

# SUCCESSFUL RESULTS IN CHALLENGING CONDITIONS!



Annual  
Report  
2020



KNOWS  
AND  
CREATES  
VALUE



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**Despite the challenging conditions of the pandemic, which adversely impacted the global and national economy, we demonstrated a solid performance in 2020.**

Thanks to the measures we have taken, effective crisis and process management and cost savings, we avoided the negative effects of COVID-19. We managed uncertainty thanks to the strategic steps we have taken in the past. We increased our consolidated net cash, while reducing our expenses and showing improvements in terms of profit margins and costs. We continue our investment strategy, despite the challenging economic conditions.

# WE ARE READY FOR HARSH WINDS

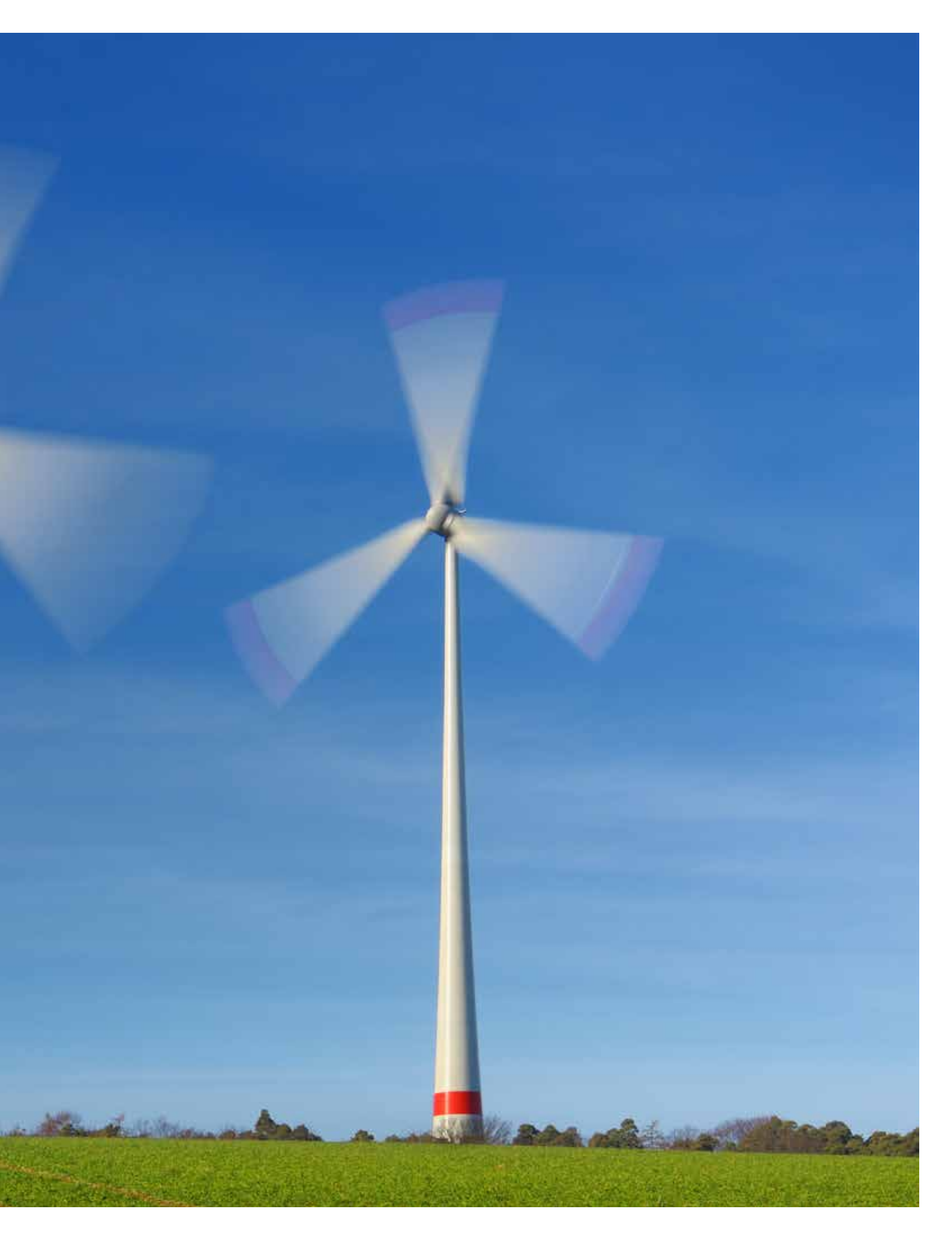
The companies in our portfolio have no short positions in their balance sheets. We pay attention to borrow in parallel to our income. We make sure to borrow in the currency in which we earn our incomes.

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## TL 10.8 billion

Consolidated revenue

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# WE MOVE FORWARD IN ALL CONDITIONS

Despite the tough road full of barriers, we know where to stop, and where to proceed. We prevent our companies from experiencing sudden financial deviations by managing risks. We make sure that costs are effectively managed and diversify our revenues with new products, services and channels.

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## TL 1.3 billion

Gross profit

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# **WE STRICTLY ADHERE TO DISCIPLINED MANAGEMENT**

We are strictly committed to our strategies, management principles and values. We act with a group synergy. We have gradually reached a healthier portfolio distribution in the fields of renewable energy, industry, internet, entertainment, media and automotive.

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## **TL 899 million**

**EBITDA**

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# WE ARE DRIVEN BY OUR SUCCESS

As we make our way towards bigger goals, our experience and achievements in different sectors further increase our energy. Without deviating from our strategic goals, we will continue to be a company that adds value to all its stakeholders, and that grows with investments in the future.

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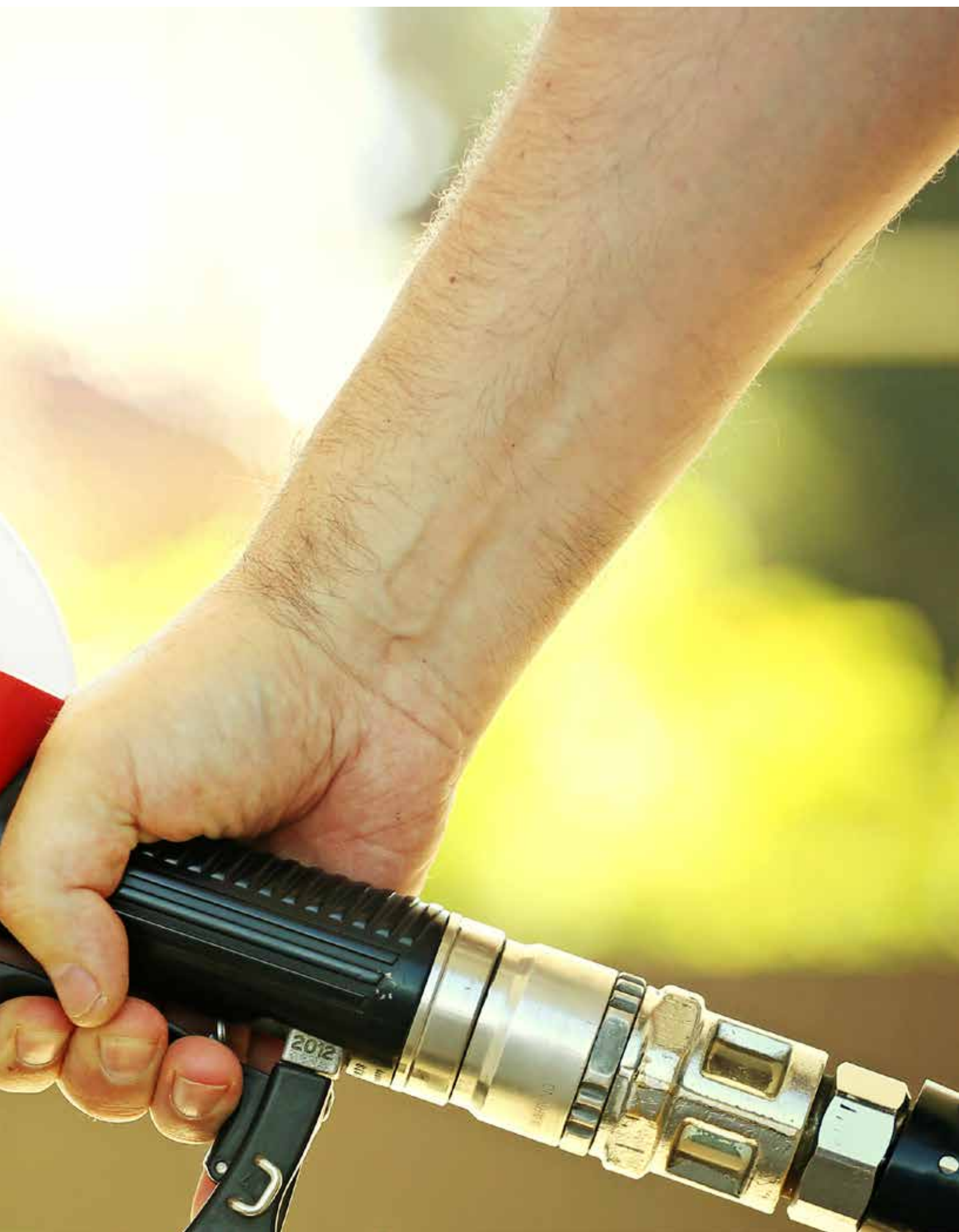
## TL 1.4 billion

Profit for the period

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## HIGHLIGHTS OF 2020

### Contribution to sustainable growth with clean energy

With three Wind Power Plants (Şah, Mersin and Taşpınar) and two Solar Power Plants (Çorum and Erzurum), Doğan Holding contributes to sustainable growth.



### Improved strength with the new partnership

In 2020, a partnership was signed with Believe International DMC, one of the key players in the field of digital music.

### Turkey's leading steering wheel and suspension system parts manufacturer

Combining its competence in the automotive sector with its experience, Ditaş is the leading steering and suspension parts manufacturer of Turkey.



### High-quality sustainable packaging production

With a team specialized in multilayer flexible packaging and barrier films, Sesa continues production without compromising on its total quality philosophy.

### A global brand with its image and quality

With its numerous brands, Doğan Trend Otomotiv aims to achieve sustainable quality in sales and after-sales services with customer satisfaction in mind.



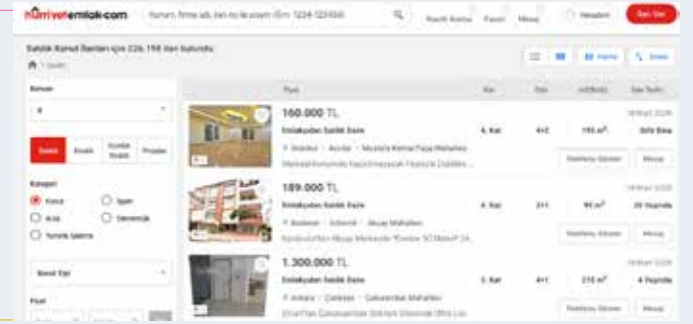


## Global supply service for the retail market

Doğan Dış Ticaret operates mainly in the import and trade of paper and printing mold materials, as well as paper, cardboard and packaging products.

## A strong and leading brand

The fastest real estate ad website, Hürriyet Emlak developed many products to help real estate agents receive better service, track incoming calls more efficiently and create statistical data more productive.



## Pearl of the Aegean and Mediterranean

Milta Bodrum Marina, one of the outstanding marinas of the Aegean and Mediterranean coast, is situated at the heart of Bodrum's city center. With its ever-improving infrastructure and world-class service, the marina makes a marked difference in the sector.

## Leader in magazine publishing

As the leader of magazine publishing in Turkey, Doğan Burda continued to bring its well-established brands and new magazines, both in print and online, to readers in 2020.



## Support to girls' education

Maintaining its support to girls' education through Aydın Doğan Foundation, Doğan Holding encouraged success in all areas including health, culture, the arts and sports with the national and international competitions it organized in 2020.



As Doğan Group, we continued to fight the pandemic in the best possible way, prioritizing the health of our employees.



## MESSAGE FROM THE HONORARY CHAIRMAN

Dear members of the Doğan Group family,

We left 2020 behind under the shadow of the COVID-19 pandemic, which deeply affected the world and our own country. Reaching our country as of March 2020 following its outbreak in China at the end of 2019, the pandemic has caused great losses in Turkey and all over the world. Many establishments were closed, and the unemployment rate rose. Social life has almost disappeared. And meanwhile, ways of doing business have changed, and technology has become indispensable. In general; all countries, whether developed or developing, were adversely affected by the pandemic.

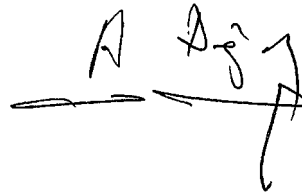
Our country demonstrated a solid performance in the fight against the pandemic. In line with the recommendations of the Scientific Committee, our Government took the necessary health measures, while allowing the functioning of the economy to the degree possible. Within this framework, our strong health infrastructure, rapid steps taken to consolidate this structure and the outstanding sacrifices of our healthcare professionals gave us an advantage in the fight with the pandemic. Under these circumstances, accelerated efforts in search of a vaccine as of the end of 2020 have yielded promising developments for 2021. We have entered a period where we can look forward with hope.

As Doğan Group, we have shown solid performance in the fight against the pandemic. We took great care to ensure the health of our employees. To this end we have implemented models such as alternate working and remote working.

Meanwhile, we continue to grow as Doğan Group. We invest in sectors of high potential. The Investment Bank we have established will become completely operational in 2021 and will facilitate the realization of valuable investments in our country.

As always, we consider it our duty to add value to our country and continue to work towards this goal.

With my warm wishes and hopeful sentiment, I hereby celebrate all my colleagues and wish them a healthy year.



**AYDIN DOĞAN**  
**Honorary Chairman**

## DOĞAN HOLDING IN BRIEF

An innovative and pioneering role – from energy to industry, finance to tourism...

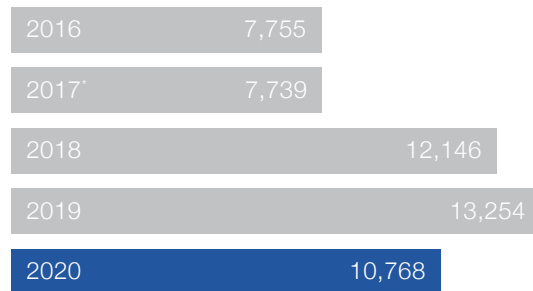
Doğan Group has been adding significant value to the Turkish economy for 61 years. The foundation of Doğan Holding was laid when Honorary Chairman Aydın Doğan registered with the Mecidiyeköy Tax Office in 1959 and established his first company in the automotive sector in 1961. Today Doğan Group companies, with their innovative approach, play a pioneering role across a wide range of sectors such as petroleum products retail, electricity generation and trading, industry and trade, automotive trade and marketing, finance and investment, internet & entertainment, and real estate investment.

Each boasting a flexible management structure, Group companies embrace a quality- and customer-focused management approach that is open to change. Doğan Holding and all Group companies put into practice corporate and ethical values, which set an example for other companies in the business world.

Aiming for global success in all its industrial and trading activities, Doğan Group keeps abreast of domestic and international developments in every business line in which it conducts operations. With its high-quality products and services, the Group operates across a wide geographic region through strategic partnerships with leading multinational groups.

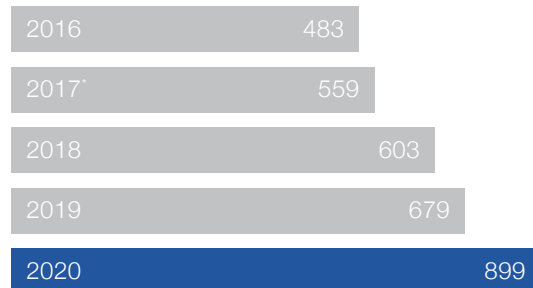
The well-qualified and highly competent workforce of Doğan Group has been the key factor underlying this success. The Group, together with its subsidiaries, run as joint ventures, directly employs approximately 3,533 people as of the end of 2020 and is an important contributor to national employment.

### Revenues (TL Million)



\*The year 2017 has been restated.

### EBITDA (TL Million)



\*The year 2017 has been restated.

### Sustainable Increase in EBITDA

In 2020, Doğan Holding's EBITDA increased by 32.4% to TL 899 million.





## FINANCIAL INDICATORS

	Audited		
Statement of Financial Position Summary - TL Million	31.12.2020	31.12.2019	31.12.2018
<b>Total Assets</b>	<b>13,693</b>	<b>11,241</b>	<b>10,950</b>
Current Assets	8,178	6,988	7,018
Non-Current Assets	5,516	4,252	3,932
<b>Total Liabilities</b>	<b>13,693</b>	<b>11,241</b>	<b>10,950</b>
Short-Term Liabilities	2,887	2,831	2,988
Long-Term Liabilities	1,428	778	960
Shareholders' Equity	9,378	7,631	7,002

	Audited		
Summary Profit or Loss Statement - TL Million	31.12.2020	31.12.2019	31.12.2018
Revenue	10,768	13,254	12,146
Gross Profit	1,286	1,076	1,015
Operating Profit/(Loss)	1,217	1,032	1,265
EBITDA	899	679	603
EBITDA Margin	8.3%	5.1%	5.0%
Net Profit/(Loss) Attributable to Equity Holders of the Parent Company	1,390	617	3,633

Ratios	2020	2019	2018
Gross Profit Margin	11.9%	8.1%	8.4%
Operating Profit Margin	11.3%	7.8%	10.4%
EBITDA Margin	8.3%	5.1%	5.0%

	2020		2019	
Segment Analysis - TL Million	Net Sales	EBITDA	Net Sales	EBITDA
Petroleum Products Retail	7,784	213	11,237	265
Electricity Generation and Trading	332	259	110	185
Industry and Trade	1,350	146	824	30
Automotive Trade and Marketing	511	28	296	18
Finance and Investment	226	53	251	17
Internet & Entertainment	441	153	367	91
Real Estate Investments	123	47	169	73
<b>Total</b>	<b>10,768</b>	<b>899</b>	<b>13,254</b>	<b>679</b>

\*Since the figures in the table are rounded, there may be negligible differences in sum totals and change rates.

## STRUCTURE OF DOĞAN HOLDING

### Electricity Generation and Trading

WIND: ŞAH WPP - MERSİN WPP - TAŞPINAR WPP

SOLAR: ÇORUM PV - ERZURUM PV

HYDRO: BOYABAT HEPP (JV) - ASLANCIK HEPP (JV)

### Petroleum Products Retail

AYTEMİZ

### Industry and Trade

ÇELİK HALAT (CELHA)

DİTAŞ (DITAS)

SESA

DOĞAN DIŞ TİCARET

KELKİT DOĞAN BEŞİ

### Automotive Trade and Marketing

SUZUKI

### Finance and Investment

DORUK FAKTORİNG

DORUK FİNANSMAN

D INVESTMENT BANK

ÖNCÜ VCİT

### Real Estate Investments

D GAYRİMENKUL

MİLPA (MİPAZ)

MİLTA MARİNA

MARLIN OTELCİLİK

KANDİLLİ GAYRİMENKUL

M-INVESTMENT 1 LLC

### Internet & Entertainment

GLOKAL DİJİTAL

KANAL D ROMANYA

DMC & NETD

DOĞAN BURDA (DOBUR)

DOĞAN EGMONT

## MESSAGE FROM THE CHAIRWOMAN

During the pandemic, we ensured the health of our employees working in all our companies, while focusing on reducing the negative effect of the pandemic on community health.



In 2020, we continued to invest in our country by generating additional value for it.

Y. BEGÜMHAN DOĞAN FARALYALI  
Chairwoman

Esteemed Shareholders, Business Partners and Employees,

2020 was one of the darkest years in history. The COVID-19 pandemic, which swiftly spread all over the world following its outbreak in China, caused the death of 2.48 million people. This pandemic adversely impacted the economies of both developed and developing countries. Many workplaces have been closed and therefore all countries have had to cope with rising unemployment. And meanwhile, due to the restriction on social mobility, ways of doing business have changed for good. In this process, technology-focused production, rather than traditional production models, has become crucial.

One of the most important developments in 2020 was the announcement that BioNTech company founded by two Turkish physicians in Germany had developed a successful vaccine against COVID-19. The other was the victory of Joe Biden in the Presidential Election held in the USA in November. The fact that a non-white woman had been nominated Vice President of the USA was an inspiring development for the entire world. This change in the White House also raised hopes that the USA would be in more harmonious cooperation with Europe and the rest of the world.

In 2020, the Turkish economy has gone through a troubled time. Due to the dramatic fall in tourism income as a result of pandemic, and residents continuing to buy foreign currency and gold, the Turkish Lira fell to a historically low level. The situation started to recover in the last quarter of the year. And following the elimination of practices that are not compliant with the global financial system, Turkey's 2021 expectations became more positive. With monetary policy accompanied by a tight fiscal stance, Turkey is once again expected to attract foreign investors in 2021. In the event that tourism also steps up, these two components will be able to eliminate concerns over the budget deficit.

### **New investments, despite the pandemic**

The COVID-19 pandemic showed us which institutions were resilient. As a well-established group that has gone through many changes, survived numerous crises and weathered many testing times, we have given a solid performance in response to the pandemic. We adapted to change quickly and made decisions timely in 2020 and recorded a turnover of TL 10.8 billion. Our EBITDA reached TL 899 million with an increase of 32.4% compared to 2019.



For 61 years, Doğan Group has continued on its journey, giving back what it has earned by making investments in Turkey. Indeed, believing that “we will be strong as long as Turkey is strong,” we have continued to invest. In 2020, we spent TL 1.5 billion on new investments.

Within the scope of investing in value-added sectors that grow rapidly, we invested in Sesa Ambalaj in July. With the support of Şavul Family, our business partners, we achieved a first in the flexible packaging sector by developing self-soluble packaging. We contributed to the production of more environmentally-friendly packaging in Turkey and the world. With Sesa, we aim to become one of the key players in the packaging sector on an international scale.

**10.8**  
(TL billion)

As Doğan Holding, we recorded revenue of TL 10.8 billion in 2020.

We commissioned the Taşpınar WPP, despite the pandemic conditions and increased our installed capacity in the field of renewable energy to 269 MW. Established in 2020, our D Investment Bank is currently awaiting its license, and we aim to initiate banking operations by the second quarter of 2021. With our Investment Bank, we will strive to contribute to the national economy by supporting investors with technology.

#### We have fulfilled our values

We continued our activities while ensuring the health of our employees in all our companies by focusing on reducing the negative social effects of the pandemic. With the participation of all our companies, especially Doğan Holding and Aydın Doğan Foundation, we donated TL 20 million to the National Solidarity campaign, launched by President Recep Tayyip Erdoğan.

**1.5**  
(TL billion)

In 2020, we spent TL 1.5 billion on new investments.

In this process, we provided fuel oil and transportation support to healthcare professionals with our group companies, Suzuki and Aytemiz. Reaching 12.5 million people in the Festtogether event held by Netd, we met the needs of 335 thousand, specified on the Needs Map. To support the food & beverage sector, which has been most affected by the pandemic, we published the “Restaurants At Home” book, prepared by Doğan Burda Dergi.

Apart from the contributions of our group, our corporate culture that rests on the ancient values of Anatolia has shown itself in the individual efforts of our employees. Standing by those in need, all members of the Doğan Group supported social solidarity. In the most challenging year for generations, we embraced the values that guide our companies: appreciation, acting responsibly, embracing with passion, innovation, and achieving together.

#### Investment in an inclusive future

As a group that adopts a value-oriented management approach with the aim of providing sustainable benefit to our planet, our country and our community, we have prepared the Doğan Impact Plan in response to the Sustainable Development Goals of the United Nations. We invest in an inclusive future with the Doğan Impact Plan, which will guide us in improving and monitoring our environmental, social and governance performance for a sustainable world.

With the Doğan Impact Plan, we aim to generate our energy exclusively from sustainable resources, adopt an innovative business model and invest in innovative technologies. Our goal is to restore all the water we use to nature, and to engage in waste-free production by 2030. In line with this plan, we focus on gender equality in recruitment and promotion in all of our Group companies. We strive to empower women in our value chain, support gender equality, and combat all kinds of discrimination and violence.

Driven by our values, we will continue working in 2021 to contribute to the building of a prosperous and peaceful society in a better and safer future.



**Y. BEGÜMHAN DOĞAN FARALYALI**  
Chairwoman

## MESSAGE FROM THE CEO

Achieving our goals by carefully managing the uncertainties in 2020, we demonstrated a strong growth performance in the fields of electricity generation, automotive, internet and media.



In 2020, we reaped the fruits of our value creating plans and the Doğan Investment Strategy.

ÇAĞLAR GÖĞÜŞ  
Chief Executive Officer

Esteemed Stakeholders,

Experiencing contractions since 2018, the Turkish economy was seriously affected by the COVID-19 epidemic that raged throughout the year, and by other disasters that struck our country. The Turkish economy contracted by 9.9% in the second quarter of 2020 when strict measures were implemented. Thanks to the normalization process that commenced in June, and the interest rate cuts of the economics administration to revitalize the markets, growth of 6.7% was achieved in the third quarter. With this performance, Turkey became the fastest growing country among G-20 countries in the third quarter. In 2020, the Turkish economy grew by 1.8%. While 5.8% growth is targeted for 2021 in the New Economy Program (YEP), international organizations such as the OECD and IMF also estimate that the Turkish economy will grow by between 3% and 5% in 2021.

As Doğan Holding, we carefully managed the uncertainties despite all the negative developments in 2020. Thanks to our balanced portfolio and our balance sheet free of short position, we were able to demonstrate a positive performance. While achieving our goals in 2020, we surpassed our targets in EBITDA terms.

We achieved outstanding growth rates in the fields of electricity generation, automotive, internet and media. Despite the contractions in the fields of real estate and petroleum products retail partially, our profitability in other fields was positive. Of our EBITDA 29% is achieved from electricity generation and trading. Meanwhile, 24% of EBITDA is generated from Aytemiz, while 17% is recorded from media-internet-entertainment, 16% from industry and trade, 6% from finance and investment, 3% from automotive, and 5% from tourism and real estate investments. And although it was a year overshadowed by the crisis, we achieved important improvements in terms of Earnings Before Interest, Depreciation and Amortization (EBITDA) in 2020 except for the real estate and petroleum products sectors. The value-creating plans we have made during our restructuring process and the efforts within the scope of the Doğan Investment Strategy began to yield positive results in 2020.

Despite the pandemic, we commissioned our Taşpınar WPP, which has a high capacity utilization rate. Therefore, we managed to increase our total installed capacity in the field of renewable energy to 269 MW. We continue to pursue new investment opportunities. Aytemiz generated net profit in this challenging year when oil prices fell notably. Continuing to renovate its stations, Aytemiz made a difference in the market with an innovative product named "Vaay." Kanal D Romania maintained its successful performance by rising to second place

in prime time with its impressive programmes. Doğan Dış Ticaret expanded its business model with alternative channels, following its rapid transformation in 2018. We also continue our industrial transformation efforts. Ditaş and Çelik Halat continue to invest in technological transformation and capacity increase. For the first time in 2020, Ditaş started to produce parts for passenger cars.

After renewing its technological infrastructure, Hürriyet Emlak began to improve many of its operational metrics. Doğan Egmont and Doğan Burda created different business areas and expanded their activities. In 2020, a partnership was signed with Believe International DMC, one of the key players in the field of digital music. With its new name “Doğan Trend Otomotiv,” Trend Oto conducted successful projects such as suvmarket.com and Arabam Yolda. Doğan Trend Otomotiv added new brands (Kymco, MG, Silence, and Wall Charge) to its portfolio.

2020 was an investment year for the Holding. In July, we acquired 70% of the shares of Sesa Ambalaj, a company on its way to becoming a global brand in the field of high barrier food and special recyclable packaging. With a focus on the field of finance, we established D Investment Bank with a capital of TL 200 million.

2020 was also highly successful in terms of stock performance. Compared to the 29% increase of the BIST-100 index, Doğan Holding stocks skyrocketed by 71% and our market value exceeded USD 1 billion for the first time.

#### **We will expand the field of application of our employer brand**

Within the scope of the research we conducted with a new approach to human resources at the beginning of 2020, our employees in Group companies defined our employer brand as: “Appreciative, value-adding, principled, transparent, dynamic, consistent, prestigious, sincere, assuring and performance-oriented.”

Doğan Group's brand power and sector diversity create an important opportunity in the field of employment. In addition to our entrepreneurial and agile structure, we are value-centered in everything we do.

The values that we adopt, namely, “we appreciate, innovate, act responsibly and transparently, we embrace with passion, and achieve together” coincide with our core principles of “Responsibility, Bonding, Success, and Innovation.” Our commitment and experience as an employer are in line with each other.

We will manage our employer brand in terms of talent, career, development, life and innovation. We will manage our internship programs as well as our practices regarding the recruitment of new graduates or young professionals with “Talent in Doğan”; our hiring, career development and rotation practices with “Career in Doğan”; our professional and individual development programs and learning from each other, coaching or mentoring programs with “Development in Doğan”; social responsibility and all social events with “Life in Doğan” and practices such as in-house entrepreneurship and suggestion systems with “Innovation in

Doğan.” We will stand by our employees throughout their career development. In addition to encouraging entrepreneurial ideas and creating value with a transparent approach, we aim to apply these practices in all Group companies. In 2021, we will focus on expanding the field of application of our employer brand and improve its effectiveness.

#### **Value-creating investments for society and the planet**

As the globalization model came into question following the COVID-19 pandemic, it became clear that the current economic system was not sustainable. In order to achieve a more equal and fair world order, the business world needs to take the initiative. We will work for our planet, our society, and our future in line with the Doğan Impact Plan prepared to guide us on this journey. At Doğan Holding, we contribute to creating a better future through valuable and responsible investments and by generating long-term solutions. Driven by our root values, we focus on creating a positive impact with all our investments by taking advantage of innovative and value-oriented business opportunities created by Sustainable Development Goals.

By 2025, we aim to increase the share of funds focusing on environmental, social and corporate governance to 10% in our investor portfolio. In addition, we aim to improve our ESG score to AAA. As ESG-focused investors invest in our Group, our sustainability performance will become controllable and visible by international platforms. To achieve our goal of becoming a carbon-neutral organization by 2030, we will introduce many energy efficiency practices such as renewable energy installation and green electricity supply. The importance of water was recognized once again with the increased incidence of drought. We aim to restore all the water we use to nature by 2030. In order to achieve this, we adopt the global best practices for water recovery in our operations where water is used extensively, and we invest in transformation projects for our buildings and office spaces that will minimize our environmental impact.

With the importance we attach to gender equality, we are committed to increasing the ratio of female board members throughout the Group to at least 40% by 2030 in order to achieve a more equal workplace.

As Doğan Group, we are reducing our environmental and social impact, and we seek out new investments in line with this approach to become an organization that adds value to society and the planet. We will continue to prioritize innovation and transformation in all our activities while aiming to create environmental and social benefits in addition to economic development.

I would like to extend my gratitude to all our stakeholders who supported Doğan Holding's operations in 2020.

Best regards,



**ÇAĞLAR GÖĞÜŞ**  
Chief Executive Officer



## BOARD OF DIRECTORS<sup>1</sup>



**Y. Begümhan DOĞAN FARALYALI**  
Chairwoman



**Hanzade DOĞAN BOYNER**  
Vice-Chairwoman



**Agah UĞUR**  
Vice-Chairman<sup>2</sup>



**Arzuhan DOĞAN YALÇINDAĞ**  
Board Member



**Vuslat DOĞAN SABANCI**  
Board Member



**Çağlar GÖĞÜŞ**  
Board Member

<sup>1</sup> At the General Assembly Meeting held for the accounting period 2019 on 27.03.2020, the Board Members were elected to serve for 1 year following the date of the General Assembly Meeting. The resumes of the members of the Board of Directors are available on the Company's Corporate Web Site ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

<sup>2</sup> At the Board meeting dated 06.01.2021 and numbered 2021/01, it was decided to elect Agah Uğur as a Board Member and a Second Vice Chairman in place of İmre Barmanbek, who resigned from Board Membership.



**Ahmet TOKSOY**  
Board Member



**A. Vural AKIŞIK**  
Independent Board Member



**Hacı Ahmet KILIÇOĞLU**  
Independent Board Member



**Faik AÇIKALIN**  
Independent Board Member



**Ali Aydın PANDIR**  
Independent Board Member<sup>3</sup>

<sup>3</sup> At the Board meeting dated 06.01.2021 and numbered 2021/01, it was decided to elect Ali Aydın Pandır as Independent Board Member, Corporate Governance Committee Member, and Early Risk Detection Committee Member in place of Agah Uğur.

## DOĞAN HOLDING EXECUTIVE COMMITTEE



**Çağlar Göğüş**

Chief Executive Officer (CEO), Board Member



**Bora Yalınay**

Executive Committee Member,  
Chief Financial Officer - CFO



**Tolga Babalı**

Executive Committee Member,  
Financial and Operational Management



**Vedat Mungan**

Executive Committee Member,  
Strategic Planning and Business Management



**Eren Sarıçoğlu\***

Executive Committee Member,  
Business Development and Business Management

\* According to the decision of the Board of Directors dated 08.01.2021 and numbered 2021/02, Eren Sarıçoğlu was appointed as the Executive Committee Member Responsible for Business Development and Business Management.



## DOĞAN HOLDING MANAGEMENT TEAM



**Kemal Sertkaya**  
Head of Audit and Risk Management



**Ayhan Sırtıkara**  
Secretary General



**Güventürk Kızılyel**  
Chief Legal Officer



**Mehmet Yörük**  
Vice President, Finance and Portfolio Management



**Dr. Murat Doğu**  
Vice President Capital Markets,  
Financial Reporting and Budget



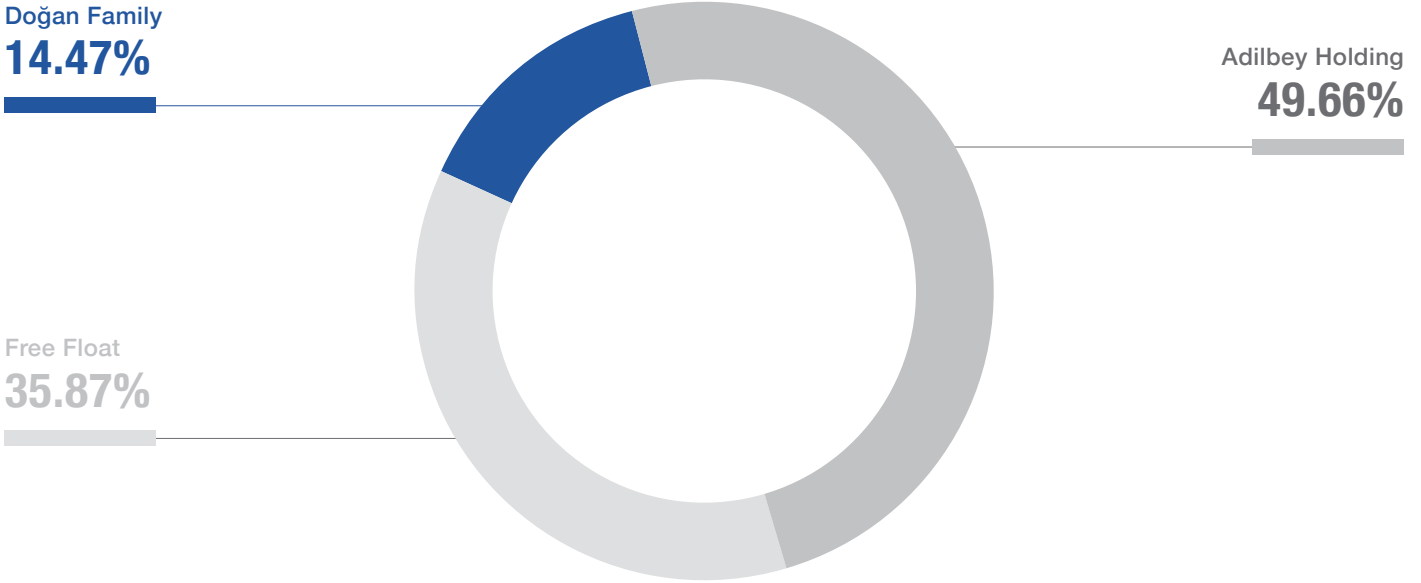
**Neslihan Sadıkoğlu**  
Vice President, Corporate  
Communications and Marketing



**Şebnem Bezmen**  
Vice President, Human Resources

## SHAREHOLDING STRUCTURE

As of December 31, 2020, 49.66% of Doğan Holding shares are held by Adilbey Holding, while 35.87% of the shares are free float.



The shareholders of the Holding and their shares as of December 31, 2020 and December 31, 2019 in the capital are stated below:

Shareholders	Share (%)	December 31, 2020 (Turkish lira Thousand)	Share (%)	December 31, 2019 (Turkish lira Thousand)
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 Istanbul <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>

<sup>(1)</sup> According to the Principle Decision of the CMB dated October 30, 2014 and numbered 31/1059 and the Principle Decision dated July 23, 2010 and numbered 21/655; according to the records of the Central Registry Agency, 35.84% of the shares of Doğan Holding, which correspond to 938,006,139 shares are to be considered in circulation as of December 31, 2020 (December 31, 2019: 35.84%).

## STOCK PERFORMANCE

At the end of 2020, Doğan Holding's share price reached TL 3.07 with an increase of 71.0% compared to the previous year. Within 2020, the share reached TL 3.25, its historic high level.

Besides Doğan Holding, the following joint ventures and subsidiaries of Doğan Holding are traded on Borsa Istanbul "BIST." The closing prices of the shares as of December 31, 2020 are presented in the table below.

Doğan Group Companies Traded on BIST	BIST Ticker	Share Price* (Turkish lira)	Share Amount* (Million)	M-Cap* (Million Turkish lira)
Doğan Şirketler Grubu Holding A.Ş.	DOHOL	3,07	2.617	8.034
Milpa Ticari ve Sınai Ürünler Paz. San. ve Tic. A.Ş.	MIPAZ	4,60	208	957
Çelik Halat ve Tel Sanayii A.Ş.	CELHA	21,42	17	353
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş.	DITAS	32,68	10	327
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	DOBUR	22,44	20	439

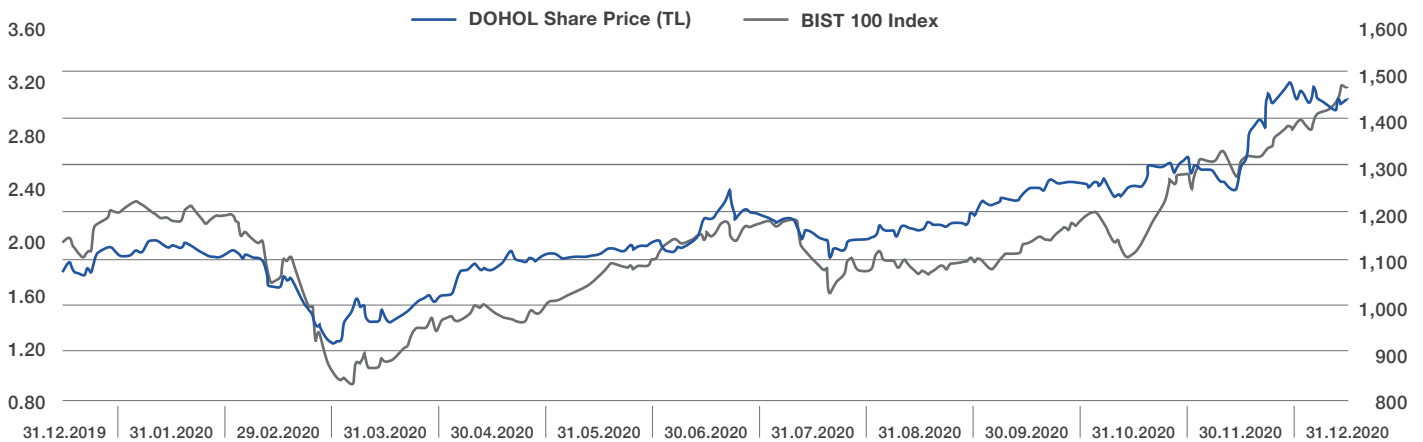
\*BIST closing prices as of December 31, 2020.

The share price of Doğan Holding, listed on the stock exchange under the ticker "DOHOL," traded between a low of TL 1.16 and a high of TL 3.25 in 2020. The share price rose 71.0% compared to the previous year and reached TL 3.07 at the end of the year. Meanwhile, BIST 100 Index rose 29.1% in 2020.

Listed on the BIST Sustainability Index, consisting of companies with a high corporate sustainability performance in the period from November 2019 to October 2020, Doğan Holding will remain in the same index in the period between December 2020 and October 2021.

**Indexes Participated by Doğan Holding:** BIST CORPORATE GOVERNANCE/BIST SUSTAINABILITY/BIST 30/BIST HOLDING AND INVESTMENT/BIST ALL SHARES/BIST 50/BIST FINANCIALS/BIST STARS/BIST ISTANBUL/BIST 100

### Doğan Holding Share Price vs BIST 100 Index (January 1, 2020 - December 31, 2020)





## HIGHLIGHTS OF 2020

In 2020, the total consolidated assets of Doğan Holding rose 21.8% compared to the previous year to TL13,693,203 thousand. While the Company's consolidated short-term liabilities amounted to TL 2,887,079 thousand (31.12.2019: TL 2,831,079 thousand), its long-term liabilities stood at TL 1,427,887 thousand (31.12.2019: TL 778,172 thousand).

As of December 31, 2020, Doğan Holding's consolidated cash and cash equivalents and financial investments amounted to TL 5,329,970 thousand. The Company's consolidated net debt, which includes short- and long-term borrowings and other long-term financial liabilities, totaled TL 2,431,709 thousand (31.12.2019: TL 2,005,086 thousand net debt), while stand-alone net debt stood at TL 2,653,172 thousand (31.12.2019: TL 3,043,910 thousand stand-alone net cash).

**1.4**  
(TL billion)

Doğan Holding's long-term liabilities are at around TL 1.4 billion.

Considering the areas of activity of subsidiaries and joint ventures, the segment structure of the Group has been updated to remove the "Other" segment.

In December 2019, what would become the COVID-19 (coronavirus) period was sparked in China. In the first months of 2020, COVID-19 spread rapidly worldwide. And on March 11, 2020, the World Health Organization declared COVID-19 as a pandemic.

In this context, our Group Companies benefit from government supports (short-term work allowance, VAT, withholding, SSI premium postponements, etc.). This situation was ongoing as of the date our consolidated financial statements were approved. As a result of assessments conducted, no material impact was determined in the consolidated financial statements prepared as of December 31, 2020. In this context;

### Aytemiz Akaryakıt

Aytemiz, a subsidiary of the Group, recognized a decrease in its fuel sales due to the increasing number of COVID-19 cases. Especially due to intercity travel restrictions and lockdown measures imposed in April-May and November-December, fuel sales in the accounting period between January 1 - December 31, 2020 shrank by 4% compared to the previous year. With the use of a short-term working allowance as well as expense optimization studies, the Company tried to even out the decrease in sales. Also, the Group took action to minimize investment expenses and operational costs, and reviewed the cash management strategy to strengthen liquidity position. There were no delays in payments to suppliers or collection of receivables in this process.

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.

### D Gayrimenkul

The Trump Offices and Shopping Mall property, where shopping mall activities are performed on parcel No 3, on block 2524 in the Mecidiyeköy neighborhood 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.



### Hürriyet Emlak

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.

### Çelik Halat

Çelik Halat, a subsidiary of the Group, stopped production temporarily between April 1 and May 4, 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 minimize 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 minimize 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 consolidated financial statements dated December 31, 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 financial statements dated December 31, 2020, and did not determine any impairment-related findings of any significant amount.

## HIGHLIGHTS OF 2020

In 2020, a successful performance was given in the electricity generation and trading segment as revenues increased by 202.7% compared to 2019.

### Ditaş Doğan

Ditaş Doğan, a subsidiary of the Group, suspended its production activities temporarily between April 2-9, 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 Doğan 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 Doğan 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.

In the meantime, Ditaş Doğan took action to minimize 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 minimize as much as possible the potential impact of COVID-19 on Ditaş Doğan's operations and financial status. There were no delays in payments to suppliers or collection of receivables in this process.

The potential impact of the COVID-19 outbreak was taken into account when preparing the consolidated financial statements dated December 31, 2020, and the estimations and assumptions used when preparing the consolidated 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 consolidated financial statements dated December 31, 2020 based on the available information, and did not determine any impairment-related findings of any significant amount.

### Galata Wind

The normal course of business continued in Galata Wind, a subsidiary of the Group. Measures such as remote work for personnel, social distancing in the workplace, preventative hygiene practices and online trainings for the staff were taken. Due to the fact that the Group sold electricity at a fixed rate in the scope of YEKDEM in 2020, Covid-19 did not have a critical impact on the Group's operations, electricity generation or liquidity.

In 2020, the consolidated revenues of Doğan Holding fell 18.8% compared to the previous year to TL 10,767,694 thousand. The main reasons for this decrease were; termination of Doel's activities as of January 01, 2020 (although it did not have a significant effect on profitability, it caused revenue to fall to TL 2.7 billion); Aytemiz's partial demand contraction and the volatility in oil prices; a temporary stoppage of production at Çelik Halat and Ditaş due to the pandemic; and the decline in rental income due to the closure of Trump Shopping Mall (except for the office area) between March 21 and June 1 in line with anti-coronavirus measures. All necessary measures were taken within the context of COVID-19. As a result of new investments in recent years, Doğan Holding has increased the share of its energy segment in total revenues. Doğan Holding derives 72% of its revenues from petroleum products retail and 3% from electricity generation and trading.

As the revenues of the electricity generation and trading segment skyrocketed by 202.7% compared to the previous year, despite production interruptions at Çelik Halat and Ditaş, the revenues of the industry and trade segment rose 63.9% with the consolidation of Sesa Ambalaj. Internet & Entertainment segment revenues grew by 20.2% due to the increase in Kanal D Romania's revenue from satellite and transmitter services. The revenues of the automotive trade and marketing segment rose 72.8% as a result of improvement in the sector as of June and the addition of new brands.





Doğan Holding's consolidated gross profit was 19.5% higher than in the previous year, reaching TL 1,286,070 thousand (2019: TL1,075,871 thousand). Meanwhile, gross profitability increased from 8.1% to 11.9%. Doğan Holding's Consolidated Earnings Before Interest, Depreciation and Amortization (EBITDA) increased by 32.4% to TL 898,866 thousand (2019: TL 678,750 thousand). Doğan Holding's EBITDA margin, which stood at 5.1% in the previous year, rose to 8.3%. The contributions of electricity generation and trading, automotive trade and marketing, industry and trade, and internet & entertainment led to this positive EBITDA performance.

Net other income from operating activities was TL 663,588 thousand in 2020, on growth of 3.4% compared to the previous year (2019: TL 642,069 thousand).

Net Income from Investment Activities increased to TL 841,383 thousand in 2020 due to fx gains, subsidiary share sales income, and income from fair value increase of subsidiaries during the year (2019: TL 177,395 thousand). Net Finance Expenses fell 32.7% compared to the previous year to TL 326,394 thousand in 2020 thanks to the improvement in bank loan interest expenses (2019: TL 484,976 thousand).

In 2020, the net profit of Doğan Holding rose 143.5% to TL 1,444,081 thousand due to the rise in fx gains, subsidiary share sales income, income from fair value increase of subsidiaries, and income from operations (2019: TL 592,933 thousand profit). In 2020, Doğan Holding's net profit for the period attributable to the parent company rose 125.4% to TL 1,390,240 thousand with the positive impact of decreasing financing costs (2019: TL 616,789 thousand profit).

## HIGHLIGHTS OF 2020

Hydroelectric power plants have the largest share in electricity generation of Turkey on 32.3%, while wind power plants have 9.2%, and solar plants have a 7% share in total capacity.

### ELECTRICITY GENERATION AND TRADING

#### Developments in Electricity Generation and Trading in Turkey

In 2020, the total installed capacity of electricity generation in Turkey rose by 3.1% to 95,891 MW. While hydraulic production has the highest share in the installed capacity of Turkey with 32.3%, wind power plants contribute with 9.2% and solar plants hold a share of 7% in total capacity.

In 2020, electricity generation in Turkey fell 0.52% to 302,674 GWh. Some 43.1% of this generation came from natural gas and imported coal; meanwhile, domestic coal generation accounted for 14.5%, hydraulic power generation for 25.7%, wind power generation for 8.1%, geothermal and biomass power generation for 4.8% and production from solar power plants accounted for 3.7%. In 2020, electricity consumption in Turkey decreased 0.5% compared to the previous year to 302,104 GWh. Some 56.8% of the country's demand was met by using domestic and native resources.

# 95,891 MW

The total installed capacity of Turkish electricity generation is 95,891 MW as of the end of 2020.

In 2021, 927 power plants will be involved in the Renewable Energy Resources Support Mechanism (YEKDEM). According to the final feed-in tariff list issued by the Energy Market Regulatory Authority (EMRA), the total installed capacity of these applications surpassed the previous year and amounted to 22,609 MW. Since YEKDEM support is paid in US dollars and cents, and as the Turkish lira depreciated against the US dollar in 2020, the revenue differential between the spot price and YEKDEM grew sharply, whereby applications have increased. The YEKDEM incentive, which originally set to expire as of the end of 2020 was extended to June 2021 by Presidential Decree. Plants to be commissioned beyond this date will no longer be able to benefit from US dollar-based YEKDEM incentives. Instead they will benefit from the new TL-based YEKDEM incentive to be effective as of July 1, 2021.

In 2020, it was officially confirmed that Mini YEKA PV tenders, which are held for solar plants of up to 50 MW capacity in different provinces, will take place in March 2021. In these reverse auction tenders, the starting price has been announced as TL 0.35.

Electricity prices increased by 7.1% in 2020 over the previous year to 278.75 TL/MWh.

Doğan Group's Şah WPP, Mersin WPP and Taşpınar WPP account for 2.7% of Turkey's total wind power installed capacity and 2.2% of its total electricity generation from wind as of end-2020. The share of Erzurum and Çorum PV plants in the total solar energy installed capacity of Turkey is 0.53% and their share in solar power generation is 0.5%. Of the joint ventures in which the Holding has a stake, Boyabat HEPP and Aslancık HEPP accounted for 2.0% of Turkey's total installed hydroelectric power capacity, and 1.0% of total electricity generation from hydroelectric power as of end-2020. In 2021, Şah WPP and Aslancık HEPP will be on the YEKDEM list as in 2020. Mersin WPP had completed its YEKDEM term by 2021. Taşpınar WPP, which was commissioned at the end of 2020 was included on the YEKDEM list for the first time at the beginning of 2021. Being included in the Capacity Mechanism in 2020, Boyabat HEPP will be benefiting from this mechanism in 2021 as well.

#### Financial Review of the Electricity Generation and Trading Segment:

Consolidated revenues and EBITDA of the electricity generation and trading segment include the production at wind and solar power plants. As a result of the production of WPPs in excess of the Turkey's average wind capacity factor, and the high performance of Erzurum and Çorum PV, the revenue of the electricity generation and trading segment reached TL 332,453 thousand with an increase of 33.6%. Meanwhile, the gross profit of the segment rose 46.2% to TL 243,356 thousand. EBITDA rose 39.7% to TL 258,884 thousand (2019: TL 185,311 thousand). Thanks to operational improvements and the increase in gross profit, the electricity generation and trading segment reported TL 215,598 thousand profit before tax with an increase of 240.6% (2019: TL 63,297 thousand).





#### Electricity Generation and Trading

Turkish Lira thousand	2020/12	2019/12	Yoy Change
Consolidated Revenues <sup>(*)</sup>	332,453	248,930	33.6%
Gross Profit	243,356	166,471	46.2%
EBITDA <sup>(*)</sup>	258,884	185,311	39.7%
EBITDA Margin	77.9%	74.4%	
Profit (Loss) Before Tax	215,568	63,297	240.6%

<sup>(\*)</sup>All segment revenues and EBITDA figures are provided before inter-segment eliminations. EBITDA has been calculated by Doğan Holding.

**332.5**  
(TL million)

The consolidated income of the electricity generation and trading segment is around TL 332.5 million.



## HIGHLIGHTS OF 2020

Aytemiz offers services in 541 stations as of the end of 2020 (a total of 562 stations with those licensed + those awaiting licensing).

## PETROLEUM PRODUCTS RETAIL



### Developments in the Turkish Petroleum Products and LPG Distribution Sector

The petroleum products retail segment consists of the operations of our subsidiary Aytemiz Akaryakıt Dağıtım A.Ş. ("Aytemiz").

Doğan Holding's subsidiary Doğan Enerji acquired a 50% stake in Aytemiz in March 2015 in cash, heralding the Group's return to the petroleum products and LPG distribution sector.

**Station Handovers:** With a decision reached in 2009 and implemented in 2010, the Competition Authority limited the duration of dealership agreements to five years; as a result, Aytemiz succeeded in becoming one of the fastest-growing brands in the sector. Aytemiz offers services at 541 stations as of the end of 2020 (a total of 562 stations with those licensed + those awaiting licensing) (2019: 561 stations).

**Oil Prices:** Brent oil, which was traded in a wide range in 2020, was priced at USD 64 in January. In April, Brent oil fell to USD 18, the lowest real average price level since February 1999. The most important reasons for this decrease are the dramatic shrinkage in oil demand due to the pandemic and the excessive increase in crude oil stocks as a result of disagreement at OPEC+ regarding production cuts. With the increase in demand during the summer and a decrease in crude oil stocks following OPEC+ production cuts, the Brent oil price started to rise, reaching USD 45 by September. As a result of the second wave of COVID-19, the Brent oil price had fallen to USD 37 as of the beginning of November. Positive developments regarding COVID-19 vaccines and optimism regarding an economic recovery caused the price to increase to around USD 50 in December.

### Petroleum Product and LPG Sales in Turkey and Aytemiz:

According to the November 2020 sector report published by the Energy Market Regulatory Authority ("EMRA"), total petroleum product sales by distributors in the sector fell 3.0% over November 2019 to 26.6 million tons, while total LPG sales fell 7.5% to 2.8 million tons. Aytemiz's total petroleum product sales fell by 2.8% to 973,765 tons (968,797 tons of white products and 4,969 tons of black products), representing a market share of 4.0% (November 2019: 4.2%); total LPG sales amounted to 149,405 tons on a decrease of 9.4%, and the share in the autogas market stood at 5.2% (November 2019: 5.3%).

# 340.3

(TL million)

The gross profit of the petroleum products retail segment is TL 340.3 million as of the end of 2020.

### Financial Review of the Petroleum Products Retail

**Segment:** Electricity trading company Doel ceased activities as a result of its merger with Aytemiz, and earned no trading revenue from January 1 - December 31, 2020.

Due to contraction in the petroleum products sector as a result of the pandemic and the termination of Doel's activities as of January 1, 2020, the revenue of the petroleum products segment in 2020 fell 30.7% compared to the previous year. Causing the revenue to fall TL 2.7 billion, Doel's termination had no effect whatsoever on profitability. The EBITDA of the petroleum products retail segment fell 19.6% to TL 213,216 thousand.

Inventory losses as a result of the volatility in Brent oil prices and the increase in FX rates in Q2 and Q3 are recovered through the hedge transactions carried out. Inventory losses adversely affects all players in the petroleum products retail sector. Taking advantage of the decline in loan interest rates, Aytemiz reduced its loan expenses. Aytemiz managed to decrease its net financial expenses by 54.7%, from TL 254,375 to TL 115,178 thousand. The petroleum products retail segment earned a pre-tax profit of TL 24,954 thousand (2019: TL 72,680 thousand loss).

### Petroleum Products Retail

Turkish Lira thousand	2020/12	2019/12	Yoy Change
Consolidated Revenues <sup>(*)</sup>	7,793,693	11,253,551	-30.7%
Gross Profit	340,270	409,942	-17.0%
EBITDA <sup>(*)</sup>	213,216	265,047	-19.6%
EBITDA Margin	2.7%	2.4%	
Profit (Loss) Before Tax	24,954	-72,680	-

<sup>(\*)</sup>All segment revenues and EBITDA figures are provided before inter-segment eliminations. EBITDA has been calculated by Doğan Holding.

### Revenue by Segment

Turkish Lira thousand	2020/12	2019/12	Yoy Change
<b>Non-Group Revenues</b>	<b>7,784,043</b>	<b>11,236,958</b>	<b>-30.7%</b>
Fuel Oil Revenues	6,432,942	7,184,591	-10.5%
Autogas Sales	1,237,349	1,297,761	-4.7%
Trade Revenues	370	2,658,928	-100.0%
Other	113,382	95,678	18.5%



## HIGHLIGHTS OF 2020

Maintaining its successful performance in 2020, Çelik Halat realized 51% of its international sales in Europe, 37% in America, 9% in Asia and 3% in Africa.

### INDUSTRY AND TRADE

#### Developments in the Industry and Trade Sector

Our industry and trade segment consists of the consolidated operations of our subsidiaries, Çelik Halat ve Tel Sanayii A.Ş. ("Çelik Halat"), Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş") and Sesa Ambalaj ("Sesa").

Steel ropes and wires manufactured by Çelik Halat are used in cranes, construction, oil & mining, ships, elevators, transportation vehicles, agricultural vehicles and many other areas. Çelik Halat became a certified R&D Center on March 26, 2018 and is now eligible for state incentives and exemptions. On September 27, 2018, Çelik Halat established Çelik Halat Netherlands B.V. headquartered in the Netherlands to engage in sales, marketing and distribution activities for all kinds of steel wire and ropes.

In parallel with the developments in Çelik Halat's sector as well as in the general economic activity due to the COVID-19 pandemic, a slowdown was experienced in the countries where Çelik Halat does business. The negative impact of the pandemic on the US economy on demand and the increase in the EUR/USD parity caused a decline in the sales prices of exports to the US. Çelik Halat is unable to fully utilize its capacity due to the shrinkage in the market and the slowdown in demand. While international sales decreased by 7.7% compared to the same period of the previous year, domestic sales increased by 26.0%. In 2020, Çelik Halat realized 51% of its international sales in Europe (2019: 54%), 37% in America (2019: 27%), 9% in Asia (2019: 14%), and 3% in Africa (2019: 5%). While Çelik Halat's net sales increased by 6.4% to TL 335.3 million in 2020; its EBITDA rose 312% to TL 21.7 million, which was TL 5.3 million in the previous year. Çelik Halat recorded a net loss of TL 8.1 million in 2020 (2019: TL 10.4 million loss).

