

**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 SEPTEMBER 2020**

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONTENTS	PAGES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	1-2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....	3
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME.....	4
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	5-6
CONSOLIDATED STATEMENT OF CASH FLOW.....	7-8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	9-135
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS .....	9-11
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	12-54
NOTE 3 BUSINESS COMBINATIONS.....	55-57
NOTE 4 INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD .....	57-63
NOTE 5 SEGMENT REPORTING.....	64-70
NOTE 6 CASH AND CASH EQUIVALENTS .....	71
NOTE 7 FINANCIAL INVESTMENTS.....	71-73
NOTE 8 SHORT AND LONG TERM FINANCIAL BORROWINGS .....	73-77
NOTE 9 TRADE RECEIVABLES AND PAYABLES.....	77-78
NOTE 10 OTHER RECEIVABLES AND PAYABLES.....	79
NOTE 11 INVENTORIES .....	79-80
NOTE 12 BIOLOGICAL ASSETS .....	80
NOTE 13 INVESTMENT PROPERTIES .....	80-81
NOTE 14 PROPERTY, PLANT AND EQUIPMENT .....	82-83
NOTE 15 INTANGIBLE ASSETS .....	84-86
NOTE 16 RIGHT OF USE ASSETS.....	86-87
NOTE 17 GOVERNMENT GRANTS .....	87
NOTE 18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	87-91
NOTE 19 COMMITMENTS .....	92-93
NOTE 20 OTHER ASSETS.....	93-94
NOTE 21 PREPAID EXPENSES AND DEFERRED INCOME .....	94
NOTE 22 DERIVATIVE INSTRUMENTS.....	95
NOTE 23 PROVISION FOR EMPLOYMENT BENEFITS .....	95-97
NOTE 24 EQUITY.....	98-102
NOTE 25 REVENUE AND COST OF SALES .....	103-107
NOTE 26 MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES .....	107-108
NOTE 27 EXPENSES BY NATURE .....	108
NOTE 28 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES .....	108-109
NOTE 29 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES.....	109
NOTE 30 FINANCE INCOME AND EXPENSES.....	110
NOTE 31 ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS .....	110-111
NOTE 32 INCOME TAXES .....	112-116
NOTE 33 EARNING/LOSS PER SHARE.....	116
NOTE 34 RELATED PARTY DISCLOSURES .....	117-120
NOTE 35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....	120-133
NOTE 36 FINANCIAL INSTRUMENTS.....	134-135
NOTE 37 SHARES IN OTHER OPERATIONS .....	135
NOTE 38 SUBSEQUENT EVENTS.....	135

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

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

ASSETS	Notes	<i>USD (*)</i> <i>Unaudited</i> <i>Current Period</i> <b>30 September 2020</b>	<i>Unaudited</i> <i>Current Period</i> <b>30 September 2020</b>	<i>Audited</i> <i>Prior Period</i> <b>31 December 2019</b>
<b>Current assets</b>		<b>1,112,401</b>	<b>8,685,629</b>	<b>6,988,247</b>
Cash and cash equivalents	6	482,928	3,770,702	3,278,832
Financial investments	7	290,192	2,265,823	1,177,726
Trade receivables				
- Due from related parties	34	804	6,281	3,495
- Due from non-related parties	9	227,088	1,773,102	1,704,886
Other receivables				
- Due from related parties	34	85	664	-
- Due from non-related parties	10	4,011	31,314	25,153
Inventories	11	83,632	653,001	621,783
Prepaid expenses	21	11,258	87,900	67,006
Derivative instruments	22	232	1,811	18,993
Biological assets	12	276	2,153	13,167
Other current assets	20	11,556	90,228	58,172
Non-current assets classified as held for sale	31	339	2,650	19,034
<b>Non-current assets</b>		<b>672,042</b>	<b>5,247,308</b>	<b>4,252,344</b>
Trade receivables				
- Due from non-related parties	9	4,382	34,214	26,083
Financial investments	7	36,500	284,990	202,845
Investments accounted for by the equity method	4	29,841	233,002	128,557
Investment properties	13	179,081	1,398,263	1,357,167
Property, plant and equipment	14	180,549	1,409,727	1,102,314
Intangible assets				
- Other intangible assets	15	130,743	1,020,844	599,600
- Goodwill	15	11,203	87,473	64,274
Rights of use assets	16	35,175	274,650	236,915
Prepaid expenses	21	8,590	67,070	58,281
Deferred tax asset	32	13,740	107,279	97,796
Other non-current assets	20	42,238	329,796	378,512
<b>Total assets</b>		<b>1,784,443</b>	<b>13,932,937</b>	<b>11,240,591</b>

The consolidated financial statements as of and for the interim period ended 30 September 2020 have been approved by the Board of Directors on 6 November 2020.

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

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

LIABILITIES	Notes	USD (*) Unaudited Current Period 30 September 2020	Unaudited Current Period 30 September 2020	Audited Prior Period 31 December 2019
<b>Short-term liabilities</b>		<b>422,761</b>	<b>3,300,918</b>	<b>2,831,115</b>
Short-term borrowings				
- Short-term borrowings from non-related parties				
- Bank borrowings	8	220,892	1,724,727	1,603,847
- Issued debt instruments	8	2,683	20,947	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	8, 34	812	6,339	6,238
- Short-term portion of long-term borrowings from non-related parties				
- Bank borrowings	8	26,262	205,051	71,071
- Lease borrowings	8	7,571	59,116	36,734
- Other financial liabilities	8	4	28	-
Trade payables				
- Due to related parties	34	1,123	8,769	363
- Due to non-related parties	9	103,648	809,286	745,720
Payables related to employee benefits	23	3,105	24,247	19,267
Deferred income (Except obligations arising from customer contracts)				
- Deferred income from non-related parties				
(Except obligations arising from customer contracts)	21	8,035	62,735	39,593
Derivative instruments	22	2,862	22,347	339
Other payables				
- Due to related parties	34	3	22	-
- Due to non-related parties	10	23,483	183,358	126,831
Current income tax liability	32	16,765	130,901	7,381
Short-term provisions				
- Short-term provisions for employment benefits	23	2,645	20,651	20,395
- Other short-term provisions	18	1,950	15,225	10,083
Other short term liabilities		918	7,169	6,090
<b>Long-term liabilities</b>		<b>160,897</b>	<b>1,256,291</b>	<b>778,136</b>
Long-term borrowings				
- Long-term borrowings from related parties	8, 34	1,831	14,296	18,906
- Lease borrowings				
- Long-term borrowings from non-related parties				
- Bank borrowings	8	98,281	767,380	407,133
- Lease borrowings	8	18,767	146,536	170,416
Investments accounted for by the equity method	4	3,594	28,065	-
Other payables				
- Due to non-related parties	10	1,136	8,868	1,923
Deferred income (Except obligations arising from customer contracts)				
- Deferred income from non-related parties				
(Except obligations arising from customer contracts)	21	1,199	9,363	4,970
Long-term provisions				
- Long-term provisions for employment benefits	23	6,594	51,487	42,930
- Other long term provisions		158	1,232	1,531
Other long term liabilities		-	-	1,442
Deferred tax liability	32	29,337	229,064	128,885
<b>EQUITY</b>		<b>1,200,785</b>	<b>9,375,728</b>	<b>7,631,340</b>
<b>Equity attributable to equity holders of the parent company</b>		<b>1,090,996</b>	<b>8,518,499</b>	<b>7,136,609</b>
Share capital	24	335,161	2,616,938	2,616,938
Adjustments to share capital	24	18,382	143,526	143,526
Repurchased shares (-)	24	(2,054)	(16,035)	(7,073)
Share premiums (discounts)	24	4,503	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	(1,435)	(11,202)	(11,202)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	4	74	581	581
Other comprehensive income (losses) that will be reclassified in profit or loss				
- Change in currency translation reserves	24	97,465	761,004	461,331
- Gain (loss) on revaluation and reclassification of financial assets held for sale	24	(411)	(3,207)	45,451
Restricted reserves	24	101,796	794,820	722,081
Retained earnings or accumulated losses		355,085	2,772,503	2,513,028
Net profit or loss for the period		182,430	1,424,412	616,789
<b>Non-controlling interests</b>		<b>109,789</b>	<b>857,229</b>	<b>494,731</b>
<b>Total liabilities</b>		<b>1,784,443</b>	<b>13,932,937</b>	<b>11,240,591</b>

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIODS 1 JANUARY - 30 SEPTEMBER 2020 AND 2019

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

		<i>USD<sup>(*)</sup></i> <i>Unaudited</i> <i>Current Period</i> <b>1 January -</b>	<i>Unaudited</i> <i>Current Period</i> <b>1 January -</b>	<i>Unaudited</i> <i>Current Period</i> <b>1 July -</b>	<i>Unaudited</i> <i>Prior Period</i> <b>1 January -</b>	<i>Unaudited</i> <i>Prior Period</i> <b>1 July -</b>
	<b>Notes</b>	<b>30 September 2020</b>	<b>30 September 2020</b>	<b>30 September 2020</b>	<b>30 September 2019</b>	<b>30 September 2019</b>
<b>Profit or Loss</b>						
Revenue	25	973,094	7,597,921	3,138,404	9,750,419	3,521,709
Cost of Sales (-)	25	(859,139)	(6,708,159)	(2,755,482)	(8,926,805)	(3,214,350)
<b>Gross Profit (Loss)</b>	<b>25</b>	<b>113,955</b>	<b>889,762</b>	<b>382,922</b>	<b>823,614</b>	<b>307,359</b>
General Administrative Expenses (-)	26	(24,039)	(187,695)	(67,574)	(202,088)	(68,809)
Marketing Expenses (-)	26	(38,373)	(299,616)	(93,507)	(289,110)	(92,399)
Other Income From Operating Activities	28	105,159	821,083	341,337	544,556	10,661
Other Expenses From Operating Activities (-)	28	(10,843)	(84,664)	(30,273)	(161,138)	(37,217)
Share of Gain (Loss) on Investments Accounted for by the Equity Method	4	(3,928)	(30,670)	(14,627)	73,386	3,614
<b>Operating Profit/(Loss)</b>		<b>141,931</b>	<b>1,108,200</b>	<b>518,278</b>	<b>789,220</b>	<b>123,209</b>
Income from Investment Activities	29	110,596	863,533	556,834	115,107	(18,440)
Expenses from Investment Activities (-)	29	(3,060)	(23,889)	(3,562)	(9,117)	(5,766)
<b>Operating Profit (Loss) Before Finance (Expense)/Income</b>		<b>249,467</b>	<b>1,947,844</b>	<b>1,071,550</b>	<b>895,210</b>	<b>99,003</b>
Finance Income	30	406	3,172	3,172	8,221	(29,598)
Finance Expenses (-)	30	(34,094)	(266,205)	(82,998)	(387,569)	(68,329)
<b>Profit (Loss) Before Taxation From Continued Operations</b>		<b>215,779</b>	<b>1,684,811</b>	<b>991,724</b>	<b>515,862</b>	<b>1,076</b>
<b>Tax Expense From Continued Operations</b>	<b>32</b>	<b>(34,940)</b>	<b>(272,808)</b>	<b>(142,052)</b>	<b>(87,933)</b>	<b>(2,250)</b>
Tax Income/(Expense) for the Period		(35,985)	(280,971)	(131,000)	(91,302)	(2,296)
Deferred Tax Income/(Expense)		1,045	8,163	(11,052)	3,369	46
<b>Profit/(Loss) For The Period</b>		<b>180,839</b>	<b>1,412,003</b>	<b>849,672</b>	<b>427,929</b>	<b>(1,174)</b>
<b>Allocation of Profit/(Loss) For The Period</b>						
Attributable to Non-Controlling Interests		(1,591)	(12,409)	14,309	(21,308)	1,278
Attributable to Equity Holders of the Parent Company		182,430	1,424,412	835,363	449,237	(2,452)
Gain/(Loss) Per Share Attributable to Equity Holders of the Parent Company	33	0.070	0.547	0.32	0.172	(0.001)

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS 1 JANUARY - 30 SEPTEMBER 2020 AND 2019

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

		USD <sup>(*)</sup>				
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
		Current Period	Current Period	Current Period	Prior Period	Prior Period
		1 January -	1 January -	1 July -	1 January -	1 July -
	Notes	30 September 2020	30 September 2020	30 September 2020	30 September 2019	30 September 2019
<b>Profit/(Loss) For The Period</b>		<b>180,839</b>	<b>1,412,003</b>	<b>849,672</b>	<b>427,929</b>	<b>(1,174)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>That will be reclassified as profit or loss</b>						
Currency translation differences		38,421	299,990	197,216	33,756	(11,280)
Gain/(Loss) on revaluation and/or reclassification of financial assets available for sale	7	(7,831)	(61,144)	(48,676)	30,631	26,094
Other comprehensive income (loss) related with cash flow hedges		-	-	-	-	-
Taxes related to other comprehensive income that will be reclassified as profit or loss		1,599	12,486	10,914	(6,739)	(5,741)
- Tax effect of comprehensive income related with cash flow hedges		-	-	-	-	-
- Tax effect on revaluation and/or reclassification of financial assets available for sale		1,599	12,486	10,914	(6,739)	(5,741)
<b>OTHER COMPREHENSIVE INCOME /(LOSS)</b>		<b>32,189</b>	<b>251,332</b>	<b>159,454</b>	<b>57,648</b>	<b>9,073</b>
<b>TOTAL COMPREHENSIVE INCOME /(LOSS)</b>		<b>213,028</b>	<b>1,663,335</b>	<b>1,009,126</b>	<b>485,577</b>	<b>7,899</b>
<b>Allocation of Total Comprehensive Income/(Loss)</b>						
Attributable to Non-Controlling Interests		(1,549)	(12,092)	11,968	(21,332)	1,278
Attributable to Equity Holders of the Parent Company		214,578	1,675,427	997,158	506,909	6,621

(\*) 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 September 2020.

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

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

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

	Notes	Share Capital	Adjustments to share capital	Repurchased shares	Accumulated other comprehensive income or loss that will not be reclassified to profit or loss	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	Accumulated other comprehensive income or loss that will be reclassified to profit or loss	Gain/(loss) on revaluation and/or reclassification of financial assets available for sale	Currency translation differences	Restricted reserves	Retained earnings		Equity attributable to equity holders of the parent company	Non-controlling interest	Equity
													Retained earnings/ accumulated losses	Net profit/ (loss) for the period			
<b>Balances at 1 January 2020</b>	<b>24</b>	<b>2,616,938</b>	<b>143,526</b>	<b>(7,073)</b>	<b>(11,202)</b>	<b>581</b>	<b>35,159</b>	<b>45,451</b>	<b>461,331</b>	<b>722,081</b>	<b>2,513,028</b>	<b>616,789</b>	<b>7,136,609</b>	<b>494,731</b>	<b>7,631,340</b>		
Transfers		-	-	-	-	-	-	-	-	-	72,739	544,050	(616,789)	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	(99,479)	-	(99,479)	(174)	(99,653)	(99,653)
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	68,750	68,750	68,750
<b>Acquisition or disposal of subsidiary</b>		-	-	-	-	-	-	-	-	-	-	<b>(211,468)</b>	-	<b>(211,468)</b>	<b>306,014</b>	<b>94,546</b>	<b>94,546</b>
- Acquisition or disposal of a subsidiary (Note 3)		-	-	-	-	-	-	-	-	-	-	(211,468)	-	(211,468)	306,014	94,546	94,546
Transactions with non-controlling interest shareholders		-	-	-	-	-	-	-	-	-	-	26,372	-	-	26,372	-	26,372
Increase (decrease) due to repurchase transactions of shares		-	-	(8,962)	-	-	-	-	-	-	-	-	-	-	(8,962)	-	(8,962)
<b>Total comprehensive income/(loss)</b>		-	-	-	-	-	-	<b>(48,658)</b>	<b>299,673</b>	-	-	-	-	<b>1,424,412</b>	<b>1,675,427</b>	<b>(12,092)</b>	<b>1,663,335</b>
Profit (loss) for the period		-	-	-	-	-	-	-	-	-	-	-	1,424,412	1,424,412	(12,409)	1,412,003	1,412,003
<b>Other comprehensive income (loss)</b>		-	-	-	-	-	-	<b>(48,658)</b>	<b>299,673</b>	-	-	-	-	-	<b>251,015</b>	<b>317</b>	<b>251,332</b>
- Currency translation differences		-	-	-	-	-	-	-	299,673	-	-	-	-	-	299,673	317	299,990
- Change in financial asset revaluation fund		-	-	-	-	-	-	(48,658)	-	-	-	-	-	-	(48,658)	-	(48,658)
<b>Balance at 30 September 2020</b>	<b>24</b>	<b>2,616,938</b>	<b>143,526</b>	<b>(16,035)</b>	<b>(11,202)</b>	<b>581</b>	<b>35,159</b>	<b>(3,207)</b>	<b>761,004</b>	<b>794,820</b>	<b>2,772,503</b>	<b>1,424,412</b>	<b>8,518,499</b>	<b>857,229</b>	<b>9,375,728</b>		

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIODS 1 JANUARY - 30 SEPTEMBER 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	Accumulated other comprehensive income or loss that will not be reclassified to profit or loss					Accumulated other comprehensive income or loss that will be reclassified to profit or loss			Retained earnings			Equity attributable to equity holders of the parent company	Non-controlling interest	Equity	
		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	Restricted reserves	Retained earnings/accumulated losses				Net profit/(loss) for the period
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)		-	-	-	-	-	-	-	23,892	33,780	-	-	449,237	506,909	(21,332)	485,577
Profit (loss) for the period		-	-	-	-	-	-	-	-	-	-	-	449,237	449,237	(21,308)	427,929
Other comprehensive income (loss)		-	-	-	-	-	-	-	23,892	33,780	-	-	-	57,672	(24)	57,648
- Currency translation differences		-	-	-	-	-	-	-	-	33,780	-	-	-	33,780	(24)	33,756
- Change in financial asset revaluation fund		-	-	-	-	-	-	-	23,892	-	-	-	-	23,892	-	23,892
Balance at 30 September 2019	24	2,616,938	143,526	(7,073)	-	(8,502)	(892)	35,159	23,872	448,310	722,081	2,513,028	449,237	6,935,684	481,809	7,417,493

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



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE INTERIM PERIODS 1 JANUARY - 30 SEPTEMBER 2020 AND 2019

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

		USD <sup>(*)</sup> Unaudited Current Period 1 January - 30 September 2020	Unaudited Current Period 1 January - 30 September 2020	Unaudited Prior Period 1 January - 30 September 2019
	Notes			
<b>A. Net Cash From Operating Activities</b>		<b>88,161</b>	<b>688,358</b>	<b>509,028</b>
Profit/(loss) for the period		180,839	1,412,003	427,929
<b>Profit/(Loss) for the period from continued operations</b>		<b>180,839</b>	<b>1,412,003</b>	<b>427,929</b>
<b>Adjustments regarding reconciliation of net profit (loss) for the period</b>		<b>(95,911)</b>	<b>(748,873)</b>	<b>130,834</b>
Adjustments related to depreciation and amortization	11, 14, 15, 16	30,910	241,357	227,498
Adjustments related to provisions				
- <i>Adjustments related to provisions for (reversal of) employee benefits</i>	23	1,163	9,078	10,182
- <i>Adjustments related to provisions (reversal) for lawsuits and/or penalty</i>	18	309	2,415	1,793
- <i>Adjustments related to other provisions (reversals)</i>		1,085	8,473	7,856
Adjustments related to interest (income) and expenses				
- <i>Adjustments related to interest income</i>	28, 29	(14,151)	(110,488)	(169,752)
- <i>Adjustments related to interest expenses</i>	30	20,511	160,148	300,724
- <i>Deferred financial expense due to purchases with maturity</i>	28	2,472	19,300	65,349
- <i>Unearned financial income due from sales with maturity</i>	28	(4,252)	(33,202)	(103,355)
Adjustments related to changes in unrealised foreign exchange differences		(142,515)	(1,112,757)	(206,920)
Adjustments related to fair value (gains) losses		(11,186)	(87,344)	(13,681)
Adjustments related to losses (gains) on disposal of non-current assets		(2,260)	(17,647)	(3,407)
Adjustments related to undistributed profits of investments accounted for by the equity method	4	3,928	30,670	(73,386)
Adjustments related to tax income (expense)	32	34,940	272,808	87,933
Adjustments related to losses (gains) on disposal of subsidiaries, joint ventures and financial investments	29	(16,865)	(131,684)	-
<b>Changes in working capital</b>		<b>12,086</b>	<b>94,361</b>	<b>(129,759)</b>
Adjustments for decrease/(increase) in inventories		2,018	15,758	38,214
Adjustments for decrease/(increase) in trade receivables				
- <i>(Increase)/decrease in trade receivables from related parties</i>		(357)	(2,786)	(5,906)
- <i>(Increase)/decrease in trade receivables from non-related parties</i>		4,265	33,298	122,173
Increase (decrease) in payables due to employee benefits		286	2,236	(3,564)
Adjustments regarding decrease/(increase) in other receivables on operations				
- <i>(Increase)/decrease in other receivables regarding operations with related parties</i>		(85)	(664)	15,761
- <i>(Increase)/decrease in other receivables regarding operations with non-related parties</i>		(652)	(5,089)	(23,397)
Adjustments regarding increase (decrease) in trade payables				
- <i>Increase/(decrease) in trade payables to related parties</i>		1,077	8,406	975
- <i>Increase/(decrease) in trade payables to non-related parties</i>		6,634	51,796	(230,452)
Adjustments regarding increase (decrease) in other payables on operations				
- <i>Increase/(decrease) in other payables regarding operations with related parties</i>		3	22	-
- <i>Increase/(decrease) in other payables regarding operations with non-related parties</i>		6,664	52,034	(157,944)
Adjustments for other increase (decrease) in working capital				
- <i>(Increase)/decrease in other assets regarding operations</i>		(12,825)	(100,141)	104,422
- <i>Increase/(decrease) in other liabilities regarding operations</i>		5,058	39,491	9,959
<b>Net Cash From Operating Activities</b>		<b>97,014</b>	<b>757,491</b>	<b>429,004</b>
Employee termination benefits paid	23	(452)	(3,533)	(4,228)
Income tax refunds (payments)		(20,966)	(163,700)	(89,480)
Other cash inflows/outflows		69	535	-
Interest received		12,496	97,565	173,732

