,507	544,270

	1 January - 30 June 2020	**1 January - 30 June 2019**[1]
Revenue	3,260,589	5,232,390
Cost of sales	(3,134,846)	(5,048,548)
Gross profit/(loss)	125,743	183,842
Profit/(loss) before taxation	(39,986)	(44,784)

(1) With the decision of the Board of Directors dated 20 May 2020, the Group decided to merge Aytemiz Akaryakıt Dağıtım A.Ş. and DOEL through Aytemiz Akaryakıt Dağıtım A.Ş.'s acquisition of DOEL. The merger was carried out through the transfer of all assets and liabilities as a whole to Aytemiz Akaryakıt Dağıtım A.Ş. at the financial position statements dated 31 May 2020. Because of the impact of the merger, the consolidated financial statements of the relevant period was restarted.

NOTE 38 - SUBSEQUENT EVENTS

Doğan Müzik Yapım ve Ticaret A.Ş. and NetD Müzik Video Dijital Platform ve Ticaret A.Ş.

With the Board of Directors decision dated 16 April 2020, the Group decided to sell the 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., subsidiaries of the Group operating in music and entertainment, to Believe International, and the sales transaction was completed on 21 July 2020.

Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş.

With the Board of Directors decision dated 30 June 2020, the Company transferred its 1,537,993 Gri Gıda shares for EUR1,259,963 (exact) on 14 July 2020, in scope of the provisions of the Share Transfer Agreement dated 16 November 2018. After the above-mentioned transfer, the Company does not hold any shares of Gri Gıda.

With the Board of Directors decision dated 24 July 2020, the Company decided to acquire and take over the 70% of the shares respresenting the fully paid-in TRY850,000 (exact) capital of Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. (SESA) for EUR57,803,431 (exact) via a subsidiary to be established particularly to this end, which the Company will be a 70% partner of, and the amount will be paid in part by this subsidiary to be established and in part by bank loan.

NOTE 38 - SUBSEQUENT EVENTS (Continued)

Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. (Continued)

With the Board of Directors decision dated 20 July 2020, the Company decided to increase the registered capital ceiling of TRY200,000,000 (exact) to TRY500,000,000 (exact), and the issued capital of TRY200,000,000 (exact) to TRY320,000,000 (exact) with contributions composed entirely of cash. The necessary application to the Capital Markets Board (CMB) was filed.

Aytemiz Akaryakıt Dağıtım A.Ş.

Aytemiz Akaryakıt Dağıtım A.Ş.'s financing bond amounting to TRY50,000,000 (exact) in circulation was amortised on 24 July 2020, and the fourth coupon payment of TRY1,044,249.99 (exact) was made on the same date. The Company does not own any financing bond in circulation.

Doruk Faktoring A.Ş.

The discounted financing bond with a maturity of 182 days and a nominal value of TRY50,300,000 (exact) issued on 12 February 2020 by Doruk Faktoring A.Ş., a direct subsidiary of the Group, was amortised on 12 August 2020. On 12 August 2020, Doruk Faktoring A.Ş. issued discounted financing bond with a nominal value of TRY30,000,000 (exact) with a 170-day maturity and an annual simple interest of 12%, and an annual compound interest of 12.39%, and the Company purchased the above-mentioned financing bonds in the nominal amount of TRY8,240,000 (exact).

Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. and İlke Turistik Yatırımlar A.Ş.

With the Board of Directors decision dated 11 June 2020, it was decided that Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. and İlke Turistik Yatırımlar A.Ş., subsidiaries of the Group, to be merged and taken over by Doğan Şirketler Grubu Holding A.Ş. in a facilitated manner, and the necessary application to CMB was filed.

Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş.

The Company filed a lawsuit for indemnization against Teiaş General Directory on 21 July 2020 for confiscating without expropriating for the energy transfer lines and pylon sites on the Parcel no. 1154 in Kurtdoğmuş Village of Pendik District, Istanbul, which is tracked under "investment properties" in the financial statements and explained in detail by the periods in the endnotes of the financial statements.

D Stroy Limited and Ditas America LLC

It was decided that the liquidation process of D Stroy Limited and Ditas America LLC, subsidiaries of the Group, is initiated on 21 May 2020 and 7 July 2020, respectively.

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