Ditaş, operating in the automotive supplier industry, manufactures steering and suspension systems parts for all types of land vehicles. Ditaş became a certified R&D Center on July 25, 2017 and is eligible for state incentives and exemptions.

In 2020, heavy commercial vehicle market grew by 82%, while truck market by 96%, bus market by 51%, midibus market contracted by 9%. In addition to the parts it produces for the automotive supplier industry, Ditaş also conducts R&D studies for the defense industry and the aviation industry and aims to diversify its portfolio with the products it designs for these sectors. Ditaş's international sales accounted for 58% of its total revenues in 2020 (2019: 61%) and 43% of domestic sales were realized on a foreign currency basis. In Ditaş, the sales prices are mainly denominated in Euro. Considering that raw material costs constitute an important portion of the cost of goods sold and that it is procured based on foreign currency, Ditaş has protected itself against currency fluctuations. The company recorded net sales of TL 140.6 million, up by 26.2% in 2020. EBITDA rose from TL 8.1 million in 2019 to TL 15.3 million in 2020. Ditaş closed the year with net profit of TL 5.2 million (2019: TL 1.1 million profit).

## 387%

**increase**

In 2020, the EBITDA of the industry segment rose 387% to TL 146.2 million.

#### Financial Review of Industry and Trade Segment:

In 2020, Doğan Holding's industry and trade segment consolidated revenues rose 63.6% compared to the previous year, with the contribution of the new investment Sesa Ambalaj, to TL 1,351,577 thousand. EBITDA of the segment rose 387.0% to TL 146,166 thousand. The gross profit of the industry and trade segment rose 170.8% to TL 234,343 thousand and despite the 142.8% increase in finance expenses, the segment recorded a pre-tax profit of TL 32,282 thousand (2019: TL 15,530 thousand). The consolidation of Sesa Ambalaj and the successful performances of Çelik Halat and Ditaş in Q4 are the reasons of the significant improvement in the industry and trade segment.





#### Industry and Trade

Turkish Lira thousand	2020/12	2019/12	Yoy Change
Consolidated Revenues <sup>(*)</sup>	1,351,577	826,006	63.6%
Gross Profit	234,343	86,523	170.8%
EBITDA <sup>(*)</sup>	146,166	30,016	387.0%
EBITDA Margin	10.8%	3.6%	
Profit (Loss) Before Tax	32,282	-15,530	-

#### Revenue by Segment

Turkish Lira thousand	2020/12	2019/12	Yoy Change
<b>Non-Group Revenues</b>	<b>1,350,257</b>	<b>824,075</b>	<b>63.9%</b>
Industry Revenues	476,078	426,566	11.6%
Foreign Trade Revenues	643,376	361,133	78.2%
Packaging Revenues	197,675	0	-
Other	33,128	36,376	-8.9%

<sup>(\*)</sup>All segment revenues and EBITDA figures are provided before inter-segment eliminations. EBITDA has been calculated by Doğan Holding.



## HIGHLIGHTS OF 2020

In 2020, the automotive market grew by 61.3% over 2019 to 772,788 units.

### AUTOMOTIVE TRADE AND MARKETING

#### Developments in the Automotive Trade and Marketing Sector

Doğan Holding's automotive trade and marketing segment comprises the operations of its subsidiaries Suzuki Motorlu Araçlar Pazarlama A.Ş. ("Suzuki") and Doğan Trend Otomotiv Ticaret Hizmet ve Teknoloji A.Ş. ("Doğan Trend Otomotiv").

According to Automotive Distributors Association ("ADA") data, Turkey's automotive market (automobile + light commercial vehicle) grew 61.3% in 2020 (2019: 22.9% contraction) to 772,788 units (2019: 479,060 units). Automobile sales rose 57.6% year-on-year (2019: 20.4% contraction) to 610,109 units (2019: 387,256 units).

The rate cuts started in the first quarter of 2020 and continued in the second quarter, as well as the COVID-19 outbreak in March caused the demand to be deferred to subsequent months. The demand deferred due to the COVID-19 pandemic led to significant growth in the automotive market, especially in June. The pre-sales campaigns of the brands in the sector, as well as the entry of high-segment models to the market played an important role in the growth of demand. Although the increase in loan interest rates in the last quarter of 2020 caused a contraction in the market, growth was achieved compared to the previous year.

Suzuki has been engaged in sales activities in motorcycle and marine product ranges since the second half of 2015, and in the automobile product range since March 2016 under Doğan Holding, selling a total of 2,977 vehicles in 2020 on growth of 25.0% (1,720 Vitara, 1,034 Swift, 146 SX4 S-Cross and 77 Jimny). (2019: 2,381 vehicles)



In 2020, the most preferred body was sedan, with a 44% share, followed by SUVs with a 29.8% share, and H/Bs with a 23.2% share.

**513.3** The automotive trade and marketing segment recorded consolidated revenue of (TL million) TL 513.3 million.

In 2020, 87.6% of the automobile market segment was composed of vehicles in the A, B and C segments, which have low tax rates (2019: 86.0%). An analysis by segment shows that the C segment (384,457 units) attained the highest sales figure with a share of 60.6% (2019: 61.8% - 239,254 units). The SUV segment ranked second with a share of 29.8% (181,554 units) (2019: 25.4% - 98,509 units). The B segment ranked third with a share of 24.1% (146,821 units) (2019: 23.9% - 92,452 units).

Evaluating the automobile market by car body type, the most popular body was the sedan with a 44.0% share and 268,509 unit sales (2019: 49.9% share - 193,082 units), followed by SUVs with a 29.8% share (181,554 units) (2019: 25.4% share - 141,271 units), and H/Bs with a 23.2% share (141,271 units) (2019: 20.9% share - 80,788 units).

In 2020, a breakdown of the automobile market by engine volume shows that automobiles equipped with engines under 1600cc account for the largest share: 94.3% (575,421 units) (2019: 94.3% - 365,277 units). Cars in the 1600-2000cc range took 1.7% (2019: 2.2%) of the market with those above 2000cc accounting for 0.2% (2019: 0.3%). Compared to 2019, sales of automobiles under 1600cc rose 57.5%, sales of cars in the 1600-2000cc range rose 21.1%, and sales of autos above 2000cc rose 5.7%. In 2020, a total of 844 electric cars were sold, 179 of which were below 85kW and 665 over 121kW (2019: a total of 222 sold, with 53 under 85 kW, and 169 over 121 kW). In 2020, a total of 22,203 hybrid cars were also sold in the market (2019: 12,006 units).

Suzuki views the SUV segment as a separate category of competition. According to Suzuki's calculations for the SUV segment based on ADA data are as follows;

In 2020, 61% of the automobile market segment was composed of vehicles in the A, B and C segments, which have low tax rates (2019: 63.9%). Suzuki considers the SUV segment a separate category of competition. The C segment recorded the highest sales with a 41.1% share and 251,142 units (2019: 43.3% - 168,001 units), the SUV segment was the second most popular with a 29.8% share and 181,554 units (2019: 25.4% - 98,509 units). The B segment was the third most popular with a 19.2% share and 117,543 units (2019: 20.3% - 78,713 units).

#### Financial Review of the Automotive Trade and Marketing Segment:

In 2020, Doğan Holding's automotive trade and marketing segment consolidated revenues stood at TL 513,276 thousand, up by 73.2% from the previous year in parallel to the 61.3% growth of the automotive sector during the year. EBITDA rose 55.2% to TL 28,358 thousand due to a 30.5% increase in gross profit (2019: TL 18,271 thousand). In 2020, the 25.4% decrease in finance expenses caused a pre-tax profit of TL 17,871 thousand (2019: TL 11,275 thousand loss).

#### Automotive Trade and Marketing

Turkish Lira thousand	2020/12	2019/12	Yoy Change
Consolidated Revenues <sup>(*)</sup>	513,276	296,314	73.2%
Gross Profit	67,773	51,929	30.5%
EBITDA <sup>(*)</sup>	28,358	18,271	55.2%
EBITDA Margin	5.5%	6.2%	
Profit (Loss) Before Tax	17,871	-11,275	-

<sup>(\*)</sup>All segment revenues and EBITDA figures are provided before inter-segment eliminations.

## HIGHLIGHTS OF 2020

In the first 9 months of 2020, factoring sector recorded a total turnover of TL 100.3 billion; of this total, TL 87.3 billion was generated in Turkey and TL 13.0 billion was originated overseas.

## FINANCE AND INVESTMENT

### Developments in the Finance and Investment Sector

Our finance and investment segment consists of the operations of its subsidiaries Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Öncü"), Doruk Faktoring A.Ş. ("Doruk Faktoring"), Doruk Finansman A.Ş. ("Doruk Finansman"), D Yatırım Bankası A.Ş. ("D Yatırım Bankası") and Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding").

According to Association of Financial Institutions ("AFI") data, Turkey had 56 companies operating in the factoring sector in the first nine months of 2020 (2019/09: 56 companies). In the same period, the factoring sector recorded a total turnover of TL 100,254 million (2019/09: TL 89,580 million); of this total, TL 87,295 million (2019/09: TL 75,437 million) was generated in Turkey and TL 12,958 million (2019/09: TL 14,143 million) was originated overseas. According to BRSA data for the first nine months of 2020, the factoring sector reported total receivables of TL 37,372 million (2019/09: TL 30,053 million), total assets of TL 40,833 (2019/09: TL 33,411 million), and a profit before tax of TL 1,007 million (2019/09: TL 1,523 million).

Data from the Association of Financial Institutions (AFI) for the first 9 months of 2020 showed that AFI-member financing companies recorded total assets of TL 29,759 million (2019/09: TL 27,797 million) and a net profit after tax of TL 819 million (2019/09: TL 441 million). In the same period, total financing receivables (principal + rediscounts and accruals) for 4,070,249 (2019/09: 5,333,542) outstanding loans was TL 25,158 million (2019/09: TL 23,082 million).

**206.6%** The EBITDA of finance and investment segment rose 206.6% to TL 52.6 million.

**increase**

Doruk Faktoring successfully issued 181-day discounted financing bonds with a nominal value of TL 80,000,000 for qualified investors on 29.01.2021 and the maturity date of the bond is 29.07.2021.

Doruk Finansman also issued 176-day financing bonds with a nominal value of TL 25,000,000 for qualified investors on 19.09.2019 and the bond was amortized on 13.03.2020.

### Financial Review of the Finance and Investment Segment:

In 2020, Doğan Holding's finance and investment segment consolidated revenues were down by 11.1% year-on-year to TL 266,173 thousand in parallel with the contraction in the activities of factoring and financing companies. Gross profit increased by 16.3% to TL 162,270 thousand while EBITDA increased by 206.6% thanks to the profitability of Öncü, and reached TL 52,590 thousand. Profit before tax reached TL 1,027,192 thousand thanks to the increase in fx income (2019: 542,439 thousand Turkish Lira profit).

#### Finance and Investment

Turkish Lira thousand	2020/12	2019/12	Yoy Change
Consolidated Revenues <sup>(*)</sup>	266,173	299,537	-11.1%
Gross Profit	162,270	139,477	16.3%
EBITDA <sup>(*)</sup>	52,590	17,150	206.6%
EBITDA Margin	19.8%	5.7%	
Profit (Loss) Before Tax	1,027,192	542,439	89.4%

<sup>(\*)</sup>All segment revenues and EBITDA figures are provided before inter-segment eliminations. EBITDA has been calculated by Doğan Holding.

#### Revenue by Segment

Turkish Lira thousand	2020/12	2019/12	Yoy Change
<b>Non-Group Revenues</b>	<b>225,972</b>	<b>250,948</b>	<b>-10.0%</b>
Factoring Revenues	137,420	186,363	-26.3%
Finance Revenues	8,437	19,173	-56.0%
Investment Revenues	55,864	26,729	109.0%
Management Consulting Revenues	24,251	18,683	29.8%

## REAL ESTATE INVESTMENTS

### Developments in the Turkish Real Estate Investment Sector

Real estate investment segment consists of the operations of our subsidiaries: Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa"), D Gayrimenkul Yatırımları ve Ticaret A.Ş. ("D Gayrimenkul"), Milta Turizm İşletmeleri A.Ş. ("Milta Turizm") and Marlin Otelcilik ve Turizm A.Ş. ("Marlin Otelcilik").

According to home sales statistics issued by the Turkish Statistical Institute, home sales across Turkey increased 11.2% year-over-year in 2020 to 1,499,316 units. Istanbul accounts for the highest share of Turkey's total home sales at 17.7% with 265,098 homes sold. The number of homes sold for the first time dipped 8.2% year-on-year to 469,740. First home sales accounted for 31.3% of total home sales in 2020. Across Turkey, second-hand home sales increased 23.0% year-on-year in 2020 to 1,029,576 units. Istanbul ranked first in second-hand home sales with 187,313 units sold and accounted for 18.2% of the nation's total. The share of second-hand home sales in total home sales in Istanbul was 70.7%.

In December 2020, home sales in Turkey fell 47.6% year-on-year to 105,981 units.

**132.7**  
(TL million)

In 2020, the real estate investments segment consolidated revenues reached TL 132.7 million.

### Financial Review of the Real Estate Investments Segment:

In 2020, Doğan Holding's real estate investments segment consolidated revenues were down by 26.1% year-over-year to TL 132,694 thousand. The most important factor in this decrease is the closure of Trump Shopping Mall (except for the office area) between March 21 and June 1 in line with anti-coronavirus measures. Gross profit decreased 36.0% to TL 62,002 thousand while EBITDA fell by 36.0% to TL 46,710 thousand. Profit before tax fell by 43.8% to TL 106,114 thousand.

Trump Shopping Mall generated a rent income of TL 57,223 thousand, down 21.6% due to the period it was closed (except for the office area) due to the pandemic. Real estate management revenues fell 30.7% to TL 65,006 thousand as the hotels in Bodrum could not start activities due to the pandemic.



### Real Estate Investments

Turkish Lira thousand	2020/12	2019/12	Yoy Change
Consolidated Revenues <sup>(1)</sup>	132,694	179,543	-26.1%
Gross Profit	62,002	96,902	-36.0%
EBITDA <sup>(1)</sup>	46,710	73,017	-36.0%
EBITDA Margin	35.2%	40.7%	
Profit (Loss) Before Tax	106,114	188,784	-43.8%

<sup>(1)</sup>All segment revenues and EBITDA figures are provided before inter-segment eliminations. EBITDA has been calculated by Doğan Holding.

### Revenue by Segment

Turkish Lira thousand	2020/12	2019/12	Yoy Change
<b>Non-Group Revenues</b>	<b>122,699</b>	<b>168,895</b>	<b>-27.4%</b>
Rent Income	57,223	73,024	-21.6%
Real Estate Management Income	65,006	93,775	-30.7%
Other	470	2,096	-77.6%



## HIGHLIGHTS OF 2020

A Doğan Group company operating in the internet & entertainment industry, Kanal D Romania enjoyed a successful 2020 despite the pandemic.

### INTERNET & ENTERTAINMENT

#### Developments in the Turkish Internet & Entertainment Segment

Our internet & entertainment subsidiaries consist of Net D Müzik Video Dijital Platform ve Ticaret A.Ş. ("Net D Müzik"), Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC"), Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş. ("Hürriyet Emlak"), Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. ("Radyonom") and Doğan Media International S.A. ("Kanal D Romania").

#### Financial Review of the Internet & Entertainment Segment:

In 2020, Doğan Holding's internet & entertainment segment consolidated revenues were up by 20.1% year-over-year to TL 440,863 thousand. Gross profit increased 21.3% to TL 228,774 thousand while EBITDA rose by %68.6 to TL 152,635 thousand. In 2020, profit before tax increased by 962.3% with the increase in income from investment activities and reached TL 307,989 thousand (2019: TL 28,994 thousand profit).

In 2020, advertisement revenue rose 27.9% over the previous year to TL 303,293, and music production revenue fell 45.3% to TL 25,717. Other revenues increasing by 84.3% consists of satellite and transmitter service revenues and exchange rate difference revenues of Kanal D Romania.

#### Internet & Entertainment

Turkish Lira thousand	2020/12	2019/12	Yoy Change
Consolidated Revenues <sup>(*)</sup>	440,863	366,933	20.1%
Gross Profit	228,774	188,585	21.3%
EBITDA <sup>(*)</sup>	152,635	90,550	68.6%
EBITDA Margin	34.6%	24.7%	
Profit (Loss) Before Tax	307,989	28,994	962.3%

<sup>(\*)</sup>All segment revenues and EBITDA figures are provided before inter-segment eliminations. EBITDA has been calculated by Doğan Holding.

#### Revenue by Segment

Turkish Lira thousand	2020/12	2019/12	Yoy Change
<b>Non-Group Revenues</b>	<b>440,863</b>	<b>366,846</b>	<b>20.2%</b>
Advertising Revenues	303,293	237,136	27.9%
Subscription Revenues	30,080	38,290	-21.4%
Music Production Revenues	25,717	47,054	-45.3%
Other	81,773	44,366	84.3%

**303.3**  
(TL million)

In 2020, advertising revenues increased by 27.9% to reach TL 303.3 million.









# Electricity Generation and Trading

By establishing Doğan Enerji in 2000, Doğan Holding aims to make energy investments in Turkey and the region, as well as carrying out production, distribution, wholesale and retail trade of energy from all kinds of sources.



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## 234.9 MW

*The installed capacity of Şah WPP, Mersin WPP and Taşpınar WPP is 234.9 MW.*

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## 34.1 MW

*Erzurum PV and Çorum PV have an installed capacity of 34.1 MW.*

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## 120 MW

*Aslancık Dam and HEPP's installed capacity is around 120 MW.*

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## 513 MW

*Boyabat Dam's installed capacity is around 513 MW.*

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## ELECTRICITY GENERATION AND TRADING

At the end of October 2020, Doğan Enerji commissioned Taşpınar WPP, which is located in the Nilüfer district of Bursa, with an installed capacity of 67.2 MW.

### DOĞAN ENERJİ YATIRIMLARI SANAYİ VE TİCARET A.Ş.

With nearly 20 years of experience in the energy sector, Doğan Holding sees energy investments as one of its core business lines. To this end, Doğan Enerji was established in 2000 to engage in the generation, distribution, domestic and international wholesale and retail trade of energy from any source, and to realize investments in Turkey and the region. As such, Doğan Holding's entire energy investments are gathered under a single umbrella.

### WIND POWER PLANTS ("WPP")

#### Şah WPP & Mersin WPP

Keen to grow in the field of renewable energy, Doğan Enerji entered the wind power generation sector in 2012. At that time, the company added Mersin WPP and Şah WPP, which operate under the name of Galata Wind Enerji A.Ş., to its power plant portfolio. As Doğan Enerji's fully owned subsidiaries, Mersin WPP operates in Mersin province, district of Mut, and Şah WPP in Balıkesir province, district of Bandırma. Following the takeover procedures, the installed capacity of Mersin WPP was increased from 33 MW to 42 MW in 2013, and Şah WPP rose from 93 MW to 105 MW. Following the investment decision in 2016, the extension project of Mersin WPP began in 2017. Recently, six Vestas V112 turbines, each with a capacity of 3.45 MW, were added to the power plant to bring its installed capacity to 62.7 MW. The capacity extension of Mersin WPP was finalized on December 20, 2017. Mersin WPP and Şah WPP, whose licenses were respectively obtained in 2007 and 2008, and which have a total installed capacity of 168 MW, are expected to generate an annual 520 million kWh of electricity in total. In particular, Mersin WPP is one of the most efficient wind power plants in Turkey due to its location and generation data, and therefore contributes significantly to the Doğan Enerji portfolio.

Since its YEKDEM term expires as of the end of 2020, Mersin WPP will sell electricity within the scope of bilateral agreements. Şah WPP's YEKDEM term will expire at the end of 2021.

### Doğan Energy works to reduce Turkey's dependence on foreign energy sources



#### Taşpınar WPP

Aiming to grow in the field of wind power generation, Doğan Enerji commissioned Taşpınar WPP, which is located in the Nilüfer district of Bursa, with an installed capacity of 67.2 MW/60 MWe at the end of October 2020. 14 Nordex N149 turbines with a capacity of 4.8 MW will be used in the project. It is planned for the plant to be operational fully in March 2021. Taşpınar WPP was included in the Renewable Energy Resources Support Mechanism (YEKDEM) as of 2021. There is no state contribution (royalty) within the scope of the project. Receiving an additional contribution due to the use of domestic production parts in the assembly of the turbines, Taşpınar WPP will sell electricity for the first 5 years at a price of 94 USD/MWh. With an investment budget of approximately USD 70 million, it is expected that Taşpınar WPP will gain an important place in the Doğan Enerji portfolio.

**70**  
(USD million)

The investment budget of Taşpınar WPP is USD 70 million.

## Doğan Energy annually generates 1 billion kWh at Boyabat HEPP.



### HYDRO POWER PLANTS ("HEPP")

#### Aslancık Dam and HEPP

Aslancık Dam and Hydroelectric Power Plant is situated on Harşit Brook within the town limits of Doğan kent and Tirebolu in Giresun province. The project's construction began in the fourth quarter of 2010 and the first 60 MW unit was commissioned in March 2014. With the commissioning of the second 60 MW unit in September 2014, the power plant started full capacity generation.

Doğan Holding has a 25% share in the project while Doğan Enerji holds an 8.33% share in the 120 MW Aslancık Dam and HEPP Project. The other partners of the project are Anadolu Group and Doğu Enerji. The project's electricity generation license was received from EMRA on March 20, 2008; the power plant is expected to generate 350 million kWh of energy annually. Aslancık HEPP is the second HEPP project commissioned by Doğan Enerji. The power plant has reinforced the Group's investment vision in the energy sector, while providing 100% domestic contribution to the national energy supply.

Aslancık HEPP will be within the scope of YEKDEM until the end of 2023.

#### Boyabat Dam and HEPP

The 513 MW Boyabat Dam and HEPP is located in northern Turkey, on the Kızılırmak River. Doğan Enerji owns 33% of Boyabat Elektrik Üretim ve Ticaret A.Ş. The other partners of the project are Unit Elektrik and Doğu Enerji. The license of the Boyabat Dam and HEPP project was obtained from the Energy Market Regulatory Authority (EMRA) on November 13, 2007. The project became fully operational in 2012. Boyabat HEPP generates about 1 billion kWh of electricity per year.

### SOLAR PV PLANTS ("PV")

#### Çorum PV

Thanks to the Çorum PV project which acquired in the first quarter of 2018, Doğan Enerji bolstered its position in the industry by adding solar energy to its renewable power generation portfolio. The PV plant which located in central Çorum is unlicensed and has an installed capacity of 9.4 MW. The facility, which was commissioned in 2017, is subject to the Distribution System Usage price dated before January 1, 2018. Having nearly 30 thousand photovoltaic solar panels, the project is expected to generate an average of 14 million kWh per year. Çorum PV will be within the scope of YEKDEM until the end-2027.

#### Erzurum PV

Doğan Enerji continued to grow its portfolio with the Erzurum PV project implemented in the first quarter of 2019. With a total installed power of 24.7 MW and located in Erzurum's Aziziye, Hınıs and Karayazı districts, the plant was commissioned as of the end of 2018. Having over 70 thousand photovoltaic solar panels, the project is expected to generate an average of 37.5 million kWh per year. Erzurum PV will be within the scope of YEKDEM until the end-2028.

## Doğan Energy contributes to clean energy generation with its solar power plants.





# Petroleum Products Retail

Due to its strong customer focus, Aytemiz is not content with positioning its stations simply as “energy delivery points.” Rather, the company strives to offer customers practical solutions thereby making a difference in the market.





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# 541 stations

*As of the end of 2020, Aytemiz had 541 stations.*

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# TL 7.8 billion

*Consolidated revenues of the petroleum products retail segment stood at TL 7.8 billion.*

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# TL 213.2 million

*EBITDA of the petroleum products retail segment is TL 213.2 million.*

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# 2.7%

*The petroleum products retail segment has an EBITDA margin of 2.7%.*

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## PETROLEUM PRODUCTS RETAIL

Aytemiz has a total storage capacity of 250 thousand m<sup>3</sup> in İzmit, Kırıkkale, Trabzon, Mersin and Alanya terminals, which the company owns.

### AYTEMİZ AKARYAKIT DAĞITIM A.Ş.

Aytemiz Akaryakıt Dağıtım A.Ş. ("Aytemiz") was established in 2009 by the Aytemiz Family, who has been in the petroleum products sector since 1963. The same year, it received petroleum products distribution license from the Energy Market Regulatory Authority ("EMRA") and began conducting activities in this field. Aytemiz operates in the distribution and marketing of petroleum products.

Doğan Enerji, a direct subsidiary of Doğan Holding, entered into a share purchase and shareholder agreement on January 29, 2015 with Aytemiz, and the process regarding purchasing and transferring 50% of Aytemiz's shares in cash and in a single payment was completed on March 11, 2015. As of December 31, 2020, Aytemiz is active in fuel oil and LPG storage and distribution with 541 stations (a total of 562 that are licensed or pending license), 11 refilling points and 5 storage facilities (December 31, 2019: 561 dealers).

Aytemiz has a total storage capacity of 250 thousand m<sup>3</sup> in İzmit, Kırıkkale, Trabzon, Mersin and Alanya terminals, which the company owns.

According to the November 2020 report issued by EMRA, Aytemiz's total petroleum product sales fell 2.8% to 973,765 tons (968,797 tons of white products and 4,969 tons of black products), representing a market share of 4.0% (November 2019: 4.2%); while total LPG sales amounted to 149,405 tons with a decrease of 9.4%, and the share in the autogas market stood at 5.2% (November 2019: 5.3%).

Due to its strong customer focus, Aytemiz is not content with positioning its stations as simply "energy delivery points." The company strives to offer practical solutions to customers' lives by making a difference in the market. As of end-2020, Aytemiz delivers a range of services at 541 stations. The company serves customers with stations located at strategic hubs while investing in new stations to reach out to more consumers.

Aytemiz aims to grow its brand by making a difference with its unique service offering, maximizing customer satisfaction and leading the industry. The company chooses to measure success this way rather than with traditional metrics, such as number of stations, market share and sales volume.

Aytemiz takes into consideration consumer expectations, needs and satisfaction and conducts efforts to improve in these areas while developing new strategies. The company has adopted the vision of providing technology-focused products and services to consumers by harnessing current trends in the retail environment. This approach parallels changes in consumer preferences and lifestyle changes in the world due to the pandemic. In 2020, Aytemiz focused especially on delivering personalized customer experiences. The brand image of a fuel oil station making a difference in the sector is bolstered with marketing activities that reach out to consumers in diversified segments.

In the "Brand Image and Purchasing Habits" research held by Nielsen in March 2020, Aytemiz's brand awareness increased by 9% compared to the previous period (2018 period) and reached 95%.

Accelerating its efforts on contactless payment, which is becoming more and more important due to the pandemic, Aytemiz launched the Vaay project which has been developed by improving the mobile payment system that has been successfully managed since 2018. Aytemiz also launched the "Pay on Board" system, which makes life easier for drivers since 2016. Offering "Pay on Board" and "mobile payment" options at the same time, Vaay system provides customers with the opportunity to carry out all transactions digitally, free from contact and at affordable prices.

The simplicity and comfort of Vaay application also increased the amount of fuel the customers buy per visit. Vaay mobile payment increased the sales by making customers who use the application purchase 20% more fuel.

The customer loyalty project "Aytemiz Card," launched 5 years ago, reached over 500 thousand active card users as of the end of 2020. With various promotional activities carried out throughout the year, Aytemiz Card boosted brand recognition and expanded its user base thanks to joint agreements concluded with local non-governmental organizations, federations, cooperatives and other groups.

# 24% increase

Aytemiz increased its website traffic by 24% compared to 2019.

In parallel with its ever-growing brand recognition, Aytemiz aims to boost its experience and recommendation rates under its sustainable and healthy growth strategy. Becoming a brand that offers surprising services and delightful customer experiences in order to boost brand loyalty is at the heart of the company's sustainable growth strategy. With its robust customer relationship management (CRM) platform, Aytemiz tracks customer behavior and shapes its campaigns around purchasing patterns. Customers can submit all kinds of feedbacks via call center, info@aytemiz.com.tr, the mobile app, and social media. In addition, every step and result in the solution process can be tracked via the CRM system.

Aiming to achieve maximum customer satisfaction in line with its customer-oriented service approach, Aytemiz conducted only two periods of mystery customer researches at its dealers due to the pandemic period in 2020. According to the results of the nationwide mystery customer researches, Aytemiz stations maintained the standard in the previous year, scoring an average of 74.2/100.

Customer satisfaction surveys were administered to customers contacting the call center in 2020. This effort prioritized soliciting the thoughts and opinions of customers in more detail. By finalizing complaints in a short period such as three business days, Aytemiz aims to transform satisfaction into brand loyalty.

Aytemiz maintains continuous and effective communications via social media and digital platforms. These efforts are designed to boost brand recognition and position Aytemiz as a brand that informs, entertains and onboards customers. With its communication activities, Aytemiz aims to make a difference in social media, develop appropriate and up-to-date content and conduct successful social responsibility initiatives. Aytemiz also worked to raise awareness and inform its followers during the pandemic period. As a result of these efforts, Aytemiz was deemed worthy of second place at Social Media Awards Turkey 2020 as the brand that uses social media most efficiently in the petroleum products distribution sector.

## Aytemiz also maintained its 74.2% mystery customer score in 2020.



Aytemiz uses digital platforms regularly as well as social media. With this approach, the company recorded many gains in terms of customer experience and satisfaction. Aytemiz increased its website traffic by 24% compared to the previous year.

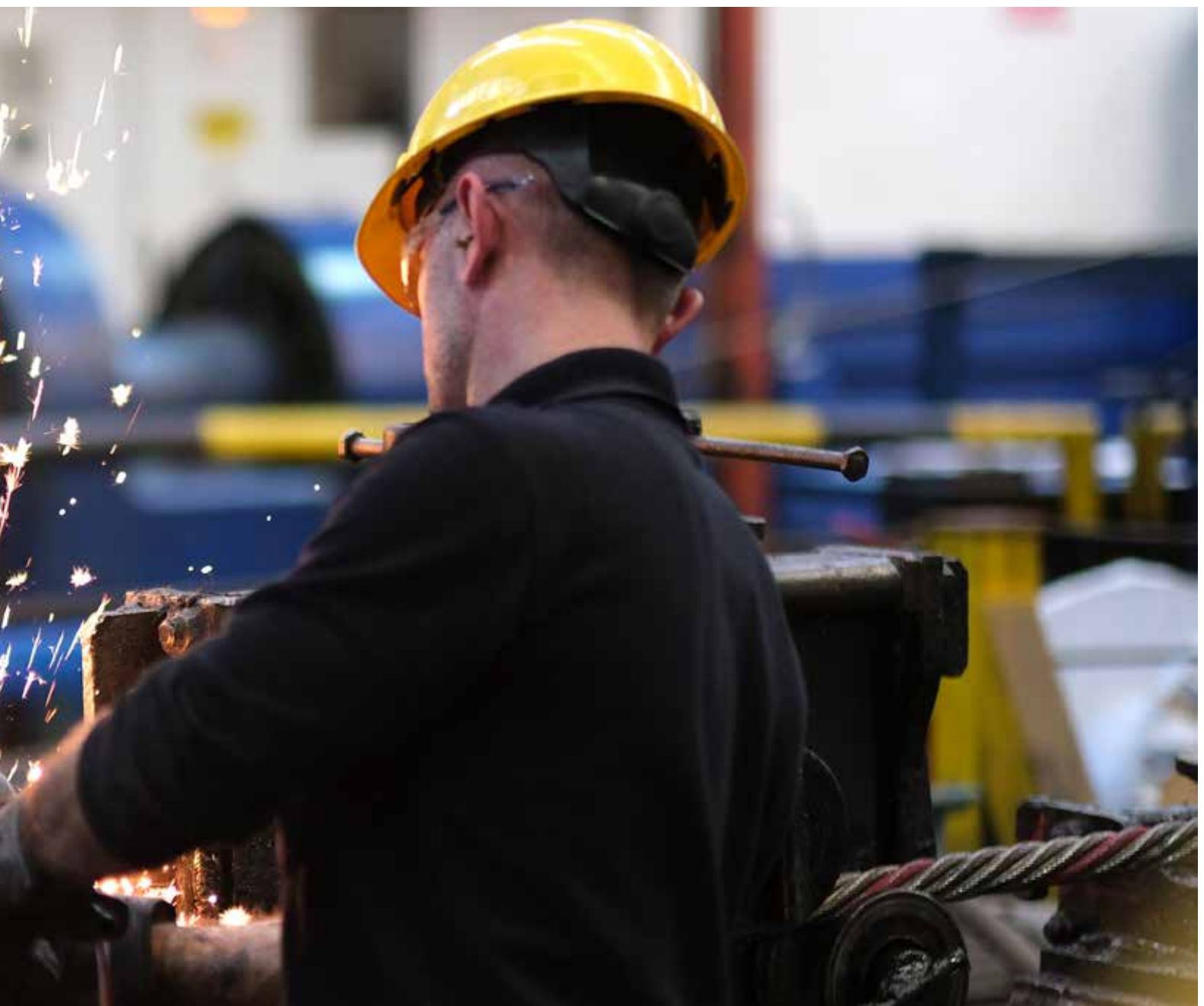
Taking quick and firm steps towards digitalization, Aytemiz increased its downloads by 70% compared to the previous year thanks to Vaay project.

Acting with a retail perspective beyond being a fuel brand, Aytemiz continues to offer many innovative services to its customers such as free internet, fast charging points for electric vehicles, Self Service and Motorcycle-Friendly Station.



# Industry and Trade

The industry and trade segment completed 2020 with strong financial indicators thanks to the consolidation of Sesa Ambalaj and the successful performances of Çelik Halat and Ditaş in the last quarter of the year.



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**9**

*9 projects are carried out at the Ditaş R&D center.*

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**TL 234.3 million**

*The industry and trade segment's gross profit is TL 234.3 million.*

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**10.8%**

*The EBITDA margin of the industry and trade segment is 10.8%.*

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**TL 146.2 million**

*The industry and trade segment has an EBITDA of TL 146.2 million.*

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## INDUSTRY AND TRADE

Çelik Halat is positioned as a strong and leading brand in the Turkish industry sector, as the first producer of steel wire rope, with considerable sector experience, corporate structure and sales volume.

### ÇELİK HALAT VE TEL SANAYİİ A.Ş.

As one of Doğan Group's oldest industrial investments, Çelik Halat was founded in 1962 in order to meet the high demand for carbon steel wire and rope in Turkey; the company became operational in 1968. Çelik Halat is subject to the Capital Markets Law, and the company's shares have been listed on Borsa İstanbul ("BIST") since January 10, 1986.

Continuously improving and growing since the day it was founded, Çelik Halat manufactures steel wire ropes, industrial galvanized wires, industrial spring wires, bead wires and concrete strands. The ropes and wires produced by Çelik Halat have been used securely in cranes, construction, oil and mining, ships, elevators, transportation vehicles, agricultural vehicles and numerous other areas for many years.

Çelik Halat is positioned as a strong and leading brand. It is the number one manufacturer in the industry in terms of industrial know-how, organizational structure and sales. Çelik Halat achieves a high sales volume in every operating region thanks to its quality-oriented products and services.

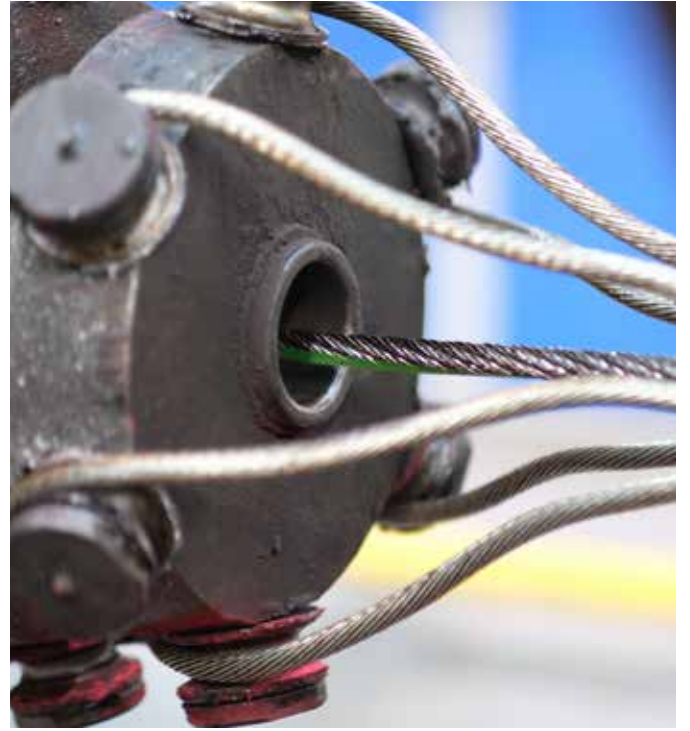
The company formulates strategies to transfer its domestic market success to the international arena in order to increase its exports. Since its establishment, Çelik Halat has increased its brand value thanks to its high-quality products portfolio. Today, the company continues to build on its solid domestic and international reputation and makes a difference with its success.

**335.3**  
(TL million)

Çelik Halat maintained its successful performance with a revenue of TL 335.3 million in 2020.

The company has had ISO 9001 Quality Management System and environmental-occupational health safety certifications such as ISO 14001 and OHSAS 18001 for many years. In addition, Çelik Halat holds API logo usage permission (API 9A License No:9A-0056) with its quality approved by the American Petroleum Institute along with "Red Vein" Trademark Registration Certification, Lloyd's Register quality certification, and TÜRKAK 17025 Accreditation. Çelik Halat is the only Turkish company that is a member of EWRIS (European Steel Wire Ropes Manufacturers Federation), CET (European Wire Manufacturers Committee) and ESIS (European Concrete Strand Manufacturers Association) organizations.

### With Çelha Academy, production efficiency is enhanced.



In order to establish the 5S Management System (Classification, Regulation, Cleaning, Standardization and Discipline) which forms the basis of all quality management systems, and foster a continuous improvement culture by reducing waste in systems and processes and boosting productivity, Çelik Halat continues lean production activities on the basis of Kaizen and its corporate development in an efficient manner.

The "Çelha Academy" project aiming to support occupational safety, efficiency, quality and sustainability in production is being executed with success. This training set provided to every newly recruited employee elevates quality standards ever higher, helps them adapt to the job, and raises their occupational safety and environmental protection awareness from the very beginning. The joint projects with universities, also ongoing, are another scheme that bolsters the development and sustainable quality approach.

While the structured onboarding process and orientation program under Çelik Halat for new employees are maintained, the company also utilizes a performance evaluation system covering all employees. In addition, Çelik Halat continues implementing the “I have a Suggestion and Idea” platform, which facilitates employee participation.

Çelik Halat introduced the “Steel Step” initiative. This effort offers third and fourth grade university students project-based and long-term internship opportunities at the factory. Project studies at the company continue within the framework of university-industry cooperation.

The Çelik Halat R&D Center was audited by the Ministry of Industry and Technology over the 2019 annual report. As a result of these audits, it was decided that the R&D Center certificate will continue to be effective. Seven out of 12 projects conducted in 2020 were commissioned. Among the projects commissioned, the multi-sheave firm rope and pre-stressed elevator rope products were commercialized and offered to customers. Meanwhile, the steel rope with parallel design project is at the launch stage. A test device was designed to determine the behavior of the steel ropes in the customer process by measuring their fatigue performances. In addition to innovative solutions that will increase efficiency in processes, a software project was finalized for the first time in 2020 and the software to measure the project management and performance at the R&D Center has been put into practice.

A five-year product strategy was established in line with the decision of the “Innovation Coordination Board” in 2020. In this direction, R&D project plans were developed and necessary positions were taken in order to achieve these plans. Four of the projects continuing in 2020 are supported by the Technology and Innovation Funding Programs Directorate (TEYDEB - TÜBİTAK). All TEYDEB projects are at the prototype production stage and actions were taken to achieve the performances foreseen based on performance tests.

In addition to the R&D projects commercialized in 2020, a national patent application and an international patent application were filed. The pre-mass production stage for patented products was completed and they are about to be introduced to customers. A brand research study was conducted for patented products developed via the R&D Center. These products have reached the application stage for trademark registration.

In 2019, digital transformation efforts were initiated for processes and SAP enterprise resource management modules were put into practice in sales, finance, quality, shipping and storage processes. Additionally, the ICRON program started to be used in production and planning processes. The integration between SAP and ICRON was completed in 2019. In 2020, the digital transformation roadmap was updated and developments continued.

## Ditaş continuously improves its competence in R&D studies.



### DİTAŞ DOĞAN YEDEK PARÇA İMALAT VE TEKNİK A.Ş.

Founded in 1972 to operate in the automotive supplier industry, Ditaş manufactures steering and suspension systems parts for motor vehicles. Ditaş is subject to the Capital Markets Law, as the company's shares have been listed on Borsa İstanbul (“BİST”) since May 21, 1991.

With over 48 years of experience, Ditaş is one of the leading steering and suspension systems manufacturers in Turkey. The most important factors behind the company's sustainable success include: the strong brand reputation resulting from operating under the umbrella of Doğan Holding; closely monitoring technological developments and including them in production processes, highly skilled human resources, modern engineering systems and advanced integrated manufacturing facilities.

Ditaş has taken important steps to become a reputable brand as an original equipment supplier in the global automotive market and in the automotive aftermarket.

Having received ISO/TS 16949:2009 Automotive Suppliers Quality System Certification, ISO 14001:2015 Environmental Management System Certification and the FORD Q1 award, Ditaş is also a class “A” supplier of Turkey's biggest vehicle manufacturers.

Ditaş has continuously improved its competence in the automotive industry since obtaining certification for its R&D Center. As of December 2020, there are 40 personnel in the R&D organization of Ditaş (20 engineers, 6 vocational university graduates, and 14 vocational high school graduates). There are 7 post-graduate students at the R&D Center. Thanks to the “R&D PEP Intern Development Program,” final year undergraduate students participate in Ditaş's operations.

## INDUSTRY AND TRADE

In June 2019, Ditaş submitted a project application to TEYDEB related to the aviation industry; this application was approved by TÜBİTAK and the 2019/1, 2019/2, 2020/1 and 2020/2 periods were completed successfully.

### Ditaş strengthens its position in the sector with investments in line with Industry 4.0.



**140.6**  
(TL million)

In 2020, Ditaş increased its revenue to TL 140.6 million.

Currently, there are 9 R&D projects in progress. With the income obtained from completed projects that support the new product range, the foundations of new and innovative projects are laid. The projects under the incentive program of the Ministry of Industry and Technology, as well as the Ministry of Trade, and TÜBİTAK projects are proactively tracked by the R&D Center. The 2019 R&D annual audit made by the Ministry for the sustainability of the R&D Center has been completed successfully.

In June 2019, Ditaş submitted a project application to TEYDEB related to the aviation industry; this application was approved by TÜBİTAK and the 2019/1, 2019/2, 2020/1 and 2020/2 periods were completed successfully. Studies for 2021/1 period are ongoing. One patent of Ditaş that is in the research process was approved by the Turkish Patent Institute in July, whereby the number of active patents has reached 4. Meanwhile, 6 patent applications are under evaluation by the Turkish Patent Institute. Ditaş aims to further contribute to Turkey's future by conducting innovative projects of national importance with its highly skilled engineering staff.

Revenues procured from these new products developed as a result of R&D studies have accounted for 23.3% of total revenues in 2020 (2019: 17.2%). In 2020, the ratio of R&D expenditures to total revenues is 3.6% (2019: 3.9%).

In 2015, Ditaş was admitted to the state-sponsored Turquality program, which is designed to help companies that sell products in which Turkey holds a competitive advantage and where branding potential exists. The program aims to support companies in their efforts to become global market players with their products so that over the long run the image of the "Made in Turkey" label can be positively consolidated. Government incentives are received for expenditures on increasing international brand value, and the relevant applications are still in progress.

Ditaş progressively implements the digitalization practices of Industry 4.0 and has been making all investments since 2017 in line with Industry 4.0.

Ditaş's short-term strategic priorities include boosting production efficiency by producing innovative products to the existing product line and keeping production costs under control by making various upgrades and optimizing the use of materials. The company aims to achieve production flexibility by producing limited quantities and a wide variety of products. Ditaş works to improve its brand recognition within the main industry and on the spare parts side with new R&D projects.

In the medium term, Ditaş aims to move to line production and conduct Industry 4.0 studies. The company also plans to focus on automation by producing large quantities of a limited variety of products. Additionally, through collaboration with enterprises operating in aviation and rail transport sectors, Ditaş aims to focus on the establishment of a side-industry to these sectors, and therefore expand its product portfolio with higher-technology products. Ditaş also plans to focus on increasing the number of applications to TÜBİTAK-TEYDEB programs and of commercialization activities of supported projects, implement cost-reduction practices, make all personnel a part of R&D activities by establishing an R&D culture within the company, establish strategic collaborations with universities, and increase the number of intellectual and industrial property rights.

In the medium term, Ditaş aims to move to line production and conduct Industry 4.0 studies. The company also plans to focus on automation by producing large quantities of a limited variety of products.

Aiming to be a system manufacturer and a parts and solution partner of the transportation industry in the long run, Ditaş aims to provide sustainable profit by becoming the only domestic supplier that directly manufactures steering wheels and suspension parts for the automotive sector, and by using high-tech products. Ditaş sees its primary target as formulating modular solutions to meet the needs of the automotive sector.

### SESA AMBALAJ VE PLASTİK SANAYİ TİCARET A.Ş.

Founded in 1989, Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. ("Sesa") relocated to its Kemalpaşa plant, established on an area of 12,000 m<sup>2</sup> in 1997.

Sesa continues its production activities without compromising on its total quality approach with its team specialized in multi-layer flexible packaging and barrier films. Sesa produces bobbin and pouch products by aiming 100% customer satisfaction. In parallel with production, design and repro services are also offered to customers.

In addition to food packaging, Sesa produces non-food packaging for cosmetics and pesticides. Sesa's food packaging products are produced in accordance with the EU regulations on food packages and plastic materials intended to come into contact with food (EU10/2011, EU2019/37, and EC 2023/2006) and the US FDA Section 21 CFR directives.

Sesa was deemed worthy of the BRC Global Standard for Packaging and Packaging Materials certificate in 2011, and has maintained its certificate at AA level since 2017.

### Sesa will focus on more versatile, recyclable, resealable, and more economic packaging products with its new R&D Center.



Sesa also holds DIN EN ISO 22000: 2005 Food Safety Management System, ISO 9001: 2015 Quality Management System, and ISO 10002: 2014 Customer Satisfaction and Complaints Handling System certificates. As of the end of 2020, Sesa had received the ISO 27001: 2013 Information Security Management System certificate.

Continuing its sustainable and profitable growth strategy for 10 years, Sesa's export share has been growing over time. In 2020, export sales account for 40% of its total sales (2019: 36%). The main export markets are the European Union, America, Israel and the UK.

In 2020, especially due to the pandemic, there has been a serious increase in domestic and foreign customer demand. Despite the fact that foreign suppliers have halted their activities, Sesa continued production without interrupting the supply chain and managed to deliver customer orders in a complete and timely manner.

In 2021, Sesa plans to make capacity and quality investments within the scope of its growth targets. In parallel to these investments, the aim is to expand the current facility with an additional area of 2,250 m<sup>2</sup>.

The new product studies carried out within the Company will be accelerated with the R&D Center set to become operational in 2021. The new R&D Center will focus on more versatile, recyclable, resealable, and more economic packaging products. Following the establishment of the R&D Center, studies regarding "Turquility" programme will also continue.



## INDUSTRY AND TRADE

In 2020, Doğan Dış Ticaret continued to expand its product portfolio and business volume in the fields of cardboard and packaging products import and trade and raw material supply and trade.

### DOĞAN DIŞ TİCARET VE MÜMESSİLLİK A.Ş.

Doğan Dış Ticaret operates mainly in the import and trade of paper and printing mold materials, as well as paper, cardboard and packaging products. Additionally, the company provides raw material supply services to its customers and global supply services for the retail market.

Doğan Dış Ticaret is the Turkish representative of many companies producing packaging paper, especially Stora Enso, one of the world's leading paper manufacturers. In 2020, due to the pandemic, paper demand, especially in certain categories, has fallen significantly. The decrease in paper product prices in 2019 continued; however, the downward trend had stopped by the end of 2020. Doğan Dış Ticaret implemented a balanced stock management policy to hedge against foreign exchange rate volatility and product price fluctuations. The company also maintained its high-quality service to customers during the year.

Doğan Dış Ticaret continues to develop its product portfolio and business volume in the fields of cardboard and packaging products import and trade, as well as raw material supply and trade. Doğan Dış Ticaret, boasting the ability to import cardboard and packaging materials directly, supplies different quality raw materials in accordance with customer needs. The company also has the capability of providing these services to customers. Due to the pandemic in 2020, the demand for packaging materials saw a significant increase, which reflected positively on Doğan Dış Ticaret's operating results. In 2020, Doğan Dış Ticaret aims to further expand its business volume in raw material supply, cardboard and packaging on the back of aluminum and petro chemistry raw material trade.

Conducting import operations safely and effectively with its Authorized Economic Operator Certificate, Doğan Dış Ticaret aims to maintain profitable growth in cardboard and packaging products trade and raw material supply in the coming year.

**Doğan Dış Ticaret is an innovative and reliable solution partner in foreign trade.**



Kelkit Besi contributes to the economy of Kelkit with high added value products.

### **KELKİT DOĞAN BESİ İŞLETMELERİ A.Ş.**

Established in 2018 to create a sustainable agricultural model in Gümüşhane's Kelkit basin and support regional development, Doğan Organik Süt Sığırcılığı (Doğan Organic Dairy Cattle Farm) initially produced organic milk. In 2018, the company changed its field of activity to raising cattle.

Attaching immense importance to the economic, social and cultural advancement of Kelkit, Kelkit Besi, a Doğan Holding subsidiary, was established to encourage the local farming population not to opt for the most practical product under given market conditions, but instead to choose higher value added products. The overarching goal is to have local farmers contribute to their own growth and the development of Kelkit's economy.

Another objective of Kelkit Besi is to meet the red meat deficit in Turkey.

### **Kelkit Besi meets the red meat deficit in Turkey.**





# Automotive Trade and Marketing

In 2020, automobile sales grew 57.6% year-on-year and Suzuki sold 2,977 vehicles including 1,720 Vitara, 1,034 Swift, 146 SX4 S-Cross and 77 Jimny.





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## TL 513.3 million

*The automotive trade and marketing segment recorded consolidated revenue of TL 513.3 million.*

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## TL 67.8 million

*The gross profit of the automotive trade and marketing segment is TL 67.8 million.*

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## 5.5%

*The EBITDA margin of the automotive trade and marketing segment is 5.5%.*

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## TL 28.4 million

*The EBITDA of the automotive trade and marketing segment is TL 28.4 million.*

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## AUTOMOTIVE TRADE AND MARKETING

During the pandemic period, Suzuki continued to offer new models for sale and in 2020, it introduced the hybrid version of the Swift, one of the most popular models, and the new model SX4 S-Cross to the Turkish market.

### SUZUKİ MOTORLU ARAÇLAR PAZARLAMA A.Ş.

Suzuki Motorlu Araçlar Pazarlama A.Ş., which started operating under Doğan Holding as of the second half of 2015, rapidly restructured. The priority of the company is to continue the satisfaction of existing and prospective customers of Suzuki brand automobiles, motorcycles, and marine motors, and to ensure their loyalty to the Suzuki brand. To this end, Suzuki's objective is to ensure continuity in sales and after sales services.

In 2020, a recovery was experienced in the market with automobile sales rising by 57.6%. This recovery affected Suzuki positively. Increasing its sales by 25% compared to the previous year, Suzuki sold 2,977 vehicles (1,720 Vitara, 1,034 Swift, 146 SX4 S-Cross and 77 Jimny) (2019: 2,381 vehicles sold).

Suzuki introduced the hybrid version of the Swift, one of the most popular models, and the new model SX4 S-Cross to the Turkish market. Due to the pandemic, the model launches were performed on an online platform especially prepared for Suzuki dealers.

**25%** In 2020, Suzuki increased its sales by 25% compared to 2019.  
**increase**

In order to prevent the loss of potential customers due to insufficient stock, and to protect customers from possible exchange rate fluctuations, Suzuki conducted a pre-sale event in 2020. With the sale event named "My Suzuki on the Road," new and loyal customers were acquired by delivering products as promised and continuing sales operation, despite insufficient product availability.

In order to ensure that potential customers reluctant to leave home due to the COVID-19 pandemic speak to a sales representative in the showroom and examine the vehicles in detail, a video call service was put into use.

For customers who cannot visit the showrooms due to the COVID-19 pandemic, it was ensured that all legal procedures and vehicle delivery were carried out at the customer location, with the "My Suzuki at my Door" service.

In 2020, the use of motorcycles and scooters has increased, especially for individual transportation purposes due to the COVID-19 pandemic. In 2020, the motorcycle market grew 34% to over 200 thousand unit sold. The growth in 55cc products, which can be driven with a B class driver's license and have tax advantages exceeded 100% to 70 thousand units. It is expected that the demand growth in this segment will continue in 2021, and that the market will reach 260 thousand units. 437 Suzuki motorcycles were sold during the year in parallel with targets.

2020 was a successful year for the Piaggio group. As the total number of sales reached 1,145 with the rising demand for scooters, especially due to the pandemic, Vespa achieved 30% growth to 1,050 units sold. A similar growth trend is expected for 2021. With the new models of Aprilia and Moto Guzzi, the expectation for 2021 is to increase the number of sales in the high cc motorcycle market, and to create more effective and sufficient service points.

Joining Doğan Trend Otomotiv Group with a distributorship agreement executed in 2020, KYMCO will play an important role in the scooter segment in 2021 with its quality brand perception, wide product range and EU5 compliant models. Ten different scooter models of KYMCO are expected to grow significantly in 2021 with a solid and effective sales and service network, distinctive training and roadside assistance practices.

Facilitating access to the world of Vespa, Vespa Store started to provide services via [www.vespastoreturkey.com](http://www.vespastoreturkey.com) in August 2020.

**50%  
increase**

In 2020, the outboard motor sector grew by around 50% compared to the previous year.

Keeping a close track of technological trends, Doğan Trend Otomotiv signed a distributorship agreement with Spain-based electrical scooter producer Silence, the 2020 leader in Europe in its segment. Five different Silence models, which are suitable for both personal and commercial use, are expected to realize the 2021 sales goals.

Launched in August, Vespa Store ([www.vespastoreturkey.com](http://www.vespastoreturkey.com)) sells scooters and accessories online and facilitates access to the world of Vespa.

Due to the fact that vacationers have preferred to spend their holiday on board a boat instead of abroad and/or on hotel holidays in 2020 due to the pandemic, the sales of boats and motors has increased. In 2020, the outboard motor sector grew by around 50% compared to the previous year. It is predicted that the market volume in 2021 will be in parallel with the previous year. The new models to be added to the product range, new dealership structure and collaborations with national/international boat manufacturers will play an important role in 2021 growth figures.

**Doğan Trend Otomotiv consolidated its strength in the Scooter sector with the distributorship agreement signed with Silence.**







## **Finance and Investment**

The Finance and Investment segment maintained its strong performance in 2020, and the segment's EBITDA reached TL 52.6 million with an increase of 206.6%.



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# TL 266.2 million

The consolidated revenue of the finance and investment segment is around TL 266.2 million.

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# 19.8%

The EBITDA margin of the finance and investment segment is 19.8%.

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# TL 52.6 million

The EBITDA of the finance and investment segment is around TL 52.6 million.

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# TL 55.9 million

The investment income of the finance and investment segment is around TL 55.9 million.

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## FINANCE AND INVESTMENT

Doruk Faktoring provides accounting, reconciliation, legal services and financing, and allocates to non-group companies nearly all of the funds it generates through its own equity, and the loans it takes out.

### DORUK FAKTORİNG A.Ş.

Established in 1999 and restructured in 2001, Doruk Faktoring A.Ş. ("Doruk Faktoring;" formerly named Doğan Faktoring A.Ş.) provides services including the taking over and collection of billed receivables arising from the sale of goods or services and of receivables arising from the sale of goods and services in accordance with BRSA's regulatory framework; the keeping of debtor and customer accounts; and performing financing and factoring guarantee functions.

Doruk Faktoring performs all types of factoring transactions – including debt collection, financing, business intelligence, accounting and other related services – and delivers services to Doğan Group and the media sector.

In addition to debt collection, Doruk Faktoring also provides other services such as accounting, reconciliation, legal services and financing. The company allocates to non-group companies nearly all of the funds it generates through its own equity, and the loans it takes out.

Having increased its profitability since its inception, Doruk Faktoring grew further with its new organizational structure and new location at Trump Towers, to achieve a unique position in the sector in 2017.

In its evaluation in 2020, JCR Eurasia certified Doruk Finansman's long-term national rating as AA - (Trk) and assigned it a 'stable' outlook.

In its evaluations in 2019 and 2020, JCR Eurasia certified Doruk Finansman's long-term national rating as "AA - (Trk)" and assigned it a "stable" outlook.

As a member of the Credit Registration Bureau (CRB) of Turkey, Doğan Faktoring can make inquiries regarding bounced checks, risk reports and check reports, and provide information on loan customers' consolidated credit and risk limits. With its skilled workforce, the company also carries out comprehensive risk analyses for trade receivables, thereby minimizing the collection problems customers could encounter and ensuring that customers can manage their receivables healthier.

**Doruk Faktoring provides factoring services such as collection, financing and intelligence.**



Doruk Faktoring uses the Central Invoice Registration System (MFKS), which allows central registration of information and/or documentation of receivables transferred to factoring companies and banks, established pursuant to Article 43 of Law No. 6361 on Financial Leasing, Factoring and Financial Companies.

Doruk Faktoring is a mandatory member of the Financial Leasing, Factoring and Financial Companies Union (FKB) established under Law No. 6361. Doruk Faktoring continues its activities by increasing its profitability and efficiency in a consistent manner.