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE INTERIM PERIODS 1 JANUARY - 30 SEPTEMBER 2020 AND 2019

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

		<i>USD (*)</i> <i>Unaudited</i> <i>Current Period</i> <b>1 January -</b>	<i>Unaudited</i> <i>Current Period</i> <b>1 January -</b>	<i>Unaudited</i> <i>Prior Period</i> <b>1 January -</b>
	<b>Notes</b>	<b>30 September 2020</b>	<b>30 September 2020</b>	<b>30 September 2019</b>
<b>B. Net Cash From Investing Activities</b>		<b>(170,079)</b>	<b>(1,327,979)</b>	<b>(834,259)</b>
Cash outflows regarding capital increase and/or share purchase of associates and/or joint ventures	3, 4	(80,075)	(625,225)	(21,198)
Cash inflow due to capital reduction or sale of shares in associates and/or joint ventures	4, 31	20,100	156,937	16,156
Cash inflow due to sale of property, plant, equipment and intangible assets		8,382	65,448	19,270
Cash outflows from purchase of property, plant, equipment and intangible assets		(42,018)	(328,073)	(126,785)
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments	7	(189,846)	(1,482,321)	(917,362)
Cash inflows from the sale of shares or debt instruments of other enterprises or funds	7	97,137	758,446	348,517
Cash inflows related to sales that do not result in loss of control of subsidiaries		3,378	26,372	-
Other cash inflows/(outflows)		12,863	100,437	(152,857)
<b>C. Net Cash From Financing Activities</b>		<b>19,921</b>	<b>155,541</b>	<b>(318,200)</b>
Proceeds from borrowings				
<i>Cash inflows from borrowings</i>		680,879	5,316,303	10,024,596
<i>Cash inflows from issued debt instruments</i>		2,683	20,947	129,708
<i>Cash inflows from other financial borrowings</i>	8	4	28	-
Cash outflows on debt payments				
<i>Cash outflows due to payments of bank borrowings</i>		(638,016)	(4,981,630)	(10,180,894)
Cash outflows on debt payments from leasings	8	(10,650)	(83,153)	(81,797)
Interest paid		(9,873)	(77,089)	(111,440)
Dividends paid		(12,741)	(99,479)	(260,995)
Other cash inflows/(outflows)		8,783	68,576	167,615
Cash outflows from the purchase of the company's own shares and other equity instruments		(1,148)	(8,962)	(4,993)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES (A+B+C)</b>		<b>(61,997)</b>	<b>(484,080)</b>	<b>(643,431)</b>
<b>D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS</b>		<b>125,159</b>	<b>977,247</b>	<b>264,706</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>63,162</b>	<b>493,167</b>	<b>(378,725)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>6</b>	<b>419,667</b>	<b>3,276,758</b>	<b>3,809,364</b>
<b>F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	<b>6</b>	<b>482,829</b>	<b>3,769,925</b>	<b>3,430,639</b>

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

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

Doğan Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa İstanbul ("Borsa İstanbul") since 21 June 1993. Within the frame of Resolution No, 21/655 dated 23 July 2010 of CMB with the decision on 30 October 2014 numbered 31/1059; according to the records of Central Registry Agency ("CRA"), 35.83% shares of Doğan Holding are to be considered in circulation as of 30 September 2020 (31 December 2019: 35.84%). As of 5 November 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 September 2020, the total number of personnel in the domestic and abroad subsidiaries and associates of the Group, that are consolidated, is 3,532 (domestic 3,219) (31 December 2019: 3,250; domestic 2,955). Holding has 43 employees (31 December 2019: 44 employees).

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

#### *Fuel Retail*

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

#### *Electricity Production and Trade*

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

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 Sanayii 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") <sup>(1)</sup>	Trade	USA
D Stroy Limited ("D Stroy") <sup>(2)</sup>	Trade	Russia
Doğan Dış Ticaret ve Müessellik A.Ş. ("Doğan Dış Ticaret")	Foreign Trade	Turkey
Falcon Purchasing Services Ltd. ("Falcon")	Foreign Trade	England
Neta Yönetim Danışmanlık Havacılık Hizmetleri A.Ş. ("Neta Yönetim")	Aviation	Turkey
Kelkit Doğan Besi İşletmeleri A.Ş. ("Kelkit Doğan Besi")	Husbandry	Turkey
Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. ("Sesa Ambalaj") <sup>(3)</sup>	Production	Turkey
Sesa Üretim Yatırımları ve Yönetim Hizmetleri A.Ş. ("Sesa Yatırım") <sup>(4)</sup>	Production	Turkey

#### *Automotive Trade and Marketing*

Subsidiaries	Nature of business	Country
Suzuki Motorlu Araçlar Pazarlama A.Ş. ("Suzuki")	Trade	Turkey
Doğan Trend Otomotiv Ticaret Hizmet ve Teknoloji A.Ş. ("Doğan Trend Otomotiv") <sup>(5)</sup>	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")	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") <sup>(6)</sup>	Investment Banking	Turkey

(1) As of 7 July 2020, it was decided to start the liquidation process.

(2) As of 21 May 2020, it was decided to start the liquidation process.

(3) Purchase of related subsidiary was completed on 14 September 2020.

(4) The establishment of the related subsidiary was registered on 28 July 2020.

(5) The trademark of the related subsidiary was registered to "Doğan Trend Otomotiv Ticaret Hizmet ve Teknoloji A.Ş." on 17 July 2020.

(6) The establishment of the related subsidiary was registered on 22 June 2020 and the process of operating authorization continues.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

##### *Internet and Entertainment*

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
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”) <sup>(7)</sup>	Investment	Holland
İnnobil Bilişim Teknolojileri ve Danışmanlık A.Ş. (“İnnobil”)	Technology and informatics	Turkey

Joint Ventures	Nature of business	Country
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”)	Magazine Publishing	Turkey
Dergi Pazarlama Planlama ve Ticaret A.Ş. (“DPP”)	Planning	Turkey
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Egmont”)	Magazine Publishing	Turkey
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. (“Ultra Kablolu”) <sup>(8)</sup>	Telecommunication	Turkey
NetD Müzik Video Dijital Platform ve Ticaret A.Ş. (“NetD Müzik”) <sup>(9)</sup>	Internet services	Turkey
Doğan Müzik Yapım ve Ticaret A.Ş. (“DMC”) <sup>(9)</sup>	Music and entertainment	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

(7) The establishment of the related subsidiary was registered on 26 May 2020.

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

(9) 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 16 April 2020 and the sales process was completed on 21 July 2020. With this transaction, the related subsidiaries started to be disclosed under joint ventures.

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

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

##### 2.1 Basis of Presentation

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

##### Adopted Financial Reporting Standards

The accompanying consolidated financial statements are prepared in accordance with 2019 TAS Taxonomy based on the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets” and Turkish Financial Reporting Standards (“TFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”), which is developed by POA and announced to the public by the decision of the POA on 15 April 2019 in accordance with paragraph 9(b) of Decree Law No. 660.

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

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

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

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

##### Functional and Presentation Currency

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.1 Basis of Presentation (Continued)**

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

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).

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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

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

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

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).

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.



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

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 September 2020 and 31 December 2019:

##### *Fuel Retail*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Aytemiz Akaryakıt	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Aytemiz Petrolcülük	100.00	100.00	-	-	100.00	100.00	50.00	50.00
İstasyon Petrolcülük	100.00	100.00	-	-	100.00	100.00	50.00	50.00
D&A Energy <sup>(1)</sup>	-	100.00	-	-	-	100.00	-	50.00
Doel Elektrik <sup>(2)</sup>	-	100.00	-	-	-	100.00	-	100.00

##### *Electricity Production and Trade*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Doğan Enerji	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Galata Wind	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Sunflower	100.00	100.00	-	-	100.00	100.00	100.00	100.00

##### *Industry and Trade*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Çelik Halat <sup>(3)</sup>	70.98	77.65	-	-	70.98	77.65	70.98	77.65
Çelik Halat Netherlands <sup>(3)</sup>	100.00	100.00	-	-	100.00	100.00	70.98	77.65
Ditaş Doğan <sup>(3)</sup>	70.30	72.62	-	-	70.30	72.62	70.30	72.62
Ditas America <sup>(3)</sup>	100.00	100.00	-	-	100.00	100.00	70.30	72.62
D Stroy <sup>(3)</sup>	100.00	100.00	-	-	100.00	100.00	70.30	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
Sesa Yatırım <sup>(4)</sup>	70.00	-	-	-	70.00	-	70.00	-
Sesa Ambalaj <sup>(5)</sup>	100.00	-	-	-	100.00	-	70.00	-

(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.

(3) Proportion of effective ownership interest of the related subsidiaries changed due to the sale of public shares directly owned by Doğan Holding.

(4) The establishment of the related subsidiary was registered on 28 July 2020.

(5) Purchase process of the related subsidiary was completed on 14 September 2020.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

##### *Automotive Trade and Marketing*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Suzuki	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Doğan Trend Otomotiv	100.00	100.00	-	-	100.00	100.00	100.00	100.00

##### *Financing and Investment*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 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 <sup>(6)</sup>	100.00	-	-	-	100.00	-	100.00	-

(6) The establishment of the related subsidiary was registered on 22 June 2020 and the process of operating authorization continues.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

#### 2.1 Basis of Presentation (Continued)

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

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

##### *Internet and Entertainment*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Glokal	100.00	100.00	-	-	100.00	100.00	79.22	79.22
Proje Land <sup>(7)</sup>	100.00	86.00	-	-	100.00	86.00	79.22	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 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
Glokal Invest	79.22	79.22	-	-	79.22	79.22	79.22	79.22
DG Invest <sup>(8)</sup>	100.00	-	-	-	100.00	-	100.00	-
İnnobil	85.00	85.00	-	-	85.00	85.00	67.34	67.34

##### *Real Estate Investments*

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Milpa <sup>(9)</sup>	82.29	83.09	0.16	0.16	82.45	83.25	82.29	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

(7) Proportion of effective ownership interest changed due to acquisition of all shares representing 14% share of capital of the related subsidiary by Glokal and as a result of this transaction Glokal has become the controlling shareholder.

(8) The establishment of the related subsidiary was registered on 26 May 2020.

(9) Proportion of effective ownership interest of the related subsidiary changed due to the sale of public shares directly owned by Doğan Holding.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.1 Basis of Presentation (Continued)**

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

**(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. An investment is accounted for by equity method from the date at which invested company qualified as an associate or joint venture. In acquisition of the investment, all differences between the acquisition value of the investment and the company's share of the net fair value of identifiable net assets, liabilities and contingent liabilities of the affiliate or the joint venture, are included in the book value of affiliate investment. The portion of the amount that the company's share from the net fair value of the identifiable assets and liabilities of the affiliate or the joint venture, and that exceeds the acquisition value of the investment, is added to the income in determining the amount of the company's share from the profit or loss of the affiliate or joint venture in the period that the investment is obtained.

*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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.1 Basis of Presentation (Continued)**

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

Derivative expenses which was amounting to TRY46,288 under "Financial Expenses" in the consolidated statement of profit or loss for the interim period ended 1 January-30 September 2019 have been netted with the derivative income in the "Financial Income" in the related period in order to comply with the consolidated statement of profit or loss prepared as of 1 January-30 September 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 September 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.1 Basis of Presentation (Continued)**

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

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) New standards applicable as of 30 September 2020 and amendments to existing previous standards and interpretations:**

- Amendments to TAS 1 and TAS 8 on the definition of materiality; effective from periods beginning on or after 1 January 2020. These amendments to TAS 1, ‘Presentation of financial statements’; and TAS 8, “Accounting policies, changes in accounting estimates and errors”, and consequential amendments to other TFRSs are as follows:
  - i) Use a consistent definition of materiality throughout TFRSs and the Financial Reporting framework,
  - ii) Clarify the explanation of the definition of materiality and
  - iii) Incorporate some of the guidance in TAS 1 about immaterial information.
- Amendments to TFRS 3 - definition of a business; effective from periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
- Amendments to TFRS 9, TAS 39 and TFRS 7 - interest rate benchmark reform; effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.
- Amendment to TFRS 16, ‘Leases’ - Covid-19 related rent concessions; effective from Annual 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.1 Basis of Presentation (Continued)**

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

**b) Standards and amendments that are issued but not effective as at 30 September 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 12 means when it refers to the 'settlement' of a liability.
- A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16; effective from Annual 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 recognise 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.1 Basis of Presentation (Continued)**

**2.1.8 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 7.8080 = USD 1.00 as of 30 September 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.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

###### Related parties (continued)

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

###### Cash and cash equivalents

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

###### Sales and repurchase agreements

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

###### 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Trade receivables and provision for doubtful receivables (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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Financial Assets**

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

*(a) Financial assets carried at amortized cost*

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

*Impairment*

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

*(b) Financial assets carried at fair value*

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Financial Assets (Continued)**

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

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

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

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

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

**Derivative financial instruments and hedge accounting**

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**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 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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

###### Investment properties (Continued)

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.

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

###### Property, plant and equipment

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

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

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

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.

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), brand, customer relations, 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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

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

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

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

Estimated useful lives of intangible assets are as follows:

	<u>Years</u>
Electricity production licences	45 - 47
Trade names	15 - 25
Computer software and rights	3 - 15
Dealer agreements	5
Customer relations	15
Other intangible rights	5 - 49

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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**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).

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Taxation (Continued)**

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).

**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).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Revenue recognition (Continued)**

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Revenue recognition (Continued)**

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

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

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Revenue recognition (Continued)**

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):

- (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).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Revenue recognition (Continued)**

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.

**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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Revenue recognition (Continued)**

**Subscription and membership income**

Subscription and membership income includes revenues from real estate site, digital platform and internet subscriptions. The Group monitors the membership 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 generating electricity from hydroelectric plants, solar energy plants and wind energy plants and selling it. Since electricity is a service provided as a series that the client gets and consumes simultaneously, it is recognised as one performance, over time and through output method.

**Industry, trade and packaging 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. The Group’s packaging income is made up of income through the sale of food and cosmetic packages of Sesa Ambalaj. 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”.

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

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

###### **Revenue recognition (Continued)**

###### **Real estate sales 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 recognised 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

***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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

***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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

*Leases (Continued)*

*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.

*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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Business combinations (Continued)**

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.

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 standard 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**Business combinations (Continued)**

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).

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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

###### Goodwill (Continued)

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.

###### 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.



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

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

##### Foreign currency transactions (Continued)

###### 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 September 2020 and 31 December 2019 are summarized below:

Country	Currency	30 September 2020	31 December 2019
Eurozone	Euro	9.1281	6.6506
USA	USD	7.8080	5.9402
Romania	Romanian Leu	1.8628	1.3832

##### 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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

###### Assets Held for Sale (Continued)

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.

###### 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).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

**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).

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

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with three months or less to maturity and do not have a significant risk of value change.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.3 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 TRY262,496 in "other non-current assets" (Note 20).

**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 TRY72,415 (31 December 2019: TRY69,865) arising from unused tax losses amounting to TRY355,903 (31 December 2019: TRY317,568) as of 30 September 2020, considering the future profit projections (Note 32).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.3 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 September 2020, doubtful provision is TRY109,966 (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).

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

In December 2019, COVID-19 (Coronavirus) appeared in China. In the first months of 2020, COVID-19 spreads rapidly around the world. It was declared a global epidemic by the World Health Organization on 11 March 2020.

In this context, our group companies benefit from government aid such as the short-term working allowance, VAT, withholding tax and SSI postponements. This situation is continuing to exist as of the date the consolidated financial statements were approved. According to our evaluations we did not find any material impact on the consolidated financial results prepared as of 30 September 2020. In this respect;

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.3 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)*

**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.

Aytemiz's activities are returning to their normal levels with the removal of intercity travel and curfew restrictions in June 2020.

**D Gayrimenkul**

**Real Estate Segment**

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, June, July and August 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.

The revenues of Hürriyet Emlak, the real estate e-commerce platform of the Group, were negatively affected at the beginning of the pandemic. However, in the second half of the year, as a result of the decrease in interest rates, the improvement in housing loan opportunities and the rapid increase in housing sales, there were improvements in their activities. During the period, Hürriyet Emlak adopted a strategy focused on reducing costs, and continued to work on improving customer relations and improving the information technology structure.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**2.3 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)*

**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 COVID-19, this process had a negative impact on the consolidated financial statements due to high fixed expenses.

After the COVID-19 outbreak, as a result of developments/slowing both in overall financial activity and in the sector in which Çelik Halat operates, sales processes slowed in the countries where Çelik Halat operates. Because of reduced demand due to the negative impact of the outbreak on the US economy and the increase of EUR/USD parity, sales prices of exports to the USA declined. Due to shrinkage in the market and slowing demand, capacity cannot be fully utilized. Despite decreasing raw material costs, the pressure of further decreases in sales prices also had a negative impact on the consolidated financial statements.

In the meantime, Çelik Halat took action to minimise investment expenses, operational costs and inventories, and reviewed the cash management strategy to strengthen liquidity position.

With this process, company management took the necessary actions to minimise as much as possible the potential impact of COVID-19 on Çelik Halat's operations and financial status. There were no delays in payments to suppliers or collection of receivables.

It is still unclear, both in Turkey and around the world, how long the impact of COVID-19 will last and to what extent the virus will continue to spread. It will be possible to make a more clear and accurate estimation for the medium and long-term when the severity and duration of the impact become more evident. The potential impact of the COVID-19 outbreak was taken into account when preparing the interim consolidated financial statements dated 30 September 2020, and the estimations and assumptions used when preparing the financial statements were reviewed. In this context, the company tested potential impairments in the value of financial assets, inventories and property, plant and equipment in the interim financial statements dated 30 September 2020, and did not determine any impairment-related findings of any significant amount.

**Ditaş**

Ditaş, a subsidiary of the Group, suspended its production activities temporarily between 2 April - 9 April 2020 in order to protect its employees' health and ensure work safety to help fight the further spread of the pandemic, also the group benefited from the short-term work allowance in April, May and June.

After the COVID-19 outbreak, as a result of developments and slowing both in overall financial activity and in the sector in which Ditaş operates, the automotive supply industry line of business in which Ditaş operates was affected negatively by COVID-19 processes. In March, April and May, when the COVID-19 outbreak was in effect, the domestic and foreign original equipment manufacturers that are supplied by Ditaş ceased production, then restarted production at a slower rate on different days in May. In addition, production is suspended from time to time. Due to shrinkage in the market and slowing demand, capacity cannot be fully utilized. Despite decreasing raw material costs, the pressure of further decreases in sales prices also had a negative impact on the consolidated financial statements.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

##### 2.3 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 (Continued)**

In the meantime, Ditaş took action to minimise investment expenses, operational costs and inventories, and reviewed the cash management strategy to strengthen liquidity position.

With this process, company management took the necessary actions to minimise as much as possible the potential impact of COVID-19 on Ditaş's operations and financial status. There were no delays in payments to suppliers or collection of receivables in this process.

It is still unclear, both in Turkey and around the world, how long the impact of COVID-19 will last and to what extent the virus will continue to spread. It will be possible to make a more clear and accurate estimation for the medium and long-term when the severity and duration of the impact become more evident. The potential impact of the COVID-19 outbreak was taken into account when preparing the interim consolidated financial statements dated 30 September 2020, and the estimations and assumptions used when preparing the financial statements were reviewed. In this context, the company tested potential impairments in the value of financial assets, inventories and property, plant and equipment in the interim financial statements dated 30 September 2020 based on the available information, and did not determine any impairment-related findings of any significant amount.

#### NOTE 3 - BUSINESS COMBINATIONS

*Business combinations as of 30 September 2020:*

##### **Acquisition of Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş.**

The Group decided to acquire and take over whole of the shares (100%) representing the fully paid-in TRY850,000 (exact) capital of Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. ("Sesa Ambalaj") via Sesa Üretim Yatırımları ve Yönetim Hizmetleri A.Ş.'s ("Sesa Yatırım") as a subsidiary to be established exclusively for this purpose and participated in its capital by 70% on 14 September 2020 and the amount was paid in part by equity and bank loan. The purchase price is TRY728,092,017 (exact), and TRY412,937,984 (exact) of this amount was paid by bank loan and the remaining TRY315,154,033 (exact) was paid by equity. In addition, if Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş.'s annual EBITDA for the accounting period ending on 31 December 2020 is more than EUR11,000, performance-based additional payments amounting to EUR2,500 will be made to vendors.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

*Business combinations as of 30 September 2020: (Continued)*

#### Acquisition of Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. (Continued)

	Book Value	Fair Value
<b>Current Assets</b>	<b>246,991</b>	<b>264,860</b>
Cash and cash equivalents	104,022	104,022
Financial investments	1,479	1,479
Trade receivables	90,216	90,216
Other receivables	1,148	1,148
Inventories	37,678	55,547
Other current assets	12,448	12,448
<b>Non-current assets</b>	<b>66,389</b>	<b>600,735</b>
Rights of use assets	602	602
Property, plant and equipment	65,206	171,129
Trade names	-	83,852
Customer relations	-	344,571
Intangible assets	219	219
Other non-current assets	362	362
<b>Total Assets</b>	<b>313,380</b>	<b>865,595</b>
<b>Short-term liabilities</b>	<b>42,823</b>	<b>42,823</b>
Short-term borrowings	51	51
Short-term portion of long-term borrowings	6,334	6,334
Lease borrowings	606	606
Trade payables	19,127	19,127
Other payables	598	598
Payables related to employee benefits	2,967	2,967
Deferred income	2,640	2,640
Current income tax liability	7,840	7,840
Short-term provisions	2,430	2,430
Other short term liabilities	230	230
<b>Long-term liabilities</b>	<b>10,030</b>	<b>117,878</b>
Long-term borrowings	3,645	3,645
Long-term provisions	4,610	4,610
Deferred tax liability	1,775	109,623
<b>Total Liabilities</b>	<b>52,853</b>	<b>160,701</b>
<b>Total Net Assets</b>	<b>260,527</b>	<b>704,894</b>
Total cash paid	-	728,092
Cash and cash equivalents received	-	(104,022)
<b>Net cash outflow/(inflow)</b>	<b>-</b>	<b>624,070</b>
Goodwill as of the day of share purchase	-	23,199
<b>Goodwill as of 30 September 2020</b>	<b>-</b>	<b>23,199</b>
Total net assets acquired	-	704,894
Group's effective ownership	-	70%
<b>Non-Controlling Interests</b>	<b>-</b>	<b>211,468</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

*Business combinations as of 30 September 2020: (Continued)*

##### **Acquisition of Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. (Continued)**

In the consolidated statement of income, Sesa Ambalaj's share of sales income obtained between the date of acquisition and 30 September 2020 was TRY47,513. In the same period, its contribution to net period profit after the consolidated non-controlling shares corresponds to TRY13,881. If Sesa Ambalaj was included in the consolidation beginning from 1 January 2020, the consolidated statement of income of the 1 January-30 September 2020 accounting period would include additional sales income of TRY307,274 and a TRY66,266 increase in net period profit after non-controlling shares. The afore-mentioned amounts have been calculated by taking into consideration the financial statements prepared in accordance with the Tax Procedural Law.

*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. Studies on the calculation of the goodwill in question are ongoing as of the reporting date. 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.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

Joint venture	Country	Nature of business	Entrepreneurial partner
Aslancık Elektrik Üretim A.Ş. ("Aslancık Elektrik")	Turkey	Energy	Doğuş Holding A.Ş. and Anadolu Endüstri Holding A.Ş.
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat Elektrik")	Turkey	Energy	Unit Investment N.V. Doğuş Holding A.Ş.
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	Turkey	Magazine publishing	Burda GmbH
Doğan ve Egmont Yayıncılık ve Yayıncılık Ticaret A.Ş. ("Doğan Egmont")	Turkey	Magazine publishing	Egmont
Gas Plus Erbil Ltd. ("Gas Plus Erbil")	Jersey	Energy	Newage Alzarooni Limited
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. ("Kandilli Gayrimenkul")	Turkey	Real estate management	Rönesans Gayrimenkul Yatırım A.Ş.
Ultra 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
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Turkey	Music and entertainment	Believe International
NetD Müzik Video Dijital Platform ve Ticaret A.Ş. ("NetD Müzik")	Turkey	Internet services	Believe International

The table below sets out the Joint Ventures, Doğan Holding and its subsidiaries and Doğan family voting power and effective ownership interests at 30 September 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 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Aslancık Elektrik	33.33	33.33	-	-	33.33	33.33	33.33	33.33
Boyabat Elektrik	33.00	33.00	-	-	33.00	33.00	33.00	33.00
Doğan Burda <sup>(1)</sup>	41.20	45.02	-	-	41.20	45.02	41.20	45.02
Doğan Egmont	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Gas Plus Erbil <sup>(2)</sup>	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Kandilli Gayrimenkul	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Ultra Kablolu <sup>(3)</sup>	50.00	50.00	-	-	50.00	50.00	50.00	50.00
DPP	56.00	56.00	-	-	56.00	56.00	56.00	56.00
DMC <sup>(4)</sup>	40.00	100.00	-	-	40.00	100.00	40.00	100.00
NetD Müzik <sup>(4)</sup>	100.00	100.00	-	-	100.00	100.00	40.00	100.00

- (1) Proportion of effective ownership interest of the related joint venture changed due to the sale of public shares directly owned by Doğan Holding.
- (2) The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the "prudence" principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil's fields will not be sustained and the only way of producing oil from the wells is using "heavy oil" production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management. In this context, the Group has decided to terminate the related contracts and leave the sites it operates and no provision has been set as the amount of expenses to be incurred cannot be measured reliably yet. In addition to this, it is not expected that the costs incurred will have a significant impact on the consolidated financial statements. Financial information of Gas Plus Erbil has not been included since the Group has no future expectations regarding its activities. Besides, the operational activities of the related joint venture were suspended during the period.
- (3) The related joint venture has ceased its operations as of November 2006.
- (4) With the Board of Directors decision dated 16 April 2020, 60% of the related companies, have been decided to be sold to Believe International Company and the sales transaction was completed on 21 July 2020. With this transaction, the related subsidiaries started to be disclosed under joint ventures.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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 September 2020 and 31 December 2019 are as follows:

	Total assets	Total liabilities	Net assets	Group's share on net assets/ liabilities	Net sales	Profit/(loss) for the period	Group's share on net profit/ (loss)
<b>30 September 2020</b>							
Kandilli Gayrimenkul	198,884	14,807	184,077	92,039	-	4,629	2,315
Doğan Burda	54,386	35,141	19,245	7,929	41,252	(2,657)	(1,095)
Doğan Egmont	87,761	45,895	41,866	20,933	27,549	2,520	1,260
Ultra Kablolu	6,752	31	6,721	3,361	-	(302)	(151)
DPP	245	207	38	21	1,202	(156)	(87)
DMC <sup>(3)</sup>	192,468	52,355	140,113	108,719	30,994	4,889	1,956
<b>Total</b>	<b>540,496</b>	<b>148,436</b>	<b>392,060</b>	<b>233,002</b>	<b>100,997</b>	<b>8,923</b>	<b>4,198</b>
Boyabat Elektrik <sup>(1)</sup>	1,777,173	5,480,404	(3,703,231)	-	180,720	(1,453,043)	-
Aslancık Elektrik <sup>(2)</sup>	471,653	555,856	(84,203)	(28,065)	131,805	(104,615)	(34,868)
<b>31 December 2019</b>							
Kandilli Gayrimenkul	192,896	13,604	179,292	89,646	-	4,435	2,218
Doğan Burda	59,425	37,522	21,903	9,861	84,978	(2,481)	(1,117)
Doğan Egmont	84,074	44,783	39,291	19,646	45,806	2,794	1,397
Ultra Kablolu	7,051	27	7,024	3,512	-	(168)	(84)
DPP	417	224	193	108	2,271	111	62
<b>Total</b>	<b>343,863</b>	<b>96,160</b>	<b>247,703</b>	<b>122,773</b>	<b>133,055</b>	<b>4,691</b>	<b>2,476</b>
Boyabat Elektrik <sup>(1)</sup>	1,828,364	4,012,718	(2,184,354)	-	329,717	(431,372)	32,403
Aslancık Elektrik <sup>(2)</sup>	481,722	464,369	17,353	5,784	139,764	(24,396)	(8,131)

<sup>(1)</sup> The Amendment Agreements were signed on 21 June 2019 and the credit agreements were concluded between Boyabat and the banks on 26 June 2013 and 26 June 2015 were amended. The entry into force of the Amendment Agreements is subject to the payment of the interest accrued under the Main Loan Agreement and the inclusion of the interest accrued under the Consecutive Credit Agreement and the BSMV to the principal amount. It is accepted that the effective date of the contracts is 8 July 2019. The first interest payment after the effective date will be made on 21 June 2020 and the second will be made on 31 December 2020, and the each of the following payments will be made within twelve-month periods after 31 December 2020. Effective interest rate until 21 June 2020 will be 4.25% and after it will be 5.25%. As a result of these developments, the aforementioned provision has been reversed due to the disappearance of the uncertainties mentioned above. In addition, the Group, as a guarantor, made the payment of interest accrued for existing loans but not yet paid by Boyabat amounting to USD 8,650,073 (exact) and EUR 2,482,125 (exact) in full and in cash which was on its own share within 11 business days following the date of the Amendment Agreements were signed. This amount includes 2,854,524 (exact) US Dollars and 819,101 (exact) Euro which belongs to the share of one of the shareholders and which cannot be paid and corresponds to Doğan Enerji's share, in addition expense accrual is accounted in the consolidated financial statements as of the balance sheet date for these amount. 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.

<sup>(2)</sup> 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 TRY 141,000,000 (exact) and the capital was paid in cash by the shareholders. In addition, as of 27 December 2019, a total amount of EUR 7,933,896 (exact) of the loan was paid to the Alternative Bank for a loan amounting to EUR 23,363,594 (exact) through the performed capital increase, and for the remaining EUR 15,429,698 (exact) loan, Euro loan was closed with USD 17,218,000 (exact) which were obtained from the same bank. The newly purchased loan amounting to USD 17,218,000 (exact) is included in the consortium loans, the first interest and principal payment after the effective date is 30 June 2020 and the interest rate is Libor + 3.95. With the related restructuring, USD 1,500,000 (exact) principal repayment was made on 30 June 2020, USD 3,000,000 (exact) principal prepayment was made on 25 August 2020 on a loan amounting to USD 69,482,000 (exact), and total loan liability has been reduced to USD 64,982,000 (exact) as of 30 September 2020.

<sup>(3)</sup> The relevant amounts represent the consolidated financial statements of DMC and NetD Müzik.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

	2020	2019
<b>1 January</b>	<b>128,557</b>	<b>(29,821)</b>
Share of gain (loss) on investments accounted for by the equity method	(30,670)	(32,539)
Acquisition of joint venture <sup>(4)</sup>	18,974	-
Increase in fair value <sup>(4)</sup>	87,789	-
Capital increase	1,155	21,198
Disposal	(836)	-
Guarantee payments	-	21,476
Capital decrease	-	(750)
Unrecognized provisions	-	105,925
Other	(32)	-
<b>30 September</b>	<b>204,937</b>	<b>85,489</b>

<sup>(4)</sup> As of the completion of the sale of subsidiary, the total fair value of the DMC and NetD Müzik companies has been determined as TRY106,763, and TRY18,974 of this amount represents the carrying value and TRY87,789 of this amount represents the fair value effect. The portion of the Group's share from the net profit of the relevant companies from the sale transaction date until 30 September 2020 is TRY1,956 and as of 30 September 2020, the Group's share of the net assets of these companies is TRY108,719.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

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

30 September 2020	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	Doğan Egmont	DPP	DMC	Total
Cash and cash equivalents	119,515	30,834	2	26,018	50	6,037	46	14,574	197,076
Other current assets	33,950	2,497	219	20,196	6,691	74,725	192	66,416	204,886
Other non-current assets	1,623,708	438,322	198,663	8,172	11	6,999	7	111,478	2,387,360
<b>Total assets</b>	<b>1,777,173</b>	<b>471,653</b>	<b>198,884</b>	<b>54,386</b>	<b>6,752</b>	<b>87,761</b>	<b>245</b>	<b>192,468</b>	<b>2,789,322</b>
Short-term borrowings	213,464	14,521	-	2,523	-	8,000	-	170	238,678
Other short-term liabilities	27,034	45,041	128	24,732	13	37,895	207	51,439	186,489
Long-term borrowings	5,010,604	495,998	-	34	-	-	-	-	5,506,636
Other long-term liabilities	229,302	296	14,679	7,852	18	-	-	746	252,893
<b>Total liabilities</b>	<b>5,480,404</b>	<b>555,856</b>	<b>14,807</b>	<b>35,141</b>	<b>31</b>	<b>45,895</b>	<b>207</b>	<b>52,355</b>	<b>6,184,696</b>
Net assets:	(3,703,231)	(84,203)	184,077	19,245	6,721	41,866	38	140,113	(3,395,374)
<i>Group's share</i>	<i>0.33</i>	<i>0.33</i>	<i>0.50</i>	<i>0.41</i>	<i>0.50</i>	<i>0.50</i>	<i>0.56</i>	<i>0.40</i>	
<b>Group's net asset share</b>	<b>-</b>	<b>(28,065)</b>	<b>92,039</b>	<b>7,929</b>	<b>3,361</b>	<b>20,933</b>	<b>21</b>	<b>108,719</b>	<b>204,937</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

<b>1 January - 30 September 2020</b>	<b>Boyabat Elektrik</b>	<b>Aslancık Elektrik</b>	<b>Kandilli Gayrimenkul</b>	<b>Doğan Burda</b>	<b>Ultra Kablolu</b>	<b>DPP</b>	<b>Doğan Egmont</b>	<b>DMC</b>
Revenue	180,720	131,805	-	41,252	-	1,202	27,549	30,994
Operating profit/(loss)	80,453	41,323	5,782	(3,084)	(100)	(155)	(2,553)	6,322
Net financial income/(expense)	(1,533,492)	(143,662)	-	(191)	-	(1)	(318)	(13)
Profit/(loss) before income tax	(1,453,039)	(102,339)	5,782	(3,273)	(302)	(156)	2,520	6,309
<b>Total comprehensive income/(loss)</b>	<b>(1,453,043)</b>	<b>(104,615)</b>	<b>4,629</b>	<b>(2,657)</b>	<b>(302)</b>	<b>(156)</b>	<b>2,520</b>	<b>4,889</b>
<i>Group's share</i>	<i>0.33</i>	<i>0.33</i>	<i>0.50</i>	<i>0.41</i>	<i>0.50</i>	<i>0.56</i>	<i>0.50</i>	<i>0.40</i>
<b>Group's net share on profit/(loss)</b>	<b>-</b>	<b>(34,868)</b>	<b>2,315</b>	<b>(1,095)</b>	<b>(151)</b>	<b>(87)</b>	<b>1,260</b>	<b>1,956</b>

  

<b>1 July - 30 September 2020</b>	<b>Boyabat Elektrik</b>	<b>Aslancık Elektrik</b>	<b>Kandilli Gayrimenkul</b>	<b>Doğan Burda</b>	<b>Ultra Kablolu</b>	<b>DPP</b>	<b>Doğan Egmont</b>	<b>DMC</b>
Revenue	118,701	28,847	-	14,734	-	419	13,181	30,994
Operating profit/(loss)	81,692	10,390	(11)	707	(53)	(27)	38	6,322
Net financial income/(expense)	(806,144)	(66,779)	-	554	-	(1)	(122)	(13)
Profit/(loss) before income tax	(724,452)	(56,389)	(11)	1,261	(52)	(28)	2,423	6,309
<b>Total comprehensive income/(loss)</b>	<b>(724,452)</b>	<b>(54,610)</b>	<b>(9)</b>	<b>780</b>	<b>(52)</b>	<b>(27)</b>	<b>2,423</b>	<b>4,889</b>
<i>Group's share</i>	<i>0.33</i>	<i>0.33</i>	<i>0.50</i>	<i>0.41</i>	<i>0.50</i>	<i>0.56</i>	<i>0.50</i>	<i>0.40</i>
<b>Group's net share on profit/(loss)</b>	<b>-</b>	<b>(18,201)</b>	<b>(4)</b>	<b>452</b>	<b>(26)</b>	<b>(15)</b>	<b>1,211</b>	<b>1,956</b>



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

<b>1 January - 30 September 2019</b>	<b>Boyabat Elektrik</b>	<b>Aslancık Elektrik</b>	<b>Kandilli Gayrimenkul</b>	<b>Doğan Burda</b>	<b>Ultra Kablolu</b>	<b>Doğan Egmont</b>
Revenue	266,544	128,241	-	61,944	-	29,430
Operating profit/(loss)	111,566	49,292	3,305	(660)	(144)	(2,584)
Net financial income/(expense)	(407,466)	(64,085)	25	(1,611)	-	(840)
Profit/(loss) before income tax	(295,900)	(14,793)	3,331	(2,265)	(144)	2,331
<b>Total comprehensive income/(loss)</b>	<b>(295,915)</b>	<b>(10,682)</b>	<b>2,659</b>	<b>(1,845)</b>	<b>(144)</b>	<b>2,331</b>
<i>Group's share</i>	<i>0.33</i>	<i>0.33</i>	<i>0.50</i>	<i>0.45</i>	<i>0.50</i>	<i>0.50</i>
<b>Group's net share on profit/(loss)</b>	<b>75,354</b>	<b>(3,560)</b>	<b>1,330</b>	<b>(831)</b>	<b>(72)</b>	<b>1,165</b>
<b>1 July - 30 September 2019</b>	<b>Boyabat Elektrik</b>	<b>Aslancık Elektrik</b>	<b>Kandilli Gayrimenkul</b>	<b>Doğan Burda</b>	<b>Ultra Kablolu</b>	<b>Doğan Egmont</b>
Revenue	127,936	34,529	-	17,595	-	11,444
Operating profit/(loss)	71,430	11,632	(26)	(1,861)	(120)	(1,663)
Net financial income/(expense)	92,284	6,179	(2)	(484)	-	(178)
Profit/(loss) before income tax	163,714	17,811	(27)	(2,342)	(120)	3,914
<b>Total comprehensive income/(loss)</b>	<b>163,694</b>	<b>12,943</b>	<b>(24)</b>	<b>(1,899)</b>	<b>(120)</b>	<b>455</b>
<i>Group's share</i>	<i>0.33</i>	<i>0.33</i>	<i>0.50</i>	<i>0.45</i>	<i>0.50</i>	<i>0.50</i>
<b>Group's net share on profit/(loss)</b>	<b>-</b>	<b>4,314</b>	<b>(12)</b>	<b>(855)</b>	<b>(60)</b>	<b>227</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 5 - SEGMENT REPORTING