## DORUK FINANSMAN A.Ş.

Doğan Holding founded Doruk Finansman A.Ş. ("Doruk Finansman"; formerly named as DD Finansman A.Ş.) in 2006 as the first mortgage company in Turkey established under the framework of the Mortgage Law.

With the entry into force of Mortgage Law No. 5582 in 2007, Doruk Finansman filed a license application with the Banking Regulation and Supervision Agency (BRSA). Doruk Finansman has operated in the area of mortgage finance since 2008, when it was granted an operating permit from BRSA. Doruk Finansman is a member of Association of Financial Institutions (FKB) and has received the approval of BRSA for insurance dealership.

With a decision of the Board of Directors dated August 25, 2017, the company's 49% share held by Deutsche Bank AG was sold and transferred to Doğan Şirketler Grubu Holding A.Ş. and the transaction was completed. The aim is to increase the operation volume of certain products by means of intra-group synergy.

The company amended the Articles of Association at the Extraordinary General Assembly Meeting held on November 15, 2017, changed its title to Doruk Finansman A.Ş. and increased its paid-in capital to TL 30 million.

Extending its first commercial loan in the last quarter of 2017, Doruk Finansman entered the market as Turkey's first and only B2B financing provider in terms of lending products. Doruk Finansman's competitive advantages include a strong collateral structure thanks to its business model of providing financing in return for goods and services invoices in addition to its product and sector diversity. The company also boasts a long-term national rating of BBB+. Doruk Finansman is registered as a finance company subject to BRSA supervision.

Funding a total of TL 18.6 million trade finance in 2020, Doruk Finansman's efforts helped open up trade channels across the country.

Doruk Finansman's portfolio includes a wide range of sectors such as textiles, construction, training, advertising, consultancy, machine industry and automotive.

During the COVID-19 pandemic started in the first quarter of 2020, Doruk Finansman downsized partially, due to the market conditions.

In 2021, the Company aims to increase its market share by expanding its balance sheet with widespread sectoral and company-based risks, expanding its customer base with the acquisition of new firms, developing and using new products, and ensuring customer loyalty by providing high-quality and swift services.

Doruk Finansman funded a total of TL 18.6 million worth of trade finance in 2020.

In line with its budget goals, Doruk Finansman will strive to become one of the most important companies that provide funds to the market in 2021. In this framework, the Company aims to grow in terms of funds provided for trade finance and profitability in 2021.

Doruk Finansman is authorized to extend loans such as vehicle loans, loans for the procurement of consumer durables, mortgage loans, mortgage-backed individual financing loans, service sector loans and stock financing loans.

## Doruk Finansman aims to maintain customer loyalty with high quality and fast service.



## FINANCE AND INVESTMENT

D Investment Bank aims to become one of the most important players that represent our country in the international financial system by contributing to the national economy.

### D YATIRIM BANKASI A.Ş. (D INVESTMENT BANK)

Established upon the decision of the Banking Regulation and Supervision Agency ("BRSA") dated March 19, 2020 and numbered 8953, D Yatırım Bankası A.Ş. ("D Investment Bank") was registered in the Istanbul Trade Registry Office on June 22, 2020 with an initial capital of TL 200,000,000.

D Investment Bank, in which Doğan Şirketler Grubu Holding A.Ş. holds a 99.99% share in its capital, initiated work upon acquiring an operating permit following its establishment. D Investment Bank applied for an official operating permit to the BRSA on December 11, 2020.

The vision of D Investment Bank is to become one of the key players in the financial system as a leading investment bank that supports the economic development of Turkey. D Investment Bank aims to carry out its activities with the mission of providing sustainable value to all its stakeholders with its innovative financial solutions to high global standards, as well as its know-how and experience of local and international markets, a responsible banking approach and its entrepreneurial culture.

D Investment Bank aims to create strong relationships with customers and investors by operating with a proactive relationship management perspective.

The general strategy of D Investment Bank covers the goals below:

- Adopting a corporate and commercial banking approach that focuses on sustainability and profitability in the field of investment banking, and conducting activities on establishing multi-product, solution-oriented and long-term strategic customer relationships,
- By providing pricing and maturity advantages on funding, developing financing models based on digital banking and electronic solutions in addition to meeting the basic and structured financing needs of customers,

- With new customer acquisition as the main target, adopting a multi-product and digital-product based cross-sales approach by penetrating active customers and ensuring a proactive relationship management, and creating high-level customer and investor connections,
- Adopting a loan policy that is based on funding and scale and that considers balance sheet load,
- Ensuring an approach that is based on the controlled management of operational costs and expenses, and which focuses on sustainable profitability.

In line with its vision, mission and strategy, D Investment Bank aims to provide transaction banking (cash management and foreign trade finance), structured finance, investment banking, and treasury products and services to its corporate and commercial banking customers.

**D Investment Bank aims to provide transaction banking and investment banking services to its customers.**



Öncü VCIT's mission is to become the growth engine of Doğan Group by evaluating start-ups with potential for Turkey.

### ÖNCÜ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Öncü GSYO") (Öncü Venture Capital Investment Trust or Öncü VCIT) was founded by Doğan Holding on 18.12.2014. Öncü VCIT's vision is to put smart money in and provide financing to companies that generate revenues, have designed their product/service, are actively engaged in commerce, boast a strong team, enjoy product-market harmony, have passed to the growth stage, and are currently seeking investments for the next stage (product, production, market, and the like). Öncü VCIT's mission is to become the growth engine of Doğan Group, evaluate start-ups with potential for Turkey, assess areas for new investments by Doğan Group, and work for synergy.

The company aims to invest venture capital in diverse business lines in accordance with its investment policy. Öncü VCIT focuses on;

- Companies in need of financial and strategic restructuring,
- New economy, technology/software companies
- Enterprises that target a growth and development drive in their business area,
- Innovative oriented companies
- Companies that aim to expand its operations in Turkey and global markets and provide high returns,
- Companies with a highly competitive potential
- Companies with high export potential and/or foreign currency generation potential
- Emerging entrepreneurial enterprises and SMEs.

ÖNCÜ VCIT's investments include Insider, which focuses on digital technologies, personalization and forecasting analytics; Düşyeri, which produces cartoons, animations, licensed products and digital investments; Collective Spark, investing in technology initiatives such as newly established financial technologies (fintech), marketplaces, service software (saas), bigdata and Industry 4.0 and Sesa, which produces barrier flexible packaging.

On January 6, 2021, Öncü VCIT increased its issued capital to TL 500 million.

Öncü VCIT increased its issued capital from TL 320,000,000 to TL 500,000,000 – all of which was paid in cash – and was approved at the Extraordinary General Assembly dated January 6, 2021 pursuant to the permission granted by the Capital Markets Board dated December 14, 2020. Resolutions of the Extraordinary General Assembly were registered by the Istanbul Trade Registry Office on January 14, 2021 and published in the Turkish Trade Registry Gazette dated January 14, 2021 numbered 10245.

### Öncü VCIT focuses on developing start-ups and SMEs.







# Real Estate Investments

Trump Towers Istanbul offers a whole new living experience and life style with its iconic architecture, original interior decor and sophisticated advanced technology features, designed by world-famous architect Brigitte Weber.



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## TL 132.7 million

*The real estate investments segment's consolidated revenues reached TL 132.7 million.*

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## TL 62 million

*The real estate investments segment's gross profit is around TL 62 million.*

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## TL 46.7 million

*The real estate investments segment's EBITDA reached TL 46.7 million.*

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## 35.2%

*EBITDA margin of the real estate investments segment is 35.2%.*

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## REAL ESTATE INVESTMENTS

Designed taking into consideration the comfort of employees, Trump Office Tower offers various office areas up to 1,000 m<sup>2</sup> on a single floor.

### D GAYRİMENKUL YATIRIMLARI VE TİCARET A.Ş.

D Gayrimenkul Yatırımları ve Ticaret A.Ş. ("D Gayrimenkul") was established in 2004 to carry out direct marketing of motor vehicles. In 2018, D Gayrimenkul changed its field of activity and entered the real estate sector. Currently, the company engages in the rental, purchase and sale of all types of real estate in Turkey and abroad.

Trump Towers Istanbul comprises a 36-floor office tower and the five-floor Trump Shopping Mall. D Gayrimenkul acquired Trump Towers Istanbul, which is built over a construction area of 182,000 m<sup>2</sup> and boasts 34,674 m<sup>2</sup> of leasable office space (86 independent units) in addition to Trump Shopping Mall with 42,554 m<sup>2</sup> of leasable area (214 independent units).

Trump Towers Istanbul, the first Trump-branded project in Europe, offers a whole new living experience and life style with its iconic architecture, original interior decor and sophisticated advanced technology features, designed by world-famous architect Brigitte Weber.

#### Trump Office Tower

Blending business with social life, Trump Office Tower provides employees with a unique, dynamic and elite environment that is markedly different from traditional office space.

At Trump Office Tower, everything from interior decor to technology hardware has been designed for the comfort and convenience of employees. Offering a range of office usage alternatives up to 1,000 m<sup>2</sup> on a single floor, Trump Office Tower delivers a pleasant and privileged working environment with management services that make life easier – such as private reception, service and valet parking.

The 36-floor Trump Office Tower features private terrace areas. One can take a dedicated elevator to descend from the office floors directly to Trump Shopping Mall.

A standout with its privileged position in the heart of Istanbul, Trump Office Tower provides practical transport solutions with direct access to the metro and metrobus, proximity to airport and bridge connections, and central location along the Taksim-Levent axis.

#### Trump Shopping Mall

Located in Mecidiyeköy, one of the most popular places in Istanbul, facade renewal works commenced at the Trump Shopping Mall on the 8<sup>th</sup> anniversary of its opening. The shopping mall gained a new look with both interior and exterior decoration works.

Considered as a traditional "box type shopping mall," Trump Shopping Mall stands out with its open areas in the Şişli neighborhood, where competition is high. Initiated in order to gain momentum among the competition, the first phase of the facade renewal works has been completed. Today's trends and visitor expectations have been focused on in the renovation works.

The first phase of the facade renewal work covered the renovation of the front wall and the Trump Stage. During the period when it was closed due to the pandemic, the entry floor and the food court were renovated. It is planned for the works on the entertainment floor - named GoFunGo - to be finalized in February 2021. With the facade renewal works, it is aimed to change not only the architectural decoration, but also the visitor profile and brand mix.

Trump Shopping Mall was deemed worthy of the "Secure Service Certificate" which started to be awarded to Shopping Malls in line with the collaboration protocol executed between the Turkish Standards Institution (TSE) and the Council of Shopping Malls (AYD).

### Trump Office Tower introduces employees to an active and elite lifestyle.





## MİLPA TİCARİ VE SİNAİ ÜRÜNLER PAZARLAMA SANAYİ VE TİCARET A.Ş.

Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa") was established in 1980 to carry out the direct marketing of motor vehicles, consumer durables and consumer products. Throughout the years, the company has diversified its business activities into various sectors ranging from electronics to automobiles, and from computers to real estate. With over 40 years of experience in various sectors, a management approach that is open to change, and a well-skilled workforce, Milpa has demonstrated stable and balanced growth in marketing, an area that is fiercely competitive.

From 2007 onwards, Milpa has focused mainly on real estate construction and sales operations. Thereafter, Milpa ramped up its real estate investments and increased its activities in this business line. Construction of the first phase of the Milpark Houses development was completed, and the units were delivered to the homeowners. All the real estates under the Veneris project have been sold; additionally, a significant portion of the real estates under the Automall project have also been sold.

Actually, Milpa continues to sell real estates under the Automall project. Due to the COVID-19 pandemic, it has been observed that the use of motorcycles in our country and indeed worldwide has increased recently. The increase in motorcycle demand has significantly affected the medium and small-sized motorcycle market, which includes "scooters" and "mopeds" positively. Expecting this increase trend to continue in the upcoming periods, Milpa has initiated activities to buy and sell used motorcycles, establish a brokerage platform, and conduct appraisals.

Milpa also owns a real estate zoned as land in a tract totaling 2,093,940.67 m<sup>2</sup>, located in Istanbul province, Pendik district, in the Kurtdoğan village, on parcel 1154. The tract is registered among the company's assets and is highly valued for its investment potential. In a report prepared by a real estate valuation company, parcel 1154 was assigned a value of TL 408,318,000 (excluding VAT) by using the comparative valuation method. Milpa's share of the referenced parcel measures 1,720,521 m<sup>2</sup> (82.17%), which corresponds to a value of TL 335,501,658.

Milpa is engaged in buying and selling used motorcycles, establishing a brokerage platform, and conducting appraisals.

**With 40 years of experience, Milpa continues its steady growth in the field of marketing.**



## REAL ESTATE INVESTMENTS

As of 2020, Milta Bodrum Marina holds a 7.6% market share among marinas with South Aegean Tourism Establishment certification and a 2.2% share throughout Turkey.

### MILTA BODRUM MARINA

Marinas are of great importance in Turkey, which is surrounded by sea on three sides, due to the tourism and employment opportunities these facilities provide to their environs. Our country obtains 25% of its total tourism revenue from marine tourism, and at least 80% of this figure comes from marinas and yachting.

Turkey is an ideal location for marina tourism. The number of yacht ports in Turkey, which has a coastline of more than 8 thousand kilometers, has increased to 80. With marinas quickly proliferating in number, shelter-type marinas serving as boutique marinas, and due to the impact of COVID-19, Turkey's marina occupancy rates have decreased by approximately 60%. In this difficult operating environment, Milta Bodrum Marina maintained its leading position, recording 98% occupancy during the season and 91% average annual occupancy. While the number of foreign yachters continued to decline, the number of Turkish yachters rose steadily in 2020.

Milta Bodrum Marina ranks among the top five marinas in the Mediterranean basin thanks to its world-class service quality, convenient city-center location and nearby airport access, ever-increasing customer-oriented professional staff and customer specific service diversification.

Milta Bodrum Marina has a market share of 7.6% among the South Aegean Tourism Establishment Certified marinas, and a 2.2% market share throughout Turkey with a guest portfolio that includes sailboat, catamaran and motor-yacht owners, charter companies and boating agencies.

Milta Bodrum Marina, one of the outstanding marinas of the Aegean and Mediterranean coast, is situated at the heart of Bodrum's city center. With its ever-improving infrastructure and world-class service, the marina makes a marked difference in the sector. Providing customers and staff alike with an exclusive experience, Milta Bodrum Marina ranks among Europe's top 10 marinas, and is the leader in Turkey in terms of occupancy and guest satisfaction.

The Marina initiated Turkey's first and only around-the-clock sea and land marine rescue service. Every year, the company expands its social responsibility efforts. Milta Bodrum Marina is the only marina in Turkey with a sea ambulance, which provides services with a voluntary sea rescue team.

Milta Bodrum Marina supported its guests with the motto "Stay Home, Stay On Board" in order to meet the needs of guests over 65 years of age. In addition, social responsibility projects carried out in coordination with LÖSEV and İZEV have continued.

Ranking in the top 50 marinas among 25 countries in terms of service quality, Milta Bodrum Marina annually receives awards from various institutions that recognize excellence in this arena. The Marina also received the "Five Golden Anchors" international quality award from the European Yachting Association, entitling it to be recommended to yacht owners around the world. Milta Bodrum Marina further bolsters its prestigious market position, both nationally and internationally, with the "National Blue Flag" award it has received each year since 1997. Milta Bodrum Marina won the Best Environmental Awareness Raising Activity Award in 2019, for broadening children's awareness on the environment and nature with the social responsibility projects it has developed.

**Milta Bodrum Marina is among the first three marinas in the Mediterranean basin.**



Kandilli Gayrimenkul has a 23,685 m<sup>2</sup> tract in Ümraniye, Istanbul in its portfolio to develop real estate projects.

## MARLİN OTELCİLİK VE TURİZM A.Ş.

### Marina Vista

Providing services to its customers for 12 months throughout the year, Marina Vista has a loyal guest profile with its central and unique location across Milta Bodrum Marina as well as its service quality. As the market leader within the facilities providing services throughout the entire year in Bodrum, Marina Vista is a beloved and preferred brand. Marina Vista Hotel gets high marks from guests with its peaceful environment and boutique service approach. It is the perfect locale for an extraordinary, unforgettable holiday experience with its elegantly designed rooms, fine restaurant, swimming pool, botanical garden and friendly staff. Marina Vista Hotel aims to further boost its service quality with the professionally trained team it employs.

In 2020, Marina Vista was again presented with the Excellence Certificate from "TripAdvisor" and was named the "Loved by Guests Award Winner" by Hotels.com. In addition, Marina Vista ranked high in terms of guest satisfaction on reputable survey sites of the tourism industry.

Some 65% of Marina Vista's hotel guests are Turkish; 35% of guests are repeat customers.

## KANDİLLİ GAYRİMENKUL YATIRIMLARI YÖNETİM İNŞAAT VE TİCARET A.Ş.

Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. was founded on November 02, 2012 as a joint venture company with Milta Turizm İşletmeleri A.Ş. and Rönesans Gayrimenkul Yatırım A.Ş., with each holding a 50% share. Kandilli Gayrimenkul has a 23,685 m<sup>2</sup> tract in Ümraniye, Istanbul in its portfolio to develop real estate projects.

### M-INVESTMENT 1 LLC

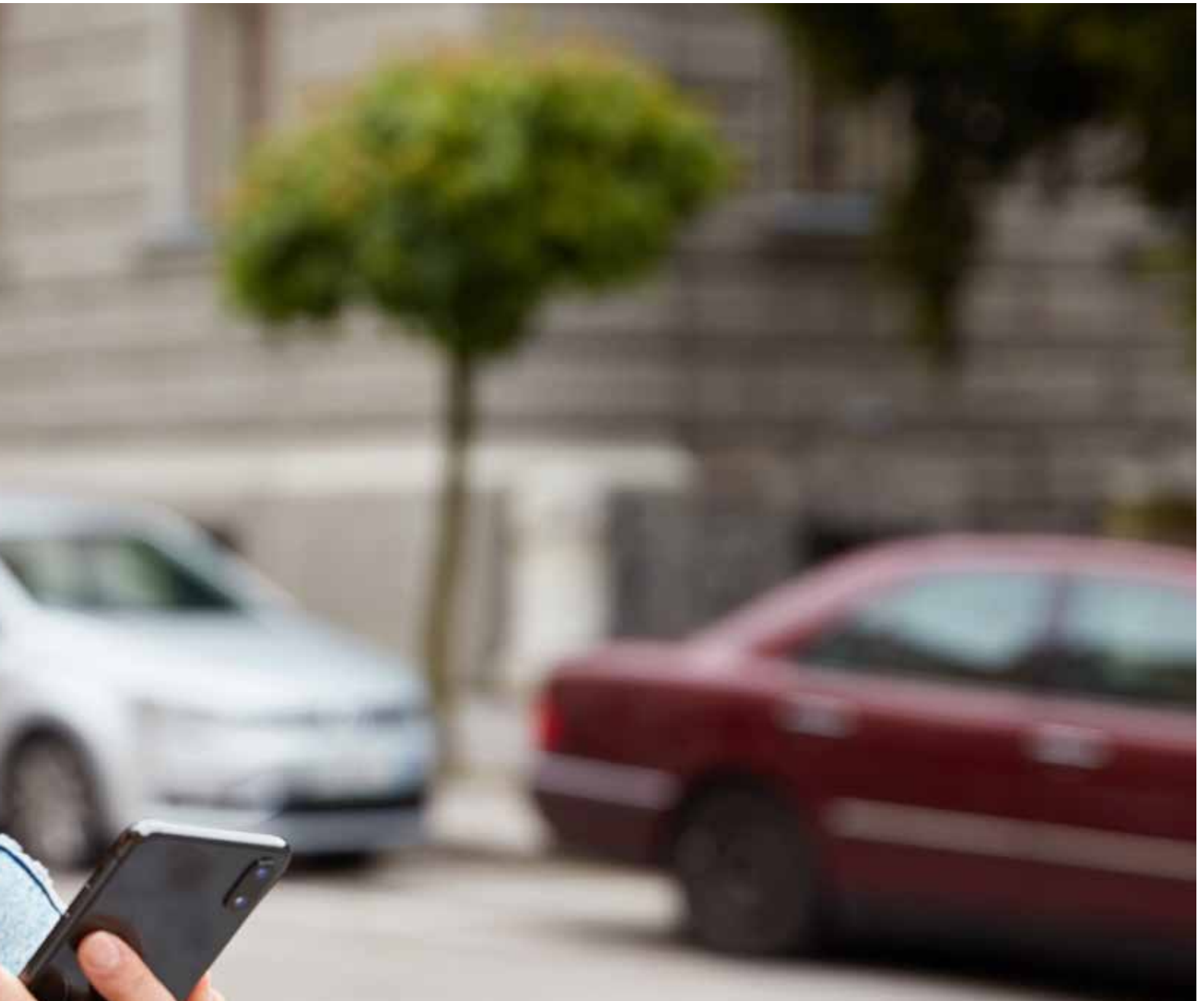
On April 14, 2014, Milta Turizm İşletmeleri A.Ş. established M-Investment 1 LLC in the United States to invest in real estate projects. As of December 31, 2020, M-Investment 1 LLC's capital totaled USD 16,920,000. M-Investment 1 LLC's long-term investments include Lexin Nassau L.P. The referenced investment is classified as a financial asset held-for-sale, and as of December 31, 2020 its fair value was recorded as TL 121,674 thousand (USD 16,576 thousand).





## **Internet & Entertainment**

In the successful year 2020, advertising revenues of the internet & entertainment segment increased. Other revenues increasing by 84.3% consists of satellite and transmitter service revenues and exchange rate difference revenues of Kanal D Romania.



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# TL 440.9 million

*The internet & entertainment segment consolidated revenue is TL 440.9 million.*

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# TL 228.8 million

*The internet & entertainment segment gross profit is TL 228.8 million.*

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# 34.6%

*The internet & entertainment segment has an EBITDA margin of 34.6%.*

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# TL 152.6 million

*The internet & entertainment segment has an EBITDA of TL 152.6 million.*

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## INTERNET & ENTERTAINMENT

In 2020, Hürriyet Emlak increased the average number of sales requests sent to each customer by continuing its investments despite the negative impact of the pandemic.

### GLOKAL DİJİTAL HİZMETLER PAZARLAMA VE TİCARET A.Ş. - HURRIYETEMLAK.COM

Operating under the umbrella of Doğan Holding with the trade name Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş., Hürriyet Emlak was launched in 2006 in order to deliver the most convenient ads to those searching for real estate, in a practical and swift manner. Bringing together the entire sector under a single roof, Hürriyet Emlak has also undertaken the digitalization leadership of the sector. With an extensive and up-to-date ad portfolio and innovative products and projects, Hürriyet Emlak stays abreast of the real estate sector. As of the end of 2020, Hürriyet Emlak has over 6 million unique visitors and 20 million page views per month on average (Google Analytics, 2020).

Due to the real estate prices rising 11% compared to the previous year and the increase in housing prices above the inflation rate, Hürriyet Emlak continued its investments despite the pandemic and managed to increase the average number of sales requests sent to each customer.

As in previous years, Hürriyet Emlak continued to offer innovative products and services to maintain its superior service quality in 2020. Hürriyet Emlak developed many products to help real estate agents make their ads attract more attention, appear higher in the search results, receive better service, track incoming calls more efficiently and create statistical data more productive.

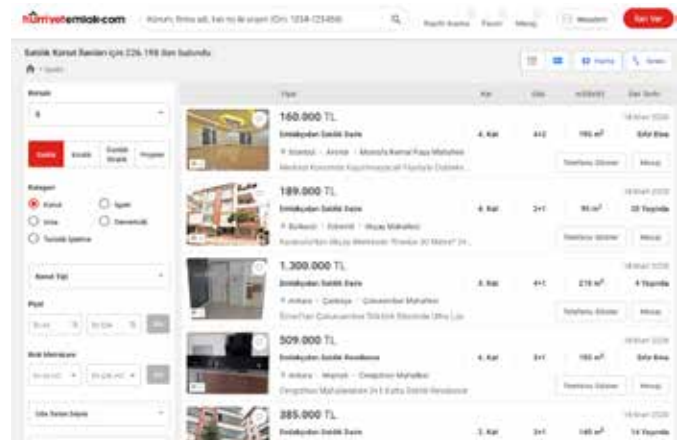
Hürriyet Emlak set 2020 as the peak year for digital transformation at the company. During the year, the company ramped up efforts to upgrade its web and mobile interface. This initiative aimed to facilitate digital channel use by both end-user and real estate agents while making the search process easier. After intensive efforts, Hürriyet Emlak upgraded the systems infrastructure, underlying technology and interface of its desktop and mobile websites as well as the dashboards used by real estate agents. By reducing its ad entry time far below the industry average following these upgrades, Hürriyet Emlak became the fastest real estate ad website.

Due to the increasing demand for housing from abroad, Hürriyet Emlak started to deliver all ads in the sales category to more than 17 million potential buyers in 60 countries on 6 continents with no charge. The ads within the scope of this free service are automatically translated and published in 26 languages including English, Arabic, Russian, German, Spanish, Bulgarian, Greek and Chinese. The ad prices are converted to the currency of the country in which the ad is viewed; however, the viewers can view the ad in the currency of their choice with the currency selection alternative. Thanks to the new platforms released, users are now able to search real estates in hundreds of cities such as Miami, Barcelona, Sydney and Cannes using Hürriyet Emlak.

Hürriyet Emlak was affected by the pandemic as all businesses did, however managed to end 2020 in accordance with its budget goals. An efficiency-based cost approach was adopted in addition to savings in expenses.

The pandemic period almost completely halted the demand in the real estate sector. Hürriyet Emlak took action to eliminate the problems of real estate agencies during the pandemic period.

## Hürriyet Emlak is the fastest real estate ad website in Turkey.





During the two-month period when its customers experienced payment issues, Hürriyet Emlak extended the contracts of all its customers for 1 month with no charge. Afterward, a support package of TL 10 million was put into practice. Providing its customers the opportunity to become a member without any conditions, commitments or limits, Hürriyet Emlak introduced new technological products. In order to recover the losses during the pandemic period and to provide the renewed Hürriyet Emlak experience to all real estate agents, Hürriyet Emlak gave all its customers a free trial of two months. Therefore, Hürriyet Emlak managed to increase the number of customers during a crisis period.

Hürriyet Emlak assumed responsibility and supported its stakeholders during this challenging period. Contributing to the digitalization of the sector with its technological products that make life easier and with the Real Estate Academy training held in collaboration with the Istanbul Chamber of Real Estate, Hürriyet Emlak helped its customers to adapt to the new normal more easily.

As a leading company that is aware of its responsibilities, Hürriyet Emlak aims to participate in various social responsibility projects in 2021. Following the Izmir earthquake, Hürriyet Emlak covered the annual rental of 20 families.

In the ECHO Awards held with the cooperation of Marketing Turkey and Akademetre; Hürriyet Emlak was deemed worthy of an award in the real estate category where subjects such as ease of use, aesthetic design and product variety are evaluated and the best shopping experience for e-trading platforms is awarded.

Hürriyet Emlak plans to increase new package sales in 2021 with the aim to improve customer retention and increase its revenue with new value-added services. Besides its main area of activity, it is planned to initiate new value-added services such as risk assessment reports, smart land deeds, etc. to accelerate and highlight sales with new business plans.

Hürriyet Emlak's financial strength, innovative product and service approach, nationwide service network, advanced technology infrastructure, and reliability formed the basis of the partnership deal reached in December 2018 with Goldman Sachs, the world's leading investment bank. Hürriyet Emlak also aims to increase its focus on data analytics based on technology while implementing new revenue models with the support of Goldman Sachs. The new regulations such as real estate authorization certificate and licensing procedures within the scope of the Regulation on Real Estate Trade, the requirement of appraisal on housing sales, and increasing home sales to foreigners are being monitored closely and new business models that align with these regulations are planned. Hürriyet Emlak aims to continue investing in innovative products and services by acquiring new talents in its sector. Hürriyet Emlak is focused on utilizing data analytics far more to provide customers the most swift, transparent and practical search experience in accordance with their specific budget and needs, as well as individual preferences.

## KANAL D ROMANIA

Kanal D Romania, the face of Kanal D in Romania, started broadcasting in March 2007 with a national broadcast license. Kanal D Romania meets the public's information and entertainment needs with innovative, diverse and high-quality contents. Kanal D Romania consolidated its place in the sector with leading content in different areas and the original content strategy it implements. Kanal D Romania is one of the most popular television channels in the country in the 14 years since its establishment. Thanks to its strong communication and multi-platform interaction with its audience, Kanal D Romania was ranked 2<sup>nd</sup> at the national level between 20:00-24:00 in Prime Time in 2020.

Kanal D Romania offers its audience innovative and pioneering content that features an integrated, state-of-the-art multi-screen experience. Kanal D Romania informs, entertains and connects the community with its media assets.

## Kanal D Romania informs, entertains and connects the community with its media assets.



## RADIO IMPULS

After its participation to the Kanal D Romania portfolio in March 2019, Radio Impuls reaches out 1/3 of the urban population with its 13 radio licenses and the hit music it plays in the most important cities of the country. With its mobile app and its involvement in most of the cable broadcast networks, Radio Impuls also possesses national coverage.

Radio Impuls offers entertaining and informative programs to its listeners who is urban, dynamic and enjoy new contents in addition to popular hit songs. Radio Impuls implemented a plan in which it will combine its performance with content and marketing strategy; therefore doubled its market share by the end of 2020.

## INTERNET & ENTERTAINMENT

With its beautiful and romantic love songs played during the day, Slow Türk became the most popular radio channel in Turkey in 2020.

### SLOW TÜRK

Turkey's first nationwide Turkish slow music radio, Slow Türk aims to make the best love songs accessible to a broad radio audience under the slogan "The Frequency for Love." With the beautiful, romantic love songs it airs during the day, Slow Türk managed to become one of the most popular radio channels of its category in Turkey in 2020 again. Slow Türk reaches audiences via digital platforms, the Türksat satellite, the terrestrial broadcasting network and internet broadcasts, in addition to applications for tablets and other mobile devices.

Started broadcasting on YouTube in December 2020, Slow Türk reached 2,100 instant listeners on its YouTube channel in a short time. In 2021, Slow Türk aims to increase its number of listeners on YouTube.

The pandemic in 2020 negatively affected the radio broadcasting industry as well. During this process, Slow Türk continued its live broadcasts with the remote working method and did not put any of its employees at risk.

The album named "Slow Türk - Songs of Love" was launched to demonstrate the brand value of Slow Türk and preserve its prestige is among the bestsellers of D&R.

Carrying out advertising activities via barter actions in metropolitan cities such as Ankara and Istanbul, Slow Türk is the second most popular radio in Ankara and among the top five most popular radio station in Istanbul.

According to the Kantar rating research approved by RTÜK, Slow Türk ranks sixth in the overall ranking, and among the top four radios in the AB group.

The 2021 priority of Slow Türk is to maintain its strong position and to improve the prestige and ranking of the brand.

### DOĞAN MUSIC COMPANY (DMC)

Founded on November 17, 1999, Doğan Music Company (DMC) seized the market leadership in the field of popular music. DMC's catalog includes alternative music, folk songs etc. genres. Within the scope of the agreement signed with Warner Music, DMC represents Warner Music in physical sales, digital sales, synchronization, copyrights, and compilation (mixed) album rights within Turkey. The main partner of DMC, DMC Invest BV transferred 60% of its shares to French Believe International SARL in April 2020.

DMC sells the albums it produces on physical and digital media and distributes the albums produced by other companies. Continuing to invest in the digital area, DMC represents approximately 250 music companies in the digital area. The pandemic outbreak in 2020 accelerated the transition process of the music industry to digital.

DMC, whose biggest source of income is digital sales, has signed licensing agreements with YouTube, Spotify, Apple Music, TikTok, Facebook, Instagram, Fity, Muud and Izlesene.com. The digital content distributor Believe International represents DMC abroad.

DMC maintained its leading position in the sector with a 40% market share in CD sales, 40% in radio & TV playlists and 50% in digital sales as of 2020-end.

At end-2016, DMC entered into actor management and casting agency services with Glamorous Celebrity Management Agency (GCMA) brand, and started to gain a place in the sector. DMC represents 55 players with GCMA.

## Netd

netd.com, which went on air in 2012 and changed its design and content structure in September 2017, continues to operate as a “Premium Video Content Platform.” In order to provide users with 360 degrees screen experience, Netd is available on all platforms including Smart TV, applications and web. Netd operates a publisher platform for the Netd music catalog, influencer videos and special content utilizing the synergy created by the “net” brand.

## Netd MÜZİK

As the official broadcasting platform of music videos in a variety of styles from Turkish pop music to alternative music, Netd Müzik is among the 10 most popular YouTube channels globally with 19 million subscribers<sup>4</sup>. Exceeding 40 billion official video views since its inception in January 2014, Netd Müzik has become the second fastest-growing channel in the world within three years. In 2018, Netd Müzik passed the 10 million subscriber threshold for the first time in Turkey and received the Diamond Play Button award.

The highly successful channel streams over 15 thousand official videos<sup>4</sup> from 240 producers in its continuously updated catalog and got their subscribers to watch these videos a monthly average of 600 million<sup>4</sup> times.

In 2020, Netd Müzik has the most subscribers and became the most-watched YouTube channel in Turkey by a wide margin, with over 18 billion minutes of viewing time<sup>4</sup>, 7.5 billion views<sup>4</sup>, 46 million likes<sup>4</sup> and 3.8 million comments<sup>4</sup>.

Netd Müzik delivers Turkish music to the entire world in a free and easily accessible manner. Netd Müzik broadcasts via music channels on YouTube and İzlesene together with netd.com.

## FESTTOGETHER 2020

Festtogether was broadcast on Netd Müzik’s YouTube channel as a festival with concerts and conversations to support those in need due to the COVID-19 pandemic.

In the festival, where artists such as Ayyuka, Bedük, Büyük Ev Ablukada, Can Baydar, Can Bonomo, Dolu Kadehi Ters Tut, Elif Çağlar, Gazapizm, Gökhan Türkmen, Gülinler, Harun Tekin, İkiye On Kala, Jabbar, Kalben, Karsu, Nilipek, Nova Norda, Phillharmonix, Sertab Erener, Sena Şener, Son Feci Bisiklet, Kenan Doğulu and Yaşlı Amca featured, TL 496,671 of donation was collected. The festival was viewed 3,200,000 times. The entire donation collected in FestTogether was used for 39 stages and 751 stage workers in need of support.

## Netd INFLUENCER MARKETING

Established in 2016, Netd Influencer is a multi-channel network (MCN (Multi Channel Network)) that collaborates with channels broadcasting over the YouTube platform. As a YouTube-approved company, it obtains the digital advertising sales rights of content producers in Turkey and sells sponsored content. Netd Influencer functions as a video production and consulting network that also delivers production and content consultancy to channels.

With its rich experience in digital marketing, video content production, entertainment and music culture, Netd Influencer manages YouTube, TikTok and Instagram accounts or channels that generate content.

With 300 million monthly views<sup>4</sup> on average and a total of 20 million subscribers<sup>4</sup>, influencer channels serves over 100 YouTube channels in the most-watched categories. Netd Influencer plans to boost access to its channels in the network in the short term and become Turkey’s largest and highest quality multi-channel network over the long term.

## In 2020, Netd Müzik achieved 18 billion minutes of watching time.

<sup>4</sup> YouTube Analytics



## INTERNET & ENTERTAINMENT

In 2020, Doğan Burda continued to invest in magazine publishing. In addition, Doğan Burda also publishes its well-established brands and new magazines both in print and online.



### DOĞAN BURDA DERĞİ YAYINCILIK VE PAZARLAMA A.Ş.

Featuring magazines that have original and creative content, Doğan Burda is the leader of the magazine publishing sector in Turkey. In addition to two magazines published bi-weekly, 15 monthly and 45 magazines with special periods, Doğan Burda has a total of 62 magazines in its portfolio and continues its success in magazine publishing. As of end-2020, Doğan Burda published a total of 25 magazines (2019: 24); 14 (2019:13) of these magazines are published under license agreements with international companies.

**25**  
magazines

Doğan Burda has 25 magazines that are published.

In 2020, Doğan Burda continued to invest in magazine publishing. The company publishes its well-established brands and new magazines both in print and online. While adhering to its approach of being a responsible publisher, Doğan Burda – the sector leader – aims to further the quality and efficiency of its rooted brands. The company also plans, as always, to introduce readers to innovations in 2021.

## DOĞAN VE EGMONT YAYINCILIK VE YAPIMCILIK TİCARET A.Ş.

Doğan Egmont, a leading book and magazine publisher that attracts a broad readership of all ages and interests, was founded in 1996 with the partnership of Doğan Group and Scandinavia's well-established media group Egmont.

Closely monitoring developments in the sector, Doğan Egmont established the sub-brands DEX in 2011; DEX Plus in 2013; CEO Plus and Doğan Novus in 2014; and Doğan Akademi in 2018. In 2020, the Solibri sub-brand was established.

# 193

books

In 2020, Doğan Egmont published 193 culture books for adults.

Doğan Egmont, embracing the philosophy that "Reading is the future" and featuring more than 1,000 children's books and 20 magazines in its portfolio, plays an important role in the personal development of youth and children.

The company, which is the leader in the Turkish children's book and magazine market, publishes branded books and magazines – such as Disney, Mattel, Hasbro and Universal – in addition to other significant publications for youth from Turkey and around the world.

With strong licenses and authors published under the Doğan Egmont brand, it aims to maintain its leading position in the field of children's books and to go beyond traditional sales channels. By consolidating its presence in schools with special events and collaborations, Doğan Egmont aims to utilize this channel effectively.



# 107

books

Doğan Egmont published 107 preparatory books for school exams in 2020.

Doğan Kitap publishes select works of Turkish literature and also translates into Turkish the very best examples of literature from around the world. Maintaining its robust position in literature publishing, Doğan Kitap is a market standout with its many books in top bestseller lists and high sales figures.

In recent years, Doğan Novus has become widely known in the areas of personal development, health, diet and astrology. DEX is a popular brand in fantastic, science-fiction and romantic fiction while CEO Plus is a well-recognized name in business books.

Bookstores were closed for a long time during the pandemic. They also experienced a loss of visitors during the periods when they were opened again. Internet sales channels experienced supply problems by failing to meet the increased demand.

Having published 193 adult's book, 267 children's books and 107 preparatory books for exams in 2020, Doğan Egmont added Unicorn and Lego Stem magazines to its children's magazines portfolio. In 2020, a total of 5 million books and 737 thousand magazines were sold.

# 5

million books

In 2020, a total of 5 million books were sold.

Doğan Egmont achieved significant growth in digital publishing activities as the publisher with the widest portfolio in the audiobook market. With the increasing production capacity and new digital agreements, the digital product portfolio consisting of audiobooks and e-books reached 1,250 units.

By launching okumakiyigilir.com blog page, Doğan Kitap established a new culture & art platform

In 2021, Doğan Kitap aims to expand its portfolio with strong authors, licenses and series and to grow in the digital area while continuing its existence in traditional channels.

## SUSTAINABLE GROWTH AND THE ENVIRONMENT

Doğan Holding prefers green technologies and develops environmentally-friendly products and services.

### DOĞAN GROUP'S ENVIRONMENTAL POLICY

Providing products and services in a wide range of sectors, Doğan Group companies devise policies and strategies to protect and improve the environment, prevent pollution, preserve and foster biodiversity, wildlife, ecology, flora and fauna, waterways and natural resources.

Doğan Holding deems the protection of the environment as one of its key responsibilities for the sake of humanity and wildlife.

Doğan Holding's environmental management policy focuses on the following five areas:

- Energy,
- Waste Management, Disposal and Recycling,
- Water Usage,
- Transport,
- Air Emissions

Doğan Group is committed to:

- Complying with international legal regulations approved by national public agencies, environmental laws, regulations and other obligations;
- Pursuing international best practices, including those not demanded by public authorities, so as to internalize those that could contribute to our business;
- Raising the environmental awareness of the citizens of Turkey and the citizens of other countries where our publications and broadcasts are available;
- Preferring and utilizing eco-friendly technologies;
- Developing eco-friendly products and services;
- Reusing raw materials and equipment or increasing the usage of recycled raw materials and equipment in order to save natural resources;
- Increasing energy efficiency and prioritizing renewable energies in all our operations to ensure responsible energy consumption;
- Taking action to measure and improve the environmental footprint of our Group activities;
- Improving the efficiency of the Doğan Environmental Management System on an ongoing basis, and disclosing it to the public;
- Ensuring that the environmental management systems of Group companies are in line with the accepted standards, certified and periodically audited by authorized firms;

- Reviewing the environmental policy of the Company regularly and monitoring the compliance of the Holding and Group companies with this policy;
- Communicating and developing joint projects about the environment with NGOs;
- Training all employees about the natural environment and encouraging them to participate in ecological activities;
- Communicating with all stakeholders regarding the protection of the natural environment, administering training seminars, and expanding efforts to diminish our environmental footprint and to protect biodiversity in all our areas of operation.

Doğan Group's Environmental Policy is followed by the Holding and all Group companies. Group companies participate in the determination of environmental objectives. The Early Detection of Risk Committee is charged with implementing the Environmental Policy. The Early Detection of Risk Committee is responsible for setting environmental objectives, establishing the environmental management system, determining performance criteria, and creating action plans. The efficiency of the environmental management system is audited by the audit departments of the Holding and Group companies, and the results are submitted for the assessment of the Audit Committee and the Board of Directors.





## SUSTAINABILITY FRAMEWORK

The Board of Directors continues efforts on determining Environmental, Social and Corporate Governance (ESG) issues, risks and opportunities.

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş. SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK ASSESSMENT

01.01.2020-31.12.2020

The “Sustainability Principles Compliance Framework,” determined by the Capital Markets Board (“CMB”) includes the basic principles that public companies are expected to disclose when conducting their Environmental, Social, Corporate Governance (“ESG”) activities.

While the implementation of these principles is voluntary, it is obligatory that their implementation is reported with the principle of “Comply or Disclose.”

Considered within the scope of the 5<sup>th</sup> paragraph of Article 1 of CMB’s Corporate Governance Communiqué numbered II-17.1 (“Communiqué”), our Company included the “Sustainability Principles Compliance Framework” in its annual report, starting from 2021, including the data for the year 2020 in accordance with the provisions of Communiqué.

#### A. General Principles

##### A1. Strategy, Policy and Objectives

The Board of Directors continues efforts importantly on determining ESG issues, risks and opportunities. Within the framework of “Doğan Holding Impact Plan,” the preparation of implementation plans continues in line with the short and long-term targets. The “Human Rights Policy” ([https://www.doganholding.com.tr/media/1130/dohol\\_insan\\_haklari\\_politikasi.pdf](https://www.doganholding.com.tr/media/1130/dohol_insan_haklari_politikasi.pdf)), “Human Resources Policy” ([https://www.doganholding.com.tr/media/1131/dogan\\_grubu\\_insan\\_kaynaklari\\_politikasi.pdf](https://www.doganholding.com.tr/media/1131/dogan_grubu_insan_kaynaklari_politikasi.pdf)), “Occupational Health and Safety Policy” ([https://www.doganholding.com.tr/media/1132/dogan\\_holding\\_is\\_sagligi\\_ve\\_guvenligi\\_politikasi.pdf](https://www.doganholding.com.tr/media/1132/dogan_holding_is_sagligi_ve_guvenligi_politikasi.pdf)), “Anti-Bribery and Anti-Corruption Policy” ([https://www.doganholding.com.tr/media/1136/dogan\\_holding\\_rusvet\\_ve\\_yolsuzlukla\\_mucadele\\_politikasi.pdf](https://www.doganholding.com.tr/media/1136/dogan_holding_rusvet_ve_yolsuzlukla_mucadele_politikasi.pdf)), “Supply Chain Management Policy” ([https://www.doganholding.com.tr/media/1138/dogan\\_holding\\_tedarik\\_zinciri\\_yonetimi\\_politikasi.pdf](https://www.doganholding.com.tr/media/1138/dogan_holding_tedarik_zinciri_yonetimi_politikasi.pdf)), “Social Responsibility Policy” ([https://www.doganholding.com.tr/media/1137/dogan\\_holding\\_sosyal\\_sorumluluk\\_politikasi.pdf](https://www.doganholding.com.tr/media/1137/dogan_holding_sosyal_sorumluluk_politikasi.pdf)) and “Environmental Policy” ([https://www.doganholding.com.tr/media/1502/dogan\\_grubu\\_cevre\\_politikasi\\_20191009.pdf](https://www.doganholding.com.tr/media/1502/dogan_grubu_cevre_politikasi_20191009.pdf)) of the Company were established and disclosed to the public via the Corporate Website.

##### A2. Implementation/Monitoring

Currently, Corporate Governance Committee and the Board of Directors are responsible for the execution of ESG Policies. It is aimed to establish another committee to carry out activities in Environmental and Social issues within the scope of “Doğan Holding Impact Plan.” In 2021, the policies to be executed in Environmental and Social issues will be reported to the Board of Directors in line with the “Doğan Holding Impact Plan.” Within the framework of “Doğan Holding Impact Plan,” the preparation of implementation plans continues in line with the short and long-term targets. It will be disclosed to the public once the preparations are completed. Efforts are ongoing to determine the ESG Key Performance Indicators (“KPI”) in a comparative way and by reference to generally accepted standards. All improving efforts on this matter will be shared with stakeholders.

##### A3. Reporting

In 2021, it is planned to share the Doğan Holding Sustainability Report with the public. The Company will transparently report its activities on ESG on an annual basis in line with generally accepted standards. The sustainability activities are included in the annual reports prepared by the Company. For the stakeholders, it is essential that the important information on the position, performance and development of the Company is shared directly and briefly. In stakeholder communication; the corporate website, annual reports, investor presentations, public disclosures, and press bulletins are used. A comprehensive work will be carried out in 2021 in order to determine the priority issues of the stakeholders and the reports and projects will be handled within the scope of these priority issues. There are no lawsuits raised and/or finalized against the Company related to ESG during the year.

##### A4. Verification

The Company will transparently report its activities on ESG in line with generally accepted standards every year and will strive to subject the report prepared to independent audit.

## SUSTAINABILITY FRAMEWORK

Important subjects such as fair labor, improvement of employment standards, women's employment and inclusion are within the scope of Doğan Holding's policies when supervising supply and value chain effects.

### B. Environmental Principles

Since the Company is a holding company, the environmental impact of its individual activities is limited. The Company sensitively complies with the laws and other regulations related to environment. The "Environmental Policy" ([https://www.doganholding.com.tr/media/1502/dogan\\_grubu\\_cevre\\_politikasi\\_20191009.pdf](https://www.doganholding.com.tr/media/1502/dogan_grubu_cevre_politikasi_20191009.pdf)) of the Company have been established and disclosed to the public via the Corporate Website. The policies and practices of the Company on environmental management are specified in the annual report. The programs of the Company and the Group Companies are disclosed to the public through annual reports. These policies and practices can be found in the Doğan Holding Sustainability Report, which is planned to be disclosed to the public in 2021. The headquarters are in compliance with the concept of a smart building; effort is shown to increase efficiency in environmental impact issues (carbon emission, energy efficiency, use of renewable (solar) energy, water consumption, waste water management, etc.). The action plans of the Company on environmental management are in the preparation stage. There are no findings on that the environmental laws and regulations are being violated.

At the plants owned by Galata Wind, one of the subsidiaries of the Company, CO<sub>2</sub> emission reduction is made and validation works are ongoing. The environmental indicators (energy and water consumption data) for the subsidiaries of the Company; Çelik Halat, Ditaş, Milta Bodrum Marina and Doğan Burda are disclosed via annual reports. Galata Wind conducts researches for the increase of renewable energy use and transition to low-carbon electricity. Efforts on installing solar panels on the roofs of Company and Group Companies are ongoing. Company activities are not included in any carbon pricing system. There are no accumulated or received carbon loans during the period. Carbon pricing isn't applied within the Company. Since the environmental impact of the Company's activities is limited, there are no platforms that it makes its announcements on environmental activities.

The Company continues to studies regarding determining its short-term and long-term goals to reduce its environmental impact and plans to disclose the goals in question once the studies are completed.

### C. Social Principles

#### C1. Human Rights and Employee Rights

The "Human Rights Policy" ([https://www.doganholding.com.tr/media/1130/dohol\\_insan\\_haklari\\_politikasi.pdf](https://www.doganholding.com.tr/media/1130/dohol_insan_haklari_politikasi.pdf)) and the "Human Resources Policy" ([https://www.doganholding.com.tr/media/1131/dogan\\_grubu\\_insan\\_kaynaklari\\_politikasi.pdf](https://www.doganholding.com.tr/media/1131/dogan_grubu_insan_kaynaklari_politikasi.pdf)) are applied within the scope of Company activities. Through these policies, efforts are made to ensure full compliance with the legal framework and legislation regulating human rights and working life in Turkey. Equality of opportunity is prioritized in all recruiting processes.

In consideration of the supply and value chain effects, the Company includes fair workforce, improvement of labor standards, women's employment, and inclusion in its policies. Regulations on not to employ child labor are also disclosed with these policies.

The "Compensation Policy" (<https://www.doganholding.com.tr/kurumsal-yonetim/politikalar/>) and the "Supply Chain Management Policy" ([https://www.doganholding.com.tr/media/1138/dogan\\_holding\\_tedarik\\_zinciri\\_yonetimi\\_politikasi.pdf](https://www.doganholding.com.tr/media/1138/dogan_holding_tedarik_zinciri_yonetimi_politikasi.pdf)) of the Company were disclosed to the public via the Corporate Website. Vested benefits, training and development opportunities provided by the Company to its employees and practices regarding employee satisfaction are explained in the annual report.

The "Occupational Health and Safety Policy" ([https://www.doganholding.com.tr/media/1132/dogan\\_holding\\_is\\_sagligi\\_ve\\_guvenligi\\_politikasi.pdf](https://www.doganholding.com.tr/media/1132/dogan_holding_is_sagligi_ve_guvenligi_politikasi.pdf)), "Personal Data Protection and Processing Policy" ([https://www.doganholding.com.tr/media/1134/kvk\\_politika.pdf](https://www.doganholding.com.tr/media/1134/kvk_politika.pdf)) and the "Personal Data Deletion Policy" ([https://www.doganholding.com.tr/media/1135/kisisel\\_verilerin\\_sililmesi\\_politikasi\\_nisan\\_18.pdf](https://www.doganholding.com.tr/media/1135/kisisel_verilerin_sililmesi_politikasi_nisan_18.pdf)) of the Company can be found on the Corporate Website.

There are no unions within the Company. The Company is sensitive to employee complaints and dispute resolution and strives to manage the disputes in the best way possible. There is a whistleblowing system integrated into Doğan Web for employee complaints. The activities planned to ensure employee satisfaction will be explained in detail with the Doğan Holding Sustainability Report, which is planned to be shared with the public in 2021.

Regarding occupational health and safety matters, the "Occupational Health and Safety Policy" ([https://www.doganholding.com.tr/media/1132/dogan\\_holding\\_is\\_sagligi\\_ve\\_guvenligi\\_politikasi.pdf](https://www.doganholding.com.tr/media/1132/dogan_holding_is_sagligi_ve_guvenligi_politikasi.pdf)) is applied. Occupational Health and Safety Policy has been disclosed to the public through the Corporate Website.

The “Personal Data Protection and Processing Policy” ([https://www.doganholding.com.tr/media/1134/kvk\\_politika.pdf](https://www.doganholding.com.tr/media/1134/kvk_politika.pdf)) is applied at the Company. In addition to this Policy, the Company adopted the “Personal Data Deletion, Destruction and Anonymization Policy” ([https://www.doganholding.com.tr/media/1135/kisisel\\_verilerin\\_silinmesi\\_politikasi\\_nisan\\_18.pdf](https://www.doganholding.com.tr/media/1135/kisisel_verilerin_silinmesi_politikasi_nisan_18.pdf)). “Personal Data Protection and Processing Policy” and the “Personal Data Deletion, Destruction or Anonymization Policy” were disclosed to the public through the Corporate Website.

Regarding ethical matters, the Company adopted the “Anti-Bribery and Anti-Corruption Policy” ([https://www.doganholding.com.tr/media/1136/dogan\\_holding\\_rusvet\\_ve\\_yolsuzlukla\\_mucadele\\_politikasi.pdf](https://www.doganholding.com.tr/media/1136/dogan_holding_rusvet_ve_yolsuzlukla_mucadele_politikasi.pdf)). “Anti-Bribery and Anti-Corruption Policy” was disclosed to the public through the Corporate Website.

The Company's efforts in the field of social investment are carried out through the Aydın Doğan Foundation. Regarding the company's activities within the scope of social investment, social responsibility, financial inclusion and access to finance, the “Social Responsibility Policy” ([https://www.doganholding.com.tr/media/1137/dogan\\_holding\\_sosyal\\_sorumluluk\\_politikasi.pdf](https://www.doganholding.com.tr/media/1137/dogan_holding_sosyal_sorumluluk_politikasi.pdf)) is followed. The “Social Responsibility Policy” was disclosed to the public through the Corporate Website. Efforts on social responsibility are disclosed to the public through the annual report and the corporate website.

The Company encourages employees to participate in meetings and training programs on ESG policies and practices. In 2021, it is planned to determine short-term and long-term goals within the scope of Doğan Holding Impact Plan and conduct training programs on these goals.

## C2. Stakeholders, International Standards and Initiatives

The Company carries out its sustainability activities taking into account the needs and priorities of all its stakeholders. It's important to establish a continuous and transparent communication with stakeholders. Close communication is established with stakeholders including shareholders, investors, all financial institutions including banks, etc. regarding compliance with public administration/legislation. Information on stakeholder communication is disclosed to the public through the “Corporate Governance Principles Compliance Report.”

Since the Holding company is not a production or service company, it carries out no direct customer relation. Group companies are encouraged to resolve customer complaints. A customer satisfaction policy study is conducted regarding the management and resolution of customer complaints.

Doğan Holding is a member of the United Nations Global Compact (UN Global Compact) Platform, the world's largest corporate sustainability initiative. The Company is also listed in the BIST Sustainability Index.

## D. Corporate Governance Principles

The Company has adopted the universal values of Corporate Governance Principles such as fairness, transparency, accountability and responsibility. Up to the possible maximum

extent, the Company aims to comply with the Capital Markets Law, CMB Regulations and Resolutions, CMB's Communiqué on Corporate Governance (No.II-17.1) (“Communiqué”) and CMB Corporate Governance Principles.

To this end, Doğan Şirketler Grubu Holding A.Ş. has been included in the Borsa İstanbul A.Ş. (“Borsa İstanbul”) Corporate Governance Index (“XKYUR”) since November 4, 2009. The Company is given an annual corporate governance rating every year by SAHA Corporate Governance Rating Company (“SAHA”) licensed by the Capital Markets Board, in line with the rating methodology outlined by the CMB. The Company's Corporate Governance Rating and Corporate Governance Principles Compliance Reports are available on the Company's website at ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

The Company's Corporate Governance Compliance Report (“URF”) and Corporate Governance Information Form (“KYBF”) for the accounting period of 01.01.2020-31.12.2020 are prepared in line with the CMB's Resolution dated 10.01.2019 and numbered 2/49, with the presentation rules announced in the CMB's Weekly Bulletin dated 10.01.2019 and numbered 2019/02, and with the CMB's Communiqué on Corporate Governance numbered II-17.1. The Company's Corporate Governance Compliance Report (“URF”) and Corporate Governance Information Form (“KYBF”) for the accounting period of 01.01.2020-31.12.2020 can be reached at the Company's website ([www.doganholding.com.tr](http://www.doganholding.com.tr)), at the section of “Corporate Governance”/“Corporate Governance Principles Compliance Reports,” and also at the website of Public Disclosure Platform (“KAP”) ([www.kap.org.tr](http://www.kap.org.tr)).

Our Corporate Governance Committee continues its efforts to improve our corporate governance practices, with sustainability in mind. As of the accounting period ending on 31.12.2020, the Company complies with all of the principles that are mandatory as per the Capital Markets Law, CMB Regulations and Resolutions, and the CMB Communiqué. The Company tries to comply with the voluntary principles to the extent possible, and in our opinion, as of the current situation, a significant conflict of interest will not arise related to non-compliance.

As stated in Corporate Governance Principles, necessary measures are taken to comply with the principles related to stakeholders and strengthen the communication with stakeholders. Stakeholders are consulted while defining the measures and strategies in sustainability.

The Company carries out its social responsibility projects, awareness activities and trainings and efforts to raise awareness on sustainability through the Holding and the Aydın Doğan Foundation.

Efforts are put in effort to become a member of international standards and initiatives regarding sustainability and contribute to their activities.

The company adopts the “Anti-Bribery and Anti-Corruption Policy” ([https://www.doganholding.com.tr/media/1136/dogan\\_holding\\_rusvet\\_ve\\_yolsuzlukla\\_mucadele\\_politikasi.pdf](https://www.doganholding.com.tr/media/1136/dogan_holding_rusvet_ve_yolsuzlukla_mucadele_politikasi.pdf)) on bribery and corruption issues which is disclosed to the public on its corporate website.



## SUSTAINABILITY FRAMEWORK

Soil obtained from garden wastes which acquired by the compost machine placed in Doğan Holding's garden is reused in the garden area.

### ENVIRONMENTAL PROJECTS

#### Doğan Holding

Doğan Holding closely monitors and implements practices and current technological developments that ensure environmental sustainability in its administrative buildings. The Holding's head office, in use since 2011, is equipped with new generation cooling devices in line with EU norms; these devices use the eco-friendly gases R 410 and R 132. State-of-the-art, eco-friendly fire-extinguishing systems are also equipped at the headquarters building. In addition, fire extinguishers' weight in the system has been reduced, since these are replaced with eco- and people-friendly systems deploying FM 200 and Novac 1230 gases in accordance with EU standards. The insulation technology used in the building has led to a decline in natural gas consumption for heating purposes and a drop in electricity consumption for cooling, resulting in a reduction in overall CO<sub>2</sub> emissions.

Disposing of organic wastes negatively affects climate change and causes environmental issues. To avoid this adverse impact, Doğan Holding has initiated recycling of garden wastes. Soil obtained from waste placed in the compost machine located in the garden at the Holding is reused in the garden area. With the various efforts recently introduced to compost food waste at headquarters, Doğan Holding aims to recycle all organic wastes from the building and recover them as fertilizers.