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

##### a) External revenue

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Fuel retail <sup>(1)</sup>	5,604,936	2,346,677	8,274,542	3,050,305
Electricity production and trade	257,470	109,631	95,594	19,860
Industry and trade	859,894	358,133	615,851	206,690
Automotive trade and marketing	314,866	126,926	198,750	39,454
Financing and investment	176,959	61,434	174,238	56,373
Internet and entertainment	288,889	96,356	255,330	85,520
Real estate investments	94,907	39,247	136,114	63,507
	<b>7,597,921</b>	<b>3,138,404</b>	<b>9,750,419</b>	<b>3,521,709</b>

<sup>(1)</sup> Due to Doel's cessation of commercial activities, there was no trade income recognised during the period of 1 January - 30 September 2020 (30 September 2019: TRY2,005,600). 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 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Fuel retail	(3,849)	38,160	(38,213)	9,758
Electricity production and trade	138,035	65,034	82,843	42,384
Industry and trade	21,420	19,349	3,270	1,107
Automotive trade and marketing	18,389	12,782	(11,196)	(6,826)
Financing and investment	1,200,230	598,580	406,813	(82,385)
Internet and entertainment	258,557	245,065	12,095	7,337
Real estate investments	52,029	12,754	60,250	29,701
	<b>1,684,811</b>	<b>991,724</b>	<b>515,862</b>	<b>1,076</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 5 - SEGMENT REPORTING (Continued)

#### c) Segmental analysis for the interim period ended as of 1 January - 30 September 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	5,604,936	257,470	859,894	314,866	176,959	288,889	94,907	-	7,597,921
Inter segment revenue	8,066	44	1,073	1,227	27,534	-	7,234	(45,178)	-
<b>Total revenue</b>	<b>5,613,002</b>	<b>257,514</b>	<b>860,967</b>	<b>316,093</b>	<b>204,493</b>	<b>288,889</b>	<b>102,141</b>	<b>(45,178)</b>	<b>7,597,921</b>
Revenue	5,613,002	257,514	860,967	316,093	204,493	288,889	102,141	(45,178)	7,597,921
Cost of sales	(5,368,097)	(78,057)	(732,291)	(269,346)	(71,673)	(144,531)	(52,959)	8,795	(6,708,159)
<b>Gross profit/(loss)</b>	<b>244,905</b>	<b>179,457</b>	<b>128,676</b>	<b>46,747</b>	<b>132,820</b>	<b>144,358</b>	<b>49,182</b>	<b>(36,383)</b>	<b>889,762</b>
General administrative expenses	(26,452)	(10,169)	(38,068)	(9,750)	(84,097)	(39,416)	(10,594)	30,851	(187,695)
Marketing expenses	(176,414)	(1,792)	(32,987)	(25,572)	-	(62,721)	(6,196)	6,066	(299,616)
Share of gain/(loss) on investments accounted for by the equity method	-	(34,868)	-	-	-	1,883	2,315	-	(30,670)
Other income/(expenses) from operating activities, net	27,518	52,152	22,668	13,683	606,010	189	16,812	(2,613)	736,419
Income/(expenses) from investment activities, net	15,524	19,027	(101)	4,064	581,874	219,360	650	(754)	839,644
Financial income/(expense) net	(88,930)	(65,772)	(58,768)	(10,783)	(36,377)	(5,096)	(140)	2,833	(263,033)
<b>Profit/(loss) before taxation from continued operations</b>	<b>(3,849)</b>	<b>138,035</b>	<b>21,420</b>	<b>18,389</b>	<b>1,200,230</b>	<b>258,557</b>	<b>52,029</b>	<b>-</b>	<b>1,684,811</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 5 - SEGMENT REPORTING (Continued)

#### c) Segmental analysis for the interim period ended as of 1 July - 30 September 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	2,346,677	109,631	358,133	126,926	61,434	96,356	39,247	-	3,138,404
Inter segment revenue	5,736	-	628	147	9,006	-	2,346	(17,863)	-
<b>Total revenue</b>	<b>2,352,413</b>	<b>109,631</b>	<b>358,761</b>	<b>127,073</b>	<b>70,440</b>	<b>96,356</b>	<b>41,593</b>	<b>(17,863)</b>	<b>3,138,404</b>
Revenue	2,352,413	109,631	358,761	127,073	70,440	96,356	41,593	(17,863)	3,138,404
Cost of sales	(2,231,346)	(29,831)	(293,892)	(110,215)	(27,751)	(45,782)	(21,883)	5,218	(2,755,482)
<b>Gross profit/(loss)</b>	<b>121,067</b>	<b>79,800</b>	<b>64,869</b>	<b>16,858</b>	<b>42,689</b>	<b>50,574</b>	<b>19,710</b>	<b>(12,645)</b>	<b>382,922</b>
General administrative expenses	(9,155)	(3,395)	(13,279)	(3,110)	(30,491)	(14,026)	(4,364)	10,246	(67,574)
Marketing expenses	(59,706)	(629)	(12,964)	(9,055)	-	(11,075)	(2,277)	2,199	(93,507)
Share of gain/(loss) on investments accounted for by the equity method	-	(18,201)	-	-	-	3,578	(4)	-	(14,627)
Other income/(expenses) from operating activities, net	(698)	7,307	17,062	11,676	274,693	(2,111)	2,943	192	311,064
Income/(expenses) from investment activities, net	4,325	10,820	(602)	792	320,903	220,477	(3,443)	-	553,272
Financial income/(expense), net	(17,673)	(10,668)	(35,737)	(4,379)	(9,214)	(2,352)	189	8	(79,826)
<b>Profit/(loss) before taxation from continued operations</b>	<b>38,160</b>	<b>65,034</b>	<b>19,349</b>	<b>12,782</b>	<b>598,580</b>	<b>245,065</b>	<b>12,754</b>	<b>-</b>	<b>991,724</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 5 - SEGMENT REPORTING (Continued)

#### c) Segmental analysis for the interim period ended as of 1 January - 30 September 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	8,274,542	95,594	615,851	198,750	174,238	255,330	136,114	-	9,750,419
Inter segment revenue	14,035	115,931	1,334	70	33,731	27	8,206	(173,334)	-
<b>Total revenue</b>	<b>8,288,577</b>	<b>211,525</b>	<b>617,185</b>	<b>198,820</b>	<b>207,969</b>	<b>255,357</b>	<b>144,320</b>	<b>(173,334)</b>	<b>9,750,419</b>
Revenue	8,288,577	211,525	617,185	198,820	207,969	255,357	144,320	(173,334)	9,750,419
Cost of sales	(7,976,181)	(75,487)	(544,350)	(161,405)	(109,583)	(125,580)	(64,929)	130,710	(8,926,805)
<b>Gross profit/(loss)</b>	<b>312,396</b>	<b>136,038</b>	<b>72,835</b>	<b>37,415</b>	<b>98,386</b>	<b>129,777</b>	<b>79,391</b>	<b>(42,624)</b>	<b>823,614</b>
General administrative expenses	(31,839)	(11,095)	(35,442)	(12,951)	(95,839)	(36,177)	(18,461)	39,716	(202,088)
Marketing expenses	(176,150)	(1,061)	(28,525)	(16,090)	-	(67,414)	(5,075)	5,205	(289,110)
Share of gain/(loss) on investments accounted for by the equity method	-	(3,560)	-	-	75,354	262	1,330	-	73,386
Other income/(expenses) from operating activities, net	50,612	13,722	15,884	1,095	311,848	(7,414)	6,239	(8,568)	383,418
Income/(expenses) from investment activities, net	1,596	3,714	(406)	572	101,992	(1,666)	188	-	105,990
Financial income/(expense), net	(194,828)	(54,915)	(21,076)	(21,237)	(84,928)	(5,273)	(3,362)	6,271	(379,348)
<b>Profit/(loss) before taxation from continued operations</b>	<b>(38,213)</b>	<b>82,843</b>	<b>3,270</b>	<b>(11,196)</b>	<b>406,813</b>	<b>12,095</b>	<b>60,250</b>	<b>-</b>	<b>515,862</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 5 - SEGMENT REPORTING (Continued)

#### c) Segmental analysis for the interim period ended as of 1 July - 30 September 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	3,050,305	19,860	206,690	39,454	56,373	85,520	63,507	-	3,521,709
Inter segment revenue	7,198	71,667	287	64	12,159	27	3,440	(94,842)	-
<b>Total revenue</b>	<b>3,057,503</b>	<b>91,527</b>	<b>206,977</b>	<b>39,518</b>	<b>68,532</b>	<b>85,547</b>	<b>66,947</b>	<b>(94,842)</b>	<b>3,521,709</b>
Revenue	3,057,503	91,527	206,977	39,518	68,532	85,547	66,947	(94,842)	3,521,709
Cost of sales	(2,943,100)	(30,695)	(188,460)	(30,150)	(34,816)	(36,447)	(28,557)	77,875	(3,214,350)
<b>Gross profit/(loss)</b>	<b>114,403</b>	<b>60,832</b>	<b>18,517</b>	<b>9,368</b>	<b>33,716</b>	<b>49,100</b>	<b>38,390</b>	<b>(16,967)</b>	<b>307,359</b>
General administrative expenses	(13,983)	(3,970)	(13,444)	(5,372)	(29,879)	(10,518)	(6,277)	14,634	(68,809)
Marketing expenses	(54,498)	(491)	(8,861)	(5,027)	-	(24,049)	(1,556)	2,083	(92,399)
Share of gain/(loss) on investments accounted for by the equity method	-	4,314	-	-	-	(688)	(12)	-	3,614
Other income/(expenses) from operating activities, net	25,585	(8,507)	4,471	(783)	(42,609)	(3,893)	(29)	(791)	(26,556)
Income/(expenses) from investment activities, net	1,064	555	663	543	(27,035)	(587)	591	-	(24,206)
Financial income/(expense), net	(62,813)	(10,349)	(239)	(5,555)	(16,578)	(2,028)	(1,406)	1,041	(97,927)
<b>Profit/(loss) before taxation from continued operations</b>	<b>9,758</b>	<b>42,384</b>	<b>1,107</b>	<b>(6,826)</b>	<b>(82,385)</b>	<b>7,337</b>	<b>29,701</b>	<b>-</b>	<b>1,076</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 5 - SEGMENT REPORTING (Continued)

#### d) Segment assets

	30 September 2020	31 December 2019
<b>Total assets</b>		
Fuel retail	2,415,705	2,233,154
Electricity production and trade	1,655,511	1,499,167
Industry and trade <sup>(4)</sup>	1,591,614	620,212
Automotive trade and marketing	338,711	116,852
Financing and investment	11,944,276	9,459,888
Internet and entertainment <sup>(5)</sup>	728,863	436,304
Real estate investments	1,729,673	1,750,876
<b>Total</b>	<b>20,404,353</b>	<b>16,116,453</b>
Less: Segment elimination <sup>(1)</sup>	(6,471,416)	(4,875,862)
<b>Total assets per consolidated financial statements</b>	<b>13,932,937</b>	<b>11,240,591</b>
<b>Equity</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
Fuel retail <sup>(2)</sup>	(126,713)	(106,182)
Electricity production and trade	364,806	251,187
Industry and trade <sup>(4)</sup>	289,904	29,320
Automotive trade and marketing <sup>(2)</sup>	(22,368)	(41,001)
Financing and investment	13,038,503	12,085,244
Internet and entertainment <sup>(5)</sup>	257,138	(68,105)
Real estate investments	500,938	394,991
<b>Total</b>	<b>14,302,208</b>	<b>12,545,454</b>
Less: Segment elimination <sup>(3)</sup>	(5,783,709)	(5,408,845)
<b>Total shareholders' equity per consolidated financial statements</b>	<b>9,375,728</b>	<b>7,631,340</b>
Non-controlling interests	857,229	494,731
<b>Equity attributable to equity holders of the parent company</b>	<b>8,518,499</b>	<b>7,136,609</b>

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

<sup>(2)</sup> 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..

<sup>(3)</sup> The amount of segment elimination represents the reciprocal elimination of affiliate amounts with adjusted capital amounts within total equity amount of each business segment.

<sup>(4)</sup> As explained in Note 3, the reason for the increase is due to the acquisition of Sesa Ambalaj.

<sup>(5)</sup> As explained in Note 31, the reason for the increase is due to the increase in fair value as a result of the sale of DMC and NetD Müzik.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 5 - SEGMENT REPORTING (Continued)

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

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
<b><u>Purchases</u></b>				
Fuel retail	131,063	38,693	80,349	30,775
Electricity production and trade <sup>(2)</sup>	183,612	120,176	2,281	1,207
Industry and trade	22,379	6,532	19,650	10,227
Automotive trade and marketing	42,272	16,725	6,233	4,712
Financing and investment	1,408	858	11,069	5,819
Internet and entertainment	49,548	13,490	45,252	17,366
Real estate investments	12,535	2,514	11,375	3,552
<b>Total</b>	<b>442,817</b>	<b>198,988</b>	<b>176,209</b>	<b>73,658</b>

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
<b><u>Depreciation and amortization <sup>(1)</sup></u></b>				
Fuel retail	123,832	41,676	110,671	34,865
Electricity production and trade	27,061	9,064	25,948	8,882
Industry and trade	17,885	6,640	21,429	6,944
Automotive trade and marketing	9,963	3,092	5,643	2,252
Financing and investment	20,738	8,053	15,808	6,532
Internet and entertainment	35,547	15,142	38,756	17,632
Real estate investments	6,331	2,271	9,243	2,595
<b>Total</b>	<b>241,357</b>	<b>85,938</b>	<b>227,498</b>	<b>79,702</b>

<sup>(1)</sup> Depreciation expense related to industry and trade segment amounting to TRY800 has been recognised under inventory account (30 September 2019: TRY378).

<sup>(2)</sup> An increase has occurred due to the construction of Taşpınar power plant of Galata, a subsidiary of the Group.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 30 September 2020 and 31 December 2019 are as follows:

	30 September 2020	31 December 2019
Cash	10,905	1,990
Banks		
- Demand deposits	771,690	144,505
- Time deposits	2,937,670	3,125,308
Other liquid assets	50,437	7,029
	<b>3,770,702</b>	<b>3,278,832</b>

As of 30 September 2020 the gross effective interest rates of USD, EUR and TRY denominated time deposits of the Group are between 0.15% and 2.75% (31 December 2019: 0.95% and 2.45%), 0.45% and 0.60% (31 December 2019: 0.25% and 0.30%) and 4.75% and 12.00% (31 December 2019: 1.91% and 10.50%) and the maturity of the time deposits is shorter than 3 months.

As of 30 September 2020, other liquid assets consist of credit card slip receivables amounting to TRY50,437 (31 December 2019: TRY7,029). As of 30 September 2020, there are blocked deposits amounting to TRY46,375 (31 December 2019: TRY645).

Cash and cash equivalents disclosed in the consolidated statements of cash flows as of 30 September 2020, 31 December 2019, 30 September 2019 and 31 December 2018 are as follows:

	30 September 2020	31 December 2019	30 September 2019	31 December 2018
Cash and cash equivalents	3,770,702	3,278,832	3,435,261	3,817,966
Accrued interest (-)	(777)	(2,074)	(4,622)	(8,602)
<b>Cash and cash equivalents</b>	<b>3,769,925</b>	<b>3,276,758</b>	<b>3,430,639</b>	<b>3,809,364</b>

#### NOTE 7 - FINANCIAL INVESTMENTS

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

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

	30 September 2020	31 December 2019
Financial assets carried at fair value through other comprehensive income <sup>(1)</sup>		
- Private sector and government bills and bonds	1,894,803	1,108,572
- Investment funds	349,600	68,046
- Private sector stocks	20,181	-
Financial assets carried at fair value through profit or loss		
- Private sector stocks	1,239	1,108
	<b>2,265,823</b>	<b>1,177,726</b>

<sup>(1)</sup> 31% of financial investments consist of government and 69% private sector bonds and bills (31 December 2019: 29% government and 71% private sector).

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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)

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

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

	2020	2019
<b>1 January</b>	<b>1,177,726</b>	<b>423,682</b>
Purchase of available for sale financial assets	1,482,321	917,362
Change in fair value	(61,013)	30,700
<i>Recognized in the statement of income</i>	131	69
<i>Recognized in the statement of other comprehensive income</i>	(61,144)	30,631
Financial investment disposal	(758,446)	(348,517)
Interest accrual	14,220	18,255
Purchase effect of subsidiary (Note 3)	1,479	-
Currency translation differences	409,536	83,258
<b>30 September</b>	<b>2,265,823</b>	<b>1,124,740</b>

#### b) Long-term financial investments

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

	<u>30 September 2020</u>		<u>31 December 2019</u>	
	TRY	(%)	TRY	(%)
Financial assets carried at fair value through other comprehensive income <sup>(1)</sup>				
<i>Lexin Nassau L.P.</i> <sup>(2)</sup>	207,537	22.15	157,891	22.15
Financial assets carried at fair value through profit or loss <sup>(1)</sup>				
<i>Mediterra Capital Partners I LP</i>	16,010	1.88	11,128	1.88
<i>Insider SG PTE Limited</i>	38,935	3.07	9,772	3.28
<i>Mediterra Capital Partners II LP</i>	12,705	2.23	8,231	2.23
<i>GRI Gıda Sanayi ve Ticaret A.Ş.</i>	-	-	7,407	1.71
<i>Düş Yeri Bilişim Teknolojileri ve Animasyon A.Ş.</i>	8,437	3.75	7,874	3.75
<i>Collective Spark Fund BV</i>	1,366	1.23	542	1.13
	<b>284,990</b>		<b>202,845</b>	

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 TRY207,537 (equivalent of USD26,580) as of 30 September 2020. A capital increase of TRY256 was realized during the period regarding the investment accordingly, the foreign currency translation difference amounting to TRY49,390 has been accounted in the other comprehensive income statement for the interim period ended 30 September 2020.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 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
<b>1 January</b>	<b>202,845</b>	<b>196,084</b>
Currency translation differences	49,390	10,761
Change in fair value	38,614	1,630
<i>Recognized in the statement of income</i>	<i>38,614</i>	<i>1,630</i>
Purchase of available for sale financial assets	1,292	1,106
Capital increase	256	-
Financial investment disposal	(7,407)	(15,406)
<b>30 September</b>	<b>284,990</b>	<b>194,175</b>

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

##### Financial borrowings

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

Short-term borrowings:	30 September 2020	31 December 2019
Short-term bank borrowings	1,724,727	1,603,847
Financing bond <sup>(1)</sup>	20,947	136,713
Factoring borrowings	-	36
Lease borrowings from non-related parties	-	414
<b>Total</b>	<b>1,745,674</b>	<b>1,741,010</b>

<sup>(1)</sup> The Group's subsidiary, Doruk Faktoring, issued and sold discounted financing bonds to qualified investors, without a public offering on 12 August 2020. The nominal value of the bonds amounts to TRY30,000,000 (exact) with the maturity of 170 days. The bonds' simple annual interest rate is 12% and the annual compound interest rate is 12.39%. The maturity date of the bond with nominal value of TRY 30,000,000 (exact) is 29 January 2021. A portion of TRY7,932,076 (exact) with the interest accrued and purchased by Dogan Holding is eliminated within the scope of consolidation. The movement table of financing bonds is included to the reconciliation of the net financial borrowing in this note. (31 December 2019: Consists of financing bonds issued by Doruk Faktoring, Doruk Finansman and Aytemiz Akaryakit).

Short-term portions of long-term borrowings:	30 September 2020	31 December 2019
Short-term portions of long-term bank borrowings	205,051	71,071
Lease borrowings from non-related parties	59,116	36,734
Lease borrowings from related parties	6,339	6,238
Other financial liabilities	28	-
<b>Total</b>	<b>270,534</b>	<b>114,043</b>

Long-term borrowings:	30 September 2020	31 December 2019
Long-term bank borrowings	767,380	407,133
Lease borrowings from non-related parties	146,536	170,416
Lease borrowings from related parties	14,296	18,906
<b>Total</b>	<b>928,212</b>	<b>596,455</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

Details of the bank borrowings and financing bonds as of 30 September 2020 and 31 December 2019 are as follows:

	30 September 2020			31 December 2019		
	Interest rate per annum (%)	Original currency	TRY	Interest rate per annum (%)	Original currency	TRY
<b>Short-term bank borrowings:</b>						
TRY denominated bank borrowings	3.60 - 15.00	1,651,618	1,651,618	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 - 3.80	8,009	73,109	0.85 - 3.45	21,220	141,129
<b>Subtotal</b>			<b>1,724,727</b>			<b>1,603,847</b>
<b>Short-term financing bonds:</b>						
TRY denominated financing bonds			20,947			136,713
<b>Subtotal</b>			<b>20,947</b>			<b>136,713</b>
<b>Short-term portion of long-term bank borrowings</b>						
TRY denominated bank borrowings	8.37 - 14.75	111,450	111,450	12.25 - 16.24	57,888	57,888
EUR denominated bank borrowings	0.60 - 4.65	10,254	93,601	0.65 - 4.22	1,982	13,183
<b>Subtotal</b>			<b>205,051</b>			<b>71,071</b>
<b>Total short-term bank borrowings and financing bonds</b>			<b>1,950,725</b>			<b>1,811,631</b>
<b>Long term bank borrowings:</b>						
TRY denominated bank borrowings	8.37 - 14.75	533,932	533,932	12.80 - 22.55	326,077	326,077
EUR denominated bank borrowings	0.60 - 4.65	25,575	233,448	0.65 - 2.63	12,188	81,056
<b>Total long-term bank borrowings</b>			<b>767,380</b>			<b>407,133</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

#### b) Lease borrowings

Details of the lease borrowings as of 30 September 2020 and 31 December 2019 are as follows:

	30 September 2020			31 December 2019		
	Interest rate per annum (%)	Original currency	TRY	Interest rate per annum (%)	Original currency	TRY
<b>Short-term lease borrowings:</b>						
EUR denominated lease borrowings from non-related parties	-	-	-	2.90 - 3.45	62	414
<b>Subtotal</b>			<b>-</b>			<b>414</b>
<b>Short-term portion of long-term lease borrowings:</b>						
TRY denominated lease borrowings from related parties	11.16 - 26.15	6,339	6,339	22.55 - 26.15	6,238	6,238
TRY denominated lease borrowings from non- related parties	11.16 - 26.15	54,183	54,183	22.55 - 26.15	16,386	16,386
USD denominated lease borrowings from non-related parties	12.41	433	3,381	12.41	347	2,063
EUR denominated lease borrowings from non-related parties	3.10 - 10.20	170	1,552	3.83 - 10.20	2,747	18,269
RUB denominated lease borrowings from non-related parties	-	-	-	6.25 - 7.00	177	16
<b>Subtotal</b>			<b>65,455</b>			<b>42,972</b>
<b>Total short-term lease borrowings</b>			<b>65,455</b>			<b>43,386</b>
<b>Long-term lease borrowings:</b>						
TRY denominated lease borrowings from related parties	11.16 - 26.15	14,296	14,296	22.55 - 26.15	18,906	18,906
TRY denominated lease borrowings from non- related parties	11.16 - 26.15	133,497	133,497	22.55 - 26.15	149,648	149,648
USD denominated lease borrowings from non-related parties	12.41	1,670	13,039	12.41	3,443	20,452
EUR denominated lease borrowings from non-related parties	-	-	-	3.83 - 10.20	48	316
<b>Total long-term lease borrowings</b>			<b>160,832</b>			<b>189,322</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

The movement table of the lease borrowings is as follows:

	30 September 2020	30 September 2019
Beginning of the period	232,294	222,449
Additions	36,118	30,725
Payments	(83,153)	(81,797)
Interest expense (Note 30)	23,977	25,875
Currency translation differences	9,064	1,860
Early termination	(17)	-
Remeasurement	7,420	-
Acquisition of subsidiary (Note 3)	606	-
Disposal of subsidiary (Note 31)	(22)	-
	<b>226,287</b>	<b>199,112</b>

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

	30 September 2020	31 December 2019
Cash and cash equivalents (Note 6)	3,770,702	3,278,832
Short-term borrowings	(1,950,753)	(1,812,081)
Long-term borrowings	(767,380)	(407,133)
Short term lease borrowings	(65,455)	(42,972)
Long term lease borrowings	(160,832)	(189,322)
<b>Net financial assets/(liabilities)</b>	<b>826,282</b>	<b>827,324</b>

	Short and long term borrowings	Lease borrowings	Other financial liabilities	Cash and cash equivalents	Net financial liability
<b>1 January 2020</b>	<b>2,219,214</b>	<b>232,294</b>	-	<b>(3,278,832)</b>	<b>(827,324)</b>
Cash flow effect	355,620	(39,632)	28	234,777	550,793
Currency translation adjustments	72,903	9,064	-	(627,446)	(545,479)
Interest accrual, net	60,338	23,977	-	777	85,092
Acquisition of subsidiary	10,030	606	-	(104,022)	(93,386)
Disposal of subsidiary	-	(22)	-	4,044	4,022
<b>30 September 2020</b>	<b>2,718,105</b>	<b>226,287</b>	<b>28</b>	<b>(3,770,702)</b>	<b>(826,282)</b>

	Short and long term borrowings	Lease borrowings <sup>(1)</sup>	Cash and cash equivalents	Net financial liability
<b>1 January 2019</b>	<b>2,488,641</b>	-	<b>(3,817,966)</b>	<b>(1,329,325)</b>
TFRS 16 opening effect	-	222,449	-	222,449
Cash flow effect	(26,590)	(51,072)	625,467	547,805
Currency translation adjustments	19,209	1,860	(247,384)	(226,315)
Interest accrual, net	163,409	25,875	4,622	193,906
<b>30 September 2019</b>	<b>2,644,669</b>	<b>199,112</b>	<b>(3,435,261)</b>	<b>(591,480)</b>

<sup>(1)</sup> As disclosed in Note 2.1.6, the amounts due as of 30 September 2019 consist of the balances resulting from the first time adoption of "TFRS 16 Leases" standard.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

The redemption schedule of long-term bank borrowings as of 30 September 2020 and 31 December 2019 is as follows:

	30 September 2020	31 December 2019
2021	74,134	337,853
2022	430,636	11,776
2023	94,289	9,300
2024 and after	168,321	48,204
<b>Total</b>	<b>767,380</b>	<b>407,133</b>

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

Allocation of borrowings with fixed and floating interest rates of the Group excluding financial liabilities to be paid to the suppliers as of 30 September 2020 and 31 December 2019 are as follows:

	30 September 2020	31 December 2019
Financial borrowings with fixed interest rates (Note 35)	2,809,018	2,300,645
Financial borrowings with floating interest rates (Note 35)	135,402	150,863
<b>Total</b>	<b>2,944,420</b>	<b>2,451,508</b>

#### NOTE 9 - TRADE RECEIVABLES AND PAYABLES

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

	30 September 2020	31 December 2019
Trade receivables	1,763,878	1,627,097
Notes and cheques receivable	109,225	180,694
Income accruals	14,059	1,286
<b>Total</b>	<b>1,887,162</b>	<b>1,809,077</b>
Less: Unearned financial income due to sales with maturity	(4,094)	(4,543)
Less: Provision for expected credit losses (-)	(1,166)	(877)
Less: Provision for doubtful receivables (-)	(108,800)	(98,771)
<b>Total</b>	<b>1,773,102</b>	<b>1,704,886</b>

The average maturity of not overdue trade receivables of the Group that are followed up by Doruk Faktoring is between 53 to 75 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 TRY10.60%, USD2.63%, and EUR1.43% (31 December 2019: TRY13.83%, USD3.69%, EUR1.68%). The rate used in this method is determined on the basis of compound interest called "effective interest rate"; which has been determined taking into consideration the data of the Central Bank of the Republic of Turkey.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

	30 September 2020	31 December 2019
Notes and cheques receivable <sup>(1)</sup>	36,842	29,116
Unearned financial income due to sales with maturity	(2,628)	(3,033)
	<b>34,214</b>	<b>26,083</b>

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

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

	2020	2019
<b>1 January</b>	<b>(99,648)</b>	<b>(92,574)</b>
Provision from continued operations in the current period (Note 28)	(8,855)	(20,002)
Expected credit loss, net	(289)	103
Written off uncollectible receivables <sup>(1)</sup>	2,257	10,175
Collections	535	1,403
Acquisition of subsidiary	(6,580)	-
Disposal of subsidiary	2,614	-
<b>30 September</b>	<b>(109,966)</b>	<b>(100,895)</b>

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

##### *Guarantees for trade receivables*

As of 30 September 2020, although trade receivables amounting to TRY176,763 (31 December 2019: TRY115,721), 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 September 2020, the Group has collateral, pledge, mortgage and surety amounting to TRY1,332,617 (31 December 2019: TRY1,530,294) for trade receivables amounting to TRY1,807,316 (31 December 2019: TRY1,730,969) from non-related parties (Note 35).

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

	30 September 2020	31 December 2019
Trade payables	776,731	717,983
Provisions for liabilities and expenses	34,402	30,770
Cheques and notes payables	574	-
Less: Unrealized finance expense due to purchases with maturity	(2,421)	(3,033)
<b>Total</b>	<b>809,286</b>	<b>745,720</b>

The average maturity of trade payables is between 40 to 94 days as of 30 September 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 TRY10.60%, USD2.63%, and EUR1.43% (31 December 2019: TRY13.83%, USD3.69%, EUR1.68%). The rate used in this method is determined on the basis of compound interest called "effective interest rate"; which has been determined taking into consideration the data of the Central Bank of the Republic of Turkey.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

(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 September 2020	31 December 2019
Deposits and guarantees given <sup>(1)</sup>	5,582	5,787
TEİAŞ power transmission line receivables	12,349	7,137
Other receivables <sup>(2)</sup>	13,383	12,229
<b>Total</b>	<b>31,314</b>	<b>25,153</b>

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

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

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

	30 September 2020	31 December 2019
Taxes and funds payable	165,981	120,474
Deposits and guarantees received	4,670	569
Other short-term payables <sup>(3)</sup>	12,707	5,788
<b>Total</b>	<b>183,358</b>	<b>126,831</b>

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

	30 September 2020	31 December 2019
Deposits and guarantees received	1,393	1,385
Other long-term payables <sup>(3)</sup>	7,475	538
<b>Total</b>	<b>8,868</b>	<b>1,923</b>

<sup>(3)</sup> 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 September 2020	31 December 2019
Finished goods and merchandise	541,938	560,267
Raw materials and supplies	78,883	29,612
Semi-finished goods	16,728	14,511
Other inventories	16,321	19,455
Provision for impairment of inventory (-)	(869)	(2,062)
<b>Total</b>	<b>653,001</b>	<b>621,783</b>

Depreciation and amortization expenses amounting to TRY800 have been reflected to cost of inventories as of 30 September 2020 (31 December 2019: TRY408).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 11 – INVENTORIES (Continued)

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

	2020	2019
<b>1 January</b>	<b>(2,062)</b>	<b>(1,992)</b>
Reversal of provision for impairment of inventories	79	130
Provision booked in the current period	(411)	-
Disposal of subsidiary	1,525	-
<b>30 September</b>	<b>(869)</b>	<b>(1,862)</b>

#### NOTE 12 - BIOLOGICAL ASSETS

As of 30 September 2020, the amount of biological assets of the Group's subsidiary Kelkit Doğan Besi is TRY2,153 (31 December 2019: TRY13,167).

#### NOTE 13 - INVESTMENT PROPERTIES

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

	1 January 2020	Transfers	Currency translation differences	Fair value adjustment	30 September 2020
Land	386,044	-	-	-	386,044
Buildings	971,123	-	41,096	-	1,012,219
<b>Net book value</b>	<b>1,357,167</b>	<b>-</b>	<b>41,096</b>	<b>-</b>	<b>1,398,263</b>

	1 January 2019	Transfers	Currency translation differences	Fair value adjustment	30 September 2019
Land	252,102	303	-	262	252,667
Buildings	962,578	-	675	-	963,253
<b>Net book value</b>	<b>1,214,680</b>	<b>303</b>	<b>675</b>	<b>262</b>	<b>1,215,920</b>

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

As of 30 September 2020, the investment properties of the Group comprise of parts of buildings held to earn rentals, lands and properties.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

(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 (Continued)

##### 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.

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 September 2020	31 December 2019			
Investment properties	1,398,263	1,357,167	-	1,398,263	-

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

Movements of the property, plant and equipment for the interim periods ended 30 September 2020 and 2019 are as follows:

	1 January 2020	Additions <sup>(*)</sup>	Disposals	Transfers	Currency translation differences	Disposal of subsidiary <sup>(**)</sup>	Acquisition of subsidiary <sup>(***)</sup>	30 September 2020
<b>Cost:</b>								
Land and land improvements	176,055	86	(8,874)	112	-	-	17,339	184,718
Buildings	86,012	2,003	(983)	40	107	-	19,151	106,330
Machinery and equipment	907,908	13,981	(239)	6,238	11,567	-	130,729	1,070,184
Motor vehicles	142,268	30,535	(17,582)	585	1,210	-	3,240	160,256
Furniture and fixtures	124,622	5,251	(506)	341	259	(908)	670	129,729
Development costs of leased tangible assets	105,171	1,785	(8)	89	2,732	(44)	-	109,725
Other tangible assets	159,486	4,959	(4,848)	-	-	(96)	-	159,501
Construction in progress	28,734	192,261	(7,110)	(13,004)	5	-	-	200,886
	<b>1,730,256</b>	<b>250,861</b>	<b>(40,150)</b>	<b>(5,599)</b>	<b>15,880</b>	<b>(1,048)</b>	<b>171,129</b>	<b>2,121,329</b>
<b>Accumulated depreciation:</b>								
Land improvements	5,634	603	-	-	-	-	-	6,237
Buildings	72,007	4,520	(203)	-	(11)	-	-	76,313
Machinery and equipment	337,187	36,736	(125)	-	8,619	-	-	382,417
Motor vehicles	54,873	8,459	(3,659)	-	698	-	-	60,371
Furniture and fixtures	52,039	7,842	(429)	-	235	(541)	-	59,146
Development costs of leased tangible assets	36,176	6,824	(8)	-	2,328	(37)	-	45,283
Other tangible assets	70,026	15,614	(3,709)	-	-	(96)	-	81,835
	<b>627,942</b>	<b>80,598</b>	<b>(8,133)</b>	<b>-</b>	<b>11,869</b>	<b>(674)</b>	<b>-</b>	<b>711,602</b>
<b>Net book value</b>	<b>1,102,314</b>							<b>1,409,727</b>

<sup>(\*)</sup> The majority of the investments in the first nine months of 2020 are the investments of Galata, Kanal D Romanya, Aytemiz and Suzuki, subsidiaries of the Group. The investments in Galata increased by TRY176,874 due to the construction of Taşpınar power plant. Aytemiz made investments amounting to TRY28,101 in the relevant period due to the new station investments. Also, Kanal D Romanya made TRY36,602 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 TRY26,211 was made.

<sup>(\*\*)</sup> As the details are explained in Note 31, it is related to the sales of DMC ve NetD.

<sup>(\*\*\*)</sup> As the details are explained in Note 3, it is related to the acquisition of Sesa Ambalaj.

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

	1 January 2019	Additions	Disposals	Transfers	Acquisition of subsidiary <sup>(*)</sup>	Currency translation differences	Disposal of subsidiary	30 September 2019
<b>Cost:</b>								
Land and land improvements	173,141	735	-	6	952	-	-	174,834
Buildings	85,129	2,538	(1,020)	195	-	2	-	86,844
Machinery and equipment	804,492	8,297	(5,324)	744	93,969	146	-	902,324
Motor vehicles	135,920	14,504	(6,426)	211	-	12	-	144,221
Furniture and fixtures	101,816	5,412	(1,915)	6,943	13,653	4	-	125,913
Development costs of leased tangible assets	77,203	3,924	(1,406)	13,657	-	41	-	93,419
Other tangible assets	145,881	12,528	(3,663)	2	-	-	-	154,748
Construction in progress	40,496	28,216	(8,814)	(25,185)	68	(392)	-	34,389
	<b>1,564,078</b>	<b>76,154</b>	<b>(28,568)</b>	<b>(3,427)</b>	<b>108,642</b>	<b>(187)</b>	<b>-</b>	<b>1,716,692</b>
<b>Accumulated depreciation:</b>								
Land improvements	5,011	412	-	-	-	-	-	5,423
Buildings	66,070	4,375	(23)	-	-	-	-	70,422
Machinery and equipment	288,349	37,065	(4,125)	-	2,158	105	-	323,552
Motor vehicles	40,377	10,031	(4,093)	-	-	21	-	46,336
Furniture and fixtures	48,243	5,926	(1,754)	-	33	2	-	52,450
Development costs of leased tangible assets	29,608	4,492	(67)	-	-	8	-	34,041
Other tangible assets	52,990	15,144	(2,875)	-	-	-	-	65,259
	<b>530,648</b>	<b>77,445</b>	<b>(12,937)</b>	<b>-</b>	<b>2,191</b>	<b>136</b>	<b>-</b>	<b>597,483</b>
<b>Net book value</b>	<b>1,033,430</b>							<b>1,119,209</b>

<sup>(\*)</sup> As the details are explained in Note 3, a significant portion consists of solar energy investments acquired within the scope of the business combination realized within Galatawind.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 15 - INTANGIBLE ASSETS

##### Other intangible assets:

Movements of the intangible assets for the interim periods ended 30 September 2020 and 2019 are as follows:

	1 January 2020	Additions	Disposals	Currency translation differences	Transfers	Disposal of subsidiary <sup>(3)</sup>	Acquisition of subsidiary <sup>(4)</sup>	30 September 2020
<b>Cost</b>								
Trade names	7,876	-	-	-	-	-	83,852	91,728
Electricity production license	354,644	-	-	-	-	-	-	354,644
Customer list	-	-	-	-	-	-	344,571	344,571
Other	219,136	24,389	(2,743)	3,104	5,599	(16,949)	219	232,755
	<b>581,656</b>	<b>24,389</b>	<b>(2,743)</b>	<b>3,104</b>	<b>5,599</b>	<b>(16,949)</b>	<b>428,642</b>	<b>1,023,698</b>
<b>Accumulated amortization:</b>								
Trade names	7,481	-	-	-	-	-	-	7,481
Electricity production license	45,035	5,736	-	-	-	-	-	50,771
Other	145,705	18,229	(2,150)	4,780	-	(3,617)	-	162,947
	<b>198,221</b>	<b>23,965</b>	<b>(2,150)</b>	<b>4,780</b>	<b>-</b>	<b>(3,617)</b>	<b>-</b>	<b>221,199</b>
Dealer agreements	181,120	-	-	-	-	-	-	154,901
Television programme rights	35,045	-	-	-	-	-	-	63,444
	<b>599,600</b>							<b>1,020,844</b>

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

	1 January 2020	Additions <sup>(1)</sup>	Amortization	Disposals <sup>(2)</sup>	Currency translation differences	30 September 2020
Dealer agreements	181,120	28,101	(39,129)	(15,191)	-	154,901
Television programme rights	35,045	36,602	(24,097)	-	15,894	63,444

(1) Kanal D Romanya, subsidiary of the Group purchased programme rights amounting to TRY36,602 during the period.

(2) The balance consists of the sales support premiums returns, given by Aytemiz.

(3) Explained in Note 31.