#### Energy

##### Doğan Enerji

Doğan Enerji conducts operations at the power plants in its portfolio in compliance with all applicable legislation. The company is also committed to eco-friendly principles in its business activities. For all its power plants, Doğan Enerji has obtained the official authorization certificates and documents stipulated by the "Law on Forests" No. 6831, "Regulation on the Licenses and Permits Required by the Law on Forests"; "Environmental Law" No. 2872, "Regulation on Permits and Licenses Required by the Environmental Law"; Regulation No. 29274 on "Procedures and Principles Governing the Signing of Water Consumption Rights Agreements for Generating Power in the Electricity Market"; and Regulation No. 29865 on "Electricity Market Licenses."

**Şah WPP:** As part of efforts to reduce carbon emissions, the Gold Standard application process was completed at Şah WPP, and as a result of the second verification in 2018, it was confirmed that the company mitigated 901,912 tons of CO<sub>2</sub> emissions in 2011-2018. Validation studies continue for the 2019-2026 period. Şah WPP also undertook other various environmental initiatives, such as planting 1,500 trees and providing vehicles, personnel and required materials to the Bursa Directorate of National Parks and Wildlife Protection. In addition, feedboxes were installed to provide food for birds during winter months, and food was placed in suitable locations for deer. Utmost attention is paid to protection of the natural environment since the turbines are located in a forest and wildlife area. Management is in constant interaction with the authorized bodies in running the operations and ensures the protection of nature in all the company's business activities.

Quality certification in environmental activities was completed, and Şah WPP received ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates; the plant undergoes regular audits. In addition, the power plant undergoes regular audits. Other quality certification efforts in pursuit of sustainability have allowed the plant to obtain ISO 9001 Quality Management System, ISO 10002 Customer Complaint Management System, OHSAS 18001 Occupational Health and Safety Management System and ISO 27001 Information Security Management System certificates. Interim audit procedures of the certificates have been successfully completed.

**Mersin WPP:** As part of efforts to reduce carbon emissions, the Gold Standard application process was completed at Mersin WPP, and as a result of the second verification in 2018, it was confirmed that the company mitigated 530,586 tons of CO<sub>2</sub> emissions in 2010-2018. Validation studies continue for the 2019-2026 period. Committed to improving the environmental conditions of the surrounding region, Mersin WPP planted saplings in various locations within the operating area. Since the power plant is situated in proximity to birds' migration routes, bird observation activities are organized every six months; the findings are reported to the relevant institutions. To avoid creating any disturbance for the nearby villages, noise levels are measured and reported as well. As part of additional capacity increase efforts, the company received a positive Environmental Impact Assessment (EIA) report and ensured that the necessary activities were done in such a way that they would not harm the environment. Company officials heard the complaints and recommendations of the locals at the Public Information Meetings held in neighboring villages during the EIA process. A great deal of effort is made to meet the environmental sensitivities and social needs of the villagers.



Quality certification in environmental activities was completed, and Mersin WPP received ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates; the plant undergoes regular audits. In addition, the power plant undergoes regular audits. Other quality certification efforts in pursuit of sustainability have allowed the plant to obtain ISO 9001 Quality Management System, ISO 10002 Customer Complaint Management System, OHSAS 18001 Occupational Health and Safety Management System and ISO 27001 Information Security Management System certificates. Interim audit procedures of the certificates have been successfully completed.

**Taşpınar WPP:** Within the scope of carbon emission reduction efforts, the Gold Standard application process was completed in Taşpınar WPP. It has been confirmed that Taşpınar WPP will mitigate 101,596 tons of CO<sub>2</sub> emissions annually.

**Çorum PV:** Within the scope of carbon emission reduction efforts, the Gold Standard application process was completed in Çorum PV. It has been confirmed that Çorum PV will mitigate 7,880 tons of CO<sub>2</sub> emissions annually.

Quality certification in environmental activities was completed, and Çorum PV received ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates; the plant undergoes regular audits. In addition, the power plant undergoes regular audits. Thanks to further quality certification efforts for sustainability purposes, the plant obtained the ISO 9001 Quality Management System and OHSAS 18001 Occupational Health and Safety Management System certificates. Interim audit procedures of the certificates have been successfully completed.

**Erzurum PV:** For Erzurum PV, the Gold Standard registry process is ongoing in Aziziye while the VCS process is ongoing in Hınıs. It is expected to achieve 11,377 tons of CO<sub>2</sub> emission reduction in Aziziye and 7,711 tons of CO<sub>2</sub> emission reduction in Hınıs on an annual basis.

Quality certification in environmental activities was completed, and Erzurum PV received ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates; the plant undergoes regular audits. In addition, the power plant undergoes regular audits. Thanks to further quality certification efforts for sustainability purposes, the plant obtained the ISO 9001 Quality Management System and OHSAS 18001 Occupational Health and Safety Management System certificates. Interim audit procedures of the certificates have been successfully completed.

**Aslancık Elektrik:** Carbon emission validation at Aslancık HEPP is now complete, but the verification process is still underway. Once the verification process is complete, 678,074 tons of CO<sub>2</sub> emission reduction is expected to have been achieved at Aslancık HEPP between 2014-2018. Environmental quality certification activities were completed in 2015 and 2016 when Aslancık HEPP received the ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates. Interim audit procedures of the certificates have been successfully completed.

**Boyabat Elektrik:** Under the VCS carbon verification efforts completed at Boyabat HEPP, 1,885,282 tons of net CO<sub>2</sub> emission reduction were achieved between 2012-2018. Having completed its quality certification activities between 2014 and 2016, Boyabat Electricity received ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates for Boyabat HEPP. Thanks to further quality certification efforts for sustainability purposes, the plant obtained the ISO 9001 Quality Management System, OHSAS 18001 Occupational Health and Safety Management System and ISO 27001 Information Security Management System certificates. Interim audit procedures of the certificates have been successfully completed.



## SUSTAINABILITY FRAMEWORK

Çelik Halat obtains the water it uses extensively in its business processes through two main sources: well water and recycled water.

### Industry and Trade

#### Çelik Halat

Çelik Halat meticulously complies with the Environmental Law and is working to ensure that its operations have the minimum possible negative impact on the environment. The Environmental Permit Certificate received within the framework of Environmental Law No. 2872 was renewed to cover the years 2019-2024.

Çelik Halat obtains the water it uses extensively in its business processes through two main sources: well water and recycled water. The company has installed the advanced purification system in order to use natural resources more efficiently and cut costs. Waste water produced in this process is discharged in a controlled manner into the ISU channel after passing through the treatment plant; while water quality is also periodically audited by ISU. Water samples in all periodic checks came out positive, with all indicators matching the overall standard. To that end, authorized independent firms carry out emission measurements to ensure that the air emissions generated by production processes are kept within prescribed limits. Çelik Halat strictly complies with all applicable legislation on waste management and fulfilling all necessary requirements. In order to decrease the volume of waste resulting from its activities and ensure that well-functioning waste management systems are in place, Çelik Halat systematically undertakes the following efforts:

- Sewage sludge classified as non-hazardous is sent to licensed firms in safe waste containers and under suitable conditions.
- All packaging waste-related activities are conducted in cooperation with the Environmental Protection and Packaging Waste Recovery and Recycling Foundation (ÇEVKO).
- Hazardous waste is stored in specially designed temporary containers in areas granted a temporary waste storage permit, and then sent to licensed disposal firms.
- Collection units for waste batteries are placed at company offices and specific locations in production areas. Batteries which were collected in these units are sent to organizations that are authorized by the Portable Battery Producers' and Importers' Association ("TAP").
- Waste oil (after its beyond-use date has passed) is classified as hazardous waste in the "1<sup>st</sup> Category Waste Oil." Waste oil is either reused in the system or/and is sent to licensed recycling facilities.



- Assembly units for materials contaminated during the production process have been put in place. Materials collected from these areas are sent to licensed organizations.
- The collection of all waste in the facility, their classification in line with applicable legislation and their elimination are all undertaken in the most meticulous way possible.

Çelik Halat expends efforts to use energy and natural resources in the most efficient manner possible. To this end, use of electricity, natural gas and water are closely monitored while redundant use is prevented. Further, Çelik Halat makes continuous efforts on technical improvements to ensure the efficiency of its business processes.

Making sure that the company's approach to the environment is embraced by the management team and employees, Çelik Halat provides on-the-job training on environmental management systems to newly hired operators and white-collar employees. Additionally, each employee is required to participate in "Environmental Awareness-Raising" training programs at least once a year.



On issues related to environmental regulations, Çelik Halat is supported by the authorized expert personnel of an environmental consultancy firm the company retains. This consulting firm is also responsible for regular internal audits at Çelik Halat.

The amount of water recycled by Çelik Halat fell by 7.6% to 88,190 m<sup>3</sup> in 2020, compared to the previous year. The total amount of water consumed increased 3.7% to 95,689 m<sup>3</sup>. The total amount of electricity consumed by Çelik Halat fell 3.2% in 2020 to 26,319 MWh. Due to the increase in the electricity prices as a result of the increase in natural gas prices in 2020, the cogeneration unit was not used and the recovered electricity amount was 2 MWh. In 2020, Çelik Halat sent 15 tons of paper to recycling.

#### Liquid Soap Project in Steel Wire Rope Drawing

Lubricating products are used to produce zinc phosphate-coated wires. In turn, zinc-coated phosphate wires are used in the production of compression springs, return springs as well as the manufacture of other wire types that have a wide range of applications in many sectors, such as automotive, white goods, furniture, agriculture, among others. The lubricating products used directly impact the forming, coating quality and mechanical properties of the finished wire product. As a result, lubricating materials are a key component in producing industrial spring wire and rope wire. Taking into account the product usage area, corrosion performance is another major issue to be considered. During/post-industrial spring production, different soaps-lubricants are used to boost anti-corrosion and formability properties.

While the soaps and lubricants used do not contain prohibited chemicals specified in international standards, a non-environmentally friendly working environment may form in the span of the production process or during customer use. This environment may be contrary to the 5S principle under production process conditions and adversely affect human health. In observations conducted during production, powder soaps for rolling were seen to scatter around the machine during the wire drawing process and create nonconforming environmental conditions. At the same time, the powder soaps for rolling and protective lubricants used in the product's surface covering were determined to cause air and environmental pollution in the heat treatment furnaces and straightening rollers in customer processes.

Çelik Halat is committed to environmentally conscious production as a guiding corporate principle. To this end, the company conducted product development activities in order to provide both the effect of the rolling soap used in the zinc phosphate coated wire drawing process and lubricant properties that boost anti-corrosive performance. This effort aimed to prevent negative environmental conditions and increase product performance.

The company's product development efforts achieved the required surface quality by using liquid soap and protective products in the manufacture of similar products instead of using powder soaps for rolling in the wire drawing process and lubricants to improve corrosion performance. Therefore, the dusty environment which may have a negative effect on human health was prevented in the machinery and on the production line. The application of powder or lubricant detected on the surface of the final product was eliminated. By preventing negative environmental conditions and pollution occurring in customer use processes, this innovation provides a more efficient, cleaner and healthier working environment.

#### Ditaş

Ditaş carries out its production processes with a strong sense of environmental sensitivity and conscientiously fulfills its obligations in this area.

Consuming 56,344 m<sup>3</sup> of water in 2020, Ditaş reduced its total electricity consumption to 8,875 MWh. With the recovery of 31.45 kgs of paper, cardboard and plastic waste in 2020, greenhouse gas emission decreased by 5.14 tons (CO<sub>2</sub> emission/ton) annually. In this way, while 128,104 kWh of energy is saved, approximately 531 trees were saved.

In 2020, Ditaş provided 150 hours of environmental awareness and raising awareness training to 200 persons. Due to the pandemic, most of these training sessions were held online. Brochures on which wastes should be thrown into which box was attached to waste bins. Within the scope of environmental awareness efforts, a painting activity was organized for the children of Ditaş employees, and the video prepared with these paintings was shared with all stakeholders. Single use masks and gloves are provided to all employees and those who visit the facilities in the pandemic in order to reduce the infection rate of COVID-19. Mask waste boxes were placed in various areas in order to separate disposed masks from other waste. The "COVID-19 Measures in the Waste Management of Personal Hygiene Materials Such as Disposable Masks and Gloves," published by the Ministry of Environment and Urbanization is applied in the management of the process.

Operating with quality and environmental management certificates for more than 20 years, Ditaş's ISO/TS 16949:2009 Quality Certificate has been transformed into IATF 16949: 2016 Quality Management Certificate following the audit in May 2018. The IATF 16949:2016 Quality Management System interim audit held between August 14-21, 2020 was successfully completed. Ditaş extended its existing ISO 14001: 2004 Environmental Management System Certificate in 2017, and qualified to receive the ISO 14001: 2015 Environmental Management System Certificate. The ISO 14001:2015 Environmental Management System certification audit was successfully completed on September 21, 2020, and the certificate was renewed for three years. Focusing on safe production, which has become even more important due to the pandemic in 2020, Ditaş was deemed worthy of earning the "TSE COVID-19 Safe Production Certificate" on October 16, 2020. Ditaş also holds a FORD Q1 quality certification.

## SUSTAINABILITY FRAMEWORK

Providing 2,977 hours of occupational health and safety training to 921 people in 2020, Ditaş's accident frequency rate was realized as 4.47% in the entire 2020.

In 2016, Ditaş started to conduct its internal and external process audits in line with the German VDA 6.3 standard, and passed all VDA 6.3 audits successfully, especially the audit conducted by Volkswagen Group. Ditaş successfully passed MAN's VDA 6.3 audit and earned the right to become a global supplier of MAN in 2017.

Providing 2,977 hours of occupational health and safety training to 921 people in 2020, Ditaş's accident frequency rate was realized as 4.47% in the entire 2020.

### Sesa

Sesa sends all its hazardous and non-hazardous wastes to licensed companies and works with a consultant company to comply with all requirements regarding environment.

Sesa uses 85% of the solvent used in the cleaning of printing machines in the solvent recovery plant. This effort reduces environmental emissions and adds an economic value to the Company.

32 tons of waste plastic that is granulated in Sesa's facilities are used in non-food package layers, therefore 64 tons of carbon emissions are saved on a monthly basis.

Within the scope of its activities to reduce the packaging waste throughout the world and the EU regulations that are expected to become effective on this matter, Sesa developed stand-up bags as a result of studies to develop recyclable packaging. The package developed has received German Cyclos Institute certification. 120 tons of convertible packaging was produced in 2020. With the global use of collection and conversion systems, higher quantities will be produced in the future.

In addition to the convertible packaging, Sesa continues activities to develop a compostable package. Both "Home Compostable" and "Industrial Compostable" packaging productions are carried out. Certification studies on this subject are also continuing.

Providing orientation and induction training to its new personnel, Sesa also provides training for production personnel on food safety, quality standards, 5S, continuous improvement and occupational safety.





## Media

### Doğan Burda

Acting with environmental awareness, Doğan Burda reduced its total electricity consumption in 2020 by 27.7% to 109.5 MWh. In 2020, subjects such as the relationship between sustainability, environment, nature and fashion were featured in Doğan Burda magazines.

## Tourism

### Milta Bodrum Marina

Milta Bodrum Marina is an international marina facility that has received the “Blue Flag” award every year since 1997 thanks to its exceptional quality standards, modern infrastructure and in-demand services. Recipient of the “Five Gold Anchors” award presented by the European Union, Milta Bodrum Marina also won Turkey’s Best Environmental Awareness and Training Activities Award from TURÇEV (Foundation for Environmental Education) in 2020, as in the prior year. In 2020, Milta Bodrum Marina recycled 9,823 m<sup>3</sup> of used water (amounting to 36% of its total water consumption). While the total amount of electricity consumed by Milta Bodrum Marina fell 9.6% compared to the previous year in 2020, total water consumption rose 18.8% to 27,457 m<sup>3</sup>. Milta Bodrum Marina sent 22.8 kg of waste paper to recycling in 2020. The total

waste – including waste water, solid waste, bilge and mineral oil – amounted to 25,483 tons.

In 2020, Milta Bodrum Marina once again received the prestigious “Blue Flag” award, an international indicator of environmental awareness with great significance in the tourism industry. The marina also expanded the scope of its environmentally-friendly practices with the use of solar energy, solar water heating systems and environmentally friendly cleaning materials.

In 2020, Milta Bodrum Marina received the zero-waste certificate and once again proved the value it attaches to the environment.

### Marina Vista

In 2016, Marina Vista added more collectors to its solar power system and started to employ a heating pump, thereby eliminating the consumption of diesel fuel. Marina Vista collects waste batteries in special containers and delivers them to the Association of Portable Battery Manufacturers and Importers (“TAP”) and environmental units of the municipality for proper disposal; also, LED and energy-saving bulbs are also used in rooms and public areas.

Marina Vista sent 5,684 kg of paper for recycling in 2020. The total amount of water consumed at the facility was 2,634 tons.





## CORPORATE SOCIAL RESPONSIBILITY

Aydın Doğan Foundation encourages success in all areas including health, culture, art and sports with national and international competitions.

Doğan Holding contributes to Turkey's journey of modernization with its mission of creating sustainable value. The Holding's corporate social responsibility approach was designed around the continuous value creation principle. For this mission, Doğan Holding not only expends efforts via Aydın Doğan Foundation but also establishes effective partnerships, thereby launching long-running social responsibility projects in education, culture and arts, health care and the environment. Encouraging the voluntary participation of its employees in social responsibility projects, Doğan Holding consistently increases the social benefit it generates with social responsibility projects.

### AYDIN DOĞAN FOUNDATION

Founded in 1996, Aydın Doğan Foundation contributes to the development of Turkey with its activities. Focused on representing the social responsibility approach of Doğan Group since its establishment, Aydın Doğan Foundation is known for its successful activities that have gained a reputable place in domestic and international platforms.

In particular, the education of young girls has been the priority of Aydın Doğan Foundation. The Foundation provides support to education with the teaching facilities and dormitories it has built for young generations; it also encourages success in fields such as healthcare, culture, arts and sports through a number of national and international competitions.

### EDUCATION

Aydın Doğan Foundation has launched many projects that have helped to enhance the quality of, and to improve conditions in the Turkish educational system. The various educational, sports, cultural and other facilities constructed by the Foundation and donated to the Ministry of National Education include the following:

- Işıl Sema Doğan Elementary School, Gümüşhane
- Atatürk University Aydın Doğan Private Elementary School, Erzurum
- Yaşar and İrfani Doğan Vocational and Technical High School, Gümüşhane
- Aydın Doğan Fine Arts High School, Istanbul
- Erzincan Social Sciences High School, Erzincan
- Hürriyet Vocational and Technical Anatolian High School, Erzincan
- Bahçelievler Aydın Doğan Vocational and Technical Anatolian High School for Communications
- Bağcılar Aydın Doğan Vocational and Technical Anatolian High School for Health

- Gümüşhane University Kelkit Aydın Doğan Vocational School, Gümüşhane
- Galatasaray University Aydın Doğan Auditorium, Istanbul
- Sema Doğan Park, Gümüşhane
- Aydın Doğan Sports Complex, Gümüşhane
- Aydın Doğan Dormitory for Girls, Şiran-Gümüşhane
- Aydın Doğan Dormitory for Girls, Kürtün-Gümüşhane
- Nene Hatun High School Aydın Doğan Dormitory for Girls, Erzurum
- Erzincan University Aydın Doğan Dormitory for Girls, Erzincan
- Hacı Hüsrev Doğan Dormitory for Girls, Kelkit-Gümüşhane
- Aydın Doğan Family Life Center Köse/Gümüşhane
- Erzincan High School Aydın Doğan Conference Hall and Student Center/Merkez-Erincan

### Design Skill Workshops

Aydın Doğan Foundation made a donation to the Ministry of National Education for the establishment of Design Skill Workshops in 20 schools to help children learn by experience. Design skill workshops were established in schools that are built by the foundation itself, schools that are affiliated with the girls' dormitories and those determined by the Ministry.

Aydın Doğan Foundation Design Skill Workshops are believed to be a very special project in terms of the change in understanding in the education system.

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**Aydın Doğan Foundation launched countless projects to improve the quality of the education system in Turkey.**

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### Distance Learning Support

With the COVID-19 pandemic, distance learning gained great importance. The fact that the lessons were moved to the digital environment adversely affected socioeconomically disadvantaged students. Aiming to provide social benefit, Aydın Doğan Foundation initiated the distance learning support project in order to contribute to social solidarity and to serve the principle of equality in education, which is the fundamental right of every child. Following the evaluation of applications 810 laptops and 260 tablets were sent to children all over Turkey.



### Kelkit Aydın Doğan Vocational High School in Kelkit

Kelkit Aydın Doğan Vocational School, which is a part of Gümüşhane University, opened its doors with 90 students on September 28, 2003. It is one of the most modern schools in Turkey with its technical equipment, expert staff and advanced laboratories. Kelkit Aydın Doğan Vocational School has 914 students as of 2019-2020 academic year.

The associate programs at Kelkit Aydın Doğan Vocational School include Computer Technologies, Accounting and Taxation, Electricity and Automation, Transportation Services, Architecture and Urban Planning, and Veterinary Medicine.

### Bahçelievler Aydın Doğan Vocational and Technical Anatolian High School (Communications)

Bahçelievler Aydın Doğan Vocational and Technical Anatolian High School was built by Aydın Doğan Foundation 20 years ago, and was donated to the Ministry of National Education. Specializing in journalism, radio and TV broadcasting, graphic design and photography, Bahçelievler Aydın Doğan Vocational and Technical Anatolian High School graduated 120 students in the 2019-2020 academic year.

All the preparations for the photography contest named "Sunrise," which was planned to be organized with the cooperation of Aydın Doğan Foundation and Bahçelievler Aydın Doğan Vocational and Technical Anatolian High School was completed; however, the contest was canceled due to the COVID-19 pandemic.

Aydın Doğan Foundation provides the school with the necessary support for technical maintenance, cleaning and security services.

### Bağcılar Aydın Doğan Vocational and Technical Anatolian High School (Health)

Inaugurated on April 24, 2013 by the Minister of National Education Prof. Dr. Nabi Avcı, Bağcılar Aydın Doğan Vocational and Technical Anatolian High School represents a significant step forward in training the healthcare personnel of the future. Boasting modern classrooms, an advanced technology infrastructure in addition to social and educational spaces that meet every need, the High School fulfills all requirements to provide a state-of-the-art educational experience.

Built on a covered area of 6,018 m<sup>2</sup> with 24 classrooms, Bağcılar Aydın Doğan Vocational and Technical Anatolian High School for Health has a capacity of 940 students and trains Healthcare

Maintenance Technicians, Assistant Nurses, and Assistant Midwives. The school also provides education in the fields of graphic design and photography, radio and TV broadcasting, and journalism. Bağcılar Aydın Doğan Vocational and Technical Anatolian High School graduated 145 students in the 2019-2020 academic year.

Aydın Doğan Foundation provides the school with the necessary support for technical maintenance, cleaning and security services. Necessary hygiene and cleaning support was provided to the school during the pandemic.

### Ataşehir Aydın Doğan Fine Arts High School

Aydın Doğan Fine Arts High School was initially built as Aydın Doğan Elementary School in 2005. The school was transformed into Aydın Doğan Fine Arts High School with the status of a "Project School" during the 2015-2016 academic year after the transition to the so-called 4+4+4 education system and the change in student numbers, upon a protocol signed between Aydın Doğan Foundation and the Governorship of Istanbul. The school building was completely renovated by Aydın Doğan Foundation with a project donated by the architect Nevzat Sayın.

58 students graduated from Aydın Doğan Fine Arts High School in the 2019-2020 academic year.

Aydın Doğan Foundation provides the school with the necessary support for technical maintenance, cleaning and security services.

Following the completion of the official procedures for the construction of a concert and exhibition hall in Aydın Doğan Fine Arts High School, a protocol was signed with the Istanbul Provincial Directorate of National Education. The construction of the concert and exhibition hall, whose project was prepared by Nevzat Sayın Architectural Services, could not be commenced due to the anti-coronavirus measures.

### Gümüşhane Işıl Sema Doğan Primary School

Located in the center of Gümüşhane, Işıl Sema Doğan Primary School was built by Aydın Doğan in 1994 and dedicated to the Founder of the Foundation and Honorary Vice President Işıl Sema Doğan. The school opened its doors on September 9, 1994, and was handed over to the Ministry of National Education by the Aydın Doğan Foundation. The school graduated 12,750 students over 25 years.

Attaching great importance to the technology education of children, Aydın Doğan Foundation established a computer laboratory in Işıl Sema Doğan Elementary School in 2017. An agreement has been executed between Bilişim Garaj Academy and Gümüşhane Işıl Sema Doğan Primary School to provide STEM instruction. Students were ensured to receive education in this area during the 2018-2019 academic year. Training provided in the field of STEM continues with the support of the teachers at the school.

Projectors were donated to the school to contribute to the education provided in addition to the disinfection devices to provide a hygienic environment in the school.

## CORPORATE SOCIAL RESPONSIBILITY

Aydın Doğan Foundation introduced a scholarship program in 2015-2016 to support the education of girls who are academically successful but who demonstrate financial need.



### Empowered Girls Empowered Futures

A precondition for us to go further as a country is to prevent the daily problems women face in their families, social lives, education, professional life, and politics. Women should be able to realize their potential and dreams freely in line with the choices they make. For this reason, it is of paramount importance to provide a high-quality education for women.

To ensure a brighter future for our country, Aydın Doğan Foundation believes that girls should be given equal educational opportunities as boys. With this conviction, the Foundation attaches top priority to supporting girls on their educational path and lifting the obstacles they may face.

As a result of its efforts in this field, Aydın Doğan Foundation was deemed worthy of the consultancy status in the United Nations ECOSOC (Economic and Social Council).

### Dormitories for Girls

In 2020, Aydın Doğan Foundation continued to provide support to the girls' dormitories built under the "Daddy, Send Me to School" movement – an effort that generated much positive public attention. Dormitories established by the Foundation under this initiative include Nene Hatun High School Aydın Doğan Dormitory for Girls (Erzurum); Aydın Doğan Dormitory for Girls (Erzincan); Hacı Hüsrev Doğan Dormitory for Girls (Kelkit); Aydın Doğan Dormitory for Girls (Kürtün); Aydın Doğan Dormitory for Girls (Köse); and Aydın Doğan Dormitory for Girls (Şiran).

### a. Girls' Dormitories Project Support Fund

Aydın Doğan Foundation established a support fund for the use of the girls' dormitory managers, teachers, personnel and students. The support fund aims to enhance the living standards of girls staying at dormitories built under the "Daddy, Send Me To School" campaign, and to help them become empowered individuals who contribute to social advancement. The Empowered Girls Dormitory Support Fund was shared among seven projects submitted for funding. The projects that will be funded include opening cinemas and sports halls, organizing instrument courses, and supporting girls with various programs. All preparations for the projects where girls can both have fun and improve themselves have been completed as of March 2020. However, the projects were delayed to the 2020-2021 academic year due to the pandemic.

### b. University Entrance Exam Preparation Sets

Aydın Doğan Foundation encourages girls who stay at the girls' dormitories established under the "Daddy, Send Me to School" campaign to go on to university. Accordingly, the Foundation delivers free-of-charge exam preparation books to senior high school students residing in dormitories for their university entrance exams. In 2020, over 600 students were offered such university preparation sets.

### Educational Scholarship for University Students and Young Leaders Summer Camp

Aydın Doğan Foundation introduced a scholarship program in 2015-2016 to support the education of girls who are academically successful but who demonstrate financial need. In this context, the "Outstanding Achievement Scholarship" is given to students of the Faculty of Medicine, Engineering and Law.

Scholarship support is also provided to students who reside in the Daddy, Send Me to School dormitories throughout their high school education and whose university exam scores allow them to enter an undergraduate program. Within the scope of the "60<sup>th</sup> Year Educational Fund" campaign, Aydın Doğan Foundation increased the number of scholarship recipients with donations from Doğan Group companies.



The 6<sup>th</sup> annual October 11 International Day of the Girl Child Conference was held online under the time “Being a Girl in the Changing World.”

#### a. Online Education

In addition to education scholarship support, the Aydın Doğan Foundation also launched an online education program to foster students’ professional and individual development. In line with the needs of the student groups; expert clinical psychologists organized a training on Adolescent Communication and Peer Bullying on April 28 and 30, 2020. The Gender Equality and Cyber Bullying online training programs were held by the experts of the UN Women Turkey Office on May 15 and 22, 2020. 117 students participated in the training sessions held. This effort aims to ensure that the scholarship students become sophisticated, open-minded and successful adults who are capable of standing on their own feet. Contribution was made to the personal development of the students with the training programs.

#### b. Online Young Leaders Summer Camp

Every year, in order to support the preparation of female university students for professional life and to help them become the strong leaders of the future, Aydın Doğan Foundation organizes the Young Leaders Summer Camp.

Aydın Doğan Foundation Young Leaders Summer Camp was held online in 2020 due to the pandemic. 25 students received training on Gender Equality, Introduction to Project Management, Social Entrepreneurship, Mandala, Digital Literacy, Basic Instagram Usage and Adaptation between July 22 and 29, 2020 in addition to workshop sessions.

#### c. Student Projects

Following the “Young Leaders Summer Camp” events held by Aydın Doğan Foundation, students develop projects in areas of interest to create social benefits. The first of these projects, “You Can Do It, Too!” was launched in 2017 by university students. University students accommodating in girls’ dormitories back in high school visited the current residents of the dormitories and motivated them to continue their education life. This project is currently being carried out in four different dormitories. Projects titled “Butterfly Effect,” “Be Aware!,” “Big Dreams, Strong Leaders” and “Discover Yourself” have been included in the program. The students of Aydın Doğan Foundation put into practice the “Two Degrees” project within the scope of the International Day of the Girl Child Conference. Therefore, the number of ongoing projects reached six. Due to the pandemic, student projects were carried out online in 2020.



#### International Day of the Girl Child Conference

Since 2015, Aydın Doğan Foundation holds an international conference on October 11 – declared International Day of the Girl Child by the United Nations. The conference is aimed to empower girls, eliminate the obstacles they face and make them fully enjoy human rights.

Aiming to draw attention to the barriers in front of girls to reach their full potential, the 6<sup>th</sup> annual October 11 International Day of the Girl Child Conference was held online under the time “Being a Girl in the Changing World.”

The inauguration speech of the conference was delivered by Vice-Chairwoman of Aydın Doğan Foundation Vuslat Doğan Sabancı. UNICEF Turkey Deputy Representative Nona Zicherman, UN Women Turkey Country Director Asya Varbanova and UNFPA’s Deputy Representative Zeynep Başarankut Kan joined and shared their special messages on the International Day of the Girl Child.

Within the scope of the conference, a panel titled “How the Global Epidemic and Climate Change Affect Girls?,” was held, moderated by journalist Melis Alphan. Besides, “The World We Imagine – Youth Discussing How They Would Like to Change the World” panel was moderated by Gözde Atasoy Kökçü.

111 children and young people working on the effects of climate change and global pandemics on girls and women since June published a statement containing their thoughts, criticisms and suggestions. The statement emphasized that society needs more awareness in order to strengthen the fight against climate change, requesting that the subject be included in the compulsory education curriculum.

17 thousand people watched the conference, broadcast in three languages: Turkish, English and Arabic. Conference had important impacts in terms of creating awareness. The conference reached around 20 million people.

## CORPORATE SOCIAL RESPONSIBILITY

In 2020, in order to make sure that the importance of the earthquakes is emphasized, it was decided to present the Aydın Doğan Award in the field of “Earthquake Researches.”

### Supporting Malatya Girls’ Football Club

With the recommendation of the United Nations Women’s Unit, Aydın Doğan Foundation started supporting the girls passionate about football trying to overcome many difficulties. Malatya Girls’ Football Team attended the International Day of the Girl Child Conference on October 8, 2015 to demonstrate to participants that sports is one of the most effective ways to overcome obstacles facing girls’ pursuit of education. At the conference, the team members explained how sports and football allow them to continue their education, impressing everyone participating in the conference. In order to appreciate the effort shown by these girls who also continue their education life, the Foundation provided scholarships to team members with financial difficulties and provided financial resources such as away game and equipment expenses to the team. Aydın Doğan Foundation continued to support the Malatya Girls’ Football Team in 2020 as well.

### Student Art Festival

Aydın Doğan Foundation recognizes the pivotal role played by culture and the arts so that individuals can express themselves in the best way. With this perspective, the Foundation conducts various efforts designed to empower girls through art.

Baksı Student Art Festival is organized in collaboration with Trabzon Karadeniz Technical University and Erzurum University Faculties of Fine Arts and Baksı Culture and Art Foundation. Elementary and middle school students participated in the festival held in 2020 online with their paintings. Aydın Doğan Foundation provided art scholarships to 73 girl students participating in the Student Art Festival in order to support their education and their interest in arts.

### “If I Want: Inspirational Life Stories” Photograph Exhibition

Within the scope of the International Day of the Girl Child Conference in 2019, Aydın Doğan Foundation prepared a book and a photography exhibition titled “Ben İstersem” in which girls have inspiring stories. Interviews and photo shoots were conducted with the role model girls in various cities for background research of the book.

The photograph exhibition of the book was held at Taksim Art Gallery, Trump Art Gallery and Caddebostan Cultural Center. In February 2020, the exhibition was also held in the exhibition halls of Izmir Chamber of Commerce and Izmir University of Economics. Additionally, a panel was organized with the participation of Aydın Doğan Foundation

Chairwoman Candan Fetvacı, book’s author Melis Alphan and photograph artist Mustafa Seven. In January and February, “Ben İstersem” was published in English with the title “I Can: Inspiring Life Stories.”

### Turkish Journalists’ Association Aydın Doğan Young Communicators Competition

The Young Communicators Competition, held each year for students in universities faculty of communication to encourage students to become innovative, researching and inspiring media leaders, has been organized with the title “Turkish Journalists’ Association Aydın Doğan Young Communicators Competition” since 2019 under the collaboration of the Turkish Journalists’ Association and the Aydın Doğan Foundation. The Selection Committee deemed 43 projects of 59 students from 21 universities worthy of an award among the projects submitted to the competition held for the 30<sup>th</sup> time. The award ceremony of the competition in which the students of the faculty of communication participated with their projects was held in Istanbul in March 2020.



### Aydın Doğan Award

The Aydın Doğan Award is awarded to people and organizations who were praised on national and international platforms in different fields such as culture, art, literature and science since 1996. In 2020, in order to make sure that the importance of the earthquakes is emphasized, it was decided to present the Aydın Doğan Award in the field of “Earthquake Researches.”

As a result of evaluations with experts, it was decided to present the award to Istanbul Technical University Eurasia Institute of Earth Sciences, which analyzes the earthquakes, compiles and archives the information and works to inform the world of science and society.

The foundation issued an exclusive magazine titled “Turkey Earthquake Atlas” to raise awareness on earthquakes since our country is located on one of the most important seismic belts in the world. Within the scope of the activities, a panel was held with the participation of one of the most important earth scientists of the world, who continues his studies at the ITU Eurasia Institute of Earth Sciences, Prof. Dr. Celâl Şengör, titled “Turkey Earthquake Atlas Gathering.”

#### **Aydın Doğan International Cartoon Competition**

The celebrated event is often referred to as the “Oscar of the cartoons” where artworks that shed light on the agenda today from across the world compete. Aydın Doğan International Cartoon Competition was free of any subject matter restrictions in its 37<sup>th</sup> edition in 2020.

Due to the COVID-19 pandemic, the applications for the competition were made online via the competition platform. Around 4,500 cartoons free of any subject were sent to the Aydın Doğan International Cartoon Competition. It was planned to make the jury meeting of the competition in 2021.

The applications for the “National Comic Book Award” and the “National Children’s Book Illustration Award” to be awarded within the scope of Aydın Doğan International Cartoon Competition were initiated in December 2020.

#### **Aydın Doğan Foundation Virtual Museum**

Aydın Doğan Foundation Virtual Museum (sanalmuze.aydindoganvakfi.org.tr) continued to serve art and cartoon enthusiasts during this challenging period due to the pandemic. In March, the Foundation called the participants and the members of the jury for cartoons regarding the pandemic that affected the whole world to be exhibited in the Aydın Doğan Foundation Virtual Museum. The special exhibition entitled COVID-19, created with works sent from all over the world, has been published on sanalmuze.aydindoganvakfi.org.tr. Cartoon artists that are known on national and international platforms have drawn attention to up-to-date issues such as social distance, hygiene, isolation and the use of masks with their artworks. The exhibition named “Drawings of the Pandemic” was opened for visit in the Trump Towers Cartoon Exhibition Hall in June.

#### **Exhibitions**

In 2020, as in every year of the Aydın Doğan International Cartoon Competition, award-winning cartoons together with shortlisted entries were presented to art lovers at various exhibitions.

The exhibitions prepared under the curatorship of Mimar Sinan Fine Arts University faculty members were presented at Galeri Işık and Caddebostan Cultural Center.

Since the exhibition halls were closed in line with anti-coronavirus measures, the exhibition could not be brought to other cities. Various exhibitions that art enthusiasts can visit online have been published by the Aydın Doğan Foundation Virtual Museum.

#### **Other Activities**

*Equipment Support to Medical Faculty Hospitals:* Within the scope of the combat with COVID-19, Aydın Doğan Foundation donated TL 500,000 each to Cerrahpaşa Faculty of Medicine and Istanbul Faculty of Medicine to provide support to the healthcare workers and hospitals, who have worked tirelessly in the combat with COVID-19. The donation will also be used for the purchase of medical equipment. With the donation made by the Foundation; the university hospitals’ need for medical supplies in the treatment process of COVID-19 was met. The hospitals also procured the materials that healthcare workers should use to protect themselves from the epidemic disease. Within the scope of the conditional donation made, both two university hospitals sent the lists of the equipment they purchased and thanked Aydın Doğan Foundation for their support in such a difficult time.

*Food Box Support for Those In Need:* Aydın Doğan Foundation distributed food aid packages to those in need due to the COVID-19 pandemic. A total of 3,100 food aid packages were distributed to those in need in Şişli Küstepe with the collaboration of Vefa Social Support Group, under the coordination of the District Governorate of Şişli.

*Support to the Works of NGOs Working in the Field of Children and Women:* Within the scope of anti-domestic violence initiatives, the Foundation collaborated with the Federation of Women Associations of Turkey to support NGOs that are facing trouble in assisting women and children due to the pandemic. For this purpose, hardware devices such as computers, projectors and printers were donated to Sil Baştan Fight against Violence Towards Women and Child Abuse Association for use in training programs to be carried out to empower women. Textile machines were donated to the 8 March Women’s Solidarity Association to establish a textile workshop that can provide economic support to women. Following the Izmir earthquake on October 30; children’s books, magazines, notebooks and stationery



## CORPORATE SOCIAL RESPONSIBILITY

Doğan Holding supported the National Solidarity Campaign initiated with the motto “We are self-sufficient, Turkey.”

products such as crayons were sent to the tent set up by the Yaşa Çocuk Association. Children's books were sent to Manisa, Mardin, Balıkesir and Alanya for the children in need who do not have access to books due to the pandemic. “Financial Literacy” and “Basic Instagram Usage” training sessions were held online for women in the same provinces who need to look after their families. The trainings presented by Bilge Adam were found to be very beneficial by the audience.

**Food Box Support for Giresun Flood Disaster:** The local community suffered significantly due to the flood disaster that occurred on August 22, 2020. Diapers, baby food and dry food were sent to the people of the region, who experienced a great economic collapse. Materials sent by the Aydın Doğan Foundation were distributed by the Dereli District Governorship Social Assistance Foundation.

**Education Reform Initiative (ERI):** Abiding by the slogan “Quality education for all,” Aydın Doğan Foundation supports numerous projects that are designed to improve the conditions of educational instruction and uphold equality of opportunities in Turkey. Along with other non-governmental organizations, the Foundation supports the Education Reform Initiative's (ERG) activities and researches on education as well as ERG's “Teachers' Network” project. Supported by Aydın Doğan Foundation and coordinated by the Education Reform Initiative, the Teachers' Network aims to create a continuous interactive environment where teachers can achieve change and transformation, in order to improve education quality and student success in Turkey. With a view to empowering teachers, the Teachers' Network offers them resources and peer solidarity opportunities, and strives to become a platform for popularizing the teachers' classroom solutions and success stories.

Supported by the Aydın Doğan Foundation, the Teachers' Network aims to establish a continuous interaction environment to contribute to the increase of educational quality and student success in Turkey.

**Third Sector Foundation of Turkey (TÜSEV):** TÜSEV was established in 1993 by 23 leading foundations and associations in Turkey to further develop the legal, fiscal and operational infrastructure of the third (non-profit) sector. More than 100 members of the board of trustees cooperate under TÜSEV. Aydın Doğan Foundation also supports TÜSEV and as a founding member sits on the Board of Directors. The Foundation regularly attends the meetings of TÜSEV.

**Sema Doğan Park, Gümüşhane:** Established to develop cultural and social life in Gümüşhane, Sema Doğan Park was inaugurated on July 24, 2008 with the contributions of Aydın Doğan Foundation. Designed as a recreational area that can host a range of activities, the park features a picnic area, children's playground and basketball and tennis courts. The open area includes an amphitheater, which can host movie screenings, theater performances and shows. An enclosed hall on the grounds can accommodate concerts, conferences and other cultural activities.

## DOĞAN HOLDING

### Support to National Solidarity

As Doğan Group, we supported the National Solidarity Campaign initiated with the motto “We are self-sufficient, Turkey,” To support our country and our people in the combat with COVID-19; Doğan Holding companies such as Aydın Doğan Foundation, Aytemiz, Doğan Burda, Suzuki made a total donation worth around TL 20 million including both cash donations and many different projects such as healthcare supplies, food parcels, laptops, tablets, gasoline, vehicle allocation.

As Doğan Group, in the statement we made on the subject, we said; “As Doğan Group, it is very crucial for us to support our country and society and contribute to unity and solidarity, as it has been for 61 years. It is a great joy to share what we have earned from these lands with our government, our people and our healthcare professionals. We thank every person and entity for their hard work and patience in this process,”



### Doğan Value Awards

Within the scope of the 60<sup>th</sup>-anniversary celebrations of Doğan Holding, the second annual “Value of the Years” seniority awards ceremony was held online due to the global pandemic in 2020. Doğan “Value of the Years” seniority awards ceremony was held on December 23 and the winners were presented with their awards.

Stating that 2020 was an unforgettable year socially and economically in her opening speech, Doğan Holding Chairwoman Begüm Doğan Faralyalı emphasized the importance of “good leadership” and “woman” in this period.

Begüm Doğan Faralyalı indicated that Doğan Group managed to achieve successful results by embracing change and making timely decisions in a difficult year. She also said that the Group is focused on reducing the negative impact of the pandemic on society.

At the award ceremony moderated by Şule Zeybek, Doğan Holding Board Member Arzuhan Doğan Yalçındağ, Doğan Holding Board Member Vuslat Doğan Sabancı and Aydın Doğan Foundation’s Chairwoman Hanzade Doğan Boyner joined the live broadcast and presented the awards to the winners.

“Value of the Years” seniority awards were presented to the employees with terms of service for 20 years by Doğan Holding Chairwoman Begüm Doğan Faralyalı, Doğan Holding Executive Committee Members Vedat Mungan, Tolga Babalı and Doğan Holding CFO Bora Yalınay.

At the Doğan Value Awards held for the second time in 2020, the “Value Award - Leader of the Year” was presented to Doğan Holding Automotive Group General Manager Kağan Dağtekin. The “Value Award - Company of the Year” was awarded to Doğan Dış Ticaret. Kanal D Romania was the winner of the “Sustainable Value Creating Company of the Year Award,” and received the award from Doğan Holding CEO Çağlar Göğüş.

Doğan Enerji won the Special Value Award of the Year with “Taşpınar RES” and DMC with the “Believe Partnership,” the “Value Award - Product of the Year” was awarded to Sesa Ambalaj with the “Compostable Packaging” and “Recyclable Mono PP Sterilizable Package” products, the “Value Award - Services of the Year” was awarded to Suzuki with “My Suzuki on the Road,” the “Value Award - Implementation of the Year” was awarded to Hürriyet Emlak with “Smart Line” and the “Value Award - Project of the Year” was awarded to Ditaş with the “Hot Joint” project. The Value Award - Social and Environmental Sustainability Project was given to Doğan Burda with the “Restaurants at Home” project and to the Netd team with “Festtogether,” the first Sustainable Music Festival of Turkey.

### Doğan Life Yoga Club and Doğan Life Book Club Events

With the clubs formed under Doğan Life, Doğan Holding held online events to ensure that its employees overcome the pandemic period more easily and to preserve their mental and physical health. Doğan Life Yoga Club started to organize yoga training sessions twice a week for Group company employees featuring an internal trainer; Netd Digital Projects Manager, Yıldız Ertan.

Doğan Life Book Club carries out online interviews with authors, gives away gift books and shares monthly book bulletins. The first online interview held in October was the Special Republic Day Interview with Altan Öymen. During the “Witnessing From 1923 to Today with Altan Öymen” interview, a conversation was made with Altan Öymen on the achievements and values of the republic, Atatürk’s leadership and the book series consisting of his memories from the 1930s to the 1960s.

In the online interview of November, we hosted Nazlı Çevik Azazi, one of the authors of Doğan Kitap. Doğan Group employees and their children listened to stories from Nazlı Çevik Azazi and a conversation was held about our values. In December, we hosted astrologist, consultant, instructor and author Hakan Kırkoğlu for the online event titled “What Awaits Us In 2021.”

### Plastic Bottle and Cap Collection Campaign

Water is given to employees in plastic bottles as part of COVID-19 measures in the Doğan Holding building. Recycling bins were placed in common usage areas for the disposal of plastic bottle waste. In collaboration with Turkey Spinal Cord Paralytics Association, plastic caps are collected by the Group companies. Plastic caps collected within the scope of the ongoing project will be donated to the Turkey Spinal Cord Paralytics Association for the purchase of wheelchairs.

## SOCIAL RESPONSIBILITY ACTIVITIES AND OPERATIONS OF GROUP COMPANIES

Continuing its support to sports, Aytemiz sponsored the paralympic national tennis player Büşra Ün, who is preparing for the 2021 Tokyo Olympics.

### ENERGY

#### Aytemiz Projects

##### A Thousand Motorcycles Volunteer Project Fuel Support

With Vefa Social Support Group, established with the permission and coordination of governorships under the Ministry of Internal Affairs, Aytemiz meets the fuel needs of the volunteer motorcyclists team of 1,000 people serving people in need and established with the support of the Turkish Motorcycle Federation (TMF).



##### Sponsorship Support to Paralympic National Tennis Player Büşra Ün

Maintaining its support to sports and athletes, Aytemiz sponsored the paralympic national tennis player Büşra Ün, who is preparing for the 2021 Tokyo Olympics. Having achieved countless successes throughout her career, Büşra Ün will prepare for the 2021 Tokyo Olympics with the support of Aytemiz.

##### Tohum Autism Foundation Fuel Support

Fuel support is given to the shuttle vehicle used by Tohum Autism Foundation.

##### Bike Search and Rescue Support Foundation (MAKUD) Fuel Support

Bike Search and Rescue Support Foundation (MAKUD) is a non-governmental organization engaged in voluntary search and rescue activities. The foundation was among the first search and rescue teams that arrived in Izmir following the earthquake. Aytemiz met the foundation thanks to Aytemiz's Motorcycle-Friendly Traffic Project, and continued to contribute to the foundation in 2020 as well.



### INDUSTRY

#### Çelik Halat

##### Support to Kocaeli Kassel Child Welfare Agency

In September 2020, Çelik Halat Social Responsibility Club provided mattresses, diapers, food, clothing, toys and stationery to children staying at Kocaeli Kassel Child Welfare Agency.

##### Support to Tuvana Child Education Foundation

To support children who cannot receive education or have to work due to the financial insufficiency of their families, the soaps purchased from the Tuvana Child Education Foundation store were distributed to the employees.

##### Donation to Darüşşafaka Society

In December 2020, Çelik Halat Social Responsibility Club distributed the colognes purchased from the Darüşşafaka Society, the first non-governmental organization of Turkey in the field of education, to its employees with the message "Mask, Distance, Hygiene."





## Ditaş

### Contribution to Science and Technology

Ditaş was deemed worthy of earning the “TSE COVID-19 Safe Production Certificate” issued by the Turkish Standards Institute (TSE) by continuing to invest in technology and science despite the challenging conditions of the COVID-19 pandemic. To contribute to science and technology, Ditaş signed a collaboration protocol with Niğde Ömer Halisdemir University.

With the collaboration protocol executed between Ditaş and Niğde Ömer Halisdemir University, it is aimed to conduct scientific and technological research projects together.

### Food Box Donation

Ditaş donated 100 dry food boxes to the “Social Market” opened by the Municipality of Niğde Directorate of Social Assistance to assist those in need.

## Sesa Ambalaj

### Environmental and Nature Responsibility Projects

Sesa Ambalaj conducted various projects in 2020 for the resolution of the waste problem, which has become one of the most important issues globally, and developed a food packaging made of edible food derivatives. These “compostable” products are made of completely natural resources.

In addition to natural food packaging developed, the recyclable packages started to be used widely. With recyclable production, plastic is reused by recycling technology before it becomes waste, and the waste is converted into raw materials.

In 2020, all plastic wastes were reused. With a special additive, products in original raw material quality were produced and environmentally friendly and low-cost methods were developed in terms of waste.

### Izmir Earthquake Relief Campaign

Sesa Ambalaj supported the earthquake victims of the Izmir Earthquake that occurred on October 30, 2020, with 145 food boxes and provided fuel for heating. In addition, 1-year rent of 2 families whose houses were destroyed was covered.

## Kelkit Besi

### Support for Livestock

Within the scope of the national cattle herd creation initiated by Kelkit Doğan Besi İşletmeleri A.Ş. in 2019, the female cattle have completed their pregnancy. The calves are born as of the beginning of 2021. The difference of this herd is that they receive their genes from French (Limousin and Charolais) cattle and bulls, rather than traditional dairy cattle. By giving beef cattle to breeders from Kelkit, the Company aims to support and develop livestock.



## SOCIAL RESPONSIBILITY ACTIVITIES AND OPERATIONS OF GROUP COMPANIES

Suzuki Marine participated in the CNR Eurasia Boat Show event where all amateur maritime vehicles, accessories and equipment are displayed in addition to the best designs between October 13 and 18, 2020.

### AUTOMOTIVE TRADE AND MARKETING

#### Suzuki

##### My Suzuki on the Road

Suzuki conducted a pre-sale event in order to prevent the loss of potential Suzuki customers due to insufficient stock and to protect customers from possible exchange rate fluctuations.

##### CNR Eurasia Boat Show

Suzuki Marine participated in the CNR Eurasia Boat Show, one of the most important fairs of the maritime sector, held in Istanbul Yeşilköy between February 22 and March 1. Developing important solutions for the maritime industry with its high quality, superior technology and fuel-saving products, Suzuki Marine launched its new model DF 300B for the first time in Turkey at the Boat Show. During the fair, Suzuki Marine demonstrated its outboard motor portfolio, the mobile diagnostic system developed with advanced Japanese technology and keyless start systems. Setting up an environmentally friendly and technological booth, Suzuki Marine minimized printed materials and prevented paper waste by presenting brochures and price lists to participants with QR code technology.



##### Swift Hybrid - SX4 S-Cross Online Dealer Launch

Suzuki has launched the hybrid version of Swift, one of the most popular models of its product family, and the new model SX4 S-Cross in Turkey. The introduction of the models to Suzuki dealers was made online due to the pandemic. During the meeting started with the speeches of Doğan Holding Automotive Group Companies Board Member, Managing Director and CEO Kağan Dağtekin and automotive expert Saffet Üçüncü, the sales and marketing actions planned by Suzuki in the upcoming period were discussed. The event is considered as the launch of Suzuki's transition to the hybrid world.

##### CNR Yacht Festival

Suzuki Marine participated in the CNR Eurasia Boat Show event where all amateur maritime vehicles, accessories and equipment are displayed in addition to the best designs between October 13 and 18, 2020. The most magnificent sea festival of Turkey, CNR Yacht Festival hosted the most important brands and the most prestigious domestic producers.





## Doğan Trend

### Motobike Istanbul

Operating under Doğan Trend Otomotiv, the Piaggio Group participated in the Motobike Istanbul event held between February 20 and 23. 18 different models of the brands Aprilia, Moto Guzzi, Piaggio and Vespa were presented to motorcycle enthusiasts at the Piaggio Group booth. Piaggio Group launched six new Vespa models in Motobike Istanbul.

### CEO Club-Moto Guzzi

Moto Guzzi, one of Piaggio Group brands opened a booth at the CEO Club event organized by the Capital Magazine. The future of the sector was discussed at the event with the participation of senior executives of automotive companies and sector organizations.

### KYMC0-Silence Test Drive Event

For the scooter brands KYMCO and Silence, newly acquired by Doğan Trend Otomotiv, online delivery and test drive events were organized for the courier sector managers.



## REAL ESTATE INVESTMENTS

### D Gayrimenkul

#### Trump Shopping Center Children Events & Concerts

Semester holiday shows and workshops were held in Trump Shopping Center in January. In February, the Sonic Boom show was staged for children.

On February 15, Valentine's Day Concert was held in Trump Cadde featuring Ayşegül Aldıncı.

#### Exhibitions and Workshops in Trump Art Gallery

Trump Art Gallery presented exhibitions to the visitors of the shopping center and within the scope of the exhibitions, the artists held special workshops with children. These free workshops enabled children to discover the art with the artists themselves. Children had a pleasant time in these art workshops.

Hosting Hakan Sorar's solo exhibition named "Recolor" between January 1 and 31, Trump Art Gallery brought together Hakan Sorar with children within the scope of the workshop named "Painting My City." Between February 1 and 29, artist Güliz Baydemir's solo exhibition titled "Noah's Ark" was held and a workshop bearing the same name as the exhibition was also organized.

The final exhibition before the pandemic was held on March 8, World Women's Day. The group exhibition "Kybele," which featured various woman portraits of 25 different artists, met with art enthusiasts between March 1 and 31. Within the scope of the exhibition, artist Şinasi Göktürkler held the "My Dear Mother Painting Workshop" for children.





## SOCIAL RESPONSIBILITY ACTIVITIES AND OPERATIONS OF GROUP COMPANIES

The “Tutku mm” team composed of female sailors got together for the “Barışa Yelken (Set Sails for Peace)” event within the scope of September 1 International Day of Peace celebrations sponsored by Milta Bodrum Marina.

### Milta Bodrum Marina

#### CNR Eurasia Boat Show 2020 Fair

Milta Bodrum Marina shared information regarding Blue Flag during the CNR Eurasia Boat Show 2020 Fair.

#### Blue Flag Awareness, Introduction of the Marina and the Lighthouse Coastal Safety in the Marina

Demonstrating environmentally friendly management, informing users and visitors on environmental issues and possessing adequate equipment and high-quality standards, Milta Bodrum Marina held its events online in 2020 due to the global pandemic. In 2021, under the guidance of instructor Nuran Kansu, author of the book “In the Nature with my Child” and with the contribution of Yağmur Kızılok, preparations have begun to provide training via digital channels. The purpose of this project is to make training materials accessible at any time on YouTube.

#### “Stay Home, Stay On Board”

Milta Bodrum Marina supported its guests with the “Stay Home, Stay On Board” campaign in order to meet the needs of guests over 65 years of age within the scope of COVID-19.

A Pandemic Board was formed following the preparation of special contingency plans for COVID-19. Boat guests, employees and renters were informed via e-mail during the pandemic period. All materials in the marina were renewed, clean air areas were established and special disinfection and cleaning equipment were procured. A fully equipped quarantine room in the marina has been made available both for Marina guests and for the use of local units.

#### İZEV, LÖSEV and ATEK Collaborations

The projects conducted on an annual basis with LÖSEV, İZEV and ATEK associations continued online in 2020 due to the global pandemic.

#### Ottoman Shipyard Tower Art Gallery Exhibitions

Ottoman Shipyard Tower Art Gallery featured the exhibitions of Tuna Altunkaya on July 16-28, Tamer Şahinoğlu on July 29-August 11, Ahmet Hıdır on August 26-September 8, Bodrum Maritime Museum-Saner Gülsöken on October 15-25 and Didar Ezgi Özdağ on October 28-November 10.

### Bodrum's Boats

The publicity meeting and exhibition of the first book of the publishing house established within the Bodrum Naval Museum, “Bodrum's Boats,” brought together many book lovers and many well-known sailors. Milta Bodrum Marina provided support in the printing and publicity processes as well.

### Women Set Sails for Peace

The “Tutku mm” crew, formed by female sailors to demonstrate women's power and productivity at sea, got together in the “Barışa Yelken (Set Sails for Peace)” event sponsored by Milta Bodrum Marina on September 1, International Day of Peace. The crew set sails for women who are domestic violence victims.

Milta Bodrum Marina will always provide support to the Tutku mm crew.

### Milta Bodrum Marina BAYK Collaboration

Milta Bodrum Marina hosts many competitions such as the Bodrum International Fishing Tournaments and those organized by the Bodrum Open Sea Sailing Club “BAYK,” which was established inside the Marina in 2001. Races were organized under certain criteria and in shorter periods due to the COVID-19 pandemic. The most important races hosted by Milta Bodrum Marina in 2020 are as follows:

- Schüco BAYK Winter Trophy; 1<sup>st</sup> Leg (18.01.2020-19.01.2020), 2<sup>nd</sup> Leg (08.02.2020-09.02.2020), 3<sup>rd</sup> Leg (29.02.2020-01.03.2020)
- Dragon Spring Series; 1<sup>st</sup> Leg (15.02.2020-16.02.2020), 2<sup>nd</sup> Leg (07.03.2020-08.03.2020)
- Dragon Fall Series; 21<sup>st</sup> Erol Kapkın Dragon Race, Fall 1<sup>st</sup> Leg (12.09.2020-13.09.2020), 2<sup>nd</sup> Leg (10.10.2020-11.10.2020)
- BAYK Trio Cup 2020; (19.09.2020-20.09.2020)
- BAYK Fall Trophy; 1<sup>st</sup> Leg (17.10.2020-18.10.2020), 2<sup>nd</sup> Leg (14.11.2020-15.11.2020)



## INTERNET & ENTERTAINMENT

### Doğan Burda

Doğan Burda continues to prioritize its social responsibility efforts with its publications. Developing new projects to create social responsibility awareness on culture, art, history, nature, environment and health throughout the year, the Company supports various projects as well.

### Restaurants at Home

Supporting various foundations and universities, Doğan Burda commenced a project to support restaurant employees who face difficulties in line with the pandemic in 2020.

The “Restaurants At Home” book, in which more than 100 special recipes and Istanbul’s taste stories were compiled, was prepared to support the food & beverage sector with the contributions of countless institutions and persons. “Restaurants At Home” brings more than 100 recipes unique to Istanbul to its readers, while providing comprehensive facts about our gastronomy culture with articles that remind us what this sector brought to our lives.

The entire income obtained from the book published in collaboration with Cemre Narin, Doğan Burda Magazine Group and Istanbul Life was used for restaurant employees. Those whom the income will be donated were determined by TURYİD (Association of Tourism, Restaurant Investors and Gastronomy), one of the strongest representatives of the sector.

### Science and Scientific Publishing Panel in Turkey

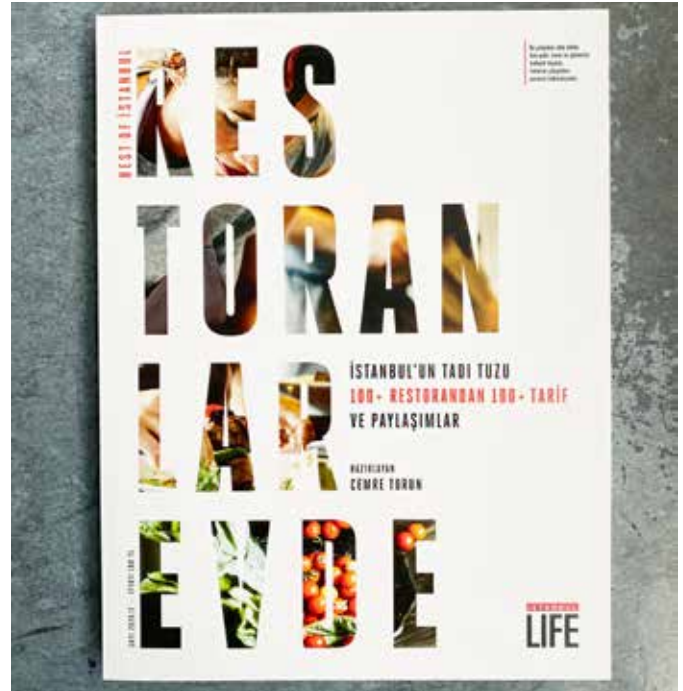
Popular Science Turkey team organized the “Science and Scientific Publishing Panel in Turkey” panel with the invitation of ITU Science and Civilization History Club.

### Turkey’s “Rich in Heart” Research

The “Rich in Heart” research, conducted for the first time in Turkey by Capital magazine and in which business people who contribute to the donation culture were identified, was carried out for the eighth time in 2020. The research conducted based on the donations made by business people in 2019 realizes a very important mission of encouraging companies and business people to make donations.

### Social Responsibility Leaders

Companies implement social responsibility projects to raise awareness among the wider population. CSR efforts help companies maintain communication with consumers and “touch” their lives. Capital magazine conducted a “Corporate Social Responsibility” survey, which highlighted Turkey’s social responsibility leaders. With the “Social Responsibility Leaders” research conducted in 2020, the Magazine emphasized the importance of social responsibility once again.



### Support to Business Life and Entrepreneurship

With researches such as “Capital 500” and “Women Entrepreneurs” Capital and Ekonomist continue to give their support to entrepreneurship and the business world. As part of the Women Entrepreneurs project, awards were presented to “Turkey’s Woman Entrepreneur,” “Promising Women Entrepreneur” and “Women Entrepreneurs Making a Difference in their Community.” It is aimed to share exemplary success stories with the “Turkey’s Woman Entrepreneur” competition.

### Sponsorship Support for Culture and Art

With the magazines in its portfolio, Doğan Burda raised the cultural awareness in Turkey by providing media sponsorship support to İKSV, Contemporary and Baksı Foundation Anatolian Awards in 2020. To this end, the festivals, concerts, exhibitions, film screenings and talks organized by these institutions were covered by our media outlets.

### Support to WWF-Turkey

The donation event for WWF-Turkey, which carries out important work in the struggle for nature conservation and professionalization of non-governmental organizations, was featured in Doğan Burda magazines.

### Support for Education and Health

In 2020, Doğan Burda continued to support the foundations operating in the field of health and education. We support Darüşşafaka and TEGV in the field of education and Tohum Autism Foundation and LÖSEV in the field of health.

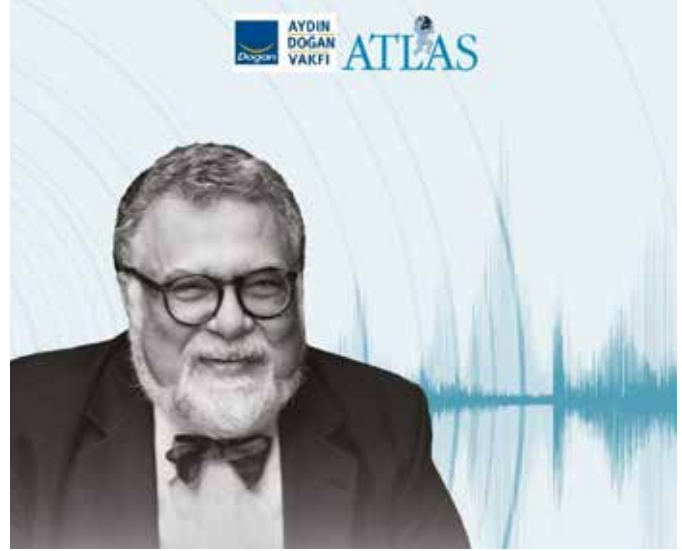
## SOCIAL RESPONSIBILITY ACTIVITIES AND OPERATIONS OF GROUP COMPANIES

Turkey Earthquake Atlas booklet that was prepared with the contribution of more than 20 scientists was presented to Atlas readers with the December issue.

### Events

Due to the pandemic, Doğan Burda held its events online. These events include social responsibility projects, award ceremonies, seminars and exclusive magazine projects.

- Prof. Dr. Ali Mehmet Celâl Şengör was the guest of the online earthquake panel organized free of charge by Atlas magazine on December 19, 2020. As one of the authors of the Turkey Earthquake Atlas booklet presented to Atlas readers with the December issue, Prof. Dr. Celâl Şengör continues his researches in the ITU Eurasia Institute of Earth Sciences. As one of the world's leading scientists in his field, Şengör stated in the online panel that we should not forget that Turkey is an earthquake country. Turkey Earthquake Atlas booklet was prepared with the contribution of more than 20 scientists has many subjects such as movement of continents, seismicity of Turkey, faults, ground, tsunami, ancient earthquakes, and the expected Istanbul earthquake. Presenting the Aydın Doğan Award to the ITU Eurasia Institute of Earth Sciences in 2020 Aydın Doğan Foundation also contributed to the preparation of the Atlas booklet and the organization of this online panel. Aydın Doğan Foundation Chairwoman Candan Fetvacı said that they have shown a great effort to deliver the booklet, which is an important source for everyone, especially for schools.
- Ekonomist's researches, competitions and award ceremonies, such as Women Entrepreneurs, Anatolia 500, attracted great attention as always.
- Real Estate Stars Awards, held for the fourth time by the Ekonomist and Capital magazines, have been presented to their owners. In the event where important players of the real estate sector competed, the top five companies in four different categories received their awards at the ceremony.
- The CEO Club gatherings such as; CEO Club Non-Bank Finance, Future of Automotive, New World and the Way of Doing Business, Future of Retail, the DNA of the New Consumer, Getting Ready for the New Age, Raising New Unicorns: Million Dollar Start-Ups held by the Ekonomist and Capital magazines were among the most interesting events organized during the year.
- In April, the "Leasing 2020 Vision" meeting was held by the Ekonomist magazine. At the meeting, company representatives discussed the 2020 vision of the leasing industry.
- Organized by Ekonomist and Capital magazines, the CEO Band event was held in MESA Bodrum Demirbükü in 2020, and the leaders of the business world entertained the guests with their musical talents.



- CEO Summer Dinner gathering was held on August 22, hosted by Ekonomist and Capital Magazines with the participation of Doğan Holding CEO Çağlar Göğüş.
- At the "Digital Transformation and Cash Management Forum" held by Capital and Ekonomist magazines, the CEOs of leading companies talked about the exemplary practices and the latest technological developments in their companies.
- At the online gathering organized by Capital and Ekonomist, Koç Holding CEO Levent Çakıroğlu explained the Digital and Cultural Transformation Journey of Koç Holding.
- "Renewable Energy" subject was the main agenda at the Sector Vision Meeting held in October by the Ekonomist Magazine. At the meeting, leaders of the sector discussed critical issues regarding the future of the industry.
- 2021 roadmap of the Turkish banking sector was discussed at CEO Club Online Banking Summit held in November 2021. At the opening of the meeting, the Chairman of the Banks Association of Turkey, Hüseyin Aydın, spoke about the developments in the banking sector in 2020 and gave information about the future vision of the association. Held by the Capital and Ekonomist Magazines, Turkey's strongest women CEOs received their awards based on the 2019 turnover of their companies at the 50 Strongest Women CEO Summit. The award ceremony, held for the third time in 2020 was held online due to the pandemic.
- The young leaders involved in the 40 CEOs under 40, held for the fifth time, received their awards in the ceremony held by Ekonomist and Capital magazines. The young CEOs, who came together at the award ceremony held online on November 26, discussed the leadership approach of the new period in the panel held before the award ceremony.





- Business leaders and NGOs got together at the “Zero Waste Summit” event. Capital and Ekonomist magazines brought together the CEOs of the business world with the leaders of NGOs to discuss “sustainability” and “zero-waste,” two of the most important topics of the new era.
- Elele magazine continued its traditional weekend events in 2020 as well. Held in Kartalkaya on February 9, 2020, the “Elele Snow Yoga Weekend” event featured a program that involved sports, yoga, personal care and health. At the event, activities such as yoga on the snow, nighttime strolls, intention meditations and wine tasting were done with the guests.
- Winners of EDIDA 2020, the international design competition of ELLE Decoration, the world’s most widely read decoration magazine which is published in 25 countries for 32 years and reaching 2.5 million readers each month were determined and received their awards. The most prominent names of decoration, design, style and architecture world, leading brands and professionals of the sector attended the event organized by Elle Decoration.

- HELLO! magazine continued organizing launches and events in 2020. In February, the magazine got together with famous names and organized a special love-themed event for Valentine’s Day.
- Within the scope of İstanbul Life magazine Instagram event, Mirgün Cabas took over the @istanbullifedergisi Instagram account and went live for a coffee chat with Mert Firat, M. Serdar Kuzuloğlu and Nur Bilen Yavuzer. The audience had a great time with the live chats with three different guests.

## Doğan Egmont

### Duygu Asena Novel Award

Duygu Asena Novel Award is given on an annual basis since 2007, in order to reward success in the world of literature, in the memory of valuable author Duygu Asena, who introduced the “firsts” regarding women’s rights, freedom and equality to Turkey.

This award is dedicated to the memory of Duygu Asena, who has shown great sensitivity to women’s problems with her writings. Inspired by her groundbreaking book “Women Have No Name,” the program was developed to highlight the continuing problems of women in our country and raise public awareness.

In 2020, Duygu Asena Novel Award was given to Irmak Zileli, with her new novel “Son Bakış,” in a ceremony held online due to anti-coronavirus measures.



## SOCIAL RESPONSIBILITY ACTIVITIES AND OPERATIONS OF GROUP COMPANIES

In order to support the real estate agents, whose activities came to a halt during the pandemic, Hürriyet Emlak provided two months of free membership for the use of Hürriyet Emlak.



### Reading is Good

To provide a digital communication platform to readers who stay home due to the pandemic, a blog was created by Doğan Kitap in March 2020. The blog shared entertaining content such as book interviews, news from the literature world, book reviews, fun facts about books, character tests and knowledge tests.

### April 23 Children's Festival

April 23 Children's Festival went online for the first time. At the festival, children and their parents met their favorite authors. The Children's Festival started with the opening speech of Zülfü Livaneli and featured Göktaş Canbaba, Tan Sağtürk, Sevil Köybaşı and award-winning children's book author Ömür Kurt.

### Doğan Egmont At School

One-on-one school interviews and author events were carried out online due to the pandemic. 3,000 school visits and 580 online school interviews were made by the sales team. Thanks to 500 face-to-face and 350 online events attended by authors, a direct relationship has been established with students and teachers.



### Hürriyet Emlak

#### 2 Months Free Campaign

Like all sectors, the real estate sector was negatively affected by the coronavirus pandemic. Due to the rapid spread of the virus, closure of workplaces as a precaution and curfews, there was a serious pressure on the real estate market, especially in April-May. In order to support the real estate agents, whose activities came to a halt during the pandemic, Hürriyet Emlak provided two months of free membership to all its current and new members for the use of Hürriyet Emlak.



### Let's Walk Together

There are 280 thousand visually impaired people in Turkey. White cane using ability is learned at an early age and ensures the fully independent and equal participation of visually impaired individuals in social life while boosting their confidence. Within the scope of its social responsibility approach, Hürriyet Emlak supported visually impaired citizens with white canes. Hürriyet Emlak participated in Piston Interactive's "Let's Walk Together" movement, which aims to provide white canes to visually impaired students in need. Hürriyet Emlak provided the last five smart canes of the first round target of the project, the "100 smart canes to 100 visually impaired students" campaign.

### Under the Same Roof - Rental Assistance Project

The 6.6 magnitude earthquake that occurred in Izmir caused massive damage, especially in Bayraklı district. There are many buildings that are inhabitable due to damages inflicted by nearby buildings that collapsed.

To assist the earthquake victims in Izmir, Hürriyet Emlak initiated the most extensive social responsibility project in its history. With the “Aynı Çatı Altında (Under the Same Roof)” project held in cooperation with the Ahbap Association, one of the most trustworthy associations in Turkey, and Bayraklı Municipality, 1-year rent of 20 families was covered.

#### Earthquake Assistances

In cooperation with the Beşiktaş Municipality, Hürriyet Emlak sent aid packages to those in need in Elazığ following the 6.8 magnitude earthquake that occurred in Sivrice district of Elazığ. In the aid campaign where all employees contributed, cleaning materials and winter clothes were sent to earthquake victims.

After the Izmir earthquake, Doğan Burda sent children's books to earthquake victim children. Books were distributed to children by the voluntary field workers in Izmir.



**This Year Would Make A Good Movie! - New Year Party**  
Hürriyet Emlak held its 2020 new year party with “Tezgâhçılar” online. At the party, the employees got to know each other better with surveys including small clues on the personal characteristics of the employees. The employees wrote scripts for 2020 with the motto “This Year Would Make A Good Movie!” and chose the best movie together.



#### Kanal D Romania

##### Solidarity Against Pandemic Campaign

To achieve a better understanding of anti-coronavirus measures, Kanal D Romania held an awareness campaign with the participation of famous names and highlighted the importance of staying home during the pandemic.

##### Magic Camp Collaboration

Kanal D Romania supported hospitals in cooperation with Magic Camp during the pandemic period. The support provided to hospitals with the Magic Camp initiative was explained and interviews were conducted with doctors and volunteers.

##### Humanitarian Marathon

The host of Bravo, ai still! program, Ilinca Vandici ran in the Humanitarian Marathon held in August to raise money for poor people and cancer patients. The former contestants of Survivor Romania also ran in the Humanitarian Marathon to raise awareness on subjects such as human rights, blood donation and the protection of forests.

##### SOS Children Villages

Kanal D Romania has raised donations to support the children and families adversely affected by the pandemic. SOS Children Villages were supported with the programs aired and awareness on social health was raised by emphasizing the importance of hygiene. The support provided to SOS Children Villages by Kanal D Romania in 2019 was awarded in the ceremony held in February.

##### Support to Fight Cancer

Kanal D supported the cancer awareness campaign organized by Avantaje magazine and Monza Hospital. On behalf of Kanal D, the weekend news anchor, Simona Patruleasa attended the event held by Avantaje magazine that brought together the well-known names of the health sector and the media.



## SOCIAL RESPONSIBILITY ACTIVITIES AND OPERATIONS OF GROUP COMPANIES

In order to assist those in need through the Needs Map, Festtogether was broadcast live on Netd Müzik's YouTube channel on May 9.

### Support for Families in Need

Participants of the "Wheel of Fortune" program gave away their rewards to families in need within the scope of the "Joc pentru suflete" campaign. The families have chosen among the rewards according to their needs.

### Education Support for Children

In collaboration with "FDP Association - Protagonisti in educatie" during Christmas, Kanal D supported children with no access to education. The programs raised awareness and support was provided to families with donations collected.

### Netd Müzik

#### Festtogether 2020

Festtogether, the first sustainable music festival of Turkey, was broadcast on the Netd Müzik's YouTube channel on Saturday, May 9, to support the needs arising from the COVID-19 outbreak through Needs Map.

The festival was broadcast live for 15.5 hours and watched 12 million 450 thousand times. With the festival organized to support students who need computers in the distant learning process, performing arts workers and those working in the technical side of the music sector, 80% of the needs (334,791 needs) listed on the Needs Map were met.

Festtogether featured 29 famous hosts and 43 esteemed artists, who have taken part in the festival with their outstanding performances.

**FESTTOGETHER  
EVDE  
9 MAYIS**

Festivalin Misafirleri

ADAMLAR • AYBEN • AYŞE TÜTÜNCÜ • BABA ZULA  
BÜYÜK EV ABLUKADA • CAN BAYDAR • CAN BONOMO  
CEYLAN ERTEM FEAT. CENK ERDOĞAN • EKİN BERİL  
ELEKTRO HAFIZ • EMRE KULA • ERDEM YENER • FATMA TURGUT  
FAZIL SAY • FUAT GÜNER • GAYE SU AKYOL • GAZAPİZM  
GRİPİN • ISLANDMAN (DJ SET) • KALBEN • KEREM GÖRSEV  
MANGA FERMAN AKGÜL • MELİKE ŞAHİN • NOVA NORDA  
NÜKHET DURU • ÖZGE FIŞKIN • PERA GÖKHAN MANDIR  
REDD DOĞAN DURU • SERTAB ERENER • SILA • ŞANİŞER  
ŞEVVAL SAM • UFUK BEYDEMİR • YENİ TÜRKÜ DERYA KÖROĞLU  
ZEYNEP DORUK

ih  
ihtiyaç haritası

COVID-19 SALGINI SONRASINDA ORTAYA ÇIKAN  
İHTİYAÇLARA DESTEK OLMAK AMAÇI İLE

Canlı Yayında: netd müzik YouTube Türkiye #EvdeKal

## OCCUPATIONAL HEALTH AND SAFETY

Necessary measures and actions regarding the COVID-19 pandemic are carried out by taking into account the recommendations of national and international organizations, especially the Ministry of Health.

Doğan Group continues its journey on Occupational Health and Safety with the aim to achieve “Zero Work Accidents and Occupational Diseases.” Business continuity is ensured with the trust gained through strategies that adapt to the necessities of the time.

Doğan Holding believes that providing a healthy and safe working environment to its employees is one of its main priorities. As the Company establishes safer working environments for employees with protective and remedial practices; it also protects employee health with various projects and hygiene practices.

In 2020, countless measures were implemented in order to protect the health of employees, sub-employers and stakeholders and to ensure business continuity during the coronavirus pandemic. In line with these responsibilities, all kinds of safety measures recommended by regional, national and international institutions were taken into consideration.

Necessary measures and actions regarding the COVID-19 pandemic are carried out by taking into account the recommendations of national and international organizations, especially the Ministry of Health. With the Doğan Holding Crisis Committee formed at the beginning of the pandemic period, the main principles to be implemented throughout the Group were determined. Developments regarding the subject were closely monitored with the subsidiaries and the practices were updated in line with the needs. Employees are monitored closely by Health Units.

It is the Group's priority to make sure that employees, sub-employers and relevant stakeholders carry out their activities in a healthy and safe working environment and to provide a suitable working environment for a sustainable future. Within the scope of this priority, Doğan Group eliminates the hazards and risks that may constitute an obstacle with proactive and systematic approaches.

The national legislation, standards and globally accepted practices regarding the subject are closely monitored by occupational health and safety teams consisting of occupational safety specialists, workplace physicians and other health personnel working in Group companies, and necessary improvements are made.

Doğan Holding Occupational Health and Safety Unit plays an important role in the internalization of the value attached to occupational health and safety. Occupational Health and Safety Unit manages the regular review of practices

throughout the group, shares international developments and best practices with Group companies, and ensures regulatory compliance.

In addition to the basic occupational health and safety training held to raise employee awareness, all necessary training (emergencies, employee representative, safe use of equipment, occupational training, first aid, hygiene, etc.) and regular information are also provided for employees.

The emergency plans are prepared taking into account the potential emergencies in the Group companies and the plans prepared are renewed according to the legal periods and conditions. Trainings are provided to the teams formed within the scope of emergency action plans (firefighting, search, rescue and evacuation, communication, intervention to power sources, etc.) by the certified institutions and individuals according to the legislation and a drill is organized at least once a year.

Risk evaluation reports in which hazards and risks are determined and documented pursuant to the legislation are prepared by the Group companies. The risk evaluation reports prepared are partially or completely renewed according to legal period and conditions.

Workplace controls and health surveillances in which the occupational health and safety processes and the in-house applications are checked and the corrective/preventive actions are determined where necessary are carried out on a regular basis by the occupational safety specialists and the workplace physicians in Group companies. Pre-employment medical examinations and periodic examinations of employees are carried out by workplace physicians.

The work accidents and near miss events are recorded, these records are examined and reported to required units/authorities. Periodical checks of work equipment must be made by authorized and competent institutions or individuals. Occupational hygiene measurements are made in line with the determinations and recommendations of occupational safety specialists and workplace physicians.

Occupational health and safety risks are discussed during the Early Detection of Risk Committees of Doğan Group companies and after the committee meetings, actions are taken and followed. These activities are audited in terms of compliance and internal control within the framework of the annual audit business plans. Information on the occupational health and safety activities of the Group companies are regularly communicated to executive bodies of the Holding.

## HUMAN RESOURCES

In 2020, the Holding aimed to deliver competent services at high standards and extended swift, efficient and fair support to all stakeholders thanks to its top-caliber workforce.

### HUMAN RESOURCES POLICY

#### Human Resources Policy

Viewing its human resource as its most important asset, Doğan Holding is proud to be a corporation that all employees are pleased to work in. Cognizant that sustainable growth can only be achieved with the participation of employees, Doğan Holding has continued to grow with its human resources composed of responsible employees who can think strategically, formulate rapid and efficient solutions to problems and embrace the corporate values. This year, as in every year, the Holding aimed to deliver competent services at high standards and extended swift, efficient and fair support to all stakeholders thanks to its top-caliber workforce.

To this end, Doğan Holding is committed to:

- Creating a suitable environment for employees that supports their personal and professional development;
- Providing a suitable working environment to ensure sustainable development;
- Regarding personal differences as enrichment in terms of human resources and taking a fair approach in line with ethical values;
- Assessing employees' performance by applying objective criteria;
- Providing equal opportunities to employees in terms of training and development;
- Strengthening the team spirit and expanding teamwork to achieve better business results;
- Offering assignment, promotion, transfer and rotation opportunities within the Group in order to enable employee development as well as organizational development;
- Creating a working environment in which ethical values and general rules of conduct are implemented and the balance between business and private life is observed;
- Rewarding high performance, providing appropriate and constructive feedback to those who have lower than expected performance and supporting them to improve their skills and abilities;
- Developing approaches to enhance employees' motivation and loyalty;
- Making improvements in technology and procedures to shorten the business processes of stakeholders and help them operate in a more efficient and productive manner.

The Holding's human resources policy is designed around its congruence with company and employee targets. Therefore, keeping employee loyalty at high levels and ensuring that corporate culture elements are accepted and adopted by all employees are critical.

We give great importance to internalizing the Code of Ethics among our employees. We facilitate this process via in-house communication channels and training programs. We actively encourage employees to conduct themselves with this awareness.

#### Recruiting Well-Qualified Workforce

Doğan Group has adopted the principle of treating all potential candidates equally, with no discrimination during the selection and recruitment process, and looking only at the candidate's suitability for the job. As our Group adopts the belief that corporate success resides in practicing a successful recruitment strategy, our recruitment policy is based on the educational background, experience, competencies, career goals and expectations of candidates, in compliance with requirements of each position. We aim to acquire for the Group individuals who are disposed toward teamwork, who keep a close watch on national and global developments, who are open to innovation and who are suitable for our corporate culture. In job applications, the Holding utilizes interviews focused on competence as well as various inventories to assess the candidates' personal traits, in order to establish a transparent and fair recruitment process. Attaching great importance to the process between meeting the candidate for the first time and submitting an offer, Doğan Holding conducts all recruitment processes together with the human resources professionals it employs.

#### Internal Job Posting System – One of Us

Thanks to the internal ad platform named "One of Us," it is ensured that the human resource needs arising in Doğan Holding and Group Companies are met from within the Group. Job ads are primarily published in the internal ad platform and it is reviewed whether there is a suitable candidate inside the Group. Where no suitable candidate is found within the Group, candidates are searched from outside the Group.

Thanks to the "One of Us" platform, the employees are able to enjoy in-Group career opportunities and follow the career development opportunities in a wide range of possibilities.





### Investing in the Training and Development of Employees

Creating and maintaining appropriate opportunities with the purpose of maximizing employee potential and ensuring the continuous development of personnel is a primary responsibility of Doğan Holding. In order to facilitate employee development, a great emphasis is placed on training at each level and stage. The Holding has adopted a corporate culture that encourages learning and development in order to cultivate well-qualified and professional employees. To ensure the success and efficiency of the Holding, training programs are designed to support employees' personal skills and their daily work.

A lot of subjects, such as personal development, development of technical and managerial skills are included in the training programs. Solutions specifically designed for certain companies also enrich the training programs.

In addition to aiming to foster a sustained learning and development environment that constantly supports the improvement of senior management, Doğan Holding also targets training strong, and solid executive candidates. Doğan Leaders Development Project launched in 2019 to cover the Holding and its subsidiaries is a program prepared for the senior management. For mid-level executives, Value-Creating Executive Program has been prepared. These programs continued in 2020 as well.

While providing orientation training for new recruits to adapt quickly to the corporate culture, Doğan Holding provides many training opportunities to improve current competencies. New recruits are assigned an orientation buddy for one month to support them. Orientation buddy is chosen by the

executive of the new recruit and the human resources. From the moment the new recruit enters the office for the first time, he/she is supported in subjects such as introduction of the physical areas, team orientation, details of the job, and the systems and processes used. Information is provided to new recruits in the event they need assistance and it is ensured that the adaptation process is completed in the easiest way.

Thanks to discount agreements between private universities and Doğan Holding, employees have the opportunity to pursue master's level studies while they are working.

Doğan Holding raised its own internal trainers with the "We Learn from Each Other" program launched in 2019. These programs continued online in 2020. "We Learn From Each Other" program, where employees share their knowledge and experience with other employees, communicate with each other and create a culture that is open to learning and mentoring, provided a rich training catalog to the Group employees.

In 2020, when classroom trainings and face-to-face trainings are considered as a violation of the anti-coronavirus measures, Doğan Holding established the "Development with Doğan" e-platform and therefore enabled Holding and Group companies to perform training through this platform.

All these applications aim to bolster Doğan Holding's capacity in using technology, developing new business processes and assuming a leadership role in new markets.

## HUMAN RESOURCES

31 employees received coaching services in 2020 and the preparations for a second coaching program have begun.

### 360 Degree Feedback and Development

Doğan Holding believes that a transparent, positive, constructive and trust-based feedback culture will raise the individuals' awareness of strengths and weaknesses, improve overall team performance and the overall efficiency of the Company by leading to improvements in behavior and performance.

The feedback culture requires an approach that is applied from the top management to sub-teams. Starting from this point of view and cooperating with Board of Directors, a 360 Degrees Feedback and Development program was put into practice in 2020 to include the top management teams of Doğan Holding and group companies in the process primarily. Doğan Holding Leadership Competency Set is used throughout the process.

The 360 Degrees Feedback and Development program applied in Doğan Holding and Group companies is a development tool that allows information to be collected on how a person is perceived by different people in terms of his/her competencies, behaviors, communications and relations.

In order to conduct a 360 degrees feedback; the person, his/her executives, peers and direct reporters are consulted. With such evaluation, a holistic feedback is obtained by preparing reports that assist executives to understand the gap between their own leadership perception and thoughts and perceptions of other persons.

In 2021 it is aimed to provide feedback to those evaluated and to prepare development plans afterward.

### Coaching Program

Coaching services are provided to enable employees to realize their potential, help them when they face challenges in business life, and achieve balance in their lives.

14 employees from the Holding and Group companies were selected as internal coaches. 31 employees received coaching services in 2020 and the preparations for a second coaching program have begun.

### Remuneration and Reward Management

Doğan Holding has adopted the principle of "equal pay for equal work" in its remuneration policy, which is shaped and updated according to wage categories, recent market trends and performance evaluations.

In order to provide all this data, Doğan Holding constantly collaborates with salary research companies. Market salary researches according to different markets guide the company's salary policy.

At the "Doğan Value Awards" which adopted in 2019 and continue in 2020, 64 applications from 14 companies were evaluated by the pre-evaluation committee and the jury in eight categories. Because of the pandemic, the awards were presented to person, project, product and services that was granted an award through a ceremony held online.

### Performance Management System

In order to recruit well-qualified employees in and increase their loyalty to the companies they work at, Doğan Holding adopts a policy of rewarding success. The Holding believes that employees who perform above expectations and achieve exceptional successes and/or undertake activities beyond their responsibilities should be appreciated and rewarded. The Holding thinks that these types of rewards will encourage employees to perform above the expected standards.

Doğan Group established the Performance Management System with a view towards creating a human resources management function compatible with its visions and strategies. The objective of the performance management system is to encourage employees at all levels to embrace a high performance culture, and thus ultimately create value for all stakeholders.

In order to meet the goals, the performance evaluation system is designed to ensure the necessary active follow-up and regular orientation of employees, to support successful employees, and to realize career and success planning and granting awards to employees.

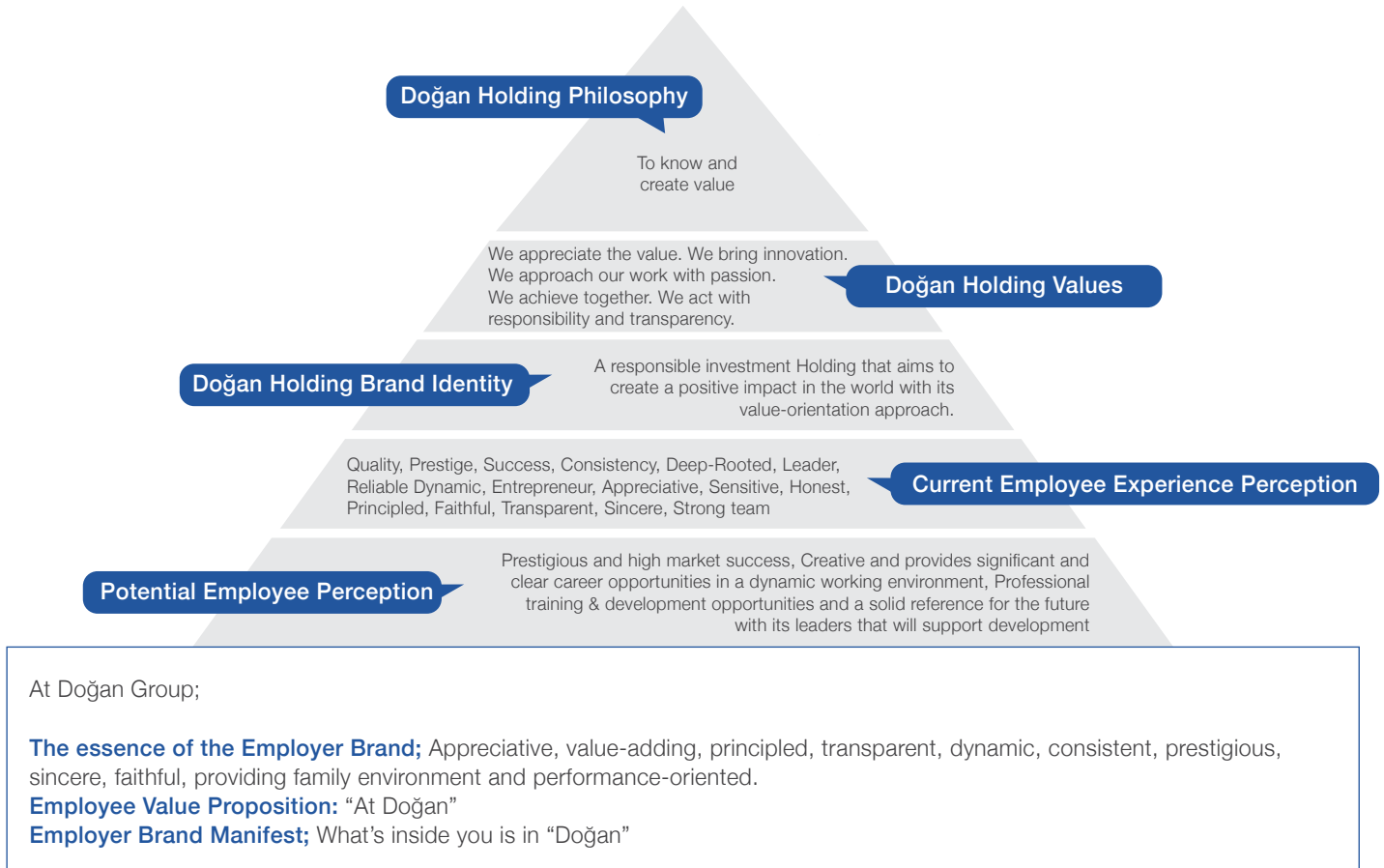
### Employer Brand Project

Employer Brand activities commenced with the accumulation of Doğan Group's philosophy, values, brand identity as well as current and potential employee perception.

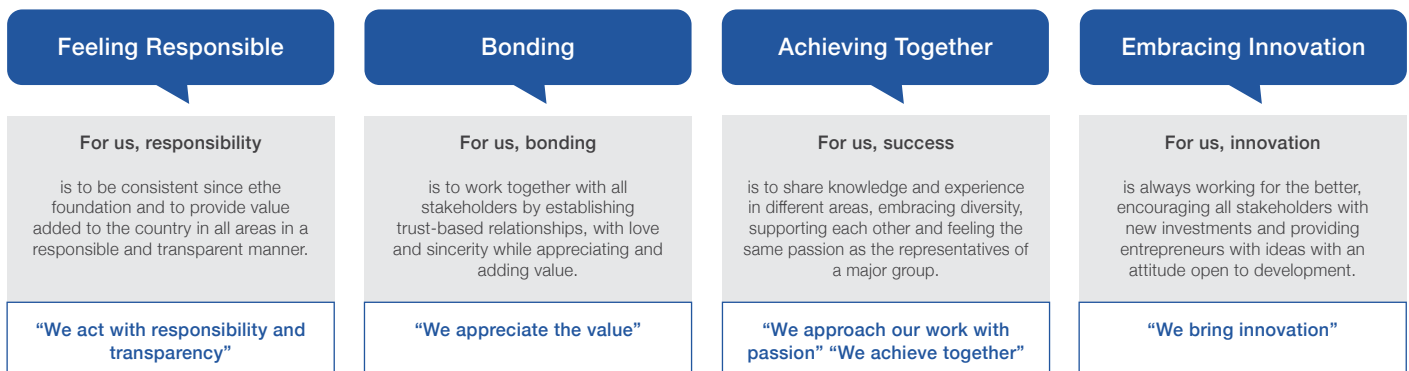
A picture of the current situation was taken with the results of Turkey's Most Attractive Employers surveys for Doğan Holding and the Group companies and the employee perception survey. Company and Group-based reports were compiled in the light of these data and used to create an employee value proposition with the essence of the brand. Action steps and action teams were determined by building the employer brand world around this value proposition.

Employer brand covers the entire experience offered to employees.

### Doğan Holding Employer Brand Pyramid



### The Foundation of the Employee Value Proposition



**Activation areas on which the Employer Brand was built;** Talent Acquisition, Career, Development, Life, Innovation and COVID-19.

- **Talent at Doğan:** In-campus events, events outside the campus, communication with professionals
- **Career at Doğan:** Recruitment, new recruit experience, performance management & career planning, recognition and appreciation
- **Development at Doğan:** Professional development, personal development and innovative development
- **Life at Doğan:** Communication with employees, inter-unit communication, social benefit
- **Innovation at Doğan:** Idea platforms, in-house entrepreneurship
- **COVID-19;** Employment communication, learning and development, vitality, leader communication

In 2021, it is aimed to expand the activation areas related to the Employer Brand in Holding and Group companies.



## HUMAN RESOURCES

With the COVID-19 pandemic, Doğan Holding formed a COVID-19 Crisis Committee responsible to create and implement solutions.

### HUMAN RESOURCES PRACTICES

#### Our Human Capital is Our Most Valuable Asset!

Doğan Holding aims to maintain its current achievements while reaching new accomplishments. The Company is powered by its highly competent and well-equipped employees that have embraced the Group's business targets. Fully aware that employees are its most valuable asset, the Holding aims to become a well-established employer brand by adopting contemporary human resources policies that will maintain employee satisfaction at the highest level.

The Holding's human resource policies and applications aim to foster its corporate culture across the workforce, boost efficiency, and strengthen employee loyalty. Human resources activities undertaken within Doğan Holding and Group companies are designed around a common corporate culture. These activities are conducted on the basis of sectoral and local factors and can be categorized under four main headings: human resources planning; business analyses based on roles and responsibilities; training and performance; and remuneration management.

#### A Peaceful Working Environment, High Employee Satisfaction

Different personal attributes such as nationality, belief, ethnic origin, language, gender, disability, political views and age are regarded by Doğan Holding as characteristics that strengthen the Company's corporate structure. As a result, every Doğan Holding employee has equal rights.

All Doğan Holding employees have private health insurance. Occupational physicians and assistant health personnel employed at the Holding's Group companies – in coordination with the human resources department – closely monitor employees' health conditions.

#### COVID-19 Crisis Committee and its Activities

Following the COVID-19 pandemic, Doğan Holding formed a COVID-19 Crisis Committee responsible to create and implement solutions. The committee consists of the leaders and employees of different units. By collecting healthy data, the committee continues to operate by adopting an approach in which cooperation, flexibility, participation and taking initiative are supported. The committee supports the top management when making decisions about protecting the health of employees and creating a healthy and safe working environment.

#### Improving Employee Experience; COVID-19 Experience Survey

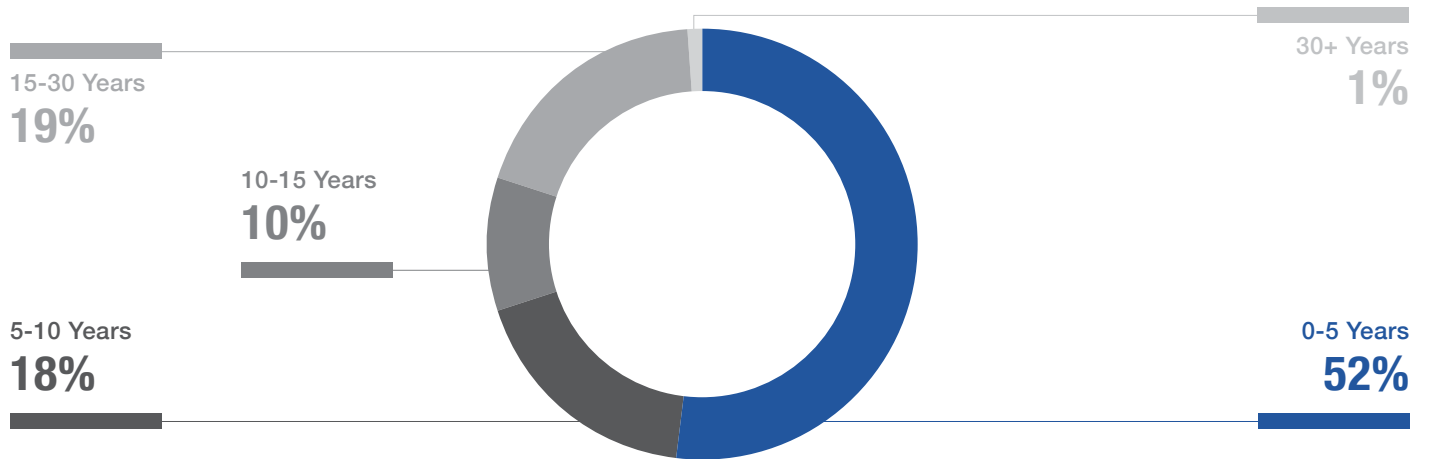
During the period when the employees were working remotely due to the COVID-19 pandemic, close communication was established with all employees. The health status, working conditions and concerns of the employees were monitored closely. For this reason, a COVID-19 Experience Survey was conducted in June. The survey was very beneficial for assessing the impact of continuous communication and the measures taken on the employees. The online survey conducted on the Holding and Group employees included questions about the experiences of the employees while working remotely. As a result of the survey, it was determined that 67.8% of the employees found working from home productive. Employees' rate of recommending to work in Doğan Holding and Group companies increased by 7.9% compared to the pre-COVID-19 period, reaching 85.1%. It was determined that, compared to the pre-COVID-19 period, Doğan Holding values have become more aligned with the actual experience.

### DOĞAN HOLDING'S HUMAN RESOURCES PROFILE

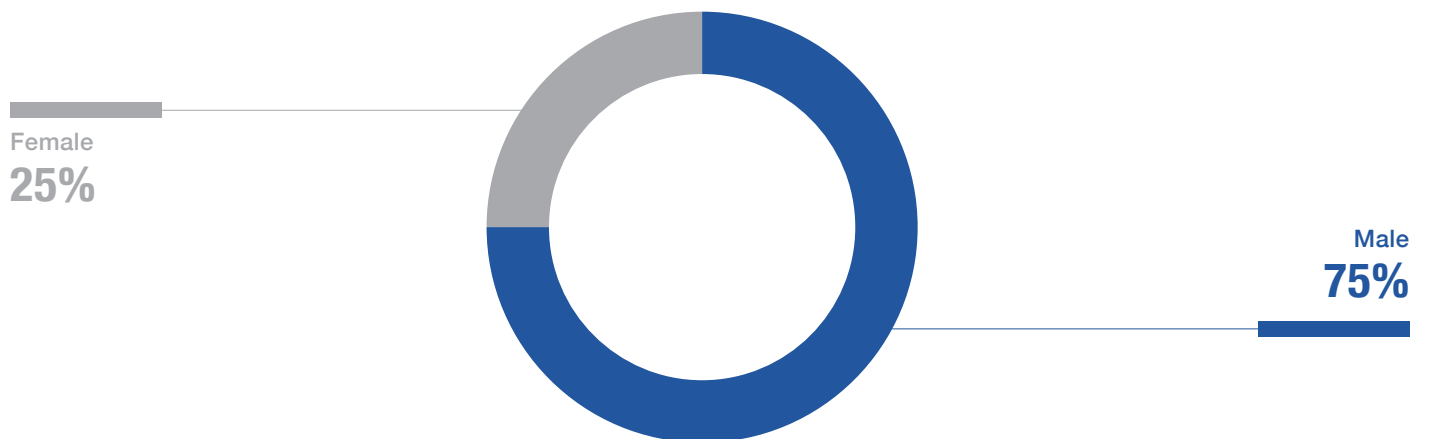
As of December 31, 2020, the total number of personnel in the domestic and abroad subsidiaries and associates of the Group, that are consolidated, is 3,533 (domestic 3,225) (December 31, 2019: 3,250; domestic 2,955). Some 25% of the personnel employed in Turkey are women. Personnel employed for over five years in the Group represent 54% of the total workforce.

As of December 31, 2020, 38% of Doğan Holding personnel employed in Turkey are in the 18-35 age group, giving the Company a young employee profile. The average age of the Group's workforce is 38.

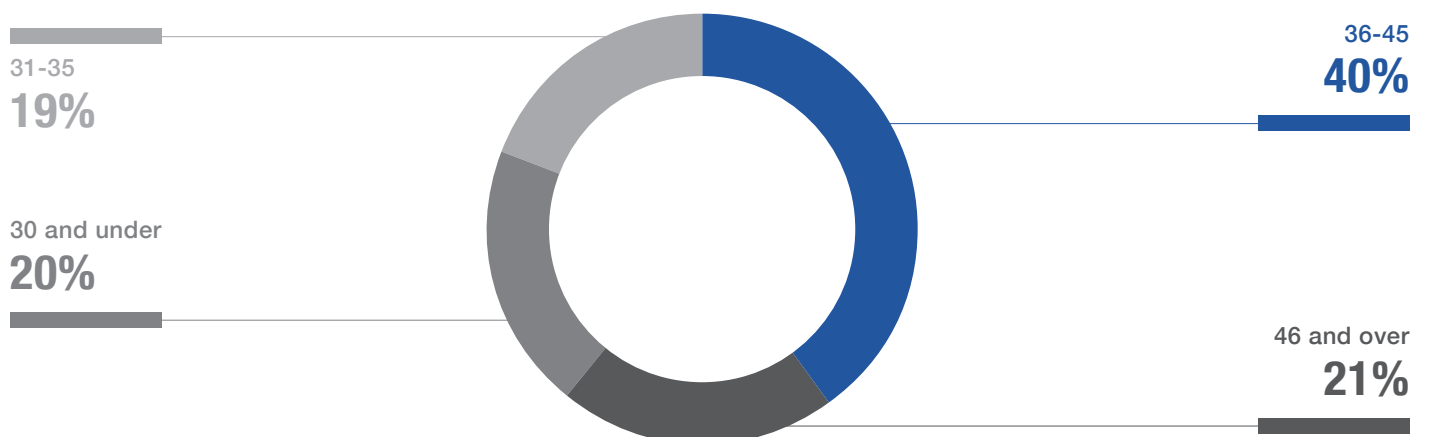
## Doğan Holding and Group Companies' Employee Seniority



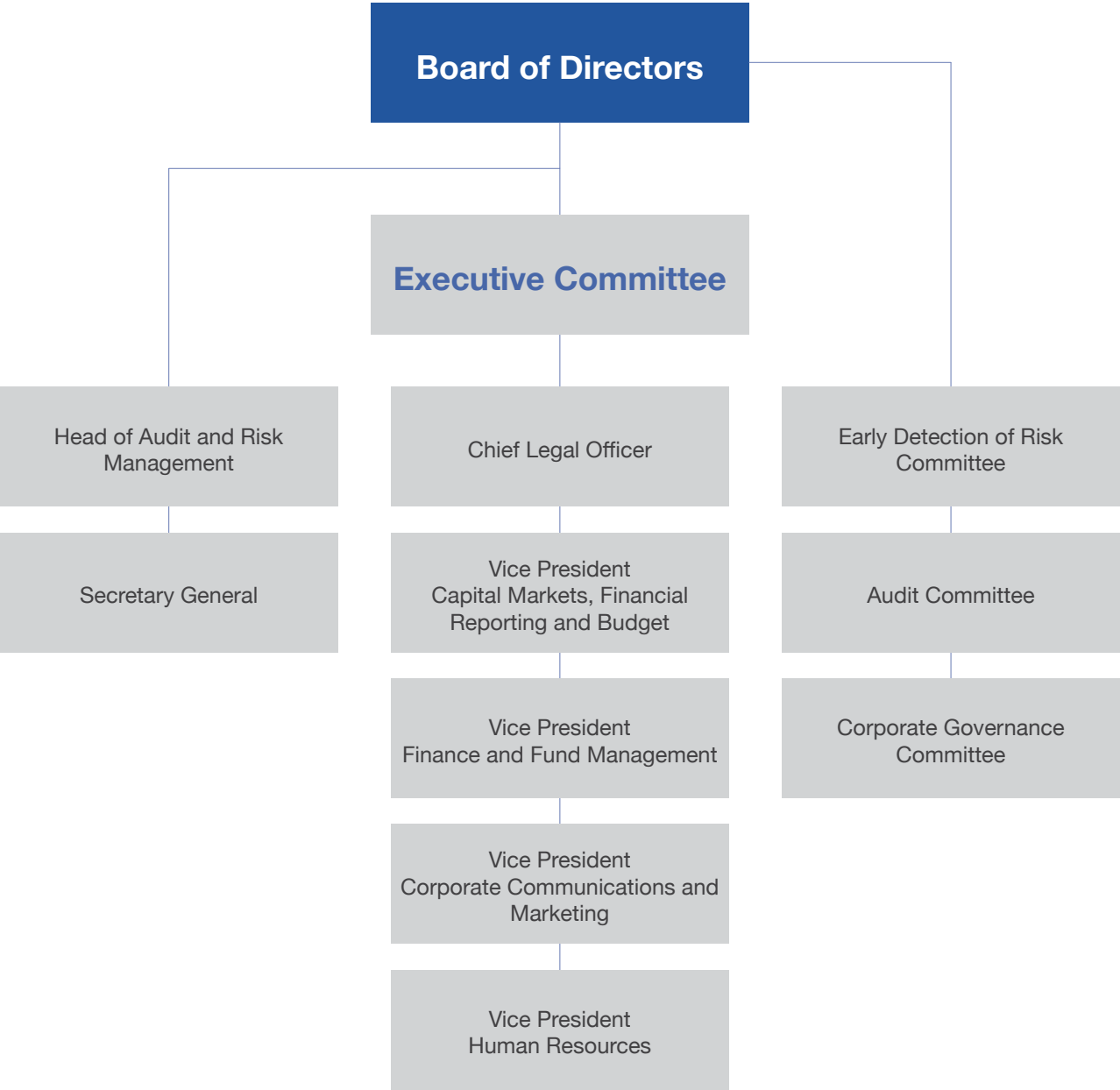
## Gender Breakdown of Doğan Holding and Group Companies' Employees



## Age Groups of Doğan Holding and Group Companies' Employees



# DOĞAN HOLDING ORGANIZATIONAL CHART





## MANAGEMENT STRUCTURE

### Sustainable and Profitable Growth Strategy

Doğan Group Companies adopt a management approach based on the Holding's sustainable and profitable growth strategy. Group companies also create a transparent, flexible and entrepreneurial working environment centered on teamwork and communication.

As a driving force for the Turkish economy, Doğan Holding remains the pioneer of change and development in all sectors it operates in while maintaining an innovative vision.

### Corporate Governance Rating

Doğan Holding fully embraces the concepts of equality, transparency, accountability and responsibility set forth in the Capital Markets Board's Corporate Governance Principles as an integral part of its corporate culture. Doğan Holding has been included in the BIST Corporate Governance Index since November 4, 2009. SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. ("SAHA"), a rating agency licensed to issue ratings pursuant to the Capital Markets Board's ("CMB") Corporate Governance Principles, raised our corporate governance rating to 9.51 (95.10%), over 10. As per CMB's relevant resolution, the final rating is determined by assigning different weights to four subcategories. The distribution of our corporate governance rating by subcategory is presented below:

Subcategories	Weight (%)	Rating November 2020	Rating November 2019
Shareholders	25	95.48	95.48
Public Disclosure and Transparency	25	98.85	98.85
Stakeholders	15	93.92	93.92
Board of Directors	35	92.65	92.35
<b>Total</b>		<b>95.10</b>	<b>94.99</b>

In the Global Corporate Governance Index (GCGI) that was announced by SAHA on October 8, 2019, Doğan Holding is included in Group 1.

The Corporate Governance Compliance Report published by SAHA is available on Doğan Holding's corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

### Inclusion to BIST Sustainability Index

The BIST Sustainability Index ("Index") features the stocks of those companies listed on Borsa İstanbul demonstrating a high corporate sustainability performance. As a result of assessments to determine the companies to be included in the index for the period December 2020 – October 2021, Doğan Holding was added to the index as of 01.12.2020.

### BOARD OF DIRECTORS

The Chairperson and members of the Board of Directors hold the powers granted to them by the relevant articles of the Turkish Commercial Code and the Articles of Association. Board Members are elected to serve for a maximum of three years according to Article 3 of the Articles of Association. If their term of office is not clearly stated in the selection decisions by the General Assembly, the term of office is deemed to be one year. Board Members were elected at the Ordinary General Assembly Meeting for the 2019 accounting period held on 27.03.2020, to serve for 1 year upon the General Assembly Meeting date. In 2020, 32 (2019: 38) Board of Directors meetings/decisions were held/made.

6 of the Board Meetings held in 2020 were held by means of physical gathering. The attendance rate at the board meetings has been approximately 94% (2019: 79%).

## MANAGEMENT STRUCTURE

### Board of Directors<sup>5</sup>

Name-Surname	Title	Executive/Non-executive
Y. Begümhan DOĞAN FARALYALI	Chairwoman	Non-Executive
Hanzade V. DOĞAN BOYNER	Vice-Chairwoman	Non-Executive
Agah UĞUR <sup>6</sup>	Vice-Chairman	Non-Executive
Arzuhan DOĞAN YALÇINDAĞ	Board Member	Non-Executive
Vuslat DOĞAN SABANCI	Board Member	Non-Executive
ÇAĞLAR GÖĞÜŞ	Executive Director	Board Member/Chief Executive Officer/ Executive
Ahmet TOKSOY	Board Member	Non-Executive
Dr. A. Vural AKIŞIK	Board Member	Independent Board Member
Hacı Ahmet KILIÇOĞLU	Board Member	Independent Board Member
Hüseyin Faik AÇIKALIN	Board Member	Independent Board Member
Ali Aydın PANDIR <sup>7</sup>	Board Member	Independent Board Member

Board Members hold the following positions outside the Company:

Name-Surname	Duties Outside the Company
Y. Begümhan DOĞAN FARALYALI	Several Chairwoman and Vice Chairwoman Positions at Group Companies and Board Member at the Parent Company
Hanzade V. DOĞAN BOYNER	Chairwoman Position at Group Companies, and Board Member Positions at the Parent Company and its Affiliated Companies
Agah UĞUR <sup>6</sup>	Board Member at Companies Outside the Group
Arzuhan DOĞAN YALÇINDAĞ	Board Member at the Parent Company
Vuslat DOĞAN SABANCI	Chairwoman Position at Group Companies and Board Member at the Parent Company
Çağlar GÖĞÜŞ	Several Chairman, Vice Chairman and Board Member Positions at Group Companies and Board Member and Shareholder Positions at Companies Outside the Group
Ahmet TOKSOY	-
Dr. A. Vural AKIŞIK	Several Independent Board Member Positions at Group Companies
Hacı Ahmet KILIÇOĞLU	Several Independent Board Member Positions at Group Companies and Board Member at Companies Outside the Group
Hüseyin Faik AÇIKALIN	Board Member at Companies Outside the Group
Ali Aydın PANDIR <sup>7</sup>	Board Member and Shareholder Positions at Companies Outside the Group

<sup>5</sup>Detailed information on the Board of Directors and Committees, as well as member resumes, are presented on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

<sup>6</sup>At the Board meeting dated 06.01.2021 and numbered 2021/01, it was decided to elect Agah Uğur as a Board Member and a Second Vice Chairman in place of İmre Barmanbek, who resigned from Board Membership.

<sup>7</sup>At the Board meeting dated 06.01.2021 and numbered 2021/01, it was decided to elect Ali Aydın Pandir as Independent Board Member, Corporate Governance Committee Member, and Early Detection of Risk Committee Member in place of Agah Uğur.

### Board of Directors Committees

According to the Resolution of the Board of Directors dated 27.05.2020,

The Executive Committee, Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee have been established until the next Ordinary General Assembly for the period between 01.01.2020 and 31.12.2020, at which the activity results of fiscal year 2020 will be evaluated, excluding the Corporate Governance Committee. The Corporate Governance Committee will continue its duties until the first Board of Directors' Meeting to be held after the General Assembly Meeting to be held to discuss 2020 activity results. With the same decision, it was stipulated that the Corporate Governance Committee would also take on the duties of the Nomination Committee and the Remuneration Committee as per II-17.1 Corporate Governance Communique issued by the Capital Markets Board (CMB).

### Executive Committee<sup>8</sup>

Name-Surname	Title
ÇAĞLAR GÖĞÜŞ	President (Chief Executive Officer - CEO)
Bora YALINAY	Member (Chief Financial Officer - CFO)
Tolga BABALI	Member (Financial and Operational Management)
Vedat Mungan	Member (Strategic Planning and Business Management)
Eren SARIÇOĞLU <sup>9</sup>	Member (Business Development and Business Management)

### Audit Committee<sup>7</sup>

Name-Surname	Title
Hüseyin Faik AÇIKALIN	President (Independent Board Member)
Hacı Ahmet KILIÇOĞLU	Member (Independent Board Member)

The Audit Committee convened 4 times in the accounting period 01.01.2020-31.12.2020, took 5 resolutions, and presented these resolutions in writing to the Board of Directors. The working principles of the Audit Committee is available on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

### Corporate Governance Committee<sup>10</sup>

Name-Surname	Title
Ali Aydın PANDIR <sup>7</sup>	Member (Independent Board Member)
Hacı Ahmet KILIÇOĞLU	Member (Independent Board Member)
Dr. Murat Doğu	Member

The Corporate Governance Committee convened 4 times in the accounting period 01.01.2020-31.12.2020, took 5 resolutions, and presented these resolutions in writing to the Board of Directors. The working principles of the Corporate Governance Committee is available on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

<sup>7</sup>At the Board meeting dated 06.01.2021 and numbered 2021/01, it was decided to elect Ali Aydın Pandir as Independent Board Member, Corporate Governance Committee Member, and Early Detection of Risk Committee Member in place of Agah Uğur.

<sup>8</sup>Detailed information on the Board of Directors and Committees, as well as member resumes, are presented on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

<sup>9</sup>According to the decision of the Board of Directors dated 08.01.2021 and numbered 2021/02, Eren Sarıçoğlu was appointed as the Executive Committee Member Responsible for Business Development and Business Management.

<sup>10</sup>With the Resolution of the Board of Directors dated 27.05.2020, Corporate Governance Committee is elected to serve until the first Board of Directors Meeting to follow the Ordinary General Assembly Meeting in which the activities of 2020 will be discussed.