(4) Explained in Note 3.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 15 - INTANGIBLE ASSETS (Continued)

#### Other intangible assets (Continued):

	1 January 2019	Additions	Disposals	Currency translation differences	Transfers	Acquisition of subsidiary	30 September 2019
<b>Cost</b>							
Trade names	7,876	-	-	-	-	-	7,876
Electricity production license	354,644	-	-	-	-	-	354,644
Other	195,453	10,227	(576)	194	3,124	78	208,500
	<b>557,973</b>	<b>10,227</b>	<b>(576)</b>	<b>194</b>	<b>3,124</b>	<b>78</b>	<b>571,020</b>
<b>Accumulated amortization:</b>							
Trade names	5,906	1,181	-	-	-	-	7,087
Electricity production license	37,388	5,736	-	-	-	-	43,124
Other	129,826	11,579	(344)	17	-	64	141,142
	<b>173,120</b>	<b>18,496</b>	<b>(344)</b>	<b>17</b>	<b>-</b>	<b>64</b>	<b>191,353</b>
Dealer agreements	265,970	-	-	-	-	-	192,733
Television programme rights	32,411	-	-	-	-	-	35,407
	<b>683,234</b>						<b>607,807</b>

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

	1 January 2019	Additions <sup>(1)</sup>	Amortization	Currency translation differences	Disposal of subsidiary	TFRS 16 opening effect <sup>(2)</sup>	30 September 2019
Dealer agreements	265,970	10,208	(41,685)	-	-	(41,760)	192,733
Television programme rights	32,411	30,196	(27,955)	755	-	-	35,407

(1) Kanal D Romanya, subsidiary of the Group purchased programme rights amounting to TRY30,196 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.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 15 - INTANGIBLE ASSETS (Continued)

#### Goodwill

Goodwill amounting to TRY23,199 was recognised in the consolidated statement of financial position due to the business combination the details of which were disclosed in Note 3 as of 30 September 2020. As of 30 September 2020 and 2019, goodwill movement is as follows:

	2020	2019
<b>1 January</b>	<b>64,274</b>	<b>34,476</b>
Additions (Note 3)	23,199	29,798
<b>30 September</b>	<b>87,473</b>	<b>64,274</b>

### NOTE 16 - RIGHT OF USE ASSETS

	1 January 2020	Additions	Disposals	Acquisition of subsidiary <sup>(1)</sup>	Disposal of subsidiary <sup>(2)</sup>	Remeasurement <sup>(3)</sup>	30 September 2020
<b>Cost:</b>							
Buildings	248,201	95,109	-	-	-	-	343,310
Motor vehicles	37,031	132	-	-	-	8,695	45,858
Land	16,795	-	-	-	(16)	(23)	16,756
Offices	14,561	550	(27)	-	(74)	-	15,010
Warehouses	3,592	3,462	-	560	-	-	7,614
Machinery and equipments	1,958	2,475	-	42	-	-	4,475
Frequencies	819	1,136	-	-	-	-	1,955
	<b>322,957</b>	<b>102,864</b>	<b>(27)</b>	<b>602</b>	<b>(90)</b>	<b>8,672</b>	<b>434,978</b>

	1 January 2020	Additions	Disposals	Acquisition of subsidiary <sup>(1)</sup>	Disposal of subsidiary <sup>(2)</sup>	Remeasurement <sup>(3)</sup>	30 September 2020
<b>Accumulated amortization:</b>							
Buildings	(56,902)	(52,633)	-	-	-	-	(109,535)
Motor vehicles	(20,699)	(15,745)	-	-	-	-	(36,444)
Land	(800)	(550)	-	-	12	-	(1,338)
Offices	(2,601)	(1,130)	14	-	56	-	(3,661)
Warehouses	(2,525)	(2,232)	-	-	-	-	(4,757)
Machinery and equipments	(1,820)	(1,411)	-	-	-	-	(3,231)
Frequencies	(695)	(667)	-	-	-	-	(1,362)
	<b>(86,042)</b>	<b>(74,368)</b>	<b>14</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>(160,328)</b>

<b>Net book value</b>	<b>236,915</b>						<b>274,650</b>
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<sup>(1)</sup> Explained in Note 3.

<sup>(2)</sup> Explained in Note 31.

<sup>(3)</sup> The Group renegotiated various lease contracts with the lessors in 2020. As a result of the renegotiations, changes were made on the period of the lease contracts. As the changes did not cause a change in the scope and content of the financial lease, the Group recognised these changes as an adjustment on right of use assets amounting to TRY8,672, in accordance with the accounting policies explained in Note 2.2.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

	1 January 2019	Additions	Other <sup>(*)</sup>	30 September 2019
<b>Cost:</b>				
Buildings	227,523	37,138	(27,631)	237,030
Motor vehicles	36,029	3,455	(3,155)	36,329
Land	16,780	15	(9,396)	7,399
Offices	4,849	6,348	(635)	10,562
Warehouses	3,527	57	(29)	3,555
Machinery and equipments	1,958	2,411	(1,606)	2,763
Frequencies	819	-	(9)	810
	<b>291,485</b>	<b>49,424</b>	<b>(42,461)</b>	<b>298,448</b>
	1 January 2019	Additions	Other <sup>(*)</sup>	30 September 2019
<b>Accumulated amortization:</b>				
Buildings	-	(38,782)	-	(38,782)
Motor vehicles	-	(17,165)	-	(17,165)
Land	-	(1,229)	-	(1,229)
Offices	-	(2,608)	-	(2,608)
Warehouses	-	(1,886)	-	(1,886)
Machinery and equipments	-	(82)	-	(82)
Frequencies	-	(543)	-	(543)
	-	<b>(62,295)</b>	-	<b>(62,295)</b>
<b>Net book value</b>	<b>291,485</b>			<b>236,153</b>

(\*) 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 TRY1,041 (30 September 2019: TRY811) is recorded against the labor expense under cost of goods sold in the financial statements as of 30 September 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 September 2020	31 December 2019
Provision for lawsuits and indemnity	12,065	8,476
Other	3,160	1,607
	<b>15,225</b>	<b>10,083</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

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

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

Movement of lawsuit provisions for the interim periods ended 30 September 2020 and 2019 is as follows:

	2020	2019
<b>1 January</b>	<b>8,476</b>	<b>6,440</b>
Additions in the current period (Note 28)	3,809	2,426
Reversal of provisions booked in prior periods	(1,394)	(633)
Disposal of subsidiary	(169)	-
Acquisition of subsidiary	1,343	-
<b>30 September</b>	<b>12,065</b>	<b>8,233</b>

The Group reserved provisions of TRY12,065 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 (30 September 2019: TRY8,476).

##### (a) *Lawsuits*

The amount of lawsuits filed against the Group is TRY32,052 as of 30 September 2020 (31 December 2019: TRY26,192).

	30 September 2020	31 December 2019
Legal cases	15,516	13,322
Business cases	9,271	2,490
Commercial cases	7,265	9,005
Other	-	1,375
<b>Total</b>	<b>32,052</b>	<b>26,192</b>

##### (b) *Other*

##### *Milpa:*

##### *The Land of Ömerli*

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**(b) Other (Continued)**

***Milpa: (Continued)***

***The Land of Ömerli (Continued)***

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

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

It is understood from the mentioned "Master Development Plan" that the part allocated as the sub-function of "Sustainable Protection and Controlled Use Area" legend was planned to be 23% "Arboretum," 25% "Recreational Area," 40% "Area to Be Protected through Forestation<sup>(1)</sup>," 2% "Fairground," 5% "Hobby Gardens," and 5% "Camping Areas," and permission for maximum 1-floor prefabricated structuring with an average rate of 0.04 was granted for these areas. On the grounds that the legends and functions specified in the "Master Development Plan" include contradictions to law as well as planning and urban development procedures and principles, and that they violate the right of ownership, and with the request that "housing zone" legend is also accepted for the mentioned "Immovable," necessary legal and formal objections to the "Master Development Plan" were raised on 2 January 2018 within the allowed period. The objections of Milpa were rejected by İstanbul Municipality Parliamentary Commission. Milpa filed a lawsuit with the request for the cancellation of the decision regarding the amendment of the plan note. According to the decision of the Republic of Turkey İstanbul 2nd Administrative Court dated 26 December 2019, which took place in UYAP on 25 February 2020 and was notified on 28 February 2020, the Court has justified our request and cancelled the Master Plan for Parcel 1154. Milpa 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.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

**(b) Other (Continued)**

***Milpa (Continued):***

***The Land of Ömerli (Continued)***

In addition, Milpa 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 the case is at the preliminary examination stage and the hearing date is 12 January 2021.

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.

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 m<sup>2</sup>).

The share of Milpa in the Parcel No. 1154 is 1,720,521 m<sup>2</sup>, which equals to 82.17% of the whole parcel, and amounts to TRY292,489 as of 30 September 2020. (As of 31 December 2019 the share of Milpa is 1,720,521 m<sup>2</sup>, which equals to 82.17% of the whole parcel, and the share of Milpa amounts to TRY180,655). As mentioned above, 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 TRY462 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 September 2020, the fair value of the Ömerli land was most recently determined with the real estate appraisal report dated 20 January 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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

(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 September 2020				31 December 2019			
	TRY Equivalent	TRY	USD	EUR	TRY Equivalent	TRY	USD	EUR
A. CPM's given in the name of its own legal personality								
Collaterals <sup>(1)</sup>	1,967,289	816,031	70,852	65,517	1,530,294	846,372	60,033	49,216
Pledge <sup>(3)</sup>	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
B. CPM's given on behalf of the fully consolidated companies								
Collaterals <sup>(1) (2)</sup>	456,054	29,264	54,661	-	341,370	7,764	56,161	-
Pledge <sup>(3)</sup>	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
C. CPM's given on behalf of 3rd parties for ordinary course of business	386	386	-	-	386	386	-	-
D. Total amount of other CPM's given								
i) Total amount of CPM's given on behalf of the majority shareholders	-	-	-	-	-	-	-	-
ii) Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-	-	-	-	-	-	-
iii) Total amount of CPM's given on behalf of 3rd parties which are not in scope of C	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,423,729</b>	<b>845,681</b>	<b>125,513</b>	<b>65,517</b>	<b>1,872,050</b>	<b>854,522</b>	<b>116,194</b>	<b>49,216</b>

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

<sup>(2)</sup> Within the scope of the project of Aslancık Elektrik's hydroelectric power plant, Doğan Holding has given collateral to the credit institutions amounting to USD21,661 (31 December 2019: USD23,161) In addition, a bail amounting to USD33,000 is given to credit institutions for Boyabat Elektrik's refinancing loans.

<sup>(3)</sup> 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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

	30 September 2020		31 December 2019	
	Original Currency	TRY equivalent	Original Currency	TRY equivalent
Letters of guarantees - TRY	616,370	616,370	646,711	646,711
Letters of guarantees - USD	15,852	123,772	4,957	29,443
Letters of guarantees - EUR	65,465	597,571	49,006	325,920
Guarantee notes - USD	55,000	429,440	55,076	327,162
Guarantee notes - TRY	200,047	200,047	200,047	200,047
Guarantee notes - EUR	52	475	210	1,397
<b>Total</b>		<b>1,967,675</b>		<b>1,530,680</b>

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

The details of guarantees given by the Group for the financial liabilities and trade payables of the Group companies and related parties as of 30 September 2020 and 31 December 2019 are as follows:

	30 September 2020		31 December 2019	
	Original Currency	TRY equivalent	Original Currency	TRY equivalent
Bails - USD	54,661	426,790	56,161	333,606
Bails - TRY	29,264	29,264	7,764	7,764
<b>Total</b>		<b>456,054</b>		<b>341,370</b>

#### NOTE 20 - OTHER ASSETS

Other current assets	30 September 2020	31 December 2019
Value added tax ("VAT") receivables <sup>(1)</sup>	82,228	49,466
Prepaid tax and funds	4,719	6,345
Personnel advances	1,837	1,207
Job advances	1,175	589
Other	269	565
	<b>90,228</b>	<b>58,172</b>

- (1) VAT receivables amounting to TRY47,063 is related to Galata Wind and the remaining amount consists of VAT receivables related to the subsidiaries of the Group.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

(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 (Continued)

	30 September 2020	31 December 2019
<b>Other non-current assets</b>		
Value added tax ("VAT") receivables <sup>(2)</sup>	325,795	376,237
Other	4,001	2,275
	<b>329,796</b>	<b>378,512</b>

(2) TRY262,496 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 September 2020 and 31 December 2019 are as follows:

<b>Short term prepaid expenses</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
Advances given <sup>(1)</sup>	64,985	45,754
Prepaid expenses <sup>(2)</sup>	22,915	21,252
	<b>87,900</b>	<b>67,006</b>

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

(2) Significant portion of the prepaid expenses are comprised of the prepaid expense for the following months of Aytemiz Akaryakıt, Galata and Milta which are subsidiaries of the Group.

<b>Long term prepaid expenses</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
Advances given <sup>(1)</sup>	59,421	50,404
Prepaid expenses for future years	7,649	7,877
	<b>67,070</b>	<b>58,281</b>

(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.

<b>Short-term deferred income</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
Advances received <sup>(3)</sup>	35,169	6,452
Deferred income <sup>(2)</sup>	27,566	33,141
	<b>62,735</b>	<b>39,593</b>

<b>Long-term deferred income</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
Deferred income <sup>(2)</sup>	9,363	4,970
	<b>9,363</b>	<b>4,970</b>

(2) A significant portion of short-term deferred income consists of 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 Suzuki.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 22 - DERIVATIVE INSTRUMENTS

##### *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 September 2020		31 December 2019	
	Asset	Liability	Asset	Liability
Currency derivative transactions with maturity <sup>(1)</sup>	1,400	22,347	18,993	339
Commodity agreements <sup>(2)</sup>	411	-	-	-
<b>Total</b>	<b>1,811</b>	<b>22,347</b>	<b>18,993</b>	<b>339</b>

<sup>(1)</sup> Doğan Holding, Öncü, 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 are related to foreign currency loans.

<sup>(2)</sup> 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 September 2020 and 31 December 2019 are as follows:

	30 September 2020	31 December 2019
Social security payables <sup>(1)</sup>	12,809	5,125
Payables to personnel	11,438	14,142
	<b>24,247</b>	<b>19,267</b>

<sup>(1)</sup> 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
Provision for unused vacation	20,254	18,138
Provision for bonuses and premiums	397	2,257
	<b>20,651</b>	<b>20,395</b>

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

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
Provision for employment termination benefits	51,487	42,930
	<b>51,487</b>	<b>42,930</b>

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

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies and achieves the retirement age. As of 30 September 2020, the maximum amount payable equivalent to one month of salary is TRY7,117.17 (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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

(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)

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

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

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

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

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

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

	2020	2019
<b>1 January</b>	<b>42,930</b>	<b>34,071</b>
Current period service cost and net interest expense from continued operations	8,183	7,256
Payments during the period due to continued operations	(3,533)	(4,228)
Acquisition of subsidiary (Note 3)	4,610	-
Disposal of subsidiary (Note 31)	(704)	-
<b>30 September</b>	<b>51,487</b>	<b>37,099</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

(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 September 2020 and 31 December 2019 are as follows:

	30 September 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 September 2020 and 31 December 2019 are as follows:

Shareholder	Shares (%)	30 September 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 <sup>(1)</sup>	35.87	938,633	35.87	938,633
<b>Issued capital</b>	<b>100.00</b>	<b>2,616,938</b>	<b>100.00</b>	<b>2,616,938</b>
Adjustment to issued capital		143,526		143,526
Repurchased shares (-)		(16,035)		(7,073)
<b>Total</b>		<b>2,744,429</b>		<b>2,753,391</b>

<sup>(1)</sup> In accordance with the “CMB” Resolution No: 31/1059 issued on 30 October 2014 and 21/655 issued on 23 July 2010, it is regarded that 35.83% of 937,930,089 (exact) shares (31 December 2019: 35.84%) are outstanding as of 30 September 2020 based on the Central Registry Agency’s (“CRA”) records.

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

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

(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 period of 1 January 2020 – 30 September 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 September 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 September 2020	31 December 2019
Share premiums	163,724	163,724
Share discounts (-)	(128,565)	(128,565)
<b>Total</b>	<b>35,159</b>	<b>35,159</b>

##### *Restricted reserves*

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

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

The details of restricted reserves as of 30 September 2020 and 31 December 2019 are as follows:

Restricted reserves	30 September 2020	31 December 2019
Gain on sale of subsidiary's shares	442,349	442,349
General legal reserves	223,905	196,014
Venture capital investment fund	128,566	83,718
<b>Total</b>	<b>794,820</b>	<b>722,081</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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**NOTE 24 - EQUITY (Continued)**

***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 decreases of assets held for sale presented under equity in the statement of financial position is TRY3,207 in the current period (31 December 2019: TRY45,451 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 September 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 reserve attributable to parent is TRY299,673 and the increase amounting to TRY317 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).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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**NOTE 24 - EQUITY (Continued)**

***Capital Reserves and Retained Earnings***

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

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

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

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

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

***Dividend Distribution***

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

On the other hand,

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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**NOTE 24 - EQUITY (Continued)**

***Dividend Distribution (Continued)***

Under the "Communique on Financial Reporting in Capital Markets" (II-14.1) legislation of the CMB, according to the audited consolidated financial statements for the period 1 January 2019 - 31 December 2019 that are prepared in accordance with the Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight, Accounting and Auditing Standards Board (POA), for which the presentation principles have been determined as per the relevant resolutions of the CMB, when "Deferred Tax Expense", "Tax Expense for the Period" and "Non-controlling Interests" are considered together, a "Net Profit for the Period" amounting to TRY 616,789,000 (exact) was observed. After the "General Legal Reserve" amounting to 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 and current period profit is TRY3,803,107.



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 25 - REVENUE AND COST OF SALES

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Domestic sales	7,499,891	3,085,519	9,587,621	3,479,468
Foreign sales	235,496	99,005	271,988	90,482
Sales return and discounts (-)	(137,466)	(46,120)	(109,190)	(48,241)
<b>Net sales</b>	<b>7,597,921</b>	<b>3,138,404</b>	<b>9,750,419</b>	<b>3,521,709</b>
Cost of sales (-)	(6,708,159)	(2,755,482)	(8,926,805)	(3,214,350)
<b>Gross profit</b>	<b>889,762</b>	<b>382,922</b>	<b>823,614</b>	<b>307,359</b>

*Sales details of fuel retail segment are presented below:*

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Fuel sales income	4,589,421	1,911,607	5,271,298	2,030,526
LPG sales income	933,721	403,214	932,369	346,132
Trade income <sup>(1)</sup>	370	-	2,005,600	646,583
Other	81,424	31,856	65,275	27,064
<b>Total</b>	<b>5,604,936</b>	<b>2,346,677</b>	<b>8,274,542</b>	<b>3,050,305</b>

<sup>(1)</sup> During the period 1 January – 30 September 2020, trade income has not been generated due to the fact that Doel has ceased its commercial activities (1 January – 30 September 2019: TRY2,005,600)

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

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Electricity income <sup>(2)</sup>	257,470	109,631	95,594	19,860
<b>Total</b>	<b>257,470</b>	<b>109,631</b>	<b>95,594</b>	<b>19,860</b>

<sup>(2)</sup> During the period 1 January – 30 September 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 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Foreign trade income	460,960	158,571	256,949	84,762
Industrial income	325,250	136,576	328,088	109,476
Packaging income <sup>(3)</sup>	47,513	47,513	-	-
Other	26,171	15,473	30,814	12,452
<b>Total</b>	<b>859,894</b>	<b>358,133</b>	<b>615,851</b>	<b>206,690</b>

<sup>(3)</sup> As the details are explained in Note 3, the amount represents the packaging income of Sesa Ambalaj from the date of purchase until the reporting date.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 25 - REVENUE AND COST OF SALES (Continued)

*Sales details of automotive trade and marketing segment are presented below:*

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Vehicle sales income	314,866	126,926	198,750	39,454
<b>Total</b>	<b>314,866</b>	<b>126,926</b>	<b>198,750</b>	<b>39,454</b>

*Sales details of financing and investment segment are presented below:*

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Factoring income	95,854	29,192	138,190	46,516
Investment income <sup>(4)</sup>	57,938	23,891	7,916	1,156
Management consultancy income	17,111	6,561	13,630	4,718
Financing income	6,056	1,790	14,502	3,983
<b>Total</b>	<b>176,959</b>	<b>61,434</b>	<b>174,238</b>	<b>56,373</b>

<sup>(4)</sup> Investment income is related to the activities of Öncü and consist of financial investment and interest income.

*Sales details of internet and entertainment segment are presented below:*

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Advertisement income	184,967	67,100	159,787	44,071
Music production income <sup>(5)</sup>	25,717	-	33,703	13,001
Subscription income	19,876	7,416	29,886	9,404
Other <sup>(6)</sup>	58,329	21,840	31,954	19,044
<b>Total</b>	<b>288,889</b>	<b>96,356</b>	<b>255,330</b>	<b>85,520</b>

<sup>(5)</sup> As the details are explained in Note 31, the music production income of DMC and NetD Müzik did not occur between 1 July - 30 September 2020.

<sup>(6)</sup> Consists of Kanal D Romanya's satellite and transmitter service revenues.

*Sales details of real estate investments segment are presented below:*

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Real estate management income	49,825	25,414	79,223	44,056
Rent income	44,661	13,662	55,417	18,520
Other	421	171	1,474	931
<b>Total</b>	<b>94,907</b>	<b>39,247</b>	<b>136,114</b>	<b>63,507</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 25 - REVENUE AND COST OF SALES (Continued)

*Details of the cost of sales for the interim periods ended at 30 September 2020 and 2019 are as follows:*

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Fuel retail	(5,368,069)	(2,231,332)	(7,857,827)	(2,871,589)
Electricity production and trade	(77,993)	(29,810)	(73,905)	(30,345)
Industry and trade	(731,977)	(293,793)	(542,962)	(187,954)
Automotive trade and marketing	(268,592)	(110,214)	(161,397)	(30,148)
Financing and investment	(71,668)	(27,746)	(109,237)	(34,709)
Internet and entertainment	(144,161)	(45,781)	(124,532)	(36,195)
Real estate investments	(45,699)	(16,806)	(56,945)	(23,410)
<b>Total</b>	<b>(6,708,159)</b>	<b>(2,755,482)</b>	<b>(8,926,805)</b>	<b>(3,214,350)</b>

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

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Fuel and LPG sales cost	(5,303,316)	(2,206,057)	(5,946,465)	(2,287,364)
Electricity cost <sup>(1)</sup>	(367)	-	(1,857,653)	(562,534)
Other	(64,386)	(25,275)	(53,709)	(21,691)
<b>Total</b>	<b>(5,368,069)</b>	<b>(2,231,332)</b>	<b>(7,857,827)</b>	<b>(2,871,589)</b>

<sup>(1)</sup> During the period 1 January – 30 September 2020, electricity costs did not occur due to the fact that Doel has ceased its commercial activities (1 January – 30 September 2019: TRY1,857,653).