## MANAGEMENT STRUCTURE

### Early Detection of Risk Committee<sup>7</sup>

Name-Surname	Title
Hüseyin Faik AÇIKALIN	President (Independent Board Member)
Hacı Ahmet KILIÇOĞLU	Member (Independent Board Member)
Ali Aydın PANDIR <sup>6</sup>	Member (Independent Board Member)
Ahmet TOKSOY	Member
Bora YALINAY	Member

In the accounting period 01.01.2020-31.12.2020, the Early Detection of Risk Committee convened six times and presented the decisions taken during these meetings to the Board of Directors in writing. The working principles of the Early Detection of Risk Committee are available on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

### Additional Explanations on the Board of Directors and the Committees

The Board of Directors reviews the effectiveness of risk management and internal control systems at least once a year. The Board also carries out the necessary reviews for the functioning and effectiveness of the internal audit system.

If they require so, the Committees of the Board of Directors consult independent experts about certain issues related to their activities. The Company covers the expenses of the advisory services required by the Committees. These advisor entities and people do not have any relationship with the Company.

The Board of Directors is responsible for ensuring that the Company reaches its operational and financial performance objectives that are previously specified and publicly disclosed. The Board of Directors conducts a self-criticism and performance evaluation, for both its members and managers holding executive responsibilities. Considering these evaluations, Board Members and managers holding executive responsibilities are rewarded or dismissed.

### Board of Directors assessment on the Working Principles and Efficiency of Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee:

Upon a Board of Directors resolution dated 09.05.2019, the following appointments were made to the committees in order to assist the Board in its activities, as per the relevant provisions of the Turkish Commercial Code, Capital Markets Law, and Capital Markets Board ("CMB") Regulations and Resolutions and the Articles of Association;

Hüseyin Faik Açıkalın, Independent Board Member was appointed as the President of the Audit Committee, and Hacı Ahmet Kılıçoğlu, Independent Board Member was appointed as the member of this Committee,

Independent Board Members Hacı Ahmet Kılıçoğlu and Ali Aydın Pandir, and Dr. Murat Doğu, Vice President of Financial Affairs and Investor Relations were appointed as the Members of the Corporate Governance Committee,

Hüseyin Faik Açıkalın, Independent Board Member, was appointed as the President of the Early Detection of Risk, and Independent Board Members Hacı Ahmet Kılıçoğlu and Ali Aydın Pandir<sup>11</sup>, Board Member Ahmet Toksoy and Chief Financial Officer Bora Yalınay were appointed as the members of this committee.

<sup>11</sup> At the Board meeting dated 06.01.2021 and numbered 2021/01, it was decided to elect Ali Aydın Pandir as Independent Board Member, Corporate Governance Committee Member, and Early Detection of Risk Committee Member in place of Agah Uğur.

The regulations governing the areas of duty and working principles of the aforementioned committees have been put into force upon a resolution of the Board of Directors and disclosed to the public via Company's website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

During the accounting period of 01.01.2020-31.12.2020, all the Board of Directors committees fulfilled their duties and responsibilities in accordance with the Corporate Governance Principles and their own regulations and operated in an efficient manner.

In the accounting period 01.01.2020-31.12.2020, in line with an annual meeting schedule as required for the effectiveness of their work, and in accordance with their own regulations:

- The Audit Committee convened four times on 26.02.2020, 27.05.2020, 12.08.2020 and 05.11.2020, and took five decisions.
- The Corporate Governance Committee convened four times on 26.02.2020, 27.05.2020, 12.08.2020 and 05.11.2020, and took five decisions.
- The Early Detection of Risk Committee convened six times on 26.02.2020, 12.05.2020, 25.06.2020, 01.10.2020, 25.11.2020 and 30.12.2020, and took six decisions.

The committees presented their reports on their activities and the results of their meetings held during the year to the Board of Directors. Accordingly:

The Audit Committee is responsible for taking all the necessary measures for the sufficient and transparent implementation of all kinds of internal control and independent audit activities, and for ensuring that the internal control systems function efficiently. The Audit Committee presented its opinions and suggestions on the internal audit and internal control systems and on the other issues under its responsibility to the Board of Directors.

Set up to monitor the Company's compliance with the Corporate Governance Principles, realize improvements in this area and make suggestions to the Board of Directors, the "Corporate Governance Committee" identified the best management practices concerning the implementation of the Corporate Governance Principles at the Company, presented the Board of Directors its suggestions on improving corporate governance practices, and supervised the functioning of the Investor Relations Department.

Established to detect possible risks towards the Company's existence, development and continuity at an early stage, take the necessary measures and manage these risks, the Early Detection of Risk Committee revised the Company's risk management systems within the scope of its duties and working principles. The Committee also informed the Board of Directors by means of the two-monthly reports, which are required as per Article 378 of the Turkish Commercial Code (No. 6102).

### Doğan Holding Management Team

Name-Surname	Duty
Çağlar Göğüş	Chief Executive Officer and Executive Director
Bora Yalınay	Executive Committee Member, Chief Financial Officer - CFO
Tolga Babalı	Executive Committee Member, Financial and Operational Management
Vedat Mungan	Executive Committee Member, Strategic Planning and Business Management
Eren Sarıçoğlu <sup>12</sup>	Executive Committee Member, Business Development and Business Management
Kemal Sertkaya	Head of Audit and Risk Management
Güventürk Kızılyel	Chief Legal Officer
Ayhan Sırtıkara	Secretary General
Mehmet Yörük	Vice President, Finance and Portfolio Management
Dr. Murat Doğu	Vice President Capital Markets, Financial Reporting and Budget
Neslihan Sadıkoğlu	Vice President, Corporate Communications and Marketing
Şebnem Bezmen	Vice President, Human Resources

<sup>12</sup> According to the decision of the Board of Directors dated 08.01.2021 and numbered 2021/02, Eren Sarıçoğlu was appointed as the Executive Committee Member Responsible for Business Development and Business Management.

## MANAGEMENT STRUCTURE

The statements of independence of Independent Board Members are presented below:



### STATEMENT OF INDEPENDENCE

DATE: 04.03.2020

**To the Chairmanship of DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

As an Independent Board Member candidate for Doğan Şirketler Grubu Holding A.Ş., I declare that I possess the qualifications of an “independent board member” stipulated in the Capital Markets Law, Capital Markets Board’s Communiqué No. II-17.1, Resolutions of the Capital Markets Board and other regulations as well as the Articles of Association of your Company; and that I will immediately inform the Chairmanship of the Board of Directors in case I learn that these qualifications of independence are no longer valid, and I will act in accordance with your Board’s Decision and thus will resign if deemed necessary.

Best regards,

**Ahmet Vural AKIŞIK**



### STATEMENT OF INDEPENDENCE

DATE: 04.03.2020

**To the Chairmanship of DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

As an Independent Board Member candidate for Doğan Şirketler Grubu Holding A.Ş., I declare that I possess the qualifications of an “independent board member” stipulated in the Capital Markets Law, Capital Markets Board’s Communiqué No. II-17.1, Resolutions of the Capital Markets Board and other regulations as well as the Articles of Association of your Company; and that I will immediately inform the Chairmanship of the Board of Directors in case I learn that these qualifications of independence are no longer valid, and I will act in accordance with your Board’s Decision and thus will resign if deemed necessary.

Best regards,

**Hacı Ahmet KILIÇOĞLU**



## STATEMENT OF INDEPENDENCE

DATE: 04.03.2020

### To the Chairmanship of DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

As an Independent Board Member candidate for Doğan Şirketler Grubu Holding A.Ş., I declare that I possess the qualifications of an “independent board member” stipulated in the Capital Markets Law, Capital Markets Board’s Communiqué No. II-17.1, Resolutions of the Capital Markets Board and other regulations as well as the Articles of Association of your Company; and that I will immediately inform the Chairmanship of the Board of Directors in case I learn that these qualifications of independence are no longer valid, and I will act in accordance with your Board’s Decision and thus will resign if deemed necessary.

Best regards,

**Hüseyin Faik AÇIKALIN**



## STATEMENT OF INDEPENDENCE

DATE: 05.01.2021

### To the Chairmanship of DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

As an Independent Board Member candidate for Doğan Şirketler Grubu Holding A.Ş., I declare that I possess the qualifications of an “independent board member” stipulated in the Capital Markets Law, Capital Markets Board’s Communiqué No. II-17.1, Resolutions of the Capital Markets Board and other regulations as well as the Articles of Association of your Company; and that I will immediately inform the Chairmanship of the Board of Directors in case I learn that these qualifications of independence are no longer valid, and I will act in accordance with your Board’s Decision and thus will resign if deemed necessary.

Best regards,

**Ali Aydın PANDIR<sup>13</sup>**

<sup>13</sup>At the Board meeting dated 06.01.2021 and numbered 2021/01, it was decided to elect Ali Aydın Pandir as Independent Board Member, Corporate Governance Committee Member, and Early Detection of Risk Committee Member in place of Agah Uğur.



# WORKING PRINCIPLES OF THE BOARD OF DIRECTORS COMMITTEES

## WORKING REGULATION OF AUDIT COMMITTEE

### 1. GROUNDS

This regulation is issued to define working rules and principles of the Audit Committee ("Committee") established as per Article 25 titled "Committees Responsible for Audits" of the Communiqué Regarding Independent Audit Standards in Capital Markets (Series: X, No: 22) of the Capital Markets Board of Turkey ("CMB") and Corporate Governance Principles issued by the CMB.

### 2. PURPOSE

Purpose of the Audit Committee is to assist the Board of Directors to ensure the efficient monitoring of financial and operational activities of the Corporation.

### 3. ORGANIZATION

#### Membership

- 3.1. Members of the Audit Committee are elected by the Board of Directors' resolution and carry out their activities under the Board of Directors.
- 3.2. The Audit Committee is composed of minimum two members of the Board of Directors. If the Committee has only two members, both members and if there are more than two members, the majority of the members must be among non-executive members of the Board of Directors and have no managing capacity.
- 3.3. The Committee elects its chairperson among the independent members of the Board of Directors.
- 3.4. When required, the Committee may delegate tasks to non-members of the Board of Directors who are experts in their subjects in addition to the existing members.
- 3.5. Chairperson of Executive Board and finance directors cannot be elected as members of the Committee.
- 3.6. The term of office for the Committee shall be in parallel with the term of office for the Board of Directors.
- 3.7. Any amendment regarding the Audit Committee members, and numbers and term of office of such members shall be made by the Board of Directors' resolution.
- 3.8. Any member who desires to resign from membership of the Audit Committee shall declare this intent to the Board of Directors in writing. The termination of membership of the Board of Directors shall automatically lead to the termination of membership of the Audit Committee.
- 3.9. The Committee performs its secretarial procedures through the Secretariat of the Board of Directors.

#### Meetings

- 3.10. The Committee convenes at least four times a year and meeting minutes are submitted to the Board of Directors.
- 3.11. Meetings shall be held with the attendance of minimum two members, one of which shall be the Chairperson of the Committee, and meeting resolutions are taken by majority of votes.
- 3.12. The Committee shall immediately submit in writing its determinations and recommendations on its line of work and responsibility to the Board of Directors.
- 3.13. The timing of the committee meetings shall be in accordance with the board meetings to the extent possible.

### 4. AUTHORITIES AND RESPONSIBILITIES

- 4.1. The Committee may consult independent expert views regarding its activities, when required. Cost of consulting services of the Committee shall be paid by the company.
- 4.2. The Committee may invite relevant managers, internal and independent auditors to meetings for consultation, when required.  
It can hold meetings as per requests by internal and independent auditors.
- 4.3. Duties and responsibilities of the Audit Committee shall by no means rule out its responsibilities arising from the Turkish Commercial Code.

## 5. DUTIES

### Accounting, Internal Control System and Risk Management

- 5.1 The Committee monitors the accounting system of the corporation, the disclosure of financial information to the public and the operation and efficiency of the internal control system.
- 5.2. The Committee, together with auditors, provides measures to reveal misconduct, legal and procedural noncompliance or failure regarding internal control or similar cases.
- 5.3. The Committee examines and resolves complaints submitted to the shareholders regarding the accounting and internal control system of the corporation.
- 5.4. The Committee ensures compliance with company procedures and policies which prevent clash of interest between members of the Board of Directors, managers and other employees and abuse of confidential information regarded as business secret.
- 5.5. The Committee evaluates criticisms and recommendations of authorized signatories regarding the internal control system and their access to information.
- 5.6. The Committee takes necessary measures to conduct internal audit activities adequately and transparently.
- 5.7. The Committee evaluates reports submitted by the internal auditor.
- 5.8. The Committee specifies the financial risks of the current and potential risks of the company and monitors risk management processes.
- 5.9. The Committee reviews crisis plans for the accountability of the management in terms of computer system security and operation of the company as well as for recording and protection of computer operations in case of breakdown of the computer system.

### Independent Audit

- 5.10. The Committee monitors selection of independent audit companies, preparation of independent audit contracts and launch of the independent audit process and all activities of independent audit companies at any phase.
- 5.11. The Committee prepares and submits to the Board of Directors a report indicating if there are any matters that may vitiate the independence of independent audit companies before selection of audit companies.
- 5.12. The Committee determines independent audit companies and services which are to be delivered to the company and submits the same for the Board of Directors' approval.
- 5.13. The Committee takes necessary measures to conduct internal audits adequately and transparently.
- 5.14. The Committee examines and resolves complaints submitted to the shareholders regarding independent audit of the corporation.
- 5.15. The Committee examines and resolves important points submitted by independent audit companies about accounting policies and practices of the shareholder structure, alternative accounting and disclosure options within the framework of CMB's accounting standards and accounting principles previously delivered to the corporation, possible outcomes of these options and suggestions of practice and significant correspondence with the shareholding management.

### Legal Compliance and Disclosure to Public

- 5.16. The Committee reviews activity reports to be disclosed to the public and checks if the data in these reports are correct and consistent with the data it has.
- 5.17. The Committee supervises if public disclosures on financial information are made in compliance with the Disclosure Policy and with the laws and regulations in particular.
- 5.18. The Committee sets the methods and criteria to evaluate accounting and independent audit declarations of the corporation within the framework of the principle of confidentiality.
- 5.19. The Committee receives opinions of authorized managers and independent auditors on compliance of annual and interim financial statements, which are to be announced to the public, with corporate accounting principles and their authenticity and accuracy, and submits these opinions with its own considerations to the Board of Directors in writing.
- 5.20. The Committee invites independent audit companies to financial statement evaluation meetings when required and gets information regarding works of these companies.

## 6. EFFECTIVENESS

- 6.1. This regulation has entered into effect on 16.06.2009 by Resolution No. 24 of the Board of Directors.
- 6.2. Articles of this regulation can be amended by the resolution of the Board of Directors.

## WORKING PRINCIPLES OF THE BOARD OF DIRECTORS COMMITTEES

### DUTIES AND WORKING PRINCIPLES OF CORPORATE GOVERNANCE COMMITTEE

#### 1. PURPOSE

Doğan Şirketler Grubu Holding A.Ş. ("Company" or "Doğan Holding") Corporate Governance Committee (Committee) shall provide support and assistance to the board of directors by working in relation with adaptation of the Company to principles of corporate governance; determination of members of the board of directors and senior managers, assessment of salary, reward and performance as well as career planning; investor relations and informing the public.

The Committee, shall review, assess and make recommendations on the systems and processes formed or to be formed by the Company for accomplishment of management implementations to increase performance of the Company.

#### 2. BASIS

This document has been formed within the framework of Regulations of the Capital Market Legislation, Articles of Association of the Company as well as the regulations, provisions and principles of Corporate Governance Principles of the Capital Market Board.

#### 3. AUTHORITY and SCOPE

The Committee shall be formed and authorized by the Board of Directors. The Committee shall be authorized to invite Company employees or representatives of people and organizations related with the Company including the group companies, internal and external auditors ("Auditors") and individuals specialized in their subjects to its meetings and receive information and to receive external legal and professional consultancy services when needed.

The Committee shall act within the scope of its authority and responsibility and make recommendations to the Board of Directors; however the responsibility for ultimate decision shall belong to the Board of Directors at all times.

#### 4. ORGANIZATION

##### Membership

- 4.1. Chairman of the Committee shall be elected from among independent members of the Board of Directors. In cases where this is not possible the Chairman of the Committee may be elected from among third people specialized in their subjects.
- 4.2. People with expertise and having a minimum working experience of eight years in the subjects of accounting, finance, audit, law, management etc. can be appointed to the Committee.
- 4.3. The Committee shall consist of minimum two members.
- 4.4. To the extent possible, Members of the Committee shall be appointed from among people that do not have executive duties. Chairman of the Executive Committee, Vice Chairman of the Board of Directors and Vice President of Financial Affairs cannot take part in the Committee.
- 4.5. Upon need, people who are not members of the Board of Directors, have expertise in their subjects and have the qualifications referred to in article 4.1 can also be appointed to the Committee.
- 4.6. Each year, members of the Committee shall be determined again in the first meeting of the Board of Directors to be held after the ordinary general assembly meeting.
- 4.7. The Committee shall meet with the participation one more than half the number of its members and adopt resolutions by majority of votes.
- 4.8. The secretariat duties of the Committee shall be performed by the unit/personnel to be appointed by the Management in order to carry out the secretarial duties of the Board of Directors.
- 4.9. Members of the Committee can also become members of the Corporate Governance Committees of group companies if deemed necessary.

##### Attendance to Meetings

- 4.10. In principle, the Committee shall meet once every three months and when it is deemed necessary and meetings shall be held at the Company headquarters upon invitation of the Chairman of the Committee though the Secretariat of the Board of Directors. The Chairman of the Committee can change the day, time and place of meeting on condition that members of the Committee are informed in advance.
- 4.11. Resolutions adopted in Committee meetings shall be recorded in writing. Resolution shall be signed by Committee members and will be filed regularly.

## 5. RESPONSIBILITY

### Conformity to the Principles of Corporate Governance

- 5.1. The Committee shall assess whether or not the importance and benefits of having good management practices are shared with the employees of the Company and whether or not an efficient and effective “corporate governance culture” has been established in the Company.
- 5.2. The Committee shall make suggestions to the Board of Directors about matters such as implementation of the infrastructure of management practices aiming to improve the performance of the Company in an effective manner in all subsidiaries of the Company, its comprehension and adoption by employees and support by the management.
- 5.3. The Committee shall determine whether or not corporate governance principles are complied to and the reasons of noncompliance if there is any and the conflicts of interest arising as a consequence of failure to fully conform to these principles, and makes recommendations to the Board of Directors to improve the practices.

### Managerial Control

- 5.4. The Committee shall seek the opinion of the management and related parties about determination of areas that could cause management risks and weaknesses and plans about elimination of missing points.
- 5.5. The Committee shall review the significant complaints about management reported to the company; conclude the matters and communicate the notifications of the employees in this respect to the management within the framework of principle of confidentiality.

### Announcements to be made to the Public

- 5.6. The Committee reviews activity reports to be disclosed to the public and checks if the data in these reports are correct and consistent with the data the Committee has.
- 5.7. The Committee shall develop recommendations to ensure that public announcements and investor presentations are made in conformity with the “Information Policy” of the Company with the laws and regulations in the first instance.

### Conformance to Internal Regulations

- 5.8. The Committee shall ensure that internal regulations are in writing and are received by all employees.
- 5.9. The Committee shall assess whether or not internal regulations and the code of ethical conduct have been shared with the employees by the company management by a suitable communication method.
- 5.10. The Committee shall assess the efforts by the Company management regarding the monitoring of conformance to internal regulations.
- 5.11. The Committee shall oversee conformance to internal regulations preventing conflicts of interest that could arise between members of the board of directors, managers and other employees and misuse of confidential information that include trade secrets.

### Determination of Nominees to be Appointed to the Board of Directors

- 5.12. The Committee shall work for establishment of a transparent system and development of policies and strategies about determination of suitable nominees for the board of directors and senior management.

### Performance Appraisals of Members of the Board of Directors and Managers, Remuneration and Rewarding Policy and Career Planning

- 5.13. The Committee shall work for determination of approaches, principles and practices about performance appraisal, remuneration and rewarding policy and career planning for members of the board of directors and senior executives.
- 5.14. The Committee shall develop recommendations about the number of members of the board of directors and managers.
- 5.15. In the event that the Committee deems it necessary, it shall seek opinions and recommendations from the Human Resources Committee and/or unit.



## WORKING PRINCIPLES OF THE BOARD OF DIRECTORS COMMITTEES

### 6. INVESTOR RELATIONS

- 6.1. The "Shareholders Relations Unit" ("Unit"), within the structure of the Committee and under chairmanship of the Chairman of the Committee, has been established with the purpose of monitoring all relations between partners and investors and ensure that they are able to exercise their right to be informed.
- 6.2. The Unit shall consist of a sufficient number of qualified personnel.
- 6.3. The Unit;
  - Shall respond to the request of information of shareholders and investors within the framework of regulations, the Articles of Association, Principles of Corporate Governance and Information Policy;
  - Shall, within the framework of regulations, Articles of Association, Principles of Corporate Governance and Information Policy, organize periodical investor notification meetings or attend the meetings organized,
  - Shall carry out the necessary activities to transform the website into an active communication platform for domestic and foreign investors,
  - Shall supervise and monitor implementation of the process of informing the public in a manner that conforms to the regulations in effect,
  - Shall ensure that records of shareholders are kept in a healthy, safe and up to date manner,
  - Shall ensure that annual reports are prepared within the regulations and the Corporate Governance Principles of the Capital Markets Board,
  - Shall monitor that General Assembly meetings are conducted in due diligence,
  - Shall prepare documents to be submitted to the shareholders in the General Assembly meetings,
  - Shall performs the necessary works for issuance of the minutes of meetings in due diligence.

### 7. SECRETARIAT OF THE BOARD OF DIRECTORS

- 7.1. The "Secretariat of the Board of Directors" (Secretariat) shall be responsible for planning, implementing and monitoring of the meetings before, during and after meetings of the Board of Directors so that they are held with optimum efficiency.
- 7.2. The Secretariat shall principally provide communication between the members of the board of directors; carry out preparations for meetings of the board of directors and committees; keep minutes of the meetings and regularly archive all correspondence including announcements of the Board of Directors.
- 7.3. Access of the members of the Board of Directors to all kinds of information on a timely basis shall be provided under coordination of the Secretariat.
- 7.4. Records kept by the Secretariat shall be kept open at all times for the examination of the members of the board of directors.
- 7.5. The Secretariat shall provide the communication between the Board of Directors and committees of Group Companies, on condition that they are limited with their area of duty.
- 7.6. The Secretariat shall comprise of a specialist lawyer and secretary to be appointed within the structure of Vice Chairman's Office of Doğan Şirketler Grubu Holding A.Ş.

### 8. RESPONSIBILITY OF REPORTING

- 8.1. The Committee shall ensure notification of the board of directors about matters in its area of authority and responsibility.
- 8.2. The Committee shall keep the records of all its activities written.
- 8.3. The Committees shall prepare a report for its operations and recommendations and submit it to the board of directors.
- 8.4. The Committee shall prepare the Corporate Governance Compliance Report of the Company.

#### Other Responsibilities

- 8.5. The Committee shall follow up the developments in literature about corporate governance and investigate their effects on the Company management.
- 8.6. The Committee shall carry out other activities to be requested by the Board of Directors within the scope of corporate governance.
- 8.7. If the Committee deems it necessary, it can initiate special investigations and appoint people specialized in their subjects as consultants to get assistance during such investigations.
- 8.8. The Committee shall review its own performance on a regular basis.

### 9. BUDGET

The Committee shall have an annual budget to be approved by the Board of Directors in order to be able to carry out its activities in the most effective and efficient manner.

### 10. VALIDITY

Duties and working principles of the Committee and the amendments herein shall come into effect by a resolution of the Board of Directors.

## DUTIES AND WORKING PRINCIPLES OF EARLY DETECTION OF RISK COMMITTEE

### 1. PURPOSE

The purpose of the Committee operating within the body of the Board of Directors is to detect early the operational, strategic, financial and adaptation risks which may endanger the existence, development and continuity of the Company; to take and implement the necessary measures in relation to the detected risks; to develop the necessary policies required to administer the risk management processes; and to manage and report the risks in accordance with the risk taking profile of the Company.

### 2. BASIS

These principles in relation to the duties and working principles of the Early Detection of Risk Committee have been set out by Resolution No. 2012/22 of the Board of Directors of 15/08/2012 pursuant to the Company's Articles of Association, Article 378 of the Turkish Commercial Code No. 6102 and the Communiqué Serial: IV No:56 Regarding Determination and Implementation of the Principles of Corporate Governance published by the Capital Markets Board.

### 3. STRUCTURE and MEMBERS OF THE COMMITTEE

The Committee is set up and empowered by the Board of Directors in accordance with the Company's Articles of Association and the relevant legislation. The Committee assesses the circumstances, indicates the risks, if any, and offers solutions in a bimonthly report submitted to the Board of Directors.

It carries out activities in order to detect early the risks that may endanger the existence, development and continuity of the Company, to implement the necessary measures in relation to the detected risks and to manage the risks.

It reviews the risk management systems at least once a year.

It is elaborated that members of the Board of Directors who are Committee members are not members to other committees. The Committee is formed of members who are competent in assessing operational, financial, adaptation and strategic risks. Guest participants among the relevant employees may be invited to the committee meetings according to the articles of the agenda. The Committee may also capitalize on independent experts' opinions for required issues concerning its activities. Cost for the consultancy services required by the Committee shall be paid by the Company.

### 4. SUB-COMMITTEES

Early Detection of Risk Committee may institute sub-committees comprising of its members and/or people to be elected from outside, who have sufficient experience and knowledge with regards to Corporate Risk Management for the purpose of increasing the effectiveness of its activities.

### 5. MEETING and REPORTING

The Committee meets bimonthly prior to the Board meetings. The Committee can meet when deemed necessary in the sense of the effectiveness of its activities. All activities of the Committee are put in writing by means of minutes; such minutes are signed and kept by the Committee members.

Committee Chairperson reports in writing to the Board of Directors regarding the activities of the Committee subsequent to the Committee meeting and notifies the members of the Board of Directors and the auditor of the summary records of the Committee meeting in writing or ensures that they are notified of the same.

### 6. DUTIES and RESPONSIBILITIES

Duties and responsibilities of Early Detection of Risk Committee are,

- ✓ To carry out activities in order to early detect the risks that may endanger the existence, development and continuity of the Company, to implement the necessary measures in relation to the detected risks and to manage the risks,
- ✓ To determine Risk Management policies, implementation methods and systems on the basis of the risk management strategies and in line with the views of the Board of Directors and to design internal control systems in order to implement and follow the same,
- ✓ To design necessary measures and actions in relation to detected risks and to follow up the implementation thereof,
- ✓ To monitor corporate risk management practices in order to ensure effective risk determination and management,
- ✓ To request information, comments and reports from relevant departments, if deemed necessary, in order to perform risk monitoring function effectively,
- ✓ To review the risk management system at least once a year,
- ✓ To inform the Board of Directors of the risk management practices periodically (bimonthly),
- ✓ To perform other duties assigned/to be assigned to the Committee by the relevant legislation.

### 7. EFFECTIVENESS

This regulation in relation to the duties and working principles of the Committee and amendments thereof become effective by the resolution of the Board of Directors.

## INTERNAL AUDIT AND CONTROL

In 2020, the developments in the Turkish and global economy were monitored closely and the goals of profitability and sustainability were sought. Internal control systems related to cash transactions and treasury processes were re-evaluated and necessary actions were taken. Additionally, internal audit unit has been attended to Early Detection of Risk Committee meetings and the effective information flow to the Early Detection of Risk Committee and the Board of Directors regarding the risk/control mechanism continued.

Within the scope of its assurance duty, information safety maturity levels were evaluated in addition to the routine activities regarding internal control efficiency and protecting assets and the audits were conducted for occupational health and safety. Additionally, compliance with all regulations such as the Law on Personal Data Protection and the Turkish Commercial Code was supported.

In 2021, it was aimed to focus on assurance efforts and action follow-ups. Furthermore; in order to improve the effectiveness of internal control, it is aimed to conduct internal/external trainings, re-evaluate/update resource utilization for internal control and to initiate activities with work plans coordinated with risk management.

## RISK MANAGEMENT

### Risk Management

Doğan Holding keeps track of the financial, operational, strategic, information technologies, occupational health & safety and compliance risks of the Group companies together with the group management teams and makes recommendations to the Group companies according to the data obtained.

### Financial, Compliance and Operational Risk Management

Financial risks related to compliance with tax laws, commercial law and the capital markets law and the operational and compliance risks are managed by the Executive Committees of the Holding and related companies. When required, audit companies and certified public accountant companies also contribute to these risk management processes.

“Audit and Risk Management Group” carries out risk-based audits and conducts risk management studies to monitor and manage the main risks. Potential risks, current controls and action plans are evaluated by the Holding's Executive Committee. These risks are shared with the senior management of the Group companies and the actions taken are followed.

Additionally, pursuant to Article 378 of the Turkish Commercial Code (Law No. 6102), Doğan Holding's Board of Directors has set up an Early Detection of Risk Committee. The Committee is charged with early detecting of risks; taking necessary action against such risks; managing risks; and reviewing the risk management systems at least once every year. At Group companies listed on the stock exchange, Early Detection of Risk Committees convenes bi-monthly to assess risks of the Group companies and submit a report to the Board of Directors.

### Financial Risk Management

Financial risk management aims to minimize the adverse effects caused by the volatility of the financial markets on the financial results.

With the purpose to prevent various financial risks, Doğan Holding uses various derivative products as they are appropriate. The Group considers foreign currency liabilities of Group Companies, and monitors foreign currency positions both at the Group and at the company level. Foreign currency positions of Group Companies are changed depending on their liquidity positions. Group companies are using appropriate derivative products in order to hedging. Additionally, foreign currency positions of the companies within the Group are checked separately and hedging instruments are used where necessary. The purpose here is to align the main operating currency of the companies with the currency of their financial debts.

Financial risk management is conducted by all subsidiaries, within the general framework set by the Board of Directors. In this context, hedge policies were established and implemented in 2020.

A Central Treasury System is being applied. With this method, daily market values of all financial instruments (including options and forward contracts) can be calculated, and asset/liability management is handled centrally. Positions of Doğan Holding and the Group companies are calculated and reported using daily market data.

Benefits obtained through the use of the Central Treasury and transaction volumes are also monitored and reported via Central Treasury System.

In 2020, the effectiveness of internal control regarding the treasury process was improved with the Treasury Control Unit. In addition, studies to develop the SWIFT project which has started last year commenced for the real-time monitoring of the group liquidity and the digitalization of the payment systems.

#### **Credit/Receivables Risk**

Credit risk is the risk of the other party's non-fulfillment of its contractual obligations, in those contracts signed by the Group. Credit risk also covers the all receivables of Group companies.

Doğan Group companies are exposed to receivables risk due to trade receivables from their credit sales. Therefore, the Group companies' management tries to minimize their accounts receivable risks by setting credit limits for each customer and obtaining collateral when necessary, or by executing sales transactions in cash only when working with high-risk customers.

Trade receivables are evaluated by the company management teams and Doğan Holding Financial Affairs Management at regular intervals, studies are carried out for the health and collection of receivables and provisions are set aside for doubtful trade receivables when necessary.

Within the scope of the activities of Audit and Risk Management Group, evaluations can be made regarding the receivable exposure and collateral structure of the Group companies and these evaluations are reported to the Group companies and Doğan Holding Management Team.

#### **Interest Rate Risk**

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate-sensitive assets and liabilities and by limited use of derivative instruments.

#### **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.

For each segment under the Group's umbrella, the risk related to the funding of current and future borrowing requirements is managed by ensuring the continuous availability of a sufficient number of high-quality credit providers. Within this framework, bank limits are determined within the scope of the treasury policy by taking into account the risks and the operation forecasts of the companies.

Banks' limit utilization cases are also periodically monitored by the Treasury Control Unit.

#### **Foreign Currency (Exchange) Risk**

Doğan Group is subject to foreign currency risks due to changes in FX rates as a result of conversions of foreign currency debt amounts into the functional currency. These risks are monitored and limited through foreign currency position analyses. Scenario analyses and stress tests are also used to analyze FX positions.

The currencies for which the Group is exposed to FX rate risk are US Dollar and Euro. The impact of other currencies is insignificant. TL equivalents of foreign currency denominated monetary assets and liabilities as of December 31, 2020 and December 31, 2019 before consolidation adjustments and reclassifications are provided in Note 35 – Financial Risk Management Objectives and Policies of the consolidated financial statement footnotes pertaining to the accounting period ending on December 31, 2020.



## RISK MANAGEMENT

### Capital Risk Management

Doğan Holding aims to decrease the capital cost by providing gains to the shareholders and providing benefits to the stakeholders with capital risk management. In order to achieve this, it is aimed to maintain the most suitable capital structure for the Group's activities.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce borrowing levels. To maintain or reorganize its capital structure, the Group can change the dividend amount to be paid to shareholders, return capital to the shareholders, issue new shares or sell assets to decrease borrowing levels.

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 the financial position.

### Legal Risk

There are no outstanding lawsuits filed against Group companies that could jeopardize the continuity of operations or damage their financial structure. The legal disputes and cases related to the business activities of Group companies are monitored centrally by the Legal Affairs Department under the umbrella of Doğan Group. As such, attorneys specialized in various areas of law can offer their services to all the subsidiaries of the Group. The Legal Affairs Department provides legal consultancy on all matters needed by Doğan Holding and its subsidiaries. By receiving services from legal advisors who are experts in their fields when necessary, the quality of the service provided is controlled continuously.

### Information Technology Risk

Information security risks of SAP system (the main activities of Group companies are carried out) and other applications, software and hardware are deemed important. The objectives related to information security are; information to meet the requirements, information to be continuous, sufficient, effective, accessible and secure, in all conditions. Information security policies, internal regulations and procedures have been created at the Holding level, and are being applied across the Group Companies. Information technology investments are made after the annual reviews carried out to specify information technology requirements with respect to hardware, products and services. Internal and external resources are being utilized for information security requirements of the Holding and the subsidiaries. Information security audits are being carried out.

Necessary internal assignments were made within the scope of the Law on Personal Data Protection and the Holding KVKK Committee was formed to take and audit the administrative and technical measures required by the relevant law.

# CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

## Declaration of Compliance with Corporate Governance Principles

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding" or "Company") has adopted the universal values of Corporate Governance Principles such as fairness, transparency, accountability and responsibility. Up to the possible maximum extent, the Company aims to comply with the Capital Markets Law, CMB Regulations and Resolutions, CMB's Communiqué on Corporate Governance (No.II-17.1) ("Communiqué") and CMB Corporate Governance Principles.

To this end, Doğan Şirketler Grubu Holding A.Ş. has been included in the Borsa İstanbul A.Ş. ("Borsa İstanbul") Corporate Governance Index ("XKYUR") since November 4, 2009. The Company is given an annual corporate governance rating every year by SAHA Corporate Governance Rating Company ("SAHA") licensed by the Capital Markets Board, in line with the rating methodology outlined by the CMB. The Company's Corporate Governance Rating and Corporate Governance Principles Compliance Reports are available on the Company's website at ('www.doganholding.com.tr').

The Company's Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the accounting period of 01.01.2020-31.12.2020 are prepared in line with the CMB's Resolution dated 10.01.2019 and numbered 2/49, with the presentation rules announced in the CMB's Weekly Bulletin dated 10.01.2019 and numbered 2019/02, and with the CMB's Communiqué on Corporate Governance numbered II-17.1. The Company's Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") for the accounting period of 01.01.2020-31.12.2020 can be reached at the Company's website (www.doganholding.com.tr), at the section of "Corporate Governance"/"Corporate Governance Principles Compliance Reports," and also at the website of Public Disclosure Platform ("KAP") (www.kap.org.tr).

Corporate Governance Committee continues to work on improving the Company's corporate governance practices. As of the accounting period ending on 31.12.2020, the Company complies with all of the principles that are mandatory as per the Capital Markets Law, CMB Regulations and Resolutions, and the CMB Communiqué. The Company tries to comply with the voluntary principles to the extent possible, and in our opinion, as of the current situation, a significant conflict of interest will not arise related to non-compliance.

Best regards,

**Çağlar Göğüş**  
Executive Director and  
Chief Executive Officer

**Yaşar Begümhan Doğan Faralyalı**  
Chairwoman

## Access Links

- 1) Corporate Governance Compliance Report ("URF") <https://www.kap.org.tr/tr/Bildirim/914055>
- 2) Corporate Governance Information Form ("KYBF") <https://www.kap.org.tr/tr/Bildirim/914058>

## OTHER OBLIGATORY DISCLOSURES

### GENERAL INFORMATION

#### A. GENERAL INFORMATION

##### Accounting period for the report:

This annual report covers the accounting period from January 1, 2020 to December 31, 2020.

##### Company's trade name, trade registry number, contact details of headquarters and branches, and website:

Trade Name	Doğan Şirketler Grubu Holding A.Ş.
Date of Establishment	September 22, 1980
Trade Registry Number	175444
Central Registration System (MERSIS) No	0306005092400010
Tax Office	Büyük Mükellefler Vergi Dairesi
Tax Identification Number	3060050924
Issued capital	TL 2,616,938,288
Registered Capital Ceiling	TL 4,000,000,000
Stock Exchange	Borsa İstanbul A.Ş.
Ticker Symbol	DOHOL
Public Offering Date	June 21, 1993
Address	Burhaniye Mahallesi, Kısıklı Caddesi, No: 65 34676 Üsküdar/İstanbul
Website	www.doganholding.com.tr
E-mail	ir@doganholding.com.tr
Telephone	+90 216 556 90 00
Fax	+90 216 556 92 00

##### Explanations about privileged shares and shareholders' right to vote, if any:

There are no privileged shares in Doğan Holding.

##### Personnel movements, their rights and benefits:

As of December 31, 2020, the Company has 42 employees (December 31, 2019: 44 employees).

Doğan Holding determines and regularly revises its remuneration policy based on the performance evaluation system results and current market trends. Doğan Holding has adopted the principle of "equal pay for equal work" in its approach. The Holding applies a remuneration policy based not on the individual but the job definition across all Group companies. The annual salary raises of employees are reflected in their wages with the approval of Doğan Holding Chief Executive Officer at the dates that the employer deems convenient. All employees benefit from benefit packages that depend on their work level. Remuneration policy is available on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

The General Assembly of the Company decides on the remuneration, rights and benefits of the Board Members every year. In addition to the attendance fee received by all Board Members, members holding executive positions may also be paid a monthly salary and benefits for their duties in the Company. In addition, senior managers and other personnel who have a say in management can be entitled to additional premiums or awards in line with their performance. For the period ending on December 31, 2019 the total compensation amount of key management personnel is provided in [Note 34 – Related Party Disclosures](#) in the consolidated financial statements.

**Company executives' transactions with the Company on their own behalf or on behalf of third parties, or their activities falling under a non-compete clause within the scope of the permission by the General Assembly:**

Except for those transactions banned by the Turkish Commercial Code, Board Members receive the permission of the General Assembly to conduct the transactions outlined in the Turkish Commercial Code's Articles 395 and 396. According to the information available on Doğan Holding, Board Members did not conduct any commercial activities on their own behalf or on behalf of third parties falling into the Company's business line in the period 01.01.2020-31.12.2020.

**Amendments to the Articles of Association within the period and their reasons:**

No amendments were made to the Articles of Association in the accounting period 01.01.2020-31.12.2020.

**REMUNERATION OF THE MEMBERS OF MANAGING BODIES AND OF SENIOR EXECUTIVES**

**Remuneration of the members of managing bodies and of senior executives:**

The Group determined the members of the Board of Directors, Consultants of the Board, Group Presidents and Vice Presidents, Chief Legal Counsel, and Directors as Key Management Personnel. The total compensation amount of key management personnel (which includes salaries, bonus, health insurance, communication and transportation benefits) is provided in *Note 34 – Related Party Disclosures* in the consolidated financial statements for the accounting period 01.01.2020-31.12.2020.

**Senior executives:**

Information on Doğan Holding's senior executives is available on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

**C. COMPANY'S RESEARCH AND DEVELOPMENT ACTIVITIES**

In the accounting period 01.01.2020-31.12.2020, Doğan Holding did not engage in any research and development activity or incur related costs. However, two of Doğan Holding's direct subsidiaries earned the right to become R&D Centers, Ditaş in 2017, and Çelik Halat in 2018.

**D. COMPANY'S ACTIVITIES AND SIGNIFICANT DEVELOPMENTS CONCERNING THE COMPANY'S ACTIVITIES**

**Company's area of activity and sectors where it operates:**

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding," "Holding" or "Group") was established on September 22, 1980 and is registered in Turkey. The 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.

**Information on the Company's investments made in the accounting period:**

In the accounting period 01.01.2020-31.12.2020, Doğan Holding's tangible and intangible assets and investment properties totaled 882,654 thousand Turkish Lira (31.12.2019: 239,277 thousand Turkish Lira).

**Information regarding the Company's internal control system and internal audit activities, and the Board of Directors' assessments on this issue:**

At Doğan Holding, utmost attention is paid to ensure that the internal audit and internal control mechanisms work effectively; thus, the internal audit unit reports directly to the Chairperson of the Board of Directors. Internal audit and internal control activities within the Holding are coordinated by the Audit Committee and carried out under the supervision of the Chairperson of the Board of Directors.

**Company's shares in direct or indirect subsidiaries:**

The Company has direct or indirect subsidiaries. The relevant information and shareholding ratios are presented in the footnotes of the consolidated financial statements for the accounting period 01.01.2020 - 31.12.2020. This information is disclosed at Doğan Holding's corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)), Public Disclosure Platform ("KAP") ([www.kap.org.tr](http://www.kap.org.tr)), and footnotes of the financial statements.

**Information about the Company's acquisition of its own shares:**

With the decision of the Group's Board of Directors dated February 22, 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 January 3, 2014 was accepted by the majority in the General Assembly meeting on March 20, 2019.



## OTHER OBLIGATORY DISCLOSURES

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 TL 131,000,000 and that the maximum number of shares to be withdrawn would not exceed this amount.

Between January 1 - December 31, 2020 the Company shares with a nominal value of TL 5,722,833 were purchased by the Company itself from Borsa İstanbul for an amount TL 8,961,410 as TL 1.565904 per share within the scope of the “Share Buyback Program.” As of December 31, 2020, the total nominal amount of Repurchased Shares has increased to TL 13,632,838, together with those previously purchased except the scope of the “Share Repurchase Program.” (As of December 31, 2019, total nominal amount of Repurchased Shares is TL 7,910,005).

### Information regarding any private or public audit during the accounting period:

Within the January 1, 2020 - December 31, 2020 accounting period, Doğan Holding was not subject to any private or public audit.

### Lawsuits against the Company, which could affect its financial situation and activities, and their possible outcomes:

Lawsuits against the Company and the provisions set aside for possible lawsuit damages, categorized according to the types of lawsuits, are provided in of the footnotes to consolidated financial statements for the accounting period ending on December 31, 2020 (*Footnote 18 – Provisions, Contingent Assets and Liabilities/(a) Lawsuits*). As of December 31, 2020, the monetary amount of the lawsuits filed against the Group is 31,408 thousand Turkish Lira (December 31, 2019: TL 26,192 thousand).

### Administrative or legal sanctions imposed on the Company, or its executives due to actions in violation of law:

During the period, no administrative or legal sanction was imposed upon the Company or its executives due to actions in violation of law.

### Attainment of targets set in previous periods, implementation of General Assembly resolutions, and any reasons for failure to attain targets or implement resolutions, and assessments:

Within the January 1, 2020 - December 31, 2020 accounting period, our Company implemented all General Assembly resolutions.

### If an Extraordinary General Assembly was held during the year, information on the assembly inclusive of the date of the meeting, decisions reached at the meeting, and any action duly taken:

During the accounting period 01.01.2020-31.12.2020, no Extraordinary General Assembly Meeting was held.

### Information regarding the aids and donations made by the Company within the year, and spending on social responsibility projects during the year:

In the accounting period 01.01.2020-31.12.2020, the Company made such expenditures totaling Turkish Lira 14,953,779.28 (31.12.2019: TL 11,908,118.50).

#### Aid and Donations (Turkish lira)

Education	9,570,451.50
Environment and other	5,383,327.78
<b>Total</b>	<b>14,953,779.28</b>

### If the Company is a subsidiary in the Group companies, legal transactions that were made with the parent company, with the associates of the parent company, upon the instruction of the parent company for the benefit of the parent company or its subsidiary; and all other measures that were taken or that were avoided for the benefit of the parent company or its subsidiary in the previous operating year:

In the reporting period, the Company carried out no legal action in favor of the parent company or any subsidiary thereof, with instructions by the parent company. The Company did not take or avoid taking any measures, or carry out any transaction which needs to be redressed in favor of the parent company or its subsidiaries.

**If the Company is a subsidiary in the Group companies, in case the legal transaction mentioned above is made or in case the measure is taken or avoided, whether or not appropriate consideration is obtained for each of the legal transactions and, whether or not the measure that was taken or that was avoided inflicted any losses on the Company; and, if it did, whether this loss was compensated or not according to the circumstances within their knowledge:**

Since the Company did not take any action falling under the scope of the previous paragraph; there are no damages to be redressed.

**Information regarding the Ordinary General Assembly meeting:**

The Company's Ordinary General Assembly Meeting for the year 2019 was held on March 27, 2020 at the Company Headquarters. Attendance rate to this meeting held on March 27, 2020 was 77.29%, where 2,002,680,304.610862 shares were represented, out of 2,616,938,288 shares comprising the Company's capital. As per the Articles of Association, the invitation for the meeting was published in the Turkish Trade Registry Gazette and disclosed on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)), CRA's Electronic General Assembly System (e-GKS) and Public Disclosure Platform ([www.kap.org.tr](http://www.kap.org.tr)) three weeks prior to the meeting date. In order to facilitate the attendance of the shareholders, General Assembly meetings are held in Istanbul where the Company Headquarters is located.

With respect to the call and announcement regarding the General Assembly Meeting, our Company complies with the Turkish Commercial Code, Capital Markets Legislation, Capital Markets Law, Capital Markets Board Regulations/Decisions, and the Articles of Association. Prior to General Assembly meetings, the "Proxy Voting Form" and the detailed "General Assembly Information Document" specifying the agenda items and the reasons adding these items to the agenda of the General Assembly were presented, within the legal timeframe before the meeting, for the shareholders' information and review in conformity with the Turkish Commercial Code and Communiqué. With the amendment made in the Articles of Association, TCC regulations were complied with, and it was enabled to hold the general assembly by electronic means. General Assembly Meetings are carried out with the simplest possible procedures, at the lowest possible cost for the shareholders and in a manner that does not create any inequality among shareholders. General Assembly meeting minutes, including previous years, are available on the Company's corporate website at [www.doganholding.com.tr](http://www.doganholding.com.tr).

**Subsequent Events:**

Subsequent events are available in the financial statements *Note 38 – Subsequent Events*.

## **E. FINANCIAL SITUATION**

**Board of Directors' evaluations regarding loss of Company capital or deep-in-debt situation:**

As of December 31, 2020, shareholders' equity amounted to Turkish Lira 9,378,237 thousand, and was 258.4% higher than the issued capital, which stands at TL 2,616,938 thousand. This ratio is an indicator of the strong equity structure of the Company.

**Measures planned to be taken to improve the financial structure of the Company, if any:**

As of December 31, 2020, consolidated net cash, including the consolidated financial debt and other long-term financial liabilities amounted to Turkish Lira 2,431,709 thousand, while total debt rose by 18.2% year-on-year to Turkish Lira 2,898,261 thousand (31.12.2019: Turkish Lira 2,005,086 thousand). The share of bank loans in foreign currency in total short and long-term bank loans fell from 12.5% (as of December 31, 2019) to 11.8% as of December 31, 2020. Cash and financial debt of the Group are continuously monitored in terms of the financial risk management factors such as maturity structure, interest risks and FX risks.

**Information on the Dividend Distribution Policy, and if no dividend is distributed, proposal on the use of the undistributed profit:**

Doğan Holding's Dividend Distribution Policy is available on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)). The Board of Directors' dividend distribution proposal and dividend distribution table for the independently audited accounting period of 01.01.2020-31.12.2020 which will be submitted to the approval of the shareholders at the General Assembly is available at the Public Disclosure Platform (KAP) and the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

**Information on the quality and quantity of any capital markets instruments issued, if any:**

No capital market instrument was issued in the accounting period 01.01.2020-31.12.2020.

## OTHER OBLIGATORY DISCLOSURES

### F. RISKS AND ASSESSMENTS OF THE BOARD OF DIRECTORS

#### Information, if any, on the risk management policies that the Company will employ against possible risks:

In the framework of its risk management policies, Doğan Holding defines and measures operational, IT, legal, compliance, fiscal and financial risks, and makes suggestions to Group companies in light of available information. The referenced risks are monitored and managed by the Company's relevant vice presidencies.

#### Information regarding the activities and reports of the Early Detection of Risk Committee, if established:

Within the framework of Article 378 of the Turkish Commercial Code, and Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Early Detection of Risk Committee was established with the Board of Directors' decision taken on 27.05.2020. In 2020, the Early Detection of Risk Committee held six meetings. Decisions taken at these meetings were recorded in the minutes and reported to the Board of Directors. The working principles of the Early Detection of Risk Committee are available on the corporate website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

Name-Surname	Title
Hüseyin Faik AÇIKALIN	President (Independent Board Member)
Hacı Ahmet KILIÇOĞLU	Member (Independent Board Member)
Ali Aydın PANDIR <sup>14</sup>	Member (Independent Board Member)
Ahmet TOKSOY	Member
Bora YALINAY	Member

### G. OTHER ISSUES

In case the ratio of our shares in our subsidiaries where we directly or indirectly own five, ten, twenty, twenty-five, thirty-three, fifty, sixty-seven, or hundred percent of the capital goes below/above these ratios, information on such situation and the underlying reasons:

Company Title	31.12.2020 Effective Shareholding Rate %	31.12.2019 Effective Shareholding Rate %	Change %	31.12.2020 Explanation
D & A Energy B.V.	0.00%	50.00%	-50.00%	Liquidation
Doel Elektrik Enerjisi Toptan Satış A.Ş.	0.00%	100.00%	-100.00%	Merger
D Yatırım Bankası Anonim Şirketi	100.00%	0.00%	100.00%	Establishment
DG Invest B.V	100.00%	0.00%	100.00%	Establishment
Doğan Müzik Yapım ve Ticaret A.Ş.	40.00%	100.00%	-60.00%	Sales of financial fixed asset
Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş.	82.29%	83.09%	-0.80%	Share sales
Çelik Halat ve Tel Sanayii A.Ş.	70.35%	77.65%	-7.30%	Share sales
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş.	68.90%	72.62%	-3.72%	Share sales
D Stroy Limited	68.90%	72.62%	-3.72%	Share sales
Ditaş Amerika LLC	68.90%	72.62%	-3.72%	Share sales
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	40.13%	45.02%	-4.89%	Share sales
Proje Land Dijital Hizmetler Pazarlama ve Ticaret A.Ş.	0.00%	68.13%	-68.13%	Merger
Net D Müzik Video Dijital Platform ve Ticaret A.Ş.	40.00%	100.00%	-60.00%	Sales of financial fixed asset
Celik Halat Netherlands B.V.	70.35%	77.65%	-7.30%	Share sales
Sesa Üretim Yatırımları ve Yönetim Hizmetleri A.Ş.	70.00%	0.00%	70.00%	Establishment
Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş.	70.00%	0.00%	70.00%	Purchase of financial fixed asset

<sup>14</sup>At the Board meeting dated 06.01.2021 and numbered 2021/01, it was decided to elect Ali Aydın Pandir as Independent Board Member, Corporate Governance Committee Member, and Early Detection of Risk Committee Member in place of Agah Uğur.

**Information regarding the Group companies' shares in the capital of the parent company:**

Group companies do not have shares in the capital of the parent company.

**Explanations regarding the internal audit and risk management systems of the corporation within the preparation process of the consolidated financial statements and tables:**

Consolidated financial statements were issued in compliance with the Capital Markets Board's Communiqué No. II-14.1 on "The Principles of Financial Reporting in Capital Markets" according to Turkish Financial Reporting Standards (TFRS) published by the Public Oversight, Accounting and Auditing Standards Authority (POA), and in accordance with the presentation principles outlined in Decree Law No. 660, Article 9, paragraph (b) by POA, and procedures announced to the public in POA's Resolution dated June 2, 2016 and numbered 30, later approved by CMB's Resolution dated July 15, 2016 and numbered 22/805, and disclosed to the public via CMB's Weekly Bulletin dated July 15, 2016 and numbered 2016/22, in keeping with the 2016 TAS Taxonomy.

**Information regarding the reports stipulated in Article 199 of the Turkish Commercial Code:**

The Company's annual report and affiliation report are issued in line with the provisions of the Turkish Commercial Code. The Board Members made no demands falling under the scope of Turkish Commercial Code, Article 199/4.

**Affiliate report:**

As per the 199<sup>th</sup> Article of the Turkish Commercial Code n.6102 issued on July 1, 2012, the Board of Directors of Doğan Holding is responsible for issuing a report in the first three months of the activity period about the relations with the parent company and the affiliates of the parent company, and to include the conclusion of this report in the Annual Report.

At our Company, there were no: i) legal transactions made with the parent company, and/or and affiliates of the parent company, made for the benefit of the parent company, and/or for the benefit of the affiliates of the parent company as a consequence of the directions given by the parent company, and ii) measures taken or avoided to be taken in the previous activity period for the benefit of the parent company, and/or for the benefit of the affiliates of the parent company. Thus, there was no loss that would require offsetting.

**Related party transactions:**

For the purpose of the accompanying consolidated financial statements, related parties are referred to as legal entities in which Doğan Holding directly or indirectly has participation, including any entities under joint control; real people and/or legal entities that have direct or indirect control or joint control over the company and their close family members (immediate family members) and legal entities having direct or indirect control or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company's affiliates, subsidiaries and members of the Board of Directors, key management and their close family members (immediate family members); and real people and/or legal entities that are directly or indirectly controlled individually or jointly. Related party transactions are available in **Note 34 - Related Party Disclosures** of the financial statements for the accounting period ending on 31.12.2020.

**The issue that must be presented to the shareholders about whether the shareholders (who control the management of the Company), Board of Directors' members, executive managers who have administrative responsibilities, and their spouses and blood relatives and relatives by marriage up to second-degree make any important transaction with the Company or its subsidiaries which may lead to conflicts of interest, or whether the aforementioned people make any transaction, related to a commercial business that is within the scope of the Company or its subsidiaries' field of activity, for their own account or for the account of others or whether they become unlimited partners in other companies carrying out similar commercial businesses:**

The shareholders who control the management of the Company, Board Members, executive managers, and their spouses and blood relatives and relatives by marriage up to second-degree did not make any important transaction with the Company or its subsidiaries which may lead to conflicts of interest. The aforementioned people did not make any transaction, related to a commercial business that is within the scope of the Company or its subsidiaries' field of activity, for their own account or for the account of others or they did not become unlimited partners in other companies carrying out similar commercial businesses.

**Information on changes in regulations which can have a significant impact on the Company's activities:**

The main operating activity of Doğan Holding is to invest in various sectors through subsidiaries, to provide all necessary support to its subsidiaries and joint ventures in order to enable them to develop their activities. Doğan Holding's shares are traded on Borsa Istanbul, therefore it is subject to Capital Markets Legislation and the regulations of the Capital Markets Board ("CMB").

**Information on the conflicts of interest of the Company with the service providers such as investment advisors and rating agencies, and the precautions taken by the Company to prevent these conflicts of interest:**

There is no conflict of interest of Doğan Holding with service providers such as investment advisors and rating agencies. Utmost care is taken to run the relationships with these service providers in a healthy and regular manner.

**Information on subsidiaries where there is a reciprocal direct shareholding above 5%:**

There are no subsidiaries where there is a reciprocal direct shareholding above 5%.



## AUDIT COMMITTEE RESOLUTION

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş. AUDIT COMMITTEE RESOLUTION

**DATE:** 26.02.2021/01

**SUBJECT:** Negotiation and Evaluation of the Consolidated Financial Report for the Accounting Period 01.01.2020-31.12.2020

Consolidated Financial Report for the accounting period of 01.01.2020-31.12.2020, which was prepared in accordance with; the Communiqué by the Capital Markets Board ("CMB") on "The Principles of Financial Reporting in the Capital Markets" (No:II-14.1), Turkish Accounting Standards ("TAS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"), Turkish Financial Reporting Standards ("TFRS"), Resolution of POA dated 15.04.2019, which is based on Article 9, paragraph (b) of the Executive Order ("KHK") numbered 660, and 2019 TAS Taxonomy; which was independently audited has been examined by soliciting the opinions of the executives who are responsible for the preparation of the Company's financial reports.

Being limited to the information we have and that we have been given, our opinion relating to this consolidated financial report was presented to the executives who have responsibility for the preparation of the financial statements. Within the framework of this opinion, we have reached a conclusion that this financial report truly reflects the facts regarding the Company's activity results and does not contain any significant deficiency that may cause misleading results, and complies with CMB and POA regulations.

**Hüseyin Faik AÇIKALIN**  
President

**Hacı Ahmet KILIÇOĞLU**  
Member

## CORPORATE GOVERNANCE COMMITTEE RESOLUTION

### DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş. CORPORATE GOVERNANCE COMMITTEE RESOLUTION

**DATE and NUMBER:** 26.02.2021/05

**SUBJECT:** Negotiation and Evaluation of the Annual Report, Corporate Governance Principles Compliance Report and the Sustainability Principles Compliance Framework for the accounting period 01.01.2020-31.12.2020.

We have reviewed the Company's Annual Report which was prepared in accordance with Turkish Code of Commerce ("TCC"), the Ministry of Trade's Regulation on "Determining the Minimum Content of the Annual Reports of the Companies," and the Capital Markets Board ("CMB")'s Communiqué No. II-14.1 on "Principles Regarding Financial Reporting in the Capital Markets," whose conformity with financial statements and their footnotes for the accounting period of 01.01.2020-31.12.2020 that will be submitted to the General Assembly for approval. We saw that the Annual Report was independently audited. We have also reviewed the Company's Corporate Governance Compliance Report ("URF"), Corporate Governance Information Form ("KYBF") and Sustainability Principles Compliance Framework ("SİUÇ") for the accounting period of 01.01.2020-31.12.2020, which was prepared in accordance with the presentation rules stated in the CMB resolution dated 10.01.2019 and numbered 2/49 and that was announced in CMB's Weekly Bulletin dated 10.01.2019 and numbered 2019/02, Communiqué by the CMB on Corporate Governance (No.II-17.1). In due course, we have also consulted with the executives who had roles in preparation of the aforementioned documents and who took part in Environmental Social and Governance ("ESG") studies, and advised them of our opinion. As the result, to the extent of the information that we have and we have been given, our opinion is that the Annual Report, URF, KYBF and SİUÇ are a fair presentation of the results of the Company's activities, they do not have significant omissions which can result as being misleading, and that they comply with the regulations of TCC, the Ministry and the CMB.

**Hacı Ahmet KILIÇOĞLU**  
President

**Ali Aydın PANDIR**  
Member

**Dr. Murat DOĞU**  
Member

# BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY FOR THE APPROVAL OF THE REPORTS

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş. REGARDING THE APPROVAL OF THE FINANCIAL REPORT AND THE ANNUAL REPORT OF DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

**DECISION DATE:** 01.03.2021

**DECISION NO:** 2021/09

### STATEMENT OF RESPONSIBILITY AS PER THE 9<sup>th</sup> ARTICLE OF THE SECOND SECTION OF COMMUNIQUE II -14.1 OF THE CAPITAL MARKETS BOARD

We have reviewed Doğan Şirketler Grubu Holding A.Ş.'s independently audited Consolidated Financial Report and Annual Report pertaining to the accounting period 01.01.2020-31.12.2020, issued in compliance with the Capital Markets Board's Communiqué No. II-14.1 on "The Principles of Financial Reporting in the Capital Markets" according to the Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) published by the Public Oversight, Accounting and Auditing Standards Authority (POA), and in accordance with the presentation principles outlined in Decree Law No. 660, Article 9, paragraph (b) by POA, and procedures announced to the public in POA's Resolution dated 15.04.2019, and in comparison with the previous period's financials. We have also reviewed the Company's Annual Report which was prepared in accordance with: Turkish Code of Commerce ("TCC"), the Ministry of Trade's Regulation on "Determining the Minimum Content of the Annual Reports of the Companies," and the Capital Markets Board ("CMB")'s Communiqué No. II-14.1 on "Principles Regarding Financial Reporting in the Capital Markets" whose conformity with financial statements and their footnotes for the accounting period of 01.01.2020-31.12.2020 that will be submitted to the General Assembly for approval. We saw that the Annual Report was independently audited. We have also reviewed the Company's Corporate Governance Compliance Report ("URF"), Corporate Governance Information Form ("KYBF") and Sustainability Principles Compliance Frame ("SİUÇ") for the accounting period of 01.01.2020-31.12.2020, which was prepared in accordance with: Presentation rules stated in the CMB resolution dated 10.01.2019 and numbered 2/49 and that was announced in CMB's Weekly Bulletin dated 10.01.2019 and numbered 2019/02, Communiqué by the CMB on Corporate Governance (No.II-17.1).

We have also reviewed

- The Company's Financial Report, Annual Report, Corporate Governance Compliance Report ("URF"), Corporate Governance Information Form ("KYBF") and the Sustainability Principles Compliance Framework ("SİUÇ") for the accounting period of 01.01.2020-31.12.2020,
- The consolidated financial report, prepared in accordance with the financial reporting standards in force, truly reflects the facts regarding the assets, liabilities, financial situation and profit & loss of the Company, and the annual report honestly reflects the progress and the performance of the business and the financial situation of the Company, together with the important risks and uncertainties.

**Hüseyin Faik AÇIKALIN**  
President of the Audit Committee

**Hacı Ahmet KILIÇOĞLU**  
Audit Committee Member

**Bora YALINAY**  
Chief Financial Officer and  
Executive Committee Member

**Tolga BABALI**  
Executive Committee Member,  
Financial and Operational Management

# BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF THE REPORTS

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş. DECISION OF THE BOARD OF DIRECTORS

**Date of Meeting:** 01.03.2021

**Decision No.:** 2021/09

The Company's Board of Directors convened in order to resolve the issues that were on its agenda, at the Company's Headquarters with the attendance of the members whose signatures are given below.

**Agenda:** The approval of the Company's Financial Report, Annual Report, Corporate Governance Compliance Report, Corporate Governance Information Form and Sustainability Principles Compliance Framework pertaining to the accounting period of 01.01.2020-31.12.2020.

### Resolution:

As a result of discussions:

- The consolidated Financial Report for the accounting period of 01.01.2020-31.12.2020, which was prepared in accordance with; the Communiqué by the Capital Markets Board ("CMB") on "The Principles of Financial Reporting in the Capital Markets" (No:II-14.1), Turkish Accounting Standards ("TAS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"), Turkish Financial Reporting Standards ("TFRS"), Resolution of POA dated 15.04.2019, which is based on Article 9, paragraph (b) of the Executive Order ("KHK") numbered 660, and 2019 TAS Taxonomy; which was independently audited and presented in comparison with the previous period has been approved.
- The Annual Report for the accounting period of 01.01.2020-31.12.2020, which was prepared in accordance with: Turkish Commercial Code ("TCC"), Regulation by the Ministry of Trade's ("Ministry") on "Determining the Minimum Content of the Annual Reports of the Companies," and the Communiqué by the Capital Markets Board ("CMB") No. II-14.1 on "The Principles of Financial Reporting in the Capital Markets" which was independently audited and which complies with the financial statements and their footnotes for the accounting period of 01.01.2020-31.12.2020 that will be submitted to the General Assembly has been approved.
- Corporate Governance Compliance Report ("URF"), Corporate Governance Information Form ("KYBF") and Sustainability Principles Compliance Frame ("SİUÇ") for the accounting period of 01.01.2020-31.12.2020, which was prepared in accordance with: Presentation rules stated in the CMB resolution dated 10.01.2019 and numbered 2/49 and that was announced in CMB's Weekly Bulletin dated 10.01.2019 and numbered 2019/02 and the Communiqué by the Capital Markets Board on Corporate Governance (No.II-17.1); have been approved.

Decided unanimously by the attendees.

**Yaşar Begümhan**  
**DOĞAN FARALYALI**  
Chairwoman

**Hanzade Vasfiye**  
**DOĞAN BOYNER**  
First Vice Chairwoman

**Agah UĞUR**  
Second Vice Chairman

**Çağlar GÖĞÜŞ**  
Executive Director

**Arzuhan YALÇINDAĞ**  
Member

**Vuslat SABANCI**  
Member

**Ahmet TOKSOY**  
Member

**Ahmet Vural AKIŞIK**  
Independent Board Member

**Hacı Ahmet KILIÇOĞLU**  
Independent Board Member

**Hüseyin Faik AÇIKALIN**  
Independent Board Member

**Ali Aydın PANDIR**  
Independent Board Member



# DIVIDEND DISTRIBUTION POLICY

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş. DIVIDEND DISTRIBUTION POLICY

Doğan Şirketler Grubu Holding A.Ş. ("Company" or "Doğan Holding") makes dividend distribution decisions, and discloses it to the public, in line with the Turkish Commercial Code, Capital Markets Legislation, Capital Markets Law, CMB regulations and resolutions, tax laws, provisions of other applicable legislation, as well as the Articles of Association, and resolutions of the General Assembly.

Accordingly:

- 1- As a principle, the portion "net distributable profit for the period" corresponding to at least 5% of the issued capital calculated as per Capital Markets Legislation, Capital Markets Law, CMB regulations and resolutions is to be distributed, taking into account the financial statements issued in compliance with the Capital Markets Legislation, Capital Markets Law, CMB regulations and resolutions.
- 2- In case a dividend distribution exceeding 5% of the issued capital is wished to be distributed from the "net distributable profit for the period" calculated within the scope of Article 1, the financial statements, the financial status, and the investment plans of our Company are taken into consideration as well as the general economic outlook and the market conditions.
- 3- The dividend distribution proposal is disclosed to the public as per Capital Markets Legislation, Capital Markets Law, and CMB regulations and resolutions, within the legal deadlines.
- 4- In case the "net distributable profit" calculated in line with the legal records kept within the scope of the Turkish Commercial Code and the tax laws is:
  - a.lower than the amount calculated as per Article 1, the "net distributable profit" calculated as per the legal records kept within the scope of this article hereby is taken into account and is distributed in its entirety,
  - b.higher than the amount calculated as per Article 1, action is taken as per Article 2.
- 5- In case there is no "net distributable profit" as per the legal accounting records kept within the scope of the Tax Legislation and the Uniform Account Plan ("Accounting System Practices General Communiqué") published by the Ministry of Finance; dividend might not be distributed even as per the Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions.
- 6- In case the calculated "net distributable profit" is below 5% of the issued capital, it is possible that no dividend be distributed.
- 7- The upper limit of the aid and donations that will be made by the Company within the accounting period in compliance with the Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions, and as per the principles set forth in the Articles of Association shall be determined by the General Assembly. No donations may be made in amounts exceeding the limit set forth by the General Assembly, and the donations made shall be added to the "net distributable profit" base.
- 8- The dividend distribution shall start at the periods permitted by the Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions, and in any case, as of the end of the accounting period.
- 9- In line with the Capital Markets Legislation, Capital Markets Law, CMB regulations and resolutions, and the provisions of the Articles of Association, and as per the resolutions of the General Assembly, the Company may distribute the dividend in cash and/or "bonus shares," or may pay it in installments.
- 10- The Company may also pay dividends to individuals who are not shareholders, in line with resolutions by the General Assembly. In such a case, action shall be taken in compliance with the Turkish Commercial Code, Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions, and the provisions of the Articles of Association.
- 11- The Company may decide to distribute, and may distribute, "advance dividend" in line with the Turkish Commercial Code; Capital Markets Legislation, Capital Markets Law, CMB Regulations and Resolutions, Tax Laws, the provisions of other relevant legislation, the Articles of Association, and the General Assembly Resolution.
- 12- Investments requiring significant amounts of cash outflow to increase the share value, significant issues affecting the financial structure, important economic, market or other uncertainties and problems outside the control of the Company shall be taken into account in making dividend distribution decisions, and determining the dividend distribution amount and percentage. In that case, even if there is a "net distributable profit for the period" base, it is possible not to make a dividend distribution, or to propose a dividend distribution at a lower amount and a percentage than those calculated as per the above criteria.

# DIVIDEND DISTRIBUTION PROPOSAL AND DIVIDEND DISTRIBUTION STATEMENT

**Date of Meeting:** 01.03.2021

**Decision No.:** 2021/10

The Company's Board of Directors convened in order to resolve the issues that were on its agenda, at the Company's Headquarters with the attendance of the members whose signatures are given below.

**Agenda:** Decision on Dividend Distribution

## Resolution:

As a result of discussions:

Taking into account the Turkish Commercial Code ("TCC"), Capital Markets Legislation and Capital Markets Board ("CMB") Regulations, provisions of Corporate Tax, Income Tax and other legislation, as well as the relevant provisions of the Articles of Association of our Company, and the "Dividend Distribution Policy" that we have publicly announced:

In line with the provisions of II-14.1, "Communique on the Principles of Financial Reporting in the Capital Markets," of the CMB, and as per the independently audited and consolidated financial statements of the accounting term of 01.01.2020-31.12.2020 prepared in compliance with the Turkish Accounting System ("TMS") and Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting and Auditing Standards Institute ("KGK"), that a "Net Profit for the Period" of 1,390,240,000 Turkish Liras has resulted when the "Deferred Tax Income," "Tax Expense for the Period," and "Non-Controlling Interests Outside the Equity Holders of The Parent Company" are considered all together, and that a "Net Distributable Profit for the Period" of 1,237,519,863.55 Turkish Liras has been calculated after deducting the "Subsidiary Shares Sales Income" of 34,247,798.44 Turkish Liras, "Venture Capital Fund" of 84,000,000 Turkish Liras and "Legal Reserves Reserved Within the Context of Bought-Back Shares" of 8,961,409.72 Turkish Liras and adding the "Donations" of 14,953,779.28 Turkish Liras made in 2020 to/ from the balance after setting aside "General Legal Reserves" totaling 40,464,707.57 Turkish Liras calculated as per paragraph (1) of Article 519 of the TCC, is deducted;

it has been observed that

Within the scope of the Tax Legislation, and according to the Legal Accounting Records ("Legal Accounting Records") for the 01.01.2020 - 31.12.2020 accounting period kept as per the Uniform Accounting Plan ("General Decree for the Implementation of the Accounting System") issued by the T.R. Ministry of Finance, a "Net Profit for the Period" of 927,541,949.77 Turkish Liras has occurred in the accounting period of 01.01.2020 - 31.12.2020; that a 759,868,034.04 Turkish Liras "Net Distributable Profit for the Period" has been occurred after setting aside "General Legal Reserves" totaling 40,464,707.57 Turkish Liras calculated as per paragraph (1) of Article 519 of the TCC, "Subsidiary Shares Sales Income" totaling 34,247,798.44 Turkish Liras, "Venture Capital Fund" totaling 84,000,000 Turkish Liras and "Legal Reserves Reserved Within the Context of Bought-Back Shares" totaling 8,961,409.72 Turkish Liras.

Legal Accounting Records has been based on the dividend distribution regarding 01.01.2020-31.12.2020 accounting period;

Accordingly, it is understood that there is no need to allocate "General Legal Reserves" pursuant to paragraph (4) of Article 519 of the TCC, and it has been resolved to make a "cash" dividend distribution totaling 180,000,000 Turkish Liras ("gross"), 153,000,000 Turkish Liras ("net"), i.e., 6.87826% gross, 5.84652% net of the "Issued Capital" in line with the rules determined by the Central Registry Agency ("CRA") related to fractions as of the date of dividend distribution, and to start the dividend distribution latest on April 30, 2021,

## DIVIDEND DISTRIBUTION PROPOSAL AND DIVIDEND DISTRIBUTION STATEMENT

Within the scope of the CMB and KGK regulations, the profits not being distributed and totaling 1,042,566,084.27 Turkish Liras after the above mentioned legal and special reserves are allocated as per the consolidated financial statements prepared in compliance with the TMS and the TFRS be taken into the "Retained earnings or accumulated losses" account; and the profits not being distributed and totaling 579,868,034.04 Turkish Liras after the above mentioned legal and special reserves are allocated as per the Legal Accounting Records be taken into the "Extraordinary Reserves" account and that these issues are to be submitted together for the approval of the General Assembly.

### Appendix: DOHOL Dividend Distribution Table

**Yaşar Begümhan  
DOĞAN FARALYALI**  
Chairwoman

**Hanzade Vasfiye  
DOĞAN BOYNER**  
Vice Chairwoman

**Agah UĞUR**  
Vice Chairman

**Çağlar GÖĞÜŞ**  
Executive Director

**Arzuhan YALÇINDAĞ**  
Member

**Vuslat SABANCI**  
Member

**Ahmet TOKSOY**  
Member

**Ahmet Vural AKIŞIK**  
Independent Board Member

**Hacı Ahmet KILIÇOĞLU**  
Independent Board Member

**Hüseyin Faik AÇIKALIN**  
Independent Board Member

**Ali Aydın PANDIR**  
Independent Board Member

## DIVIDEND DISTRIBUTION TABLE

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## DIVIDEND DISTRIBUTION PROPOSAL FOR 2020 (TL)

1	Paid-in Capital	2,616,938,288.00	
2	General Legal Reserves (as per statutory records) <sup>(1)</sup>	214,944,355.40	
	Information concerning preferred shares, if, as per the Company's Articles of Association, there are any privileges for preferred shares in distribution of dividend	None	
		<b>As per CMB</b>	<b>As per statutory records</b>
3	Profit / Loss for the Period (+/-) <sup>(2)</sup>	1,731,970,000	1,096,518,409.03
4	Taxes (+/-) <sup>(3)</sup>	-287,889,000	-168,976,459.26
6	Non-controlling Interests (Minority Interests) (-)	53,841,000	
7	Net Profit / Loss for the Period (+/-)	1,390,240,000.00	927,541,949.77
8	"Subsidiary share sales income" to be transferred to a "special fund" account for being exempted from distribution (as per statutory records) (-) <sup>(4)</sup>	-34,247,798.44	-34,247,798.44
5	Venture Capital Fund (-)	-84,000,000	-84,000,000
9	General Legal Reserve Fund (-) [Legal Reserve Fund allocated within the scope of TCC 519/(1)]	-40,464,707.57	-40,464,707.57
10	Legal Reserves Reserved Within the Context of Share Buy-back (-)	-8,961,409.72	-8,961,409.72
11	Prior Years' Losses (-)	0.00	0.00
12	NET DISTRIBUTABLE PROFIT / LOSS FOR THE PERIOD (+/-)	1,222,566,084.27	759,868,034.04
13	Grants Made During the Year (+)	14,953,779.28	
14	Net Distributable Profit / Loss Including Grants (+/-)	1,237,519,863.55	
15	First Category Dividend to Shareholders	180,000,000	
	Cash	180,000,000	
	Shares	0.00	
	Total	180,000,000	
16	Dividends Distributed to Preferred Shareholders	0.00	
17	Other Dividends Distributed	0.00	
	Members of the Board of Directors	0.00	
	Employees	0.00	
	Non-shareholders	0.00	
18	Dividends to holders of usufruct-right certificates	0.00	
19	Second Category Dividend to Shareholders	0.00	
20	General Legal Reserve Fund [Legal Reserve Fund allocated within the scope of TCC 519/(2)-c and 519/(4) (-)]	0.00	
21	Statutory Reserves	0.00	
22	Special Reserves	0.00	
23	EXTRAORDINARY RESERVES	0.00	
24	Other Sources Planned for Distribution	0.00	
	Prior Years' Income	0.00	
	Extraordinary Reserves	0.00	
	Other Distributable Reserves as per the TCC and Articles of Association	0.00	

<sup>(1)</sup> "Inflation Differences" is not attached

<sup>(2)</sup> Is composed of the sum of the "Profit Before Tax for the Period from Continued Operations"

<sup>(3)</sup> Is composed of the sum of the "Tax Expense for the Period" and "Deferred Tax Income"

<sup>(4)</sup> 75% portion of "subsidiary share sales income" of Milpa, Doğan Burda, Çelik Halat and Ditaş benefit from the exception of the Corporate Tax in Article 5-1/e and not be included in the "net distributable profit" calculation for the accounting period of 01.01.2020-31.12.2020 and to be transferred to a "special fund" account in liabilities

## INFORMATION ON DIVIDEND PER SHARE

GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT/NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND PER SHARE FOR 1 TL NOMINAL VALUE	
	CASH (TL)	SHARES (TL)		AMOUNT (TL)	RATIO (%)
NET	153,000,000.00	0	12.36	0.06	5.84652
<b>TOTAL</b>	<b>153,000,000.00</b>	<b>0</b>	<b>12.36</b>	<b>0.06</b>	<b>5.84652</b>



# OPINION LETTER OF THE INDEPENDENT AUDIT COMPANY ON THE ANNUAL REPORT



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

## 1. Opinion

We have audited the annual report of Doğan Şirketler Grubu Holding A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the 1 January - 31 December 2020 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group’s position in the Board of Directors’ Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

## 2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Auditing Standards (“TAS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities in the Audit of the Board of Directors’ Annual Report” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

## 3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor’s report dated March 1, 2021 on the full set consolidated financial statements for the 1 January - 31 December 2020 period.

## 4. Board of Director’s Responsibility for the Annual Report

Group management’s responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code (“TCC”) No. 6102 and Capital Markets Board’s (“CMB”) Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (the “Communiqué”) are as follows:

- a) To prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- b) To prepare the annual report to reflect the Group’s operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) To include the matters below in the annual report:
  - Events of particular importance that occurred in the Company after the operating year,
  - The Group’s research and development activities,
  - Financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.



#### 5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TASs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

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

Gökhan Yüksel, SMMM  
Partner

Istanbul, March 1, 2021



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

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

**CONSOLIDATED FINANCIAL STATEMENTS  
AT 1 JANUARY - 31 DECEMBER 2020 TOGETHER  
WITH INDEPENDENT AUDITOR'S REPORT**





**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH  
  
INDEPENDENT AUDITOR'S REPORT**

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

**A. Audit of the Consolidated Financial Statements**

**1. Opinion**

We have audited the accompanying consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

**2. Basis for Opinion**

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

**3. Key Audit Matters**

Key audit matters are those matters that we found, in our professional judgment, to be of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



### 3. Key Audit Matters (Continued)

<b><i>Key audit matters</i></b>	<b><i>Audit procedures implemented for the key audit matters</i></b>
<p><b><i>Dealer contractual assets included in intangible assets</i></b></p> <p>The Group enters into contracts related to usufruct, advance sales support premium, rent and etc. with its both existing and new dealers within the scope of its fuel retail activities. The accounting policies related to the prepaid amounts with respect to these contracts are disclosed in Note 2.2.</p> <p>As of 31 December 2020, dealer contractual assets accounted for under intangible assets in the consolidated statement of financial position amounts to TRY160,251 thousands (Note 15). Due to fact that each dealer contract contains different conditions; complete and accurate recognition of such assets in the consolidated financial statements is important for our audit and accordingly it has been evaluated as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• A detailed test was carried out on a sample basis to determine whether the payments made to the dealers are accounted for in accordance with the matters specified in the contracts in the consolidated statement of financial position as at 31 December 2020 and consolidated statement of profit or loss for the year then ended.</li> <li>• A detailed test was carried out on a sample basis for the payments made to the dealers regarding the new dealer contracts signed in 2020.</li> <li>• Budget sales data prepared for each dealer were obtained from the Group management, and they have been analyzed by comparing such data with the sales amounts realized in 2020 and applying similar analysis methods to evaluate whether there is any impairment of dealer payments.</li> </ul> <p>As a result of our work, we had no material findings in our audit procedures related to the dealer contractual assets included in intangible assets.</p>



### 3. Key Audit Matters (Continued)

Key audit matters	Audit procedures implemented for the key audit matters
<p><b><i>Investment properties measured by using the fair value method</i></b></p> <p>As explained in Note 13, as of 31 December 2020, the Group's investment properties, which have a carrying value of TRY1,444,883 thousand and represent a significant share of total assets, comprise of land and buildings.</p> <p>The accounting method used by Group management for investment properties is the "fair value method", as described in Note 2.2. The fair values of these assets are determined by independent valuation institutions authorised by the Capital Markets Board (the "CMB") and are recognised in the consolidated financial statements after being assessed by Group management. Fair values of investment properties depend on the valuation method used as well as the input and assumptions used in the valuation model. Fair values are directly affected by factors such as market conditions, specific characteristics, physical condition and the geographic location of each investment property.</p> <p>The reasons for our focus on this area:</p> <ul style="list-style-type: none"> <li>• The quantitative materiality of the investment properties on the consolidated financial statements,</li> <li>• When determining the fair values of the investment properties, methods such as the benchmarking analysis approach, cost approach and direct capitalisation approach are used, and these methods include variables that may lead to differences in the fair values.</li> </ul>	<ul style="list-style-type: none"> <li>• Valuation reports prepared by the independent property valuation institutions assigned by the Group are obtained and the property valuation accreditations and licences of these institutions granted by the Capital Markets Board are checked based on Independent Audit Standards.</li> <li>• Deeds and ownership ratios of investment properties were tested on a sample basis.</li> <li>• We compared the consistency of the inputs which have a significant impact on the property value determined and were stated in the valuation reports, such as unit sales value, against observable market prices, and then tested whether the appraised values are within an acceptable range.</li> <li>• Fair values stated in the valuation reports were compared with the disclosures in the consolidated financial statements to assess if the values in the disclosures and accounting records are consistent with the valuation report and the disclosures are sufficient based on the requirements of TFRS.</li> </ul> <p>As a result of our work, we had no material findings in our audit procedures related to the investment properties accounted for using the fair value method.</p>



#### **4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **B. Other Responsibilities Arising From Regulatory Requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2020 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 1 March 2021.

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

Gökhan Yüksel, SMMM  
Partner

Istanbul, 1 March 2021

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

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**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

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

ASSETS	Notes	USD (*) <i>Audited</i> <i>Current Period</i> 31 December 2020	<i>Audited</i> <i>Current Period</i> 31 December 2020	<i>Audited</i> <i>Prior Period</i> 31 December 2019
		1,114,047	8,177,654	6,988,247
<b>Current assets</b>				
Cash and cash equivalents	6	395,879	2,905,947	3,278,832
Financial investments	7	330,226	2,424,023	1,177,726
Trade receivables				
- Due from related parties	34	655	4,809	3,495
- Due from non-related parties	9	242,080	1,776,986	1,704,886
Other receivables				
- Due from non-related parties	10	4,587	33,669	25,153
Inventories	11	106,116	778,944	621,783
Prepaid expenses	21	8,807	64,647	67,006
Derivative instruments	22	3,090	22,683	18,993
Biological assets	12	1,979	14,528	13,167
Other current assets	20	20,411	149,828	58,172
Non-current assets classified as held for sale	31	217	1,590	19,034
<b>Non-current assets</b>		<b>751,385</b>	<b>5,515,549</b>	<b>4,252,344</b>
Trade receivables				
- Due from non-related parties	9	4,500	33,033	26,083
Financial investments	7	26,168	192,089	202,845
Investments accounted for by the equity method	4	32,524	238,746	128,557
Investment properties	13	196,837	1,444,883	1,357,167
Property, plant and equipment	14	237,209	1,741,232	1,102,314
Intangible assets				
- Other intangible assets	15	144,114	1,057,872	612,322
- Goodwill	15	14,318	105,101	51,552
Rights of use assets	16	35,086	257,549	236,915
Prepaid expenses	21	2,147	15,759	58,281
Deferred tax asset	32	15,192	111,516	97,796
Other non-current assets	20	43,290	317,769	378,512
<b>Total assets</b>		<b>1,865,432</b>	<b>13,693,203</b>	<b>11,240,591</b>

The consolidated financial statements as of and for the period ended 31 December 2020 have been approved by the Board of Directors on 1 March 2021. These consolidated financial statements will be finalized following their approval in the General Assembly.

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 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 (*) Audited Current Period 31 December 2020	Audited Current Period 31 December 2020	Audited Prior Period 31 December 2019
<b>Short-term liabilities</b>		<b>393,307</b>	<b>2,887,079</b>	<b>2,831,079</b>
Short-term borrowings				
- Short-term borrowings from non-related parties				
- Bank borrowings	8	228,843	1,679,820	1,603,847
- Issued debt instruments	8	2,938	21,570	136,713
- Lease borrowings	8	-	-	414
Short-term portion of long-term borrowings				
- Short-term portion of long-term borrowings from related parties				
- Lease borrowings	8, 34	798	5,855	6,238
- Short-term portion of long-term borrowings from non-related parties				
- Bank borrowings	8	12,057	88,508	71,071
- Lease borrowings	8	5,649	41,463	36,734
Trade payables				
- Due to related parties	34	235	1,726	363
- Due to non-related parties	9	97,293	714,181	745,720
Payables related to employee benefits	23	4,226	31,019	19,267
Deferred income (Except obligations arising from customer contracts)				
- Deferred income from non-related parties	21	5,888	43,219	39,593
(Except obligations arising from customer contracts)	22	5,621	41,263	339
Derivative instruments				
Other payables				
- Due to non-related parties	10	20,715	152,061	126,831
Current income tax liability	32	3,155	23,162	7,381
Short-term provisions				
- Short-term provisions for employment benefits	23	2,991	21,959	20,395
- Other short-term provisions	18	2,292	16,826	10,083
Other short term liabilities		606	4,447	6,090
<b>Long-term liabilities</b>		<b>194,521</b>	<b>1,427,887</b>	<b>778,172</b>
Long-term borrowings				
- Long-term borrowings from related parties				
- Lease borrowings	8, 34	1,927	14,148	18,906
- Long-term borrowings from non-related parties				
- Bank borrowings	8	122,188	896,923	407,133
- Lease borrowings	8	20,431	149,974	170,416
Investments accounted for by the equity method	4	1,801	13,217	-
Other payables				
- Due to non-related parties	10	1,204	8,841	1,923
Deferred income (Except obligations arising from customer contracts)				
- Deferred income from non-related parties	21	1,644	12,070	4,970
(Except obligations arising from customer contracts)				
Long-term provisions				
- Long-term provisions for employment benefits	23	7,858	57,679	42,930
- Other long term provisions		63	460	1,531
Other long term liabilities		-	-	1,478
Deferred tax liability	32	37,405	274,575	128,885
<b>EQUITY</b>		<b>1,277,603</b>	<b>9,378,237</b>	<b>7,631,340</b>
<b>Equity attributable to equity holders of the parent company</b>		<b>1,149,785</b>	<b>8,439,989</b>	<b>7,136,609</b>
Share capital	24	356,507	2,616,938	2,616,938
Adjustments to share capital	24	19,553	143,526	143,526
Repurchased shares (-)	24	(2,184)	(16,035)	(7,073)
Share premiums (discounts)	24	4,790	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	(1,759)	(12,913)	(11,202)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		39	288	581
Other comprehensive income (losses) that will be reclassified in profit or loss				
- Change in currency translation reserves	24	97,296	714,204	461,331
- Gain (loss) on revaluation and reclassification of financial assets held for sale	24	(950)	(6,973)	45,451
Restricted reserves	24	124,388	913,068	722,081
Retained earnings or accumulated losses		362,712	2,662,487	2,513,028
Net profit or loss for the period		189,393	1,390,240	616,789
<b>Non-controlling interests</b>		<b>127,818</b>	<b>938,248</b>	<b>494,731</b>
<b>Total liabilities</b>		<b>1,865,432</b>	<b>13,693,203</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 PERIODS  
1 JANUARY - 31 DECEMBER 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>Audited</i> <i>Current Period</i> <i>1 January -</i> <i>31 December 2020</i>	<i>Audited</i> <i>Current Period</i> <i>1 January -</i> <i>31 December 2020</i>	<i>Audited</i> <i>Prior Period</i> <i>1 January -</i> <i>31 December 2019</i>
	Notes			
<b>Profit or Loss</b>				
Revenue	25	1,466,888	10,767,694	13,253,580
Cost of Sales (-)	25	(1,291,686)	(9,481,624)	(12,177,709)
<b>Gross Profit (Loss)</b>	<b>25</b>	<b>175,202</b>	<b>1,286,070</b>	<b>1,075,871</b>
General Administrative Expenses (-)	26	(39,580)	(290,534)	(295,431)
Marketing Expenses (-)	26	(58,921)	(432,513)	(417,647)
Other Income From Operating Activities	28	112,244	823,926	830,575
Other Expenses From Operating Activities (-)	28	(21,843)	(160,338)	(188,506)
Share of Gain (Loss) on Investments Accounted for by the Equity Method	4	(1,312)	(9,630)	26,748
<b>Operating Profit/(Loss)</b>		<b>165,790</b>	<b>1,216,981</b>	<b>1,031,610</b>
Income from Investment Activities	29	114,696	841,925	192,405
Expenses from Investment Activities (-)	29	(74)	(542)	(15,010)
<b>Operating Profit (Loss) Before Finance (Expense)/Income</b>		<b>280,412</b>	<b>2,058,364</b>	<b>1,209,005</b>
Finance Expenses (-)	30	(44,465)	(326,394)	(484,976)
<b>Profit (Loss) Before Taxation From Continued Operations</b>		<b>235,947</b>	<b>1,731,970</b>	<b>724,029</b>
<b>Tax Expense From Continued Operations</b>	<b>32</b>	<b>(39,219)</b>	<b>(287,889)</b>	<b>(131,096)</b>
Tax Income/(Expense) for the Period		(36,650)	(269,028)	(128,656)
Deferred Tax Income/(Expense)		(2,569)	(18,861)	(2,440)
<b>Profit/(Loss) For The Period From Continued Operations</b>		<b>196,728</b>	<b>1,444,081</b>	<b>592,933</b>
<b>Profit/(Loss) For The Period</b>		<b>196,728</b>	<b>1,444,081</b>	<b>592,933</b>
<b>Allocation of Profit/(Loss) For The Period</b>				
Attributable to Non-Controlling Interests		7,335	53,841	(23,856)
Attributable to Equity Holders of the Parent Company		189,393	1,390,240	616,789
Gain/(Loss) Per Share Attributable to Equity Holders of the Parent Company	33	0.073	0.534	0.236

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 PERIODS 1 JANUARY - 31 DECEMBER 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>Audited</i> <i>Current Period</i> <i>1 January -</i> <i>31 December 2020</i>	<i>Audited</i> <i>Current Period</i> <i>1 January -</i> <i>31 December 2020</i>	<i>Audited</i> <i>Prior Period</i> <i>1 January -</i> <i>31 December 2019</i>
<b>Profit/(Loss) For The Period</b>		<b>196,728</b>	<b>1,444,081</b>	<b>592,933</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>That will not be reclassified as profit or loss</b>				
Defined benefit plans re-measurement gains/(losses)	23	(362)	(2,660)	(3,858)
Defined benefit plans re-measurement gains/(losses) of investments valued by equity method		(50)	(366)	1,841
<b>Taxes on other comprehensive income that will not be reclassified in profit or loss</b>				
- Tax effect of actuarial gains (losses) on defined benefit plans		82	605	404
<b>That will be reclassified as profit or loss</b>				
Currency translation differences		34,375	252,328	49,383
Gain/(Loss) on revaluation and/or reclassification of financial assets available for sale	7	(7,203)	(52,873)	56,695
Other comprehensive income (loss) related with cash flow hedges				
Taxes related to other comprehensive income that will be reclassified as profit or loss				
- Tax effect on revaluation and/or reclassification of financial assets available for sale		61	449	(11,224)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		<b>26,903</b>	<b>197,483</b>	<b>93,241</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<b>223,631</b>	<b>1,641,564</b>	<b>686,174</b>
<b>Allocation of Total Comprehensive Income/(Loss)</b>				
Attributable to Non-Controlling Interests		7,204	52,879	(21,660)
Attributable to Equity Holders of the Parent Company		216,427	1,588,685	707,834

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

1 JANUARY - 31 DECEMBER 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		Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		Accumulated other comprehensive income or loss that will be reclassified to profit or loss		Retained earnings					Equity		
		Share Capital	Adjustments to share capital	Repurchased shares	Actuarial gains/(losses) on defined benefit plans	Share premiums/ discounts	Gain/(loss) on revaluation and/or reclassification of financial assets	Currency translation differences	Restricted reserves	Retained earnings/ accumulated losses	Net profit/(loss) for the period	Equity attributable to equity holders of the parent company			
Balance at 1 January 2020	24	2,616,938	143,526	(7,073)	(11,202)	581	35,159	45,451	461,331	722,081	2,513,028	616,789	7,136,609	494,731	7,631,340
Transfers		-	-	-	-	-	-	-	-	190,987	425,802	(616,789)	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	(99,479)	-	(99,479)	(174)	(99,653)
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	68,750	68,750
Acquisition or disposal of subsidiary		-	-	-	-	-	-	-	-	-	(215,260)	-	(215,260)	322,062	106,802
- Acquisition or disposal of a subsidiary (Note 3)		-	-	-	-	-	-	-	-	-	(215,260)	-	(215,260)	106,802	106,802
Transactions with non-controlling interest shareholders		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to repurchase transactions of shares		-	-	(8,962)	-	-	-	-	-	-	38,396	-	38,396	-	38,396
Total comprehensive income/(loss)		-	-	-	(1,711)	(293)	-	(52,424)	252,873	-	-	1,390,240	1,588,685	52,879	1,641,564
Profit (loss) for the period		-	-	-	-	-	-	-	-	-	-	1,390,240	1,390,240	53,841	1,444,081
Other comprehensive income (loss)		-	-	-	(1,711)	(293)	-	(52,424)	252,873	-	-	-	198,445	(962)	197,483
- Currency translation differences		-	-	-	-	-	-	-	252,873	-	-	-	252,873	(545)	252,328
- Defined benefit plans re-measurement gains/(losses)		-	-	-	(1,711)	(293)	-	-	-	-	-	-	(2,004)	(417)	(2,421)
- Change in financial asset revaluation fund		-	-	-	-	-	-	(52,424)	-	-	-	-	(52,424)	-	(52,424)
Balance at 31 December 2020	24	2,616,938	143,526	(16,035)	(12,913)	288	35,159	(6,973)	714,204	913,068	2,662,487	1,390,240	8,439,989	938,248	9,378,237

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 PERIODS

1 JANUARY - 31 DECEMBER 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					
		Share Capital	Adjustments to share capital	Repurchased shares	Gain/loss on revaluation of property of 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	Equity attributable to equity holders of the parent company	
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)	-	(3,322)	(264,317)	-
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	180,865	180,865	-
Acquisition or disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Effects of ownership rate change of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Acquisition or disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with non-controlling interest shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to repurchase transactions of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	(4,993)	-	-	-	-	-	-	-	29,400	-	29,400	2,320	31,720	-
Profit (loss) for the period	-	-	-	-	(2,700)	1,473	-	45,471	46,801	-	-	616,789	707,834	(21,660)	686,174	-
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-	616,789	616,789	(23,856)	592,933	-
- Currency translation differences	-	-	-	-	(2,700)	1,473	-	45,471	46,801	-	-	-	91,045	2,196	93,241	-
- Defined benefit plans re-measurement gains/(losses)	-	-	-	-	-	-	-	-	46,801	-	-	-	46,801	2,582	49,383	-
- Change in financial asset revaluation fund	-	-	-	-	(2,700)	1,473	-	45,471	-	-	-	-	(1,227)	(386)	(1,613)	-
Balance at 31 December 2019	24	2,616,938	143,526	(7,073)	-	(11,202)	581	35,159	45,451	461,331	722,081	2,513,028	616,789	7,136,609	494,731	7,631,340

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 PERIODS  
1 JANUARY - 31 DECEMBER 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>Audited</i> <i>Current Period</i> <i>1 January -</i>	<i>Audited</i> <i>Current Period</i> <i>1 January -</i>	<i>Audited</i> <i>Prior Period</i> <i>1 January -</i>
	Notes	31 December 2020	31 December 2020	31 December 2019
<b>A. Net Cash From Operating Activities</b>		<b>97,061</b>	<b>712,465</b>	<b>898,384</b>
Profit/(loss) for the period		196,728	1,444,081	592,933
<b>Adjustments regarding reconciliation of net profit (loss) for the period</b>		<b>(54,944)</b>	<b>(403,325)</b>	<b>89,915</b>
Adjustments related to depreciation and amortization	11,14,15,16	45,752	335,843	315,958
Adjustments related to provisions				
- <i>Adjustments related to provisions for (reversal of) employee benefits</i>	23	2,024	14,855	15,755
- <i>Adjustments related to provisions (reversal) for lawsuits and/or penalty</i>	18	405	2,972	2,036
- <i>Adjustments related to other provisions (reversals)</i>		2,001	14,690	(9,828)
Adjustments related to interest (income) and expenses				
- <i>Adjustments related to interest income</i>	28,29	(22,772)	(167,161)	(213,803)
- <i>Adjustments related to interest expenses</i>	29,30	27,912	204,888	379,020
- <i>Deferred financial expense due to purchases with maturity</i>	28	3,771	27,680	50,477
- <i>Unearned financial income due from sales with maturity</i>	28	(5,972)	(43,841)	(102,186)
Adjustments related to changes in unrealised foreign exchange differences		(110,266)	(809,409)	(382,526)
Adjustments related to fair value (gains) losses		(17,558)	(128,883)	(65,413)
Adjustments related to losses (gains) on disposal of non-current assets		(2,833)	(20,794)	(3,923)
Adjustments related to undistributed profits of investments accounted for by the equity method	4	1,312	9,630	(26,748)
Adjustments related to tax income (expense)	32	39,219	287,889	131,096
Adjustments related to losses (gains) on disposal of subsidiaries, joint ventures and financial investments	29	(17,939)	(131,684)	-
<b>Changes in working capital</b>		<b>(29,967)</b>	<b>(219,975)</b>	<b>116,187</b>
Adjustments for decrease/(increase) in inventories		(14,902)	(109,385)	23,801
Adjustments for decrease/(increase) in trade receivables				
- <i>(Increase)/decrease in trade receivables from related parties</i>		(179)	(1,314)	3,305
- <i>(Increase)/decrease in trade receivables from non-related parties</i>		5,787	42,478	219,135
Increase (decrease) in payables due to employee benefits		1,227	9,008	2,757
Adjustments regarding decrease/(increase) in other receivables on operations				
- <i>(Increase)/decrease in other receivables regarding operations with related parties</i>		-	-	20,536
- <i>(Increase)/decrease in other receivables regarding operations with non-related parties</i>		(1,986)	(14,581)	(6,968)
Adjustments regarding increase (decrease) in trade payables				
- <i>Increase/(decrease) in trade payables to related parties</i>		186	1,363	55
- <i>Increase/(decrease) in trade payables to non-related parties</i>		(7,042)	(51,689)	(124,965)
Adjustments regarding increase (decrease) in other payables on operations				
- <i>Increase/(decrease) in other payables to related parties</i>		-	-	-
- <i>Increase/(decrease) in other payables to non-related parties</i>		2,827	20,755	(171,034)
Adjustments for other increase (decrease) in working capital				
- <i>(Increase)/decrease in other assets regarding operations</i>		(18,605)	(136,573)	216,556
- <i>Increase/(decrease) in other liabilities regarding operations</i>		2,720	19,963	(66,991)
<b>Net Cash From Operating Activities</b>		<b>111,817</b>	<b>820,781</b>	<b>799,035</b>
Employee termination benefits paid	23	(609)	(4,470)	(6,214)
Income tax refunds (payments)		(35,351)	(259,496)	(117,904)
Other cash inflows/(outflows)		139	1,019	3,136
Interest received		21,065	154,631	220,331

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 PERIODS  
1 JANUARY - 31 DECEMBER 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>Audited</i> <i>Current Period</i> <i>1 January -</i> <i>31 December 2020</i>	<i>Audited</i> <i>Current Period</i> <i>1 January -</i> <i>31 December 2020</i>	<i>Audited</i> <i>Prior Period</i> <i>1 January -</i> <i>31 December 2019</i>
	Notes			
<b>B. Net Cash From Investing Activities</b>		<b>(270,547)</b>	<b>(1,985,939)</b>	<b>(1,063,050)</b>
Cash outflows regarding capital increase and/or share purchase of associates and/or joint ventures	3, 4	(90,712)	(665,869)	(68,193)
Cash inflow due to capital reduction or sale of shares in associates and / or joint ventures		21,411	157,171	15,221
Cash inflow due to sale of property, plant, equipment and intangible assets		10,481	76,939	28,850
Cash outflows from purchase of property, plant, equipment and intangible assets	14, 15	(94,372)	(692,741)	(171,020)
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments		(254,749)	(1,869,982)	(1,134,548)
Cash inflows from the sale of shares or debt instruments of other enterprises or funds		118,007	866,231	353,998
Other cash inflows/(outflows)		19,387	142,312	(87,358)
<b>C. Net Cash from Financing Activities</b>		<b>10,074</b>	<b>73,951</b>	<b>(777,980)</b>
Proceeds from borrowings				
<i>Cash inflows from borrowings</i>	8	883,344	6,484,186	10,627,971
<i>Cash inflows from issued debt instruments</i>	7	2,938	21,570	136,713
Cash outflows on debt payments				
<i>Cash outflows due to payments of bank borrowings</i>	8	(845,244)	(6,204,513)	(11,263,515)
Cash outflows on debt payments due to leasing	8	(14,559)	(106,872)	(84,522)
Interest paid		(10,917)	(80,138)	(125,950)
Dividends paid		(13,552)	(99,479)	(260,995)
Other cash inflows/(outflows)		9,285	68,159	197,311
Cash outflows from the purchase of the company's own shares and other equity instruments		(1,221)	(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>(163,412)</b>	<b>(1,199,523)</b>	<b>(942,646)</b>
<b>D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS</b>		<b>112,683</b>	<b>827,146</b>	<b>410,040</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(50,729)</b>	<b>(372,377)</b>	<b>(532,606)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	6	<b>446,394</b>	<b>3,276,758</b>	<b>3,809,364</b>
<b>F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	6	<b>395,665</b>	<b>2,904,381</b>	<b>3,276,758</b>

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

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

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

**NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS**

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

Doğan Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on Borsa İstanbul (“Borsa İstanbul”) since 21 June 1993. Within the frame of Resolution No, 21/655 dated 23 July 2010 of CMB with the decision on 30 October 2014 numbered 31/1059; according to the records of Central Registry Agency (“CRA”), 35.84% shares of Doğan Holding are to be considered in circulation as of 31 December 2020 (31 December 2019: 35.84%). As of 1 March 2021, circulation rate of shares are 35.85%.

The address of Holding is as follows:

Burhaniye Mahallesi Kısıklı Caddesi No: 65  
Üsküdar 34676 İstanbul

As of 31 December 2020, the total number of personnel in the domestic and abroad subsidiaries and associates of the Group, that are consolidated, is 3,533 (domestic 3,225) (31 December 2019: 3,250; domestic 2,955). Holding has 42 employees (31 December 2019: 44 employees).

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

***Fuel Retail***

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Aytemiz Akaryakıt Dağıtım A.Ş. (“Aytemiz Akaryakıt”)	Energy	Turkey
Aytemiz Petrolcülük Ticaret Limited Şirketi (“Aytemiz Petrolcülük”)	Energy	Turkey
İstasyon Petrol Ticaret Limited Şirketi (“İstasyon Petrolcülük”)	Energy	Turkey

<b>Joint Ventures</b>	<b>Nature of business</b>	<b>Country</b>
Gas Plus Erbil Ltd. (“Gas Plus Erbil”)	Energy	Jersey

***Electricity Production and Trade***

<b>Subsidiaries</b>	<b>Nature of business</b>	<b>Country</b>
Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. (“Doğan Enerji”) <sup>(1)</sup>	Energy	Turkey
Galata Wind Enerji A.Ş. (“Galata Wind”)	Energy	Turkey
Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A.Ş. (“Sunflower”)	Energy	Turkey
<b>Joint Ventures</b>	<b>Nature of business</b>	<b>Country</b>
Boyabat Elektrik Üretim ve Ticaret A.Ş. (“Boyabat Elektrik”)	Energy	Turkey
Aslancık Elektrik Üretim A.Ş. (“Aslancık Elektrik”)	Energy	Turkey

<sup>(1)</sup> The merger transaction of the related subsidiaries of Doğan Holding through the acquisition in a simplified procedure was approved by the Capital Markets Board (“CMB”) on 31 December 2020, and the registration process continues.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)*****Industry and Trade***

Subsidiaries	Nature of business	Country
Çelik Halat ve Tel Sanayii A.Ş. (“Çelik Halat”)	Production	Turkey
Celik Halat Netherlands B.V. (“Çelik Halat Netherlands”)	Trade	Holland
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. (“Ditaş Doğan”)	Production	Turkey
Ditas America LLC (“Ditas America”) <sup>(2)</sup>	Trade	USA
D Stroy Limited (“D Stroy”) <sup>(3)</sup>	Trade	Russia
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”)	Foreign Trade	Turkey
Falcon Purchasing Services Ltd. (“Falcon”)	Foreign Trade	England
Neta Yönetim Danışmanlık Havacılık Hizmetleri A.Ş. (“Neta Yönetim”)	Aviation	Turkey
Kelkit Doğan Besi İşletmeleri A.Ş. (“Kelkit Doğan Besi”)	Husbandry	Turkey
Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. (“Sesa Ambalaj”) <sup>(4)</sup>	Production	Turkey
Sesa Üretim Yatırımları ve Yönetim Hizmetleri A.Ş. (“Sesa Yatırım”) <sup>(5)</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>(6)</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”) <sup>(7)</sup>	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>(8)</sup>	Investment Banking	Turkey

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

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

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

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

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

(7) The merger transaction of the related subsidiaries of Doğan Holding through the acquisition in a simplified procedure was approved by the Capital Markets Board (“CMB”) on 31 December 2020, and the registration process continues.

(8) 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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
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>(9)</sup>	Investment	Holland
İnnobil Bilişim Teknolojileri ve Danışmanlık Ltd.Şti. ("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") <sup>(10)</sup>	Magazine Publishing	Turkey
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu") <sup>(11)</sup>	Telecommunication	Turkey
NetD Müzik Video Dijital Platform ve Ticaret A.Ş. ("NetD Müzik") <sup>(12)</sup>	Internet services	Turkey
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC") <sup>(12)</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

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

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

(10) It was decided that 50% of the shares of relevant subsidiary to be taken over and controlled by the Group as of 16 February 2021 (Note 38).

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

(12) 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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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

##### 2.1 Basis of Presentation

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

##### Adopted Financial Reporting Standards

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

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

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

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

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

##### Functional and Presentation Currency

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

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

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

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

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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****2.1 Basis of Presentation (Continued)****2.1.2 Financial statements of subsidiaries and joint ventures operating in foreign countries (Continued)**

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

**2.1.3 Consolidation and equity method accounting principles**

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

**(a) Subsidiaries**

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

Control is achieved when the Group:

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

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

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

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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****2.1 Basis of Presentation (Continued)****2.1.3 Consolidation and equity method accounting principles (Continued)****(a) Subsidiaries (Continued)**

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

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

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

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

**Changes in ownership interests**

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

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

**Fuel Retail**

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

(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.



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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****2.1 Basis of Presentation (Continued)****2.1.3 Consolidation and equity method accounting principles (Continued)****(a) Subsidiaries (Continued)*****Electricity Production and Trade***

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Doğan Enerji <sup>(3)</sup>	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Galata Wind	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Sunflower	100.00	100.00	-	-	100.00	100.00	100.00	100.00

***Industry and Trade***

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Çelik Halat <sup>(4)</sup>	70.35	77.65	-	-	70.35	77.65	70.35	77.65
Çelik Halat Netherlands <sup>(4)</sup>	100.00	100.00	-	-	100.00	100.00	70.35	77.65
Ditaş Doğan <sup>(4)</sup>	68.90	72.62	-	-	68.90	72.62	68.90	72.62
Ditas America <sup>(4)</sup>	100.00	100.00	-	-	100.00	100.00	68.90	72.62
D Stroy <sup>(4)</sup>	100.00	100.00	-	-	100.00	100.00	68.90	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>(5)</sup>	70.00	-	-	-	70.00	-	70.00	-
Sesa Ambalaj <sup>(6)</sup>	100.00	-	-	-	100.00	-	70.00	-

***Automotive Trade and Marketing***

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

(3) The merger transaction of the related subsidiaries of Doğan Holding through the acquisition in a simplified procedure was approved by the Capital Markets Board ("CMB") on 31 December 2020, and the registration process continues.

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

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

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****Financing and Investment**

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 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 <sup>(7)</sup>	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>(8)</sup>	100.00	-	-	-	100.00	-	100.00	-

**Internet and Entertainment**

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Glokal	100.00	100.00	-	-	100.00	100.00	79.22	79.22
Proje Land <sup>(9)</sup>	-	86.00	-	-	-	86.00	-	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
Doğan Media Invest	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Glocal Invest	79.22	79.22	-	-	79.22	79.22	79.22	79.22
DG Invest <sup>(10)</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 (%)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Milpa <sup>(11)</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) The merger transaction of the related subsidiaries of Doğan Holding through the acquisition in a simplified procedure was approved by the Capital Markets Board (“CMB”) on

31 December 2020, and the registration process continues.

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

(9) The shares of the related subsidiary were decided to be taken over by Glokal with the decision of the Board of Directors dated 24 November 2020, and on 26 November 2020, the merger with Glokal was registered and the subsidiary was liquidated.

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

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****(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.

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

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. The Group presents comparatively its consolidated statement of financial position as of 31 December 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 period ended 1 January - 31 December 2020, are presented comparatively with the consolidated financial statements as of the period 1 January - 31 December 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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****2.1.5 Comparative information and restatement of prior period financial statements (Continued)**

"Financial Income" which was amounting to TRY9,479 in the consolidated statement of profit or loss for the period ended 1 January-31 December 2019 have been netted with the "Financial Expenses" in the related period in order to comply with the consolidated statement of profit or loss prepared as of 1 January-31 December 2020.

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

"Goodwill" which was amounting to TRY12,418 in the consolidated statement of financial position for the period ended 31 December 2019 have been reclassified to "Other Intangible Assets" in the related period in order to comply with the consolidated statement of financial position prepared as of 31 December 2020. "Revenue" and "Cost of Sales" which was amounting to TRY23,021 in the consolidated statement of profit or loss for the period ended 31 December 2019 have been netted in the related period in order to comply with the consolidated statement of profit or loss prepared as of 31 December 2020.

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

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

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

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

**a) New standards applicable as of 31 December 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:



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS") (Continued)****a) New standards applicable as of 31 December 2020 and amendments to existing previous standards and interpretations: (Continued)**

- 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. The amendment does not have a significant impact on the financial status and performance of the Group.
- b) Standards and amendments that are issued but not effective as at 31 December 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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****2.1.7 New and revised Turkish Financial Reporting Standards (“TFRS”) (Continued)****b) Standards and amendments that are issued but not effective as at 31 December 2020: (Continued)**

- Amendments to TAS 1, ‘Presentation of financial statements’ on classification of liabilities; effective from 1 January 2022. These narrow-scope amendments to TAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the ‘settlement’ of a liability.
- A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 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’.
- Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2; effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The impact of the amendment is evaluated on the financial status and performance of the Group.
- Amendments to TFRS 17 and TFRS 4, ‘Insurance contracts’, deferral of TFRS 9; effective from annual periods beginning on or after 1 January 2021. These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial Instruments until 1 January 2023.

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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****2.1.8 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 7.3405 = USD 1.00 as of 31 December 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****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.



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****Financial Assets**

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

*(a) Financial assets carried at amortized cost*

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

*Impairment*

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

*(b) Financial assets carried at fair value*

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

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

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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.

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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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.2 Summary of Significant Accounting Policies (Continued)****Investment properties (Continued)**

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 - 30
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

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

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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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)****2.2 Summary of Significant Accounting Policies (Continued)****Intangible assets and related amortization (Continued)**

Intangible assets with estimated useful 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.

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

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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.



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

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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).

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

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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 an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

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

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

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

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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 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.

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

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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.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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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.

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

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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).

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)

###### 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 electricity 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 Doğan. 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)*****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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)*****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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)*****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.



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

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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.

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

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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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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**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 31 December 2020 and 31 December 2019 are summarized below:

Country	Currency	31 December 2020	31 December 2019
Eurozone	Euro	9.0079	6.6506
USA	USD	7.3405	5.9402
Romania	Romanian Leu	1.8373	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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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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).



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

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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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****2.3 Critical Accounting Estimates, Assumptions and Decisions****2.3.1 Critical accounting estimates and assumptions*****a) Value added tax carried forward***

Value added tax (VAT) carried forward classified as non-current under other non-current assets, is calculated by considering VAT amounts that will arise as the result of cash flows predicted by the Group to have a duration longer than one year. In case of a 10% increase or decrease of prospective sales income used in calculations related to the current or non-current classification of VAT amounts, VAT amounts classified as non-current as of 31 December 2020 would have increased or decreased by TRY7,450 (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 TRY59,543 (31 December 2019: TRY69,865) arising from unused tax losses amounting to TRY297,715 (31 December 2019: TRY317,568) as of 31 December 2020, considering the future profit projections (Note 32).

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)****2.3.1 Critical accounting estimates and assumptions (Continued)****c) *Provision for doubtful trade receivables***

When there is an indicator that the collection of receivables will be impossible, provision is provided for the receivables. The amount of the provision is determined based on the assessment of the Group based on the aging of receivables and the payment performance of the customers. The provision for doubtful receivables is an accounting estimate determined based on the past payment performance and financial situations of the customers. Considering the ordinary course of trade cycle of the Group, provision for doubtful receivables for the trade receivables is considered for the trade receivables for which the collection period is over the ordinary course of trade cycle considering the fact that trade receivable is in the administrative and/or legal proceedings, with or without guarantee, objective evidence etc. When trade receivables are not impaired along with realised impairment losses for certain reasons, the Group recognises an expected credit loss provision equal to the expected lifetime credit loss for these trade receivables as per TFRS 9. Expected credit loss is calculated using expected credit loss rates determined based on previous credit loss experiences of the Group and prospective macroeconomic indicators. Changes in expected credit loss provisions are recognised under other income and expenses from main activities. As of 31 December 2020, doubtful provision is TRY115,951 (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 (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 31 December 2020. In this respect;

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

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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 due to intercity travel restrictions and lockdown measures imposed in April-May and November-December, fuel sales in the accounting period between 1 January - 31 December 2020 shrank by 4% compared to the previous year. With the use of a short-term working allowance as well as expense optimisation studies, the Company tried to even out the decrease in sales. Also, the Group took action to minimise investment expenses and operational costs, and reviewed the cash management strategy to strengthen liquidity position. There were no delays in payments to suppliers or collection of receivables in this process.

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.

**D Gayrimenkul**

The Trump Offices and Shopping Mall property, where shopping mall activities are performed on parcel No 3, on block 2524 in the Mecidiyeköy neighbourhood in the Şişli District of Istanbul, and which is owned by the group's subsidiary, D Gayrimenkul, temporarily suspended its activities to prevent the spread of the epidemic. Office operations on the other hand, continued without interruption. Trump Shopping Mall restarted its operations on 1 June 2020. In April, May, 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.

**Hürriyet Emlak**

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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****2.3 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 consolidated financial statements dated 31 December 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 financial statements dated 31 December 2020, and did not determine any impairment-related findings of any significant amount.

**Ditaş Doğan**

Ditaş Doğan, 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 Doğan 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 Doğan 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****2.3 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 Doğan (Continued)**

In the meantime, Ditaş Doğan 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 Doğan's operations and financial status. There were no delays in payments to suppliers or collection of receivables in this process.

The potential impact of the COVID-19 outbreak was taken into account when preparing the consolidated financial statements dated 31 December 2020, and the estimations and assumptions used when preparing the consolidated 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 consolidated financial statements dated 31 December 2020 based on the available information, and did not determine any impairment-related findings of any significant amount.