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

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Electricity costs	(27,328)	(9,775)	(31,659)	(15,662)
Amortization and depreciation	(26,913)	(8,969)	(23,906)	(7,940)
Other	(23,752)	(11,066)	(18,340)	(6,743)
<b>Total</b>	<b>(77,993)</b>	<b>(29,810)</b>	<b>(73,905)</b>	<b>(30,345)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 25 - REVENUE AND COST OF SALES (Continued)

*Cost of sales details of industry and trade segment are presented below:*

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Cost of trade goods sold <sup>(2)</sup>	(411,146)	(140,663)	(230,679)	(76,732)
Raw material cost	(216,397)	(107,045)	(199,659)	(71,472)
Personnel expenses	(48,174)	(20,536)	(40,169)	(14,019)
General production expenses	(33,239)	(14,773)	(47,939)	(14,936)
Amortization and depreciation	(13,304)	(4,998)	(18,352)	(8,074)
Other	(9,717)	(5,778)	(6,164)	(2,721)
<b>Total</b>	<b>(731,977)</b>	<b>(293,793)</b>	<b>(542,962)</b>	<b>(187,954)</b>

<sup>(2)</sup> It is due to increases in foreign exchange rates.

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

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Cost of trade goods sold	(268,592)	(110,214)	(161,397)	(30,148)
<b>Total</b>	<b>(268,592)</b>	<b>(110,214)</b>	<b>(161,397)</b>	<b>(30,148)</b>

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

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Cost of services sold	(71,668)	(27,746)	(109,237)	(34,709)
<b>Total</b>	<b>(71,668)</b>	<b>(27,746)</b>	<b>(109,237)</b>	<b>(34,709)</b>

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

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Personnel expenses	(44,030)	(16,258)	(39,179)	(12,626)
Amortization and depreciation	(35,580)	(15,880)	(31,705)	(10,046)
Cost of trade goods sold	(27,981)	(8,580)	(24,587)	(3,894)
Other	(36,570)	(5,063)	(29,061)	(9,629)
<b>Total</b>	<b>(144,161)</b>	<b>(45,781)</b>	<b>(124,532)</b>	<b>(36,195)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 25 - REVENUE AND COST OF SALES (Continued)

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

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Cost of goods and services sold	(45,699)	(16,806)	(56,945)	(23,410)
<b>Total</b>	<b>(45,699)</b>	<b>(16,806)</b>	<b>(56,945)</b>	<b>(23,410)</b>

#### NOTE 26 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
General administrative expenses	(187,695)	(67,574)	(202,088)	(68,809)
Marketing expenses	(299,616)	(93,507)	(289,110)	(92,399)
<b>Operating expenses</b>	<b>(487,311)</b>	<b>(161,081)</b>	<b>(491,198)</b>	<b>(161,208)</b>

#### Marketing expenses:

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Amortization and depreciation <sup>(1)</sup>	(89,618)	(29,910)	(69,790)	(27,092)
Personnel expenses	(76,463)	(26,458)	(68,911)	(22,055)
Transportation, storage and travel expenses	(39,417)	(15,099)	(39,845)	(14,352)
Advertisement expenses	(31,233)	(7,325)	(26,461)	(6,950)
Royalty expenses	(22,904)	-	(27,126)	(10,431)
Outsourced service expenses	(9,001)	(3,724)	(5,943)	(3,706)
Consulting expenses	(4,525)	(1,754)	(9,681)	(3,938)
Electricity distribution expenses <sup>(2)</sup>	(82)	(19)	(17,678)	(1,761)
Other	(26,373)	(9,218)	(23,675)	(2,114)
<b>Total</b>	<b>(299,616)</b>	<b>(93,507)</b>	<b>(289,110)</b>	<b>(92,399)</b>

(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 September 2020, electricity distribution expenses have not occurred due to the fact that Doel has ceased its commercial activities (1 January - 30 September 2019: TRY17,678).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 26 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

##### General administrative expenses:

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Personnel expenses	(109,576)	(38,247)	(104,091)	(34,997)
Amortization and depreciation	(16,957)	(6,267)	(17,246)	(8,315)
Consulting expenses	(15,042)	(5,466)	(20,203)	(5,971)
Outsourced service expenses	(10,075)	(4,027)	(10,307)	(2,999)
Various taxes	(3,129)	(1,192)	(8,043)	(1,179)
Transportation, storage and travel expenses	(2,334)	(840)	(3,310)	(842)
Other	(30,582)	(11,535)	(38,888)	(14,506)
<b>Total</b>	<b>(187,695)</b>	<b>(67,574)</b>	<b>(202,088)</b>	<b>(68,809)</b>

#### NOTE 27 - EXPENSES BY NATURE

Expenses are presented functionally for the interim periods ended 30 September 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 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Foreign exchange gains/losses, net	704,111	306,390	294,597	(70,285)
Interest income on bank deposit	40,781	10,853	103,103	28,772
Finance income due from sales with maturity	33,202	12,386	103,355	33,195
Unrecognized provisions	5,900	1,614	15,894	10,698
Other	37,089	10,094	27,607	8,281
<b>Total</b>	<b>821,083</b>	<b>341,337</b>	<b>544,556</b>	<b>10,661</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 28 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES(Continued)

##### Other expenses from operating activities

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Foreign exchange gains/losses, net	(31,391)	(15,319)	(56,137)	(1,725)
Finance expense due to purchases with maturity	(19,300)	(7,008)	(65,349)	(15,355)
Provision for doubtful receivables (Note 9)	(8,855)	(1,309)	(20,002)	(12,381)
Donations and grants (*)	(7,149)	(865)	(1,946)	(1,173)
Provision for lawsuits (Note 18)	(3,809)	(529)	(2,426)	(403)
Other	(14,160)	(5,243)	(15,278)	(6,180)
<b>Total</b>	<b>(84,664)</b>	<b>(30,273)</b>	<b>(161,138)</b>	<b>(37,217)</b>

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

#### NOTE 29 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

##### Income from investment activities

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Foreign exchange gains/(losses), net	556,446	296,673	42,801	(24,057)
Income from disposal of subsidiary (Note 31)	131,684	131,684	-	-
Income from fair value increase of joint ventures (Note 4)	87,789	87,789	-	-
Interest income on marketable securities	69,707	36,995	66,649	3,835
Income from sales of tangible and intangible assets	17,907	3,693	5,514	1,782
Other	-	-	143	-
<b>Total</b>	<b>863,533</b>	<b>556,834</b>	<b>115,107</b>	<b>(18,440)</b>

##### Expenses from investment activities

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Loss on sale of marketable securities	(23,406)	(3,526)	(6,570)	(5,416)
Loss on sales of property, plant and equipment	(260)	(36)	(2,107)	(350)
Other	(223)	-	(440)	-
<b>Total</b>	<b>(23,889)</b>	<b>(3,562)</b>	<b>(9,117)</b>	<b>(5,766)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 30 - FINANCE INCOME AND EXPENSES

##### Finance income

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Income from derivative instruments	-	-	768	(29,720)
Other	3,172	3,172	7,453	122
<b>Total</b>	<b>3,172</b>	<b>3,172</b>	<b>8,221</b>	<b>(29,598)</b>

##### Finance expenses

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Interest expense on bank borrowings	(136,171)	(43,207)	(274,849)	(91,413)
Foreign exchange losses/gains, net	(68,802)	(15,611)	(64,955)	38,670
Expenses from derivate instruments	(25,937)	(12,230)	-	-
Interest expense related to lease borrowings	(23,977)	(8,378)	(25,875)	(9,416)
Bank commission expenses	(11,210)	(3,572)	(20,412)	(6,146)
Other	(108)	-	(1,478)	(24)
<b>Total</b>	<b>(266,205)</b>	<b>(82,998)</b>	<b>(387,569)</b>	<b>(68,329)</b>

#### NOTE 31 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

As of 30 September 2020, non-current assets classified as held for sale amounting to TRY2,650 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 September 2020, a decrease was realized.

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 segment, to Believe International, and the sales process was completed on 21 July 2020 at a price of USD23,400 (equivalent of TRY160,145). The amount of the sale was collected in cash.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 31 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

The carrying value of the consolidated assets and liabilities subject to sale as of the sales transaction date of Doğan Müzik Yapım ve Ticaret A.Ş. and NetD Müzik Video Dijital Platform ve Ticaret A.Ş whose details are given above are as follows:

	Registered value
Cash and cash equivalents	4,044
Trade receivables	22,735
Other receivables	76
Inventories	9,039
Prepaid expenses	36,288
Other current assets	37
Property, plant and equipment	374
Right of use assets	22
Intangible assets	13,332
Prepaid expenses	677
Deferred tax asset	953
Other non-current assets	7,223
<b>Total assets</b>	<b>94,800</b>
Short-term portion of long-term borrowings	22
Trade payables	26,657
Obligations arising from customer contracts	15,184
Payables related to employee benefits	223
Other short term payables	1,085
Short term provisions	1,894
Current income tax liability	1,591
Other short term liabilities	5
Long term provisions for employment benefits	704
<b>Total liabilities</b>	<b>47,365</b>
<b>Net assets</b>	<b>47,435</b>
Total net assets	47,435
Sold portion of net assets (60%)	(28,461)
Sales price	160,145
<b>Sales profit on subsidiary (Note 29)</b>	<b>131,684</b>
<b>Total Net Assets</b>	<b>47,435</b>
Total cash received	- 160,145
Outflow of cash and cash equivalents	- (4,044)
<b>Net cash inflow/(outflow)</b>	<b>- 156,101</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

**NOTE 32 - INCOME TAXES**

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 September 2020 and 31 December 2019 are as follows:

	<b>30 September 2020</b>	<b>31 December 2019</b>
Provision for current income tax	280,971	117,593
Prepaid corporate taxes	(150,070)	(110,212)
<b>Taxes payable for the period</b>	<b>130,901</b>	<b>7,381</b>
	<b>30 September 2020</b>	<b>31 December 2019</b>
Corporate and income taxes payable	130,901	7,381
Deferred tax (asset)/liabilities, net	121,785	31,089
<b>Total taxes</b>	<b>252,686</b>	<b>38,470</b>

***Turkey***

The Corporate Tax Law has been amended as of 13 June 2006 by Law No: 5520. The majority of the clauses of Law No: 5520 are effective as of 1 January 2006. Corporate tax rate for the fiscal year 2020 is 22% (2019: 22%) for Turkey. Corporate tax is payable on the total income of the Group after adjusting for certain disallowable expenses, corporate income tax exemptions (exemption for participation in subsidiaries, etc.) and corporate income tax deductions (such as research and development expenditures deduction). No further tax is payable unless there is dividend distribution.

Companies calculate corporate tax quarterly at the rate of 22% over their corporate income and these amounts are disclosed by the end of 14th day and paid by the end of the 17th day of the second month following each calendar quarter-end. Advance taxes paid in the period are offset against the following period's corporate tax liability. If there is an outstanding advance tax balance as a result of offsetting, the related amount may either be refunded in cash or used to offset against for other payables to the government.

Within the scope of the "Law on the Amendment of Certain Tax Laws and Some Other Laws" numbered 7061, which was published in the Turkish Trade Registry Gazette dated 5 December 2017, the corporate tax rate for the years 2019 and 2020 was increased from 20% to 22%. As per this law, deferred tax assets and obligations were calculated in the financial statements dated 30 September 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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**NOTE 32 - INCOME TAXES (Continued)**

*Corporate tax (Continued)*

*Turkey (Continued)*

In accordance with the related law, the cumulative inflation of last 36 months inflation rate (PPI) must exceed 100% and the inflation rate (PPI) of last 12 months must exceed 10% in order to adjust inflation. There has not been any inflation adjustment after 2005 due to the absence of conditions required.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax authorities can review accounting records within five years and if they determine any errors on the accounting records, tax payable can be reassessed as a result of another tax assessment.

Under the Turkish tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. The exemptions that are related to the Group are as follows:

*Exemption for participation in subsidiaries*

Dividend income from participation in shares of capital of another fully fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

*Issued premiums exemption*

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

*Exemption for participation into foreign subsidiaries*

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company, (except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

*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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

**NOTE 32 - INCOME TAXES (Continued)****Corporate tax (Continued)**

The tax rates at 30 September 2020 applicable in the foreign countries, where the significant part of the Group's operations are performed, are as follows:

<b>Country</b>	<b>Tax rates (%)</b>
USA	10.5
Romania	16.0
England	19.0
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.

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 September 2020 and 31 December 2019 using the enacted tax rates are as follows:

	<b>Cumulative temporary differences</b>		<b>Deferred tax assets/(liabilities)</b>	
	<b>30 September 2020</b>	<b>31 December 2019</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
Deductible tax losses	355,903	317,568	72,415	69,865
Provision for employment termination and unused vacation benefits	72,138	63,325	14,841	13,073
Deferred financial income of trade receivables	6,722	6,491	1,479	1,428
Provision for doubtful receivables	39,164	26,994	8,616	5,939
Other	105,752	66,195	41,397	17,526
<b>Deferred tax assets</b>	<b>579,679</b>	<b>480,573</b>	<b>138,748</b>	<b>107,831</b>
Net differences between the tax and registered value of property, plant and equipment, inventories and intangible assets	(1,088,990)	(480,925)	(217,798)	(96,185)
Net differences between the fair values of investment properties and values of taxation	(231,557)	(231,557)	(42,735)	(42,735)
<b>Deferred tax liabilities</b>	<b>(1,320,547)</b>	<b>(712,482)</b>	<b>(260,533)</b>	<b>(138,920)</b>
<b>Deferred tax assets/(liabilities) net</b>			<b>(121,785)</b>	<b>(31,089)</b>

Conclusions of netting has been reflected to consolidated statement of financial position of the Group, since Doğan Holding, subsidiaries and joint ventures, which are separate taxpayer companies, have booked their deferred tax assets and liabilities by netting in their financial statements that were prepared in accordance with the TAS. Temporary differences and deferred tax assets and liabilities shown above have been prepared on the basis of gross values.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 32 - INCOME TAXES (Continued)

##### *Deferred tax (Continued)*

The Group recognized deferred tax assets over TRY355,903 of carry forward tax losses in the consolidated financial statements prepared in accordance with the TAS as of 30 September 2020 (31 December 2019: TRY317,568). As of 30 September 2020 and 31 December 2019, the maturity analysis of carry forward tax losses is as follows:

	30 September 2020	31 December 2019
2020	(128)	(128)
2021 and after	(355,775)	(317,440)
	<b>(355,903)</b>	<b>(317,568)</b>

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 September 2020 and 2019 are as follows:

	2020	2019
<b>1 January</b>	<b>(31,089)</b>	<b>(18,242)</b>
Current period income (expense)	8,163	3,369
Currency translation differences	(769)	12
Acquisition of subsidiary (Note 3)	(109,623)	-
Disposal of subsidiary (Note 31)	(953)	-
Tax recognized under equity	12,486	(6,739)
<b>30 September</b>	<b>(121,785)</b>	<b>(21,600)</b>

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

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Tax expense for the period	(280,971)	(131,000)	(91,302)	(2,296)
Deferred tax income/(expense)	8,163	(11,052)	3,369	46
<b>Total tax (expense)/income</b>	<b>(272,808)</b>	<b>(142,052)</b>	<b>(87,933)</b>	<b>(2,250)</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 32 - INCOME TAXES (Continued)

##### *Deferred tax (Continued)*

The reconciliation of the taxation on income in the consolidated statement of profit or loss for interim periods ended 30 September 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	1,684,811	515,862
Current period tax income/(expense) calculated at 22% effective tax rate	(370,658)	(113,490)
Effect of carryforward tax losses not subject to deferred tax asset	(8,533)	(15,449)
Effect of investments accounted for by the equity method	(6,747)	16,145
Effect of expenses non- deductible/not subject to tax	(3,746)	(2,946)
Effect of change in statutory tax rate on deferred tax	(5,128)	27
Exceptions and discounts	83,423	11,565
Current period portion of prior period carry forward tax losses used not subject to deferred tax calculation	18,310	-
Incomes not subject to tax	22,432	19,827
Other	(2,161)	(3,612)
<b>30 September</b>	<b>(272,808)</b>	<b>(87,933)</b>

#### NOTE 33 - EARNING/LOSS PER SHARE

Gain/(loss) per share for each class of shares is disclosed below:

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Net profit/(loss) for the period attributable to equity holders of the Parent Company	1,424,412	835,363	449,237	(2,452)
Weighted average number of shares with face value of TRY1 each <sup>(1)</sup>	2,604,695	2,604,695	2,610,679	2,609,028
<b>Earning/(loss) per share</b>	<b>0.547</b>	<b>0.321</b>	<b>0.172</b>	<b>(0.001)</b>

<sup>(1)</sup> As explained in detail in Note 24, repurchased shares are excluded.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 34 - RELATED PARTY DISCLOSURES

As of the statement of financial position date, due from and to related parties and related party transactions for the periods ending 30 September 2020 and 31 December 2019 are disclosed below:

##### i) Balances with related parties:

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

	30 September 2020	31 December 2019
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") <sup>(1) (2) (5)</sup>	2,210	1,052
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") <sup>(1) (2) (5)</sup>	1,434	974
Gümüştaş Madencilik ve Ticaret A.Ş. <sup>(4) (5) (7)</sup>	1,003	9
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market") <sup>(5) (6)</sup>	736	630
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv") <sup>(3) (7)</sup>	208	29
Deney Kent Eğitim Hizmetleri A.Ş. ("Deney Kent") <sup>(5)</sup>	143	421
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC") <sup>(4) (5)</sup>	130	-
Other	417	380
<b>Total</b>	<b>6,281</b>	<b>3,495</b>

- (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.

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

	30 September 2020	31 December 2019
Ortadoğu Otomotiv <sup>(1)</sup>	664	-
<b>Total</b>	<b>664</b>	<b>-</b>

- (1) Receivables related primarily to vehicle sales of the Group.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

##### i) Balances with related parties: (Continued)

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

	30 September 2020	31 December 2019
Ortadoğu Otomotiv <sup>(1)</sup>	7,638	4
D Market <sup>(2)</sup>	1,118	100
Other	13	259
<b>Total</b>	<b>8,769</b>	<b>363</b>

(1) The portion of TRY7,635 is related to the prepaid lease contracts of Aytemiz Akaryakıt, a subsidiary of the Group, and the entire amount was paid on 12 October 2020.

(2) Mostly comprises of purchases of stationery consumables, small fixtures and gift certificates of the Group. Comprises of the magazine purchases of the Group.

##### Short term other payables to related parties

	30 September 2020	31 December 2019
Ortadoğu Otomotiv	22	-
<b>Total</b>	<b>22</b>	<b>-</b>

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

	30 September 2020	31 December 2019
Ortadoğu Otomotiv	3,389	3,570
Aydın Doğan Vakfı	2,945	2,663
Other	5	5
<b>Total</b>	<b>6,339</b>	<b>6,238</b>

##### Long-term lease payables to related parties

	30 September 2020	31 December 2019
Aydın Doğan Vakfı	13,711	15,708
Ortadoğu Otomotiv	577	3,192
Other	8	6
<b>Total</b>	<b>14,296</b>	<b>18,906</b>



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

##### ii) Transactions with related parties:

##### Product and service purchases from related parties

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Ortadoğu Otomotiv <sup>(1)</sup>	8,938	3,768	8,046	2,984
D-Market <sup>(2)</sup>	1,781	750	990	457
Doğan Burda <sup>(3)</sup>	1,385	554	1,424	377
Adilbey Holding A.Ş. <sup>(1)</sup>	-	-	2,864	1,443
Boyabat Elektrik <sup>(4)</sup>	-	-	540	283
Other	1,061	360	481	354
<b>Total</b>	<b>13,165</b>	<b>5,432</b>	<b>14,345</b>	<b>5,898</b>

(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 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
D-Market <sup>(1) (5)</sup>	37,520	12,873	21,671	8,128
Doğan Egmont <sup>(1) (3) (4) (5)</sup>	10,724	5,427	11,562	5,464
Doğan Burda <sup>(1) (3) (5)</sup>	9,902	3,502	11,209	3,602
Gümüştaş Madencilik <sup>(2) (4) (5)</sup>	8,203	3,787	2,443	725
Ortadoğu Otomotiv <sup>(2) (6)</sup>	5,857	1,020	2,861	1,272
D Elektronik <sup>(5)</sup>	2,966	1,005	2,778	904
Other	5,072	1,670	7,278	2,973
<b>Total</b>	<b>80,244</b>	<b>29,284</b>	<b>59,802</b>	<b>23,068</b>

(1) The balance consists of raw material and trade goods sales of the Group.

(2) The balance consists of receivables related to operating cost reflection of the Group.

(3) The balance consists financial, legal, data processing and other consultancy services sales of the Group.

(4) The balance consists of fuel oil sales of the Group.

(5) The balance consists of the Group's sales of lease services.

(6) The balance consists of vehicle, inventory and small fixtures sales of the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

**NOTE 34 - RELATED PARTY DISCLOSURES (Continued)****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 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Salaries and other short term benefits	13,521	4,973	14,301	5,490
<b>Total</b>	<b>13,521</b>	<b>4,973</b>	<b>14,301</b>	<b>5,490</b>

**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 September 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 September 2020	31 December 2019
Foreign currency assets	3,979,100	3,825,957
Foreign currency liabilities	(742,067)	(667,964)
<b>Net foreign currency position</b>	<b>3,237,033</b>	<b>3,157,993</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Market risk (Continued)

##### a.1) Foreign currency risk (Continued)

Sensitivity analysis of foreign currency risk as of 30 September 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 September 2020	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	156,934	7,393	9,570	11,854
2a. Monetary Financial Assets (Cash, banks included)	1,891,100	195,634	35,290	41,459
2b. Non-Monetary Financial Assets	1,871,722	194,963	38,283	-
3. Other	4,127	126	270	679
<b>4. Current Assets (1+2+3)</b>	<b>3,923,884</b>	<b>398,116</b>	<b>83,413</b>	<b>53,992</b>
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	55,216	-	6,049	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>55,216</b>	<b>-</b>	<b>6,049</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>3,979,100</b>	<b>398,116</b>	<b>89,462</b>	<b>53,992</b>
10. Trade Payables	323,470	31,571	8,429	23
11. Financial Liabilities	171,639	433	18,433	-
12a. Other Monetary Liabilities	467	6	46	-
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>495,576</b>	<b>32,010</b>	<b>26,908</b>	<b>23</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	246,491	1,670	25,575	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>246,491</b>	<b>1,670</b>	<b>25,575</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>742,067</b>	<b>33,680</b>	<b>52,483</b>	<b>23</b>
<b>19. Net Asset/(Liability) Position Of Off Statement of Financial Position Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off Statement of Financial Position Foreign Currency Derivative Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off Statement of Financial Position Foreign Currency Derivative Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset/(Liability) Position (9-18+19)</b>	<b>3,237,033</b>	<b>364,436</b>	<b>36,979</b>	<b>53,969</b>
<b>21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>1,305,968</b>	<b>169,347</b>	<b>(7,623)</b>	<b>53,290</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Market risk (Continued)

##### a.1) Foreign currency risk (Continued)

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	-
<b>4. Current Assets (1+2+3)</b>	<b>3,825,957</b>	<b>551,011</b>	<b>78,322</b>	<b>31,953</b>
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>3,825,957</b>	<b>551,011</b>	<b>78,322</b>	<b>31,953</b>
10. Trade Payables	364,991	43,664	15,180	4,662
11. Financial Liabilities	200,618	4,647	26,011	25
12a. Other Monetary Liabilities	531	39	45	-
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>566,140</b>	<b>48,350</b>	<b>41,236</b>	<b>4,687</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	101,824	3,443	12,236	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>101,824</b>	<b>3,443</b>	<b>12,236</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>667,964</b>	<b>51,793</b>	<b>53,472</b>	<b>4,687</b>
<b>19. Net Asset/(Liability) Position Of Off Statement of Financial Position Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off Statement of Financial Position Foreign Currency Derivative Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off Statement of Financial Position Foreign Currency Derivative Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset/(Liability) Position (9-18+19)</b>	<b>3,157,993</b>	<b>499,218</b>	<b>24,850</b>	<b>27,266</b>
<b>21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>2,110,128</b>	<b>344,934</b>	<b>5,094</b>	<b>27,266</b>

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Market risk (Continued)

##### a.1) Foreign currency risk (Continued)

As of 30 September 2020 and 31 December 2019, foreign currency denominated asset and liability balances were converted by the following exchange rates: TRY7.8080 =USD1 and TRY9.1281 =EUR1 (31 December 2019: TRY5.9402 =USD1 and TRY6.6506 =EUR1).

#### 30 September 2020

	Income/(Loss)	
	Foreign currency appreciates	Foreign currency depreciates
If the USD had changed by 20% against the TRY		
1- USD net (liabilities)/assets	569,103	(569,103)
2- Hedging amount of USD (-)	-	-
<b>3- USD net effect on income/(loss) (1+2)</b>	<b>569,103</b>	<b>(569,103)</b>
If the EUR had changed by 20% against the TRY		
4- EUR net (liabilities)/assets	67,510	(67,510)
5- Hedging amount of EUR (-)	-	-
<b>6- EUR net effect on (loss)/income (4+5)</b>	<b>67,510</b>	<b>(67,510)</b>
If the other currencies had changed by 20% against the TRY		
7- Other currency net (liabilities)/assets	10,794	(10,794)
8- Hedging amount of other currency (-)	-	-
<b>9- Other currency net effect on (loss)/income (7+8)</b>	<b>10,794</b>	<b>(10,794)</b>
<b>TOTAL (3+6+9)</b>	<b>647,407</b>	<b>(647,407)</b>

#### 31 December 2019

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

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### a) *Market risk (Continued)*

##### a.2) *Interest rate risk*

Other operating segments are exposed to interest rate risk because of financial liabilities of these segments. Financial obligations in this segment are mainly composed of floating rate borrowings.

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

As of 30 September 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 TRY1,354 (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 September 2020	31 December 2019
<b>Financial instruments with fixed rate</b>		
Financial assets		
- Banks (Note 6)	2,937,670	3,125,308
- Financial investments (Note 7)	2,265,823	1,177,726
Financial liabilities (Note 8)	2,809,018	2,300,645
<b>Financial instruments with floating rate</b>		
Financial liabilities (Note 8)	135,402	150,863

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Market risk (Continued)

##### a.2) Interest rate risk (Continued)

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

	30 September 2020			31 December 2019		
	USD	EUR	TRY	USD	EUR	TRY
<b>Assets</b>						
Cash and cash equivalents (Note 6)	0.15 – 2.75	0.45 – 0.60	4.75 - 12	0.95 - 2.45	0.25 - 0.30	1.91 - 10.50
Financial investments	2.6 – 13.8	1.65 - 4.65	-	2.38 - 8.50	2.38 - 5.20	-
<b>Liabilities</b>						
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

The distribution of interest rate sensitivity regarding the remaining period for repricing of financial assets and liabilities is as follows:

30 September 2020	Up to 1 year	1 year- 5 years	Over 5 years	Free of Interest	Total
<b>Assets</b>					
Cash and cash equivalents (Note 6)	2,937,670	-	-	833,032	3,770,702
Financial investments (Note 7)	2,265,823	-	-	-	2,265,823
<b>Total</b>	<b>5,203,493</b>	<b>-</b>	<b>-</b>	<b>833,032</b>	<b>6,036,525</b>
Short and long term financial liabilities (Note 8) <sup>(1)</sup>	2,016,208	883,452	44,760	-	2,944,420
<b>Total</b>	<b>2,016,208</b>	<b>883,452</b>	<b>44,760</b>	<b>-</b>	<b>2,944,420</b>
<b>31 December 2019</b>	<b>Up to 1 year</b>	<b>1 year - 5 years</b>	<b>Over 5 years</b>	<b>Free of Interest</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents (Note 6)	3,125,308	-	-	153,524	3,278,832
Financial investments (Note 7)	1,177,726	-	-	-	1,177,726
<b>Total</b>	<b>4,303,034</b>	<b>-</b>	<b>-</b>	<b>153,524</b>	<b>4,456,558</b>
Short and long term financial liabilities (Note 8) <sup>(1)</sup>	1,855,053	548,252	48,203	-	2,451,508
<b>Total</b>	<b>1,855,053</b>	<b>548,252</b>	<b>48,203</b>	<b>-</b>	<b>2,451,508</b>

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

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### *b) Credit risk*

Credit risk involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by setting credit limits to individual counterparties. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases and their dispersion across many different industries.

The table representing the Group's credit risk of financial instruments as of 30 September 2020 is as follows:

	<u>Trade receivables</u>		<u>Other receivables</u>		<u>Cash on deposit</u>
	<u>Related party</u>	<u>Other</u>	<u>Related party</u>	<u>Other</u>	
<b>Maximum net credit risk as of the reporting date</b>	<b>6,281</b>	<b>1,807,316</b>	<b>664</b>	<b>31,314</b>	<b>3,759,797</b>
<b>- The part of maximum risk under guarantee with collateral</b>	<b>-</b>	<b>1,332,617</b>	<b>-</b>	<b>-</b>	<b>-</b>
 A. Net book value of neither past due nor impaired financial assets	6,281	1,630,553	664	31,314	3,759,797
- Guaranteed amount by collateral	-	1,215,358	-	-	-
 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)	-	176,763	-	-	-
- Guaranteed amount by collateral (Note 9)	-	117,259	-	-	-
 D. Impaired asset net book value					
- Past due (gross amount) (Note 9, 19)	-	109,966	-	-	-
- Impairment (-) (Note 9, 19)	-	(109,966)	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### b) Credit risk (Continued)

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

	Trade receivables		Other receivables		Cash on deposit
	Related party	Other	Related party	Other	
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	-	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****b) Credit risk (Continued)**

The aging of the receivables of the Group, which are past due but not impaired including related party balances by taking into consideration past due dates are as follows:

	30 September 2020		31 December 2019	
	Related party	Other receivables	Related party	Other receivables
Maturity				
1-30 days overdue	-	76,954	-	51,857
1-3 months overdue	-	35,659	-	24,617
3-12 months overdue	-	25,303	-	5,572
1-5 years overdue	-	37,265	-	26,658
More than 5 years overdue	-	1,582	-	7,017
<b>Total</b>	<b>-</b>	<b>176,763</b>	<b>-</b>	<b>115,721</b>
<b>Guaranteed amount by collateral</b>				
Fuel retail	-	46,283	-	35,749
Industry and trade	-	57,355	-	22,744
Automotive trade and marketing	-	9,996	-	-
Real estate investments	-	3,625	-	1,816
<b>Total</b>	<b>-</b>	<b>117,259</b>	<b>-</b>	<b>60,309</b>

	30 September 2020			31 December 2019		
	Trade receivables	Credit loss ratio	Expected credit loss <sup>(1)</sup>	Trade receivables	Credit loss ratio	Expected credit loss <sup>(1)</sup>
Not overdue	176	2.88%	5	82	2.82%	2
1-30 days overdue	152	5.95%	9	71	6.41%	5
1-3 months overdue	284	6.99%	20	1,234	7.77%	96
3-12 months overdue	1,021	9.90%	108	3,045	12.14%	373
More than 1 year overdue	5,945	20.41%	443	1,167	34.33%	401
<b>Total</b>	<b>7,578</b>		<b>585</b>	<b>5,599</b>		<b>877</b>

<sup>(1)</sup> The balance consists of trade receivables of the companies for which the credit loss is calculated.

**c) Liquidity risk**

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****c) Liquidity risk (Continued)**

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

<b>30 September 2020</b>	<b>Book value</b>	<b>Contractual undiscounted cash flow</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>Non-derivative financial liabilities</b>						
Short term and long term						
financial liabilities (Note 8)	2,718,133	3,025,031	1,039,677	1,348,393	592,200	44,761
Lease payables (Note 8)	226,287	362,603	23,837	57,347	109,240	172,179
Trade payables to non-related parties (Note 9)	809,286	811,707	803,843	7,864	-	-
Other payables to non-related parties (Note 10)	192,226	192,226	185,767	2,273	4,186	-
Trade payables to related parties (Note 34)	8,769	8,769	8,769	-	-	-
Other payables to related parties (Note 34)	22	22	22	-	-	-
Payables related to						
employee benefits (Note 23)	24,247	24,247	-	24,247	-	-
Deferred income (Note 21)	72,098	72,098	62,735	-	9,363	-
Other short-term provisions (Note 18)	15,225	15,225	15,225	-	-	-
<b>Total</b>	<b>4,066,293</b>	<b>4,511,928</b>	<b>2,139,875</b>	<b>1,440,124</b>	<b>714,989</b>	<b>216,940</b>
<b>31 December 2019</b>	<b>Book value</b>	<b>Contractual undiscounted cash flow</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>Non-derivative financial liabilities</b>						
Short term and long term						
financial liabilities (Note 8)	2,218,800	2,388,298	763,934	1,181,488	394,673	48,203
Lease payables (Note 8)	232,708	357,813	9,004	38,431	197,501	112,877
Trade payables to non-related parties (Note 9)	745,720	748,753	300,125	448,628	-	-
Other payables to non-related parties (Note 10)	128,754	130,290	13,708	114,659	1,923	-
Trade payables to related parties (Note 34)	363	363	363	-	-	-
Payables related to						
employee benefits (Note 23)	19,267	19,267	-	19,267	-	-
Deferred income (Note 21)	44,563	44,563	39,593	-	4,970	-
Other short-term provisions (Note 18)	10,083	10,083	10,083	-	-	-
<b>Total</b>	<b>3,400,258</b>	<b>3,699,430</b>	<b>1,136,810</b>	<b>1,802,473</b>	<b>599,067</b>	<b>161,080</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020**

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

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**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**d) *Fair value of financial instruments***

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments are determined by the Group, using available market information and appropriate valuation methodologies for each segment of the Group. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are used in the estimation of the fair value of the financial instruments for which it is practicable to estimate fair value:

***Monetary assets***

The fair values of balances denominated in foreign currencies, which are translated at the period end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at cost, including fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature and immateriality of losses on collectibility. The fair value of investment securities has been estimated based on the market prices at the statement of financial position dates.

Trade receivables are disclosed at their amortized cost using the effective interest rate method and the carrying values of trade receivables along with the related allowances for collectability are estimated to be at their fair values.

***Monetary liabilities***

The fair value of bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates, and denominated in foreign currencies, are translated at the period-end exchange rates and accordingly, their fair values approximate their carrying values.

Trade payables are disclosed at their amortized cost using the effective interest rate method and accordingly their carrying amounts approximate their fair values.

**e) *Capital risk management***

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net liability/total equity ratio. Net liability is calculated as the total liability less cash and cash equivalents, derivative instruments and tax liabilities. Total equity is calculated as the total of net liability and the equity as shown in the consolidated statement of financial position.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

#### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### e) *Capital risk management (Continued)*

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

	30 September 2020	31 December 2019
Total liability <sup>(1)</sup>	4,174,897	3,472,646
Less: Cash and cash equivalents (Note 6)	(3,770,702)	(3,278,832)
<b>Net liabilities</b>	<b>404,195</b>	<b>193,814</b>
Equity attributable to equity holders of the parent company	8,518,499	7,136,609
<b>Total equity</b>	<b>8,922,694</b>	<b>7,330,423</b>
<b>Net liability/Total equity ratio</b>	<b>5%</b>	<b>3%</b>

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

30 September 2020		Loans and receivables (including cash and cash equivalents)	Financial assets available for sale	Financial liabilities at amortised cost	Instruments designated as hedges of financial risk	Instruments at fair value through profit or loss	Carrying value
Financial assets	Note						
Cash and cash equivalents	6	3,770,702	-	-	-	-	3,770,702
Trade receivables from non-related parties	9	1,807,316	-	-	-	-	1,807,316
Trade receivables from related parties	34	6,281	-	-	-	-	6,281
Other receivables from non-related parties	10	31,314	-	-	-	-	31,314
Other receivables from related parties	34	664	-	-	-	-	664
Financial investments	7	-	2,550,813	-	-	-	2,550,813
<b>Financial liabilities</b>							
Short and long term financial liabilities	8	-	-	2,718,133	-	-	2,718,133
Payables from lease borrowings	8	-	-	226,287	-	-	226,287
Trade payables to non-related parties	9	-	-	809,286	-	-	809,286
Trade payables to related parties	34	-	-	8,769	-	-	8,769
Other payables to non-related parties	10	-	-	192,226	-	-	192,226
Other payables to related parties	34	-	-	22	-	-	22
Payables related to employee benefits	23	-	-	24,247	-	-	24,247
Derivative instruments	22	-	-	-	22,347	-	22,347

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

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2020

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

### NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31 December 2019		Loans and receivables (including cash and cash equivalents)	Financial assets available for sale	Financial liabilities at amortised cost	Instruments designated as hedges of financial risk	Instruments at fair value through profit or loss	Carrying value
Financial assets	Note						
Cash and cash equivalents	6	3,278,832	-	-	-	-	3,278,832
Trade receivables from non-related parties	9	1,730,969	-	-	-	-	1,730,969
Trade receivables from related parties	34	3,495	-	-	-	-	3,495
Other receivables from non-related parties	10	25,153	-	-	-	-	25,153
Derivative instruments	22	-	-	-	18,993	-	18,993
Financial investments	7	-	1,380,571	-	-	-	1,380,571
<b>Financial liabilities</b>							
Short and long term financial liabilities	8	-	-	2,218,800	-	-	2,218,800
Payables from lease borrowings	8	-	-	232,708	-	-	232,708
Trade payables to non-related parties	9	-	-	745,720	-	-	745,720
Trade payables to related parties	34	-	-	363	-	-	363
Other payables to non-related parties	10	-	-	128,754	-	-	128,754
Payables related to employee benefits	23	-	-	19,267	-	-	19,267
Derivative instruments	22	-	-	-	339	-	339

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

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

#### DİPNOT 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:

	30 September 2020	Fair value level as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 TRY
<b>Financial assets</b>				
Derivative instruments				
held for sale at fair value				
through profit or loss (Note 22)	1,811	-	1,811	-
Available-for-sale financial assets				
held at fair value				
through other comprehensive				
income statement (Note 7)	284,990	-	284,990	-
Bonds, bills and stocks (Note 7)	2,265,823	2,265,823	-	-
<b>Total</b>	<b>2,552,624</b>	<b>2,265,823</b>	<b>286,801</b>	<b>-</b>
<b>Financial liabilities</b>				
Derivative instruments				
held for sale at fair value				
through profit or loss (Note 22)	22,347	-	-	22,347
<b>Total</b>	<b>22,347</b>	<b>-</b>	<b>-</b>	<b>22,347</b>



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2019

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

### DİPNOT 36 - FINANCIAL INSTRUMENTS (Continued)

Financial assets	31 December 2019	Fair value level as of reporting date		
		Level 1 TRY	Level 2 TRY	Level 3 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	-	-
<b>Total</b>	<b>1,399,564</b>	<b>1,177,726</b>	<b>221,838</b>	<b>-</b>
<b>Financial liabilities</b>				
Derivative instruments held for sale at fair value through profit or loss (Note 22)	339	-	-	339
<b>Total</b>	<b>339</b>	<b>-</b>	<b>-</b>	<b>339</b>

### NOTE 37 - SHARES IN OTHER OPERATIONS

Financial information of Aytemiz which is a subsidiary not wholly-owned but controlled by the Group and having significant non-controlling interest for the Group's consolidated financial statements, is presented below in accordance with TFRS 12.

AYTEMİZ	30 September 2020	31 December 2019
Current assets	1,489,007	1,360,059
Non-current assets	874,620	880,759
Short-term liabilities	1,334,466	1,319,682
Long-term liabilities	352,901	376,865
Total equity	676,260	544,270
	<b>1 January - 30 September 2020</b>	<b>1 January - 30 September 2019<sup>(1)</sup></b>
Revenue	5,613,002	8,288,577
Cost of sales	(5,368,097)	(7,976,181)
Gross profit/(loss)	244,905	312,396
Profit/(loss) before taxation	(3,849)	(38,213)

(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 restated.

### NOTE 38 - SUBSEQUENT EVENTS

None.

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