**Galata Wind**

The normal course of business continued in Galata Wind, a subsidiary of the Group. Measures such as remote work for personnel, social distancing in the workplace, preventative hygiene practices and online trainings for the staff were taken. Due to the fact that the Group sold electricity at a fixed rate in the scope of YEKDEM in 2020, Covid-19 did not have a critical impact on the Group's operations, electricity generation or liquidity.

***g) The determination of the impairment loss for goodwill***

Goodwill and its carrying value are tested for impairment annually, or more frequently if events or changes in circumstances indicate there may be impairment.

**Sesa Ambalaj**

The determination of the impairment loss for goodwill of TRY51,202 arising from of the Group's business combination of Sesa Ambalaj is based on long-term plans prepared by the Group management.

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

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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)****g) The determination of the impairment loss for goodwill (Continued)****Sesa Ambalaj (Continued)**

The following basic assumptions were utilised in the scope of this valuation method:

- TRY weighted capital cost rate: 14.60%
- Risk-free investment income rate: 5.34%
- Risk premium: 7.00%

In the above fair value calculations resulting from sensitivity analysis, no impairment was detected in case of a 10% increase or decrease in prospective costs, sales volume or weighted capital cost rates used to calculate discounted cash flows, assuming all other variables are constant.

**Galata Wind**

Fair value calculations include cash flow projections during the life of the fixed asset, and projections in USD are based on the long-term plans prepared by the Group.

The following basic assumptions were utilised in the scope of this valuation method:

- USD weighted capital cost rate: 7.17%
- Risk-free investment income rate: 6.00%
- Risk premium: 5.50%

In the above fair value calculations resulting from sensitivity analysis, no impairment was detected in case of a 10% increase or decrease in prospective electricity prices, costs, sales volume or weighted capital cost rates used to calculate discounted cash flows, assuming all other variables are constant.

**NOTE 3 - BUSINESS COMBINATIONS**

*Business combinations as of 31 December 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 TRY768,736,408 (exact), and TRY412,937,984 (exact) of this amount was paid by bank loan and the remaining TRY355,798,424 (exact) was paid by equity. In addition, due to the fact that profit before annual interest, depreciation and tax (“EBITDA”) in the accounting period ending on 31 December 2020 exceeds EUR11,000, an extra remuneration of EUR2,500 based on performance will be paid. The above-mentioned amount is recognised under “Other payables due to non-related parties”.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)*****Acquisition of Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. (Continued)***

	<b>Book Value</b>	<b>Fair Value</b>
<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>616,536</b>
Rights of use assets	602	602
Property, plant and equipment	65,206	171,129
Trade names	-	89,056
Customer relations	-	355,168
Intangible assets	219	219
Other non-current assets	362	362
<b>Total Assets</b>	<b>313,380</b>	<b>881,396</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>121,038</b>
Long-term borrowings	3,645	3,645
Long-term provisions	4,610	4,610
Deferred tax liability	1,775	112,783
<b>Total Liabilities</b>	<b>52,853</b>	<b>163,861</b>
<b>Total Net Assets</b>	<b>260,527</b>	<b>717,535</b>
Total cash paid	-	768,736
Cash and cash equivalents received	-	(104,022)
<b>Net cash outflow/(inflow)</b>	<b>-</b>	<b>664,714</b>
Goodwill as of the day of share purchase	-	51,202
<b>Goodwill as of 31 December 2020</b>	<b>-</b>	<b>51,202</b>
Total net assets acquired	-	717,535
Group's effective ownership	-	70%
<b>Non-Controlling Interests</b>	<b>-</b>	<b>215,261</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****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 31 December 2020 was TRY197,675. 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-31 December 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 Alaköy Elektrik Üretim Sanayi ve Ticaret A.Ş., Baroj Elektrik Üretim Sanayi ve Ticaret A.Ş., Mir Güneş Enerji A.Ş., Mor Güneş Enerji A.Ş., Pir Güneş Enerji A.Ş., Sarı Güneş Enerji A.Ş., Ser Güneş Enerji A.Ş., Sun Güneş Enerji A.Ş., Bianca Güneş Enerji Üretim A.Ş., Cordelia Güneş Enerji Üretim A.Ş., Merkür Güneş Enerji Üretim A.Ş., Oberon Güneş Enerji Üretim A.Ş., Prospero Güneş Enerjisi Üretim A.Ş., Uranus Güneş Enerjisi Üretim A.Ş., Venus Güneş Enerjisi Üretim A.Ş., Jupiter Güneş Enerji Üretim A.Ş. and Plüton Güneş Enerji Üretim A.Ş., operating in solar energy segment for TRY17,941 (USD3,204) with the decision of the Board of Directors dated 18 March 2019. As of the acquisition date, goodwill amounting to TRY20,938 between the paid amount and the net liabilities corresponding to the Group is accounted for in the consolidated financial statements. Following the above-mentioned purchase, in line with the Board of Directors decision and the merger agreement both dated 26 December 2019, the above-mentioned companies merged within the body of Galata Wind in a “facilitated manner” by transferring in its entirety with all its assets and liabilities and by dissolving without liquidation, in accordance with the relevant articles of Turkish Commercial Code and Corporate Tax Law. The merger was completed and registered on 31 December 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 TRY1,783 related to purchase transaction has been accounted in consolidated financial statements.

**Acquisition of Innobil**

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

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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## 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 AG Anadolu Grubu 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 31 December 2020 and 31 December 2019:

Joint Ventures	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 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>	40.13	45.02	-	-	40.13	45.02	40.13	45.02
Doğan Egmont <sup>(2)</sup>	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Gas Plus Erbil <sup>(3)</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>(4)</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>(5)</sup>	40.00	100.00	-	-	40.00	100.00	40.00	100.00
NetD Müzik <sup>(5)</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) It was decided that 50% of the shares of relevant subsidiary to be taken over and controlled by the Group as of 16 February 2021 (Note 38).
- (3) 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.
- (4) The related joint venture has ceased its operations as of November 2006.
- (5) 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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## 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 31 December 2020 and 31 December 2019 are as follows:

	Total assets	Total liabilities	Net assets	Group's share on net assets/ liabilities	Net sales	Profit/(loss) for the period	Group's share on net profit/ (loss)
<b>31 December 2020</b>							
Kandilli Gayrimenkul	204,615	15,835	188,780	94,390	-	9,179	4,590
Doğan Burda	49,081	31,835	17,246	6,921	61,548	(4,052)	(1,626)
Doğan Egmont	87,592	43,957	43,635	21,818	38,325	4,289	2,145
Ultra Kablololu	6,721	25	6,696	3,348	-	(330)	(165)
DPP	381	237	144	81	1,773	(50)	(28)
DMC <sup>(3)</sup>	196,503	47,714	148,789	112,188	73,950	13,689	5,475
<b>Total</b>	<b>544,893</b>	<b>139,603</b>	<b>405,290</b>	<b>238,746</b>	<b>175,596</b>	<b>22,725</b>	<b>10,391</b>
Boyabat Elektrik <sup>(1)</sup>	1,620,800	5,212,599	(3,591,799)	-	213,946	(1,341,590)	-
Aslancık Elektrik <sup>(2)</sup>	471,908	511,562	(39,654)	(13,217)	154,709	(60,068)	(20,021)
Gas Plus Erbil	974,618	2,327	972,291	-	-	(556)	-
<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 Kablololu	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)
Gas Plus Erbil	788,971	1,932	787,039	-	-	(235)	-

(1) The Amendment Agreements were signed on 21 June 2019 and the credit agreements were concluded between Boyabat and the banks on 26 June 2013 and 26 June 2015 were amended. The entry into force of the Amendment Agreements is subject to the payment of the interest accrued under the Main Loan Agreement and the inclusion of the interest accrued under the Consecutive Credit Agreement and the BSMV to the principal amount. It is accepted that the effective date of the contracts is 8 July 2019. The first interest payment after the effective date will be made on 21 June 2020 and the second will be made on 31 December 2020, and the each of the following payments will be made within twelve-month periods after 31 December 2020. Effective interest rate until 21 June 2020 will be 4.25% and after it will be 5.25%. As a result of these developments, the aforementioned provision has been reversed due to the disappearance of the uncertainties mentioned above. In addition, the Group, as a guarantor, made the payment of interest accrued for existing loans but not yet paid by Boyabat amounting to USD8,650,073 (exact) and EUR2,482,125 (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 USD12,088,703 (exact) and EUR10,784,529 (exact) interest payments were made. For the consecutive loan, USD 1,309,103 (exact) and EUR1,167,873 (exact) interest payments were made. Following the interest payment made in June 2020, the interest discount have been demanded from creditors. It was decided through amendment agreements, signed on 21 October 2020 for the main loan and 7 October 2020 for the consecutive loan, that the interest rate in effect shall be 4.25% until 31 December 2020. On 31 December 2020, USD1,000,000 (exact) principal payment and USD6,524,786 (exact) interest payment, EUR892,117 (exact) principal payment and EUR5,820,868 (exact) interest payment was carried out for the principal loan, and USD700,632 (exact) and EUR625,045 (exact) interest payment for the consecutive loan were carried out.

(2) Aslancık Elektrik completed the negotiations with the creditors regarding the restructuring of the loan contracts in 2019, and signed the Amendment and Participation Agreement dated 24 January 2011 with the creditors as of 30 December 2019. As a prerequisite before restructuring, Aslancık Elektrik performed a capital increase of TRY141,000,000 (exact) and the capital was paid in cash by the shareholders. In addition, as of 27 December 2019, a total amount of EUR7,933,896 (exact) of the loan was paid to the Alternative Bank for a loan amounting to EUR23,363,594 (exact) through the performed capital increase, and for the remaining EUR15,429,698 (exact) loan, Euro loan was closed with USD17,218,000 (exact) which were obtained from the same bank. The newly purchased loan amounting to USD17,218,000 (exact) is included in the consortium loans, the first interest and principal payment after the effective date is 30 June 2020 and the interest rate is Libor + 3.95. With the related restructuring, USD1,500,000 (exact) principal repayment was made on 30 June 2020, USD3,000,000 (exact) principal prepayment was made on 25 August 2020, a loan payment was made with a cash sweep of USD2,460,000 (exact) on 31 December 2020 on a loan amounting to USD69,482,000 (exact) and total loan liability has been reduced to USD62,522,000 (exact) as of 31 December 2020.

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>128,557</b>	<b>(29,821)</b>
Share of gain (loss) on investments accounted for by the equity method	(9,630)	(79,177)
Acquisition of joint venture <sup>(4)</sup>	18,974	46
Increase in fair value (Note 29) <sup>(4)</sup>	87,789	-
Capital increase	1,155	68,193
Disposal	(1,070)	-
Guarantee payments	-	64,427
Capital decrease	-	(750)
Unrecognized provisions	-	105,925
Other	(246)	(286)
<b>31 December</b>	<b>225,529</b>	<b>128,557</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 total comprehensive income of the relevant companies from the sale transaction date until 31 December 2020 is TRY5,425 and as of 31 December 2020, the Group's share of the net assets of these companies is TRY112,188.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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

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

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

## Condensed statement of financial position information:

31 December 2020	Boyabat Elektrik	Gas Plus Erbil	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablo	Doğan Egmont	DPP	DMC	Total
Cash and cash equivalents	303	-	16,867	24	18,965	89	8,213	11	13,651	58,123
Other current assets	15,412	8,570	5,868	72	22,333	6,632	72,238	363	69,999	201,487
Other non-current assets	1,605,085	966,048	449,173	204,519	7,783	-	7,141	7	112,853	3,352,609
<b>Total assets</b>	<b>1,620,800</b>	<b>974,618</b>	<b>471,908</b>	<b>204,615</b>	<b>49,081</b>	<b>6,721</b>	<b>87,592</b>	<b>381</b>	<b>196,503</b>	<b>3,612,219</b>
Short-term borrowings	346,055	-	21,713	-	1,755	-	8,000	-	116	377,639
Other short-term liabilities	29,103	770	51,229	19	21,851	8	35,957	237	46,655	185,829
Long-term borrowings	4,607,429	-	438,254	-	180	-	-	-	-	5,045,863
Other long-term liabilities	230,012	1,557	366	15,816	8,049	17	-	-	943	256,760
<b>Total liabilities</b>	<b>5,212,599</b>	<b>2,327</b>	<b>511,562</b>	<b>15,835</b>	<b>31,835</b>	<b>25</b>	<b>43,957</b>	<b>237</b>	<b>47,714</b>	<b>5,866,091</b>
Net assets:	(3,591,799)	972,291	(39,654)	188,780	17,246	6,696	43,635	144	148,789	(2,253,872)
<i>Group's share</i>	<i>0.33</i>	<i>0.50</i>	<i>0.33</i>	<i>0.50</i>	<i>0.40</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>-</b>	<b>(13,217)</b>	<b>94,390</b>	<b>6,921</b>	<b>3,348</b>	<b>21,818</b>	<b>81</b>	<b>112,188</b>	<b>225,529</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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	Gas Plus Erbil	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	6,935	5,933	72	26,451	6,894	74,831	403	144,308
Other non-current assets	1,665,727	782,036	470,650	192,799	11,177	44	6,726	10	3,129,169
<b>Total assets</b>	<b>1,828,364</b>	<b>788,971</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>3,442,920</b>
Short-term borrowings	313,132	-	19,759	-	4,432	-	6,500	-	343,823
Other short-term liabilities	19,819	672	48,677	79	22,563	10	38,283	224	130,327
Long-term borrowings	3,553,987	-	395,596	-	2,552	-	-	-	3,952,135
Other long-term liabilities	125,780	1,260	337	13,525	7,975	17	-	-	148,894
<b>Total liabilities</b>	<b>4,012,718</b>	<b>1,932</b>	<b>464,369</b>	<b>13,604</b>	<b>37,522</b>	<b>27</b>	<b>44,783</b>	<b>224</b>	<b>4,575,179</b>
Net assets:									
<i>Group's share</i>	(2,184,354)	787,039	17,353	179,292	21,903	7,024	39,291	193	(1,132,259)
	0.33	0.50	0.33	0.50	0.45	0.50	0.50	0.56	
<b>Group's net asset share</b>	<b>-</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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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

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

1 January - 31 December 2020	Boyabat Elektrik	Gas Plus Erbil	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	DPP	Doğan Egmont	DMC
Revenue	213,946	-	154,709	-	61,548	-	1,773	38,325	73,950
Operating profit/(loss)	81,935	(556)	49,309	11,470	(4,447)	(126)	(48)	(2,433)	17,774
Net financial income/(expense)	(1,423,516)	-	(120,532)	-	(374)	-	(2)	(440)	(22)
Profit/(loss) before income tax	(1,341,581)	(556)	(71,223)	11,470	(4,811)	(330)	(50)	4,289	17,752
Profit/(loss) after income tax	(1,341,590)	(556)	(60,068)	9,179	(4,052)	(330)	(50)	4,289	13,689
Currency translation differences	-	185,808	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(1,341,627)</b>	<b>185,252</b>	<b>(60,068)</b>	<b>9,179</b>	<b>(4,657)</b>	<b>(330)</b>	<b>(50)</b>	<b>4,289</b>	<b>13,565</b>
<i>Group's share</i>	0.33	0.50	0.33	0.50	0.40	0.50	0.56	0.50	0.40
<b>Group's net share on profit/(loss)</b>	-	-	<b>(20,021)</b>	<b>4,590</b>	<b>(1,626)</b>	<b>(165)</b>	<b>(28)</b>	<b>2,145</b>	<b>5,475</b>

1 January - 31 December 2019	Boyabat Elektrik	Gas Plus Erbil	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	DPP	Doğan Egmont
Revenue	329,717	-	139,764	-	84,978	-	2,271	45,806
Operating profit/(loss)	144,406	(235)	38,354	5,525	(931)	(167)	112	(2,398)
Net financial income/(expense)	(652,058)	-	(104,473)	27	(1,932)	(1)	-	(1,069)
Profit/(loss) before income tax	(507,652)	(235)	(66,119)	5,552	(2,857)	(168)	111	4,353
Profit/(loss) after income tax	(431,372)	(235)	(24,396)	4,435	(2,481)	(168)	111	2,794
Currency translation differences	-	(6,803)	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(431,449)</b>	<b>(7,038)</b>	<b>(24,335)</b>	<b>4,435</b>	<b>(3,117)</b>	<b>(168)</b>	<b>111</b>	<b>2,794</b>
<i>Group's share</i>	0.33	0.50	0.33	0.50	0.45	0.50	0.56	0.50
<b>Group's net share on profit/(loss)</b>	<b>32,403</b>	-	<b>(8,131)</b>	<b>2,218</b>	<b>(1,117)</b>	<b>(84)</b>	<b>62</b>	<b>1,397</b>



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Fuel retail <sup>(1)</sup>	7,784,043	11,236,958
Electricity production and trade	332,409	109,806
Industry and trade	1,350,257	824,075
Automotive trade and marketing	511,451	296,052
Financing and investment	225,972	250,948
Internet and entertainment	440,863	366,846
Real estate investments	122,699	168,895
	<b>10,767,694</b>	<b>13,253,580</b>

<sup>(1)</sup> Due to Doel's cessation of commercial activities, there was no trade income recognised during the period of 1 January - 31 December 2020 (31 December 2019: TRY2,658,928). 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**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Fuel retail	24,954	(72,680)
Electricity production and trade	215,568	63,297
Industry and trade	32,282	(15,530)
Automotive trade and marketing	17,871	(11,275)
Financing and investment	1,027,192	542,439
Internet and entertainment	307,989	28,994
Real estate investments	106,114	188,784
	<b>1,731,970</b>	<b>724,029</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 period ended as of 1 January - 31 December 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	7,784,043	332,409	1,350,257	511,451	225,972	440,863	122,699	-	10,767,694
Inter segment revenue	9,650	44	1,320	1,825	40,201	-	9,995	(63,035)	-
<b>Total revenue</b>	<b>7,793,693</b>	<b>332,453</b>	<b>1,351,577</b>	<b>513,276</b>	<b>266,173</b>	<b>440,863</b>	<b>132,694</b>	<b>(63,035)</b>	<b>10,767,694</b>
Revenue	7,793,693	332,453	1,351,577	513,276	266,173	440,863	132,694	(63,035)	10,767,694
Cost of sales	(7,453,423)	(89,097)	(1,117,234)	(445,503)	(103,903)	(212,089)	(70,692)	10,317	(9,481,624)
<b>Gross profit/(loss)</b>	<b>340,270</b>	<b>243,356</b>	<b>234,343</b>	<b>67,773</b>	<b>162,270</b>	<b>228,774</b>	<b>62,002</b>	<b>(52,718)</b>	<b>1,286,070</b>
General administrative expenses	(38,112)	(15,950)	(60,850)	(15,524)	(135,491)	(53,131)	(15,947)	44,471	(290,534)
Marketing expenses	(248,022)	(3,101)	(66,485)	(33,227)	-	(82,183)	(8,049)	8,554	(432,513)
Share of gain/(loss) on investments accounted for by the equity method	-	(20,021)	-	-	-	5,801	4,590	-	(9,630)
Other income/(expenses) from operating activities, net	69,778	46,672	20,953	10,767	479,729	(7,744)	49,067	(5,634)	663,588
Income/(expenses) from investment activities, net	16,218	40,205	(22,448)	6,240	567,261	219,697	14,964	(754)	841,383
Financial income/(expense), net	(115,178)	(75,593)	(73,231)	(18,158)	(46,577)	(3,225)	(513)	6,081	(326,394)
<b>Profit/(loss) before taxation from continued operations</b>	<b>24,954</b>	<b>215,568</b>	<b>32,282</b>	<b>17,871</b>	<b>1,027,192</b>	<b>307,989</b>	<b>106,114</b>	<b>-</b>	<b>1,731,970</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 period ended as of 1 January - 31 December 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	11,236,958	109,806	824,075	296,052	250,948	366,846	168,895	-	13,253,580
Inter segment revenue	16,593	139,124	1,931	262	48,589	87	10,648	(217,234)	-
<b>Total revenue</b>	<b>11,253,551</b>	<b>248,930</b>	<b>826,006</b>	<b>296,314</b>	<b>299,537</b>	<b>366,933</b>	<b>179,543</b>	<b>(217,234)</b>	<b>13,253,580</b>
Revenue	11,253,551	248,930	826,006	296,314	299,537	366,933	179,543	(217,234)	13,253,580
Cost of sales	(10,843,609)	(82,459)	(739,483)	(244,385)	(160,060)	(178,348)	(82,641)	153,276	(12,177,709)
<b>Gross profit/(loss)</b>	<b>409,942</b>	<b>166,471</b>	<b>86,523</b>	<b>51,929</b>	<b>139,477</b>	<b>188,585</b>	<b>96,902</b>	<b>(63,958)</b>	<b>1,075,871</b>
General administrative expenses	(45,358)	(16,638)	(46,230)	(16,422)	(149,407)	(53,187)	(24,078)	55,889	(295,431)
Marketing expenses	(252,430)	(2,105)	(42,838)	(24,720)	-	(96,297)	(6,714)	7,457	(417,647)
Share of gain/(loss) on investments accounted for by the equity method	-	(8,131)	-	-	32,403	258	2,218	-	26,748
Other income/(expenses) from operating activities, net	66,766	6,665	17,476	562	436,415	(5,287)	128,248	(8,776)	642,069
Income/(expenses) from investment activities, net	2,775	3,964	(296)	1,709	175,392	(1,666)	(4,483)	-	177,395
Financial income/(expense), net	(254,375)	(86,929)	(30,165)	(24,333)	(91,841)	(3,412)	(3,309)	9,388	(484,976)
<b>Profit/(loss) before taxation from continued operations</b>	<b>(72,680)</b>	<b>63,297</b>	<b>(15,530)</b>	<b>(11,275)</b>	<b>542,439</b>	<b>28,994</b>	<b>188,784</b>	<b>-</b>	<b>724,029</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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**

	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Total assets</b>		
Fuel retail	2,067,873	2,233,154
Electricity production and trade	1,839,273	1,499,167
Industry and trade <sup>(4)</sup>	1,643,251	620,212
Automotive trade and marketing	300,743	116,852
Financing and investment	11,735,642	9,459,888
Internet and entertainment <sup>(5)</sup>	589,600	436,304
Real estate investments	1,828,540	1,750,876
<b>Total</b>	<b>20,004,922</b>	<b>16,116,453</b>
Less: Segment elimination <sup>(1)</sup>	(6,311,719)	(4,875,862)
<b>Total assets per consolidated financial statements</b>	<b>13,693,203</b>	<b>11,240,591</b>
<b>Equity</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Fuel retail <sup>(2)</sup>	(103,862)	(106,182)
Electricity production and trade	430,620	251,187
Industry and trade <sup>(4)</sup>	159,257	29,320
Automotive trade and marketing <sup>(2)</sup>	(27,190)	(41,001)
Financing and investment	12,824,898	12,085,244
Internet and entertainment <sup>(5)</sup>	152,121	(68,105)
Real estate investments	437,481	394,991
<b>Total</b>	<b>13,873,325</b>	<b>12,545,454</b>
Less: Segment elimination <sup>(3)</sup>	(5,433,753)	(5,408,845)
<b>Total shareholders' equity per consolidated financial statements</b>	<b>9,378,237</b>	<b>7,631,340</b>
Non-controlling interests	938,248	494,731
<b>Equity attributable to equity holders of the parent company</b>	<b>8,439,989</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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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

**NOTE 5 - SEGMENT REPORTING (Continued)****e) Purchase of property, plant and equipment, intangible assets and investment properties and depreciation and amortization charge**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
<b><u>Purchases</u></b>		
Fuel retail	161,549	111,051
Electricity production and trade <sup>(2)</sup>	493,447	12,644
Industry and trade	34,906	25,509
Automotive trade and marketing <sup>(3)</sup>	72,412	9,359
Financing and investment	12,147	15,128
Internet and entertainment	90,313	54,455
Real estate investments	17,880	11,131
<b>Total</b>	<b>882,654</b>	<b>239,277</b>

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
<b><u>Depreciation and amortization</u></b>		
Fuel retail	159,080	152,893
Electricity production and trade	34,579	37,583
Industry and trade <sup>(1)</sup>	39,158	32,561
Automotive trade and marketing	9,336	7,484
Financing and investment	25,811	27,080
Internet and entertainment	59,175	51,449
Real estate investments	8,704	6,907
<b>Total</b>	<b>335,843</b>	<b>315,958</b>

<sup>(1)</sup> Depreciation expense related to industry and trade segment amounting to TRY1,072 has been recognised under inventory account (31 December 2019: TRY408).

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

<sup>(3)</sup> An increase has occurred due to the vehicle purchases amounting to TRY44,868 of Suzuki, a subsidiary of the Group.



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

**NOTE 6 - CASH AND CASH EQUIVALENTS**

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

	31 December 2020	31 December 2019
Cash	2,532	1,990
Banks		
- Demand deposits	554,296	144,505
- Time deposits	2,338,267	3,125,308
Other liquid assets	10,852	7,029
	<b>2,905,947</b>	<b>3,278,832</b>

As of 31 December 2020 the gross effective interest rates of USD, EUR and TRY denominated time deposits of the Group are between 0.05% and 3.60% (31 December 2019: 0.95% and 2.45%), 2.20% and 3.10% (31 December 2019: 0.25% and 0.30%) and 13.57% and 17.75% (31 December 2019: 1.91% and 10.50%) and the maturity of the time deposits is shorter than 3 months.

As of 31 December 2020, other liquid assets consist of credit card slip receivables amounting to TRY10,852 (31 December 2019: TRY7,029). As of 31 December 2020, there are blocked deposits amounting to TRY832 (31 December 2019: TRY645).

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

	31 December 2020	31 December 2019	31 December 2018
Cash and cash equivalents	2,905,947	3,278,832	3,817,966
Accrued interest (-)	(1,566)	(2,074)	(8,602)
<b>Cash and cash equivalents</b>	<b>2,904,381</b>	<b>3,276,758</b>	<b>3,809,364</b>

**NOTE 7 - FINANCIAL INVESTMENTS****a) Short-term financial investments**

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

	31 December 2020	31 December 2019
Financial assets carried at fair value through other comprehensive income <sup>(1)</sup>		
- Private sector and government bills and bonds	2,042,772	1,108,572
- Investment funds	357,174	68,046
- Private sector stocks	21,929	-
Financial assets carried at fair value through profit or loss		
- Private sector stocks	2,148	1,108
	<b>2,424,023</b>	<b>1,177,726</b>

<sup>(1)</sup> 32% of financial investments consist of government and 68% private sector bonds and bills (31 December 2019: 29% government and 71% private sector).

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 financial assets	1,869,982	1,134,548
Change in fair value	21,604	59,441
<i>Recognized in the statement of income</i>	1,040	112
<i>Recognized in the statement of other comprehensive income</i>	20,564	59,329
Financial investment disposal	(877,540)	(480,163)
Interest accrual	12,530	19,248
Purchase effect of subsidiary (Note 3)	1,479	-
Currency translation differences	218,242	20,970
<b>31 December</b>	<b>2,424,023</b>	<b>1,177,726</b>

**b) Long-term financial investments**

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

	<b>31 December 2020</b>		<b>31 December 2019</b>	
	<b>TRY</b>	<b>(%)</b>	<b>TRY</b>	<b>(%)</b>
Financial assets carried at fair value through other comprehensive income <sup>(1)</sup>				
<i>Lexin Nassau L.P.</i> <sup>(2)</sup>	121,674	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>	10,314	1.88	11,128	1.88
<i>Insider SG PTE Limited</i>	36,604	3.07	9,772	3.28
<i>Mediterra Capital Partners II LP</i>	13,429	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>	1,631	1.23	542	1.13
	<b>192,089</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 fair value of related investment is accounted for as financial asset in the other comprehensive income statement and the fair value of the asset is TRY121,674 (equivalent of USD16,576) as of 31 December 2020. A significant portion of the change in fair value amounting to TRY61,242 consist of the long-term borrowings used by Nassau L.P. A capital increase of TRY6,156 was realized during the period regarding the investment accordingly, the foreign currency translation difference amounting to TRY31,066 has been accounted in the other comprehensive income statement for the period ended 31 December 2020.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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	31,066	18,158
Change in fair value	(44,954)	3,236
<i>Recognized in equity</i>	<i>(73,437)</i>	-
<i>Recognized in the statement of income</i>	<i>28,483</i>	<i>3,236</i>
Purchase of financial assets	4,383	2,472
Capital increase	6,156	199
Financial investment disposal	(7,407)	(14,670)
Change in fair value	-	(2,634)
<b>31 December</b>	<b>192,089</b>	<b>202,845</b>

**NOTE 8 - SHORT AND LONG TERM FINANCIAL BORROWINGS****Financial borrowings**

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

<b>Short-term borrowings:</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Short-term bank borrowings	1,679,820	1,603,847
Financing bond <sup>(1)</sup>	21,570	136,713
Lease borrowings from non-related parties	-	414
<b>Total</b>	<b>1,701,390</b>	<b>1,740,974</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 bond with a nominal value of TRY30,000,000 (exact) is redeemed on 29 January 2021. A portion of TRY8,168,151 (exact) with the interest accrued and purchased by Doğan Holding is eliminated within the scope of consolidation. Also, Doruk Faktoring issued and sold discounted financing bonds to qualified investors without public offering on 29 January 2021. The bonds are in the nominal amount of TRY80,000,000 (exact) and are with 181-day maturity. Their annual simple interest rate is 19.95% and annual compound interest rate is 20.96%. The portion worth TRY19,300,000 (exact) of the above mentioned financing bonds issued by Doruk Faktoring is purchased by Doğan Holding. The movement table related to the financing bonds is included in the net financial liability reconciliation mentioned in this note (31 December 2019: Consists of financing bonds issued by Doruk Faktoring, Doruk Finansman and Aytemiz Akaryakıt).

<b>Short-term portions of long-term borrowings:</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Short-term portions of long-term bank borrowings	88,508	71,071
Lease borrowings from non-related parties	41,463	36,734
Lease borrowings from related parties	5,855	6,238
<b>Total</b>	<b>135,826</b>	<b>114,043</b>
<b>Long-term borrowings:</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Long-term bank borrowings	896,923	407,133
Lease borrowings from non-related parties	149,974	170,416
Lease borrowings from related parties	14,148	18,906
<b>Total</b>	<b>1,061,045</b>	<b>596,455</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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

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

## a) Bank borrowings and financing bonds

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

	31 December 2020		TRY	31 December 2019	
	Interest rate per annum (%)	Original currency		Interest rate per annum (%)	Original currency
<b>Short-term bank borrowings:</b>					
TRY denominated bank borrowings	3.6 - 20.5	1,628,175	1,628,175	5.00 - 27.95	1,437,175
USD denominated bank borrowings	5.45 - 5.45	2,005	14,718	6.10 - 6.10	4,300
EUR denominated bank borrowings	0.6 - 4.25	4,099	36,927	0.85 - 3.45	21,220
<b>Subtotal</b>			<b>1,679,820</b>		<b>1,603,847</b>
<b>Short-term financing bonds:</b>					
TRY denominated financing bonds			21,570		136,713
<b>Subtotal</b>			<b>21,570</b>		<b>136,713</b>
<b>Short-term portion of long-term bank borrowings:</b>					
TRY denominated bank borrowings	8.37 - 14.75	59,276	59,276	12.25 - 16.24	57,888
EUR denominated bank borrowings	0.65 - 4.65	3,245	29,232	0.65 - 4.22	1,982
<b>Subtotal</b>			<b>88,508</b>		<b>71,071</b>
<b>Total short-term bank borrowings and financing bonds</b>			<b>1,789,898</b>		<b>1,811,631</b>
<b>Long term bank borrowings:</b>					
TRY denominated bank borrowings	8.37 - 14.75	663,765	663,765	12.80 - 22.55	326,077
EUR denominated bank borrowings	0.65 - 4.65	25,884	233,158	0.65 - 2.63	12,188
<b>Total long-term bank borrowings</b>			<b>896,923</b>		<b>407,133</b>

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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

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

## b) Lease borrowings

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

	31 December 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>414</b>
<b>Short-term portion of long-term lease borrowings:</b>						
TRY denominated lease borrowings from related parties	11.16 - 26.15	5,855	5,855	22.55 - 26.15	6,238	6,238
TRY denominated lease borrowings from non-related parties	11.16 - 26.15	39,516	39,518	22.55 - 26.15	16,386	16,386
USD denominated lease borrowings from non-related parties	12.41	265	1,945	12.41	347	2,063
EUR denominated lease borrowings from non-related parties	-	-	-	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>47,318</b>			<b>42,972</b>
<b>Total short-term lease borrowings</b>			<b>47,318</b>			<b>43,386</b>
<b>Long-term lease borrowings:</b>						
TRY denominated lease borrowings from related parties	11.16 - 26.15	14,148	14,148	22.55 - 26.15	18,906	18,906
TRY denominated lease borrowings from non-related parties	11.16 - 26.15	129,891	129,891	22.55 - 26.15	149,648	149,648
USD denominated lease borrowings from non-related parties	12.41	2,736	20,083	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>164,122</b>			<b>189,322</b>



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

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

The movement table of the lease borrowings is as follows:

	31 December 2020	31 December 2019
<b>Beginning of the period</b>	<b>232,708</b>	<b>222,449</b>
Additions	40,242	45,432
Payments	(106,872)	(84,522)
Interest expense (Note 30)	31,841	45,677
Currency translation differences	9,843	3,983
Early termination	(17)	(311)
Remeasurement	3,111	-
Acquisition of subsidiary (Note 3)	606	-
Disposal of subsidiary (Note 31)	(22)	-
	<b>211,440</b>	<b>232,708</b>

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

	31 December 2020	31 December 2019
Cash and cash equivalents (Note 6)	2,905,947	3,278,832
Short-term borrowings	(1,789,898)	(1,811,631)
Long-term borrowings	(896,923)	(407,133)
Short term lease borrowings	(47,318)	(43,386)
Long term lease borrowings	(164,122)	(189,322)
<b>Net financial assets/(liabilities)</b>	<b>7,686</b>	<b>827,360</b>

	Short and long term borrowings	Lease borrowings	Cash and cash equivalents	Net financial liability
<b>1 January 2020</b>	<b>2,218,764</b>	<b>232,708</b>	<b>(3,278,832)</b>	<b>(827,360)</b>
Cash flow effect	301,243	(63,536)	958,788	1,196,495
Currency translation adjustments	64,264	9,843	(487,491)	(413,384)
Interest accrual, net	92,520	31,841	1,566	125,927
Acquisition of subsidiary	10,030	606	(104,022)	(93,386)
Disposal of subsidiary	-	(22)	4,044	4,022
<b>31 December 2020</b>	<b>2,686,821</b>	<b>211,440</b>	<b>(2,905,947)</b>	<b>(7,686)</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>-</b>	<b>(3,817,966)</b>	<b>(1,329,325)</b>
TFRS 16 opening effect	-	222,449	-	222,449
Cash flow effect	(498,831)	(39,401)	921,522	383,290
Currency translation adjustments	21,563	3,983	(384,462)	(358,916)
Interest accrual, net	207,391	45,677	2,074	255,142
<b>31 December 2019</b>	<b>2,218,764</b>	<b>232,708</b>	<b>(3,278,832)</b>	<b>(827,360)</b>

<sup>(1)</sup> As disclosed in Note 2.1.6, the amounts due as of 31 December 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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

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

	31 December 2020	31 December 2019
2021	-	337,853
2022	190,618	11,776
2023	429,523	9,300
2024 and after	276,782	48,204
<b>Total</b>	<b>896,923</b>	<b>407,133</b>

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

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

	31 December 2020	31 December 2019
Financial borrowings with fixed interest rates (Note 35)	2,795,505	2,300,609
Financial borrowings with floating interest rates (Note 35)	102,756	150,863
<b>Total</b>	<b>2,898,261</b>	<b>2,451,472</b>

**NOTE 9 - TRADE RECEIVABLES AND PAYABLES****Short-term trade receivables  
from non- related parties**

	31 December 2020	31 December 2019
Trade receivables	1,725,623	1,627,097
Notes and cheques receivable	170,697	180,694
Income accruals	432	1,286
<b>Total</b>	<b>1,896,752</b>	<b>1,809,077</b>
Less: Unearned financial income due to sales with maturity	(3,815)	(4,543)
Less: Provision for expected credit losses (-)	(523)	(877)
Less: Provision for doubtful receivables (-)	(115,428)	(98,771)
<b>Total</b>	<b>1,776,986</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 52 to 84 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 TRY12.05%, USD2.70%, and EUR1.54% (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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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**NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)****Long-term trade receivables from non- related parties**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Notes and cheques receivable <sup>(1)</sup>	36,194	29,116
Unearned financial income due to sales with maturity	(3,161)	(3,033)
	<b>33,033</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:

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>(99,648)</b>	<b>(92,574)</b>
Provision from continued operations in the current period (Note 28)	(20,406)	(25,009)
Expected credit loss, net	353	489
Written off uncollectible receivables <sup>(1)</sup>	6,697	14,310
Collections	1,019	3,136
Acquisition of subsidiary	(6,580)	-
Disposal of subsidiary	2,614	-
<b>31 December</b>	<b>(115,951)</b>	<b>(99,648)</b>

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

**Guarantees for trade receivables**

As of 31 December 2020, although trade receivables amounting to TRY102,994 (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 31 December 2020, the Group has collateral, pledge, mortgage and surety amounting to TRY1,381,760 (31 December 2019: TRY1,530,294) for trade receivables amounting to TRY1,810,019 (31 December 2019: TRY1,730,969) from non-related parties (Note 35).

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

	<b>31 December 2020</b>	<b>31 December 2019</b>
Trade payables	689,490	717,983
Provisions for liabilities and expenses	25,236	30,770
Cheques and notes payables	766	-
Less: Unrealized finance expense due to purchases with maturity	(1,311)	(3,033)
<b>Total</b>	<b>714,181</b>	<b>745,720</b>

The average maturity of trade payables is between 40 to 87 days as of 31 December 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 TRY12.05%, USD2.70%, and EUR1.54% (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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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**NOTE 10 - OTHER RECEIVABLES AND PAYABLES****Other short-term receivables from non-related parties**

	31 December 2020	31 December 2019
TEİAŞ power transmission line receivables	15,065	7,137
Deposits and guarantees given <sup>(1)</sup>	4,382	5,787
Other receivables <sup>(2)</sup>	14,222	12,229
<b>Total</b>	<b>33,669</b>	<b>25,153</b>

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

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

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

	31 December 2020	31 December 2019
Taxes and funds payable	135,803	120,474
Deposits and guarantees received	3,085	569
Other short-term payables <sup>(3)</sup>	13,173	5,788
<b>Total</b>	<b>152,061</b>	<b>126,831</b>

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

	31 December 2020	31 December 2019
Deposits and guarantees received	1,353	1,385
Other long-term payables <sup>(3)</sup>	7,488	538
<b>Total</b>	<b>8,841</b>	<b>1,923</b>

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

**NOTE 11 - INVENTORIES**

	31 December 2020	31 December 2019
Finished goods and merchandise	649,133	560,267
Raw materials and supplies	83,803	29,612
Semi-finished goods	18,002	14,511
Other inventories	28,347	19,455
Provision for impairment of inventory (-)	(341)	(2,062)
<b>Total</b>	<b>778,944</b>	<b>621,783</b>

Depreciation and amortization expenses amounting to TRY1,072 have been reflected to cost of inventories as of 31 December 2020 (31 December 2019: TRY408).

The movement of the provision for impairment of inventories for the periods ended 31 December 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	306	130
Provision booked in the current period	(110)	(200)
Disposal of subsidiary	1,525	-
<b>31 December</b>	<b>(341)</b>	<b>(2,062)</b>

**NOTE 12 - BIOLOGICAL ASSETS**

As of 31 December 2020, the amount of biological assets of the Group's subsidiary Kelkit Doğan Besi is TRY14,528 (31 December 2019: TRY13,167).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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

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

	1 January 2020	Additions	Disposals	Disposal of subsidiary	Transfers	Currency translation differences	Fair value adjustment <sup>(1)</sup>	31 December 2020
Land	386,044	-	-	-	-	-	44,644	430,688
Buildings	971,123	-	-	-	-	38,911	4,161	1,014,195
<b>Net book value</b>	<b>1,357,167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,911</b>	<b>48,805</b>	<b>1,444,883</b>
	1 January 2019	Additions	Disposals	Disposal of subsidiary	Transfers	Currency translation differences	Fair value adjustment <sup>(1)</sup>	31 December 2019
Land	252,102	9,765	(70)	-	303	-	123,944	386,044
Buildings	962,578	-	-	-	-	8,275	270	971,123
<b>Net book value</b>	<b>1,214,680</b>	<b>9,765</b>	<b>(70)</b>	<b>-</b>	<b>303</b>	<b>8,275</b>	<b>124,214</b>	<b>1,357,167</b>

(1) As of 31 December 2020, the Group has accounted for a fair value correction of TRY48,805 by considering the purchase and sale transactions in the current period in the appraisal value stated in the real estate appraisal report regarding the land and buildings. Adjustment amounting to TRY43,013 relates to Ömerli land which is one of the Group's Investment properties (Note 18). (31 December 2019: The part of the fair value correction of TRY124,214 amounting to TRY111,834 relates to Ömerli land which is one of the Group's Investment properties).

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

As of 31 December 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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.

As of 31 December 2020, the Group has accounted for a fair value correction of TRY48,805 by considering the purchase and sale transactions in the current period in the real estate appraisal value regarding investment properties.

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

			<b>Fair value level as of the reporting date</b>		
	<b>Fair Value</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>31 December 2020</b>	<b>31 December 2019</b>			
Investment properties	1,444,883	1,357,167	-	1,444,883	-

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 periods ended 31 December 2020 and 2019 are as follows:

	1 January 2020	Additions <sup>(1)</sup>	Disposals	Transfers	Currency translation differences	Disposal of subsidiary <sup>(2)</sup>	Acquisition of subsidiary <sup>(3)</sup>	31 December 2020
<b>Cost:</b>								
Land and land improvements	176,055	1,244	(8,874)	17,252	-	-	17,339	203,016
Buildings	86,012	3,015	(983)	3,204	101	-	19,151	110,500
Machinery and equipment	907,908	12,605	(565)	404,345	10,869	-	130,729	1,465,891
Motor vehicles	142,268	51,163	(20,795)	585	1,123	-	3,240	177,584
Furniture and fixtures	124,622	12,387	(894)	961	245	(910)	670	137,081
Development costs of leased tangible assets	105,171	5,042	(80)	3,359	2,577	(44)	-	116,025
Other tangible assets	159,486	13,342	(11,843)	-	-	(96)	-	160,889
Construction in progress	28,734	515,813	(1,674)	(437,227)	5	-	-	105,651
	<b>1,730,256</b>	<b>614,611</b>	<b>(45,708)</b>	<b>(7,521)</b>	<b>14,920</b>	<b>(1,050)</b>	<b>171,129</b>	<b>2,476,637</b>
<b>Accumulated depreciation:</b>								
Land improvements	5,634	824	-	-	-	-	-	6,458
Buildings	72,007	6,329	(203)	-	(10)	-	-	78,123
Machinery and equipment	337,187	51,914	(417)	-	8,117	-	-	396,801
Motor vehicles	54,873	12,557	(4,162)	-	671	-	-	63,939
Furniture and fixtures	52,039	10,594	(737)	-	222	(541)	-	61,577
Development costs of leased tangible assets	36,176	9,624	(80)	-	2,181	(37)	-	47,864
Other tangible assets	70,026	20,722	(10,008)	-	-	(97)	-	80,643
	<b>627,942</b>	<b>112,564</b>	<b>(15,607)</b>	<b>-</b>	<b>11,181</b>	<b>(675)</b>	<b>-</b>	<b>735,405</b>
<b>Net book value</b>	<b>1,102,314</b>							<b>1,741,232</b>

(1) The majority of the investments during 2020 are the investments of Galata, Kanal D Romanya, Aytemiz and Suzuki, subsidiaries of the Group. The investments in Galata increased by TRY489,849 due to the construction of Taspınar power plant. Aytemiz made investments amounting to TRY43,988 in the relevant period due to the new station investments. Also, Kanal D Romanya made TRY60,866 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 TRY44,868 was made.

(2) As the details are explained in Note 31, it is related to the sales of DMC and NetD.

(3) As the details are explained in Note 3, it is related to the acquisition of Sesa Ambalaj.

As of 31 December 2020, there is no mortgage on property, plant and equipment. (31 December 2019: None). As of 31 December 2020, there is no property, plant and equipment acquired by financial leasing (31 December 2019: TRY414). As of 31 December 2020, capitalized borrowing cost in tangible fixed asset is TRY20,034 (31 December 2019: None).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 (*)	Currency translation differences	31 December 2019
<b>Cost:</b>							
Land and land improvements	173,141	1,823	-	138	952	1	176,055
Buildings	85,129	2,436	(1,811)	236	-	22	86,012
Machinery and equipment	804,492	12,863	(6,451)	744	94,006	2,254	907,908
Motor vehicles	135,920	18,899	(12,980)	211	-	218	142,268
Furniture and fixtures	101,816	8,160	(6,029)	6,954	13,670	51	124,622
Development costs of leased tangible assets	77,203	7,529	(2,331)	22,245	-	525	105,171
Other tangible assets	145,881	14,829	(4,284)	3,060	-	-	159,486
Construction in progress	40,496	37,970	(9,957)	(39,466)	68	(377)	28,734
	<b>1,564,078</b>	<b>104,509</b>	<b>(43,843)</b>	<b>(5,878)</b>	<b>108,696</b>	<b>2,694</b>	<b>1,730,256</b>
<b>Accumulated depreciation:</b>							
Land and land improvements	5,011	623	-	-	-	-	5,634
Buildings	66,070	5,962	(23)	-	-	(2)	72,007
Machinery and equipment	288,349	50,163	(5,095)	-	2,158	1,612	337,187
Motor vehicles	40,377	19,400	(5,051)	-	-	147	54,873
Furniture and fixtures	48,243	9,116	(5,403)	-	40	43	52,039
Development costs of leased tangible assets	29,608	6,568	(398)	-	-	398	36,176
Other tangible assets	52,990	20,362	(3,327)	-	-	1	70,026
	<b>530,648</b>	<b>112,194</b>	<b>(19,297)</b>	<b>-</b>	<b>2,198</b>	<b>2,199</b>	<b>627,942</b>
<b>Net book value</b>	<b>1,033,430</b>						<b>1,102,314</b>

(\*) 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 Galata Wind.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 periods ended 31 December 2020 and 2019 are as follows:

Cost	1 January 2020	Additions	Disposals	Currency translation differences	Transfers	Disposal of subsidiary <sup>(3)</sup>	Acquisition of subsidiary <sup>(4)</sup>	31 December 2020
Trade names	7,876	-	-	-	-	-	89,056	96,932
Electricity production license	354,644	-	-	-	-	-	-	354,644
Customer list	-	-	-	-	-	-	355,168	355,168
Other	231,858	52,183	(10,872)	(8,354)	7,521	(16,949)	219	255,606
	<b>594,378</b>	<b>52,183</b>	<b>(10,872)</b>	<b>(8,354)</b>	<b>7,521</b>	<b>(16,949)</b>	<b>444,443</b>	<b>1,062,350</b>
Accumulated amortization:								
Trade names	7,481	1,979	-	-	-	-	-	9,460
Electricity production license	45,035	7,647	-	-	-	-	-	52,682
Customer list	-	7,893	-	-	-	-	-	7,893
Other	145,705	25,061	(2,477)	3,218	-	(3,617)	-	167,890
	<b>198,221</b>	<b>42,580</b>	<b>(2,477)</b>	<b>3,218</b>	<b>-</b>	<b>(3,617)</b>	<b>-</b>	<b>237,925</b>
Dealer agreements	181,120							160,251
Television programme rights	35,045							73,196
	<b>612,322</b>							<b>1,057,872</b>

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

	1 January 2020	Additions <sup>(1)</sup>	Amortization	Disposals <sup>(2)</sup>	Currency translation differences	31 December 2020
Dealer agreements	181,120	43,988	(47,208)	(17,649)	-	160,251
Television programme rights	35,045	60,866	(38,332)	-	15,617	73,196

- (1) Kanal D Romanya, subsidiary of the Group purchased programme rights amounting to TRY60,866 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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	31 December 2019
<b>Cost</b>							
Trade names	7,876	-	-	-	-	-	7,876
Electricity production license	354,644	-	-	-	-	-	354,644
Other	195,453	18,319	(824)	538	18,296	76	231,858
	<b>557,973</b>	<b>18,319</b>	<b>(824)</b>	<b>538</b>	<b>18,296</b>	<b>76</b>	<b>594,378</b>
<b>Accumulated amortization:</b>							
Trade names	5,906	1,575	-	-	-	-	7,481
Electricity production license	37,388	7,647	-	-	-	-	45,035
Other	129,826	15,761	(443)	498	-	63	145,705
	<b>173,120</b>	<b>24,983</b>	<b>(443)</b>	<b>498</b>	<b>-</b>	<b>63</b>	<b>198,221</b>
Dealer agreements	265,970						181,120
Television programme rights	32,411						35,045
	<b>683,234</b>						<b>612,322</b>

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

	1 January 2019	Additions <sup>(1)</sup>	Amortization	Currency translation differences	TFRS 16 opening effect <sup>(2)</sup>	31 December 2019
Dealer agreements	265,970	11,306	(54,396)	-	(41,760)	181,120
Television programme rights	32,411	36,886	(38,751)	4,499	-	35,045

<sup>(1)</sup> Kanal D Romanya, subsidiary of the Group purchased programme rights amounting to TRY36,886 during the period.<sup>(2)</sup> 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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## NOTE 15 - INTANGIBLE ASSETS (Continued)

## Goodwill

Goodwill amounting to TRY51,202 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 31 December 2020. As of 31 December 2020 and 2019, goodwill movement is as follows:

	2020	2019
<b>1 January</b>	<b>51,552</b>	<b>34,476</b>
Additions (Note 3)	51,202	35,139
Transfers (Note 2)	-	(12,418)
Currency translation difference	2,347	(5,645)
<b>31 December</b>	<b>105,101</b>	<b>51,552</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>	31 December 2020
<b>Cost:</b>							
Buildings	248,201	95,109	-	-	-	(393)	342,917
Motor vehicles	37,031	480	-	-	-	8,699	46,210
Land	16,795	1,850	-	-	(16)	(2,829)	15,800
Offices	14,561	6,466	(27)	-	(74)	-	20,926
Warehouses	3,592	3,462	-	560	-	(193)	7,421
Machinery and equipments	1,958	2,502	(214)	42	-	20	4,308
Frequencies	819	1,137	-	-	-	28	1,984
	<b>322,957</b>	<b>111,006</b>	<b>(241)</b>	<b>602</b>	<b>(90)</b>	<b>5,332</b>	<b>439,566</b>

	1 January 2020	Additions	Disposals	Acquisition of subsidiary <sup>(1)</sup>	Disposal of subsidiary <sup>(2)</sup>	Remeasurement <sup>(3)</sup>	31 December 2020
<b>Accumulated amortization:</b>							
Buildings	(56,902)	(68,783)	-	-	-	-	(125,685)
Motor vehicles	(20,699)	(18,355)	-	-	-	-	(39,054)
Land	(800)	(841)	-	-	12	-	(1,629)
Offices	(2,601)	(2,301)	14	-	55	-	(4,833)
Warehouses	(2,525)	(3,213)	-	-	-	-	(5,738)
Machinery and equipments	(1,820)	(1,795)	175	-	-	-	(3,440)
Frequencies	(695)	(943)	-	-	-	-	(1,638)
	<b>(86,042)</b>	<b>(96,231)</b>	<b>189</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>(182,017)</b>

<b>Net book value</b>	<b>236,915</b>						<b>257,549</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 TRY5,332, in accordance with the accounting policies explained in Note 2.2.

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

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

	<b>1 January 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 December 2019</b>
<b>Cost:</b>				
Buildings	227,523	47,387	(26,709)	248,201
Motor vehicles	36,029	1,002	-	37,031
Land	16,780	15	-	16,795
Offices	4,849	10,008	(296)	14,561
Warehouses	3,527	80	(15)	3,592
Machinery and equipments	1,958	-	-	1,958
Frequencies	819	-	-	819
	<b>291,485</b>	<b>58,492</b>	<b>(27,020)</b>	<b>322,957</b>
	<b>1 January 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 December 2019</b>
<b>Accumulated amortization:</b>				
Buildings	-	(56,902)	-	(56,902)
Motor vehicles	-	(20,699)	-	(20,699)
Land	-	(800)	-	(800)
Offices	-	(2,601)	-	(2,601)
Warehouses	-	(2,525)	-	(2,525)
Machinery and equipments	-	(1,820)	-	(1,820)
Frequencies	-	(695)	-	(695)
	-	<b>(86,042)</b>	-	<b>(86,042)</b>
<b>Net book value</b>	<b>291,485</b>			<b>236,915</b>

**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 TRY1,219 (31 December 2019: TRY1,004) is recorded against the labor expense under cost of goods sold in the financial statements as of 31 December 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**

<b>Other short-term provisions</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Provision for lawsuits and indemnity	12,622	8,476
Other	4,204	1,607
	<b>16,826</b>	<b>10,083</b>

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

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**NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)****Other short-term provisions (Continued)**

Movement of lawsuit provisions for the periods ended 31 December 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)	4,863	2,669
Reversal of provisions booked in prior periods	(1,891)	(633)
Disposal of subsidiary	(169)	-
Acquisition of subsidiary	1,343	-
<b>31 December</b>	<b>12,622</b>	<b>8,476</b>

The Group reserved provisions of TRY12,622 considering the legal opinions on ongoing lawsuits and similar lawsuits finalized in the past, which were brought against it and the details of which are given below (31 December 2019: TRY8,476).

**(a) Lawsuits**

The amount of lawsuits filed against the Group is TRY31,408 as of 31 December 2020 (31 December 2019: TRY26,192).

	31 December 2020	31 December 2019
Legal cases	13,225	13,322
Business cases	9,609	2,490
Commercial cases	8,574	9,005
Other	-	1,375
<b>Total</b>	<b>31,408</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, Kurtdoğan 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 3 February 2021 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).

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)***

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 31 December 2020 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 2021 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, Kurtdoğmuş Village; It has been decided that a compensation in favor of Milpa in total amount of TRY85,117.13 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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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. The trial date of the case is 6 April 2021.

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 is has been learnt that the mentioned plan has been scaled on 6 December 2017. When the mentioned "Master Development Plan" is analyzed, it is seen that 30% of the land in Ömerli is allocated as "Municipal Service Area," and a large part of the remaining land is defined in the legend as "Sustainable Protection and Controlled Use Area," and a relatively smaller part as "Areas Requiring Special Measures Geologically."

It is understood from the mentioned "Master Development Plan" that the part allocated as the sub-function of "Sustainable Protection and Controlled Use Area" legend was planned to be 23% "Arboretum," 25% "Recreational Area," 40% "Area to Be Protected through Forestation<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 2<sup>nd</sup> 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 court, assessing the defendant's request of appeal as per the Appeal Decision notified on 17 November 2020, accepted the request of appeal and decided to revoke the decision by İstanbul 2<sup>nd</sup> Administrative Court and to dismiss the case with the right to appeal to the Council of State. Milpa appealed to the Council of State within the legal period. The case file is of administrative nature and there is no hearing date.

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



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

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**NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)****(b) Other (Continued)*****Milpa (Continued):******The Land of Ömerli (Continued)***

As per the Implementation Construction Plan for Ballica, Emirli, Kurna and Kurtdoğan Districts with a scale of 1/1000 with PIN no. UİP-35580, suspended by the Pendik Municipality on 31 December 2020, parcel no.1154 named SK-3 were planned to be developed as Sustainable Protection and Controlled utilisation areas and Municipality service area. Milpa filed an objection within the legal duration against the above-mentioned Implementation Construction Plan suspended by the Pendik Municipality.

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. During the trial dated 12 January 2021, it was decided that an expert investigation to be implemented in the premises subject to trial, and thus, that the trial should continue on 4 May 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 335,502 (31 December 2019: TRY292,489) of Ömerli Land.

In this respect, 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 the 1/5000 scale of Master Development Plan of the parcel where the real estate is located has been approved dated 13 October 2017, the fact that with the suspension of the 1/1000 scale of implementation development plan, development plan will be implemented soon in the region has a positive reflection on the prices demanded in the region and 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, the Parcel No. 1154's fair value was determined as TRY408,318 (without VAT) in the Valuation Report dated 3 February 2021 of a real estate company. The 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 TRY335,502 as of 31 December 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 TRY292,489). 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 TRY610 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).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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

	31 December 2020			31 December 2019		
	TRY Equivalent	TRY	USD	TRY Equivalent	TRY	USD
A. CPM's given in the name of its own legal personality						
Collaterals <sup>(1)</sup>	1,588,205	842,282	70,119	1,530,294	846,372	60,033
Pledge <sup>(3)</sup>	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-
B. CPM's given on behalf of the fully consolidated companies						
Collaterals <sup>(1)/(2)</sup>	424,534	29,314	53,841	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>2,013,125</b>			<b>1,872,050</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 USD20,841 (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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2020 (31 December 2019: 0%). The details of letter of guarantees and guarantee notes given by the Group are as follows:

	31 December 2020		31 December 2019	
	Original Currency	TRY equivalent	Original Currency	TRY equivalent
Letters of guarantees - TRY	642,621	642,621	646,711	646,711
Letters of guarantees - USD	15,119	110,981	4,957	29,443
Letters of guarantees - EUR	25,616	230,746	49,006	325,920
Guarantee notes - USD	55,000	403,728	55,076	327,162
Guarantee notes - TRY	200,047	200,047	200,047	200,047
Guarantee notes - EUR	52	468	210	1,397
<b>Total</b>		<b>1,588,591</b>		<b>1,530,680</b>

**(b) Bails and mortgages given**

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

	31 December 2020		31 December 2019	
	Original Currency	TRY equivalent	Original Currency	TRY equivalent
Bails - USD	53,841	395,220	56,161	333,606
Bails - TRY	29,314	29,314	7,764	7,764
<b>Total</b>		<b>424,534</b>		<b>341,370</b>

**NOTE 20 - OTHER ASSETS**

Other current assets	31 December 2020	31 December 2019
Value added tax ("VAT") receivables <sup>(1)</sup>	101,141	49,466
Prepaid tax and funds <sup>(2)</sup>	45,277	6,345
Personnel advances	1,542	1,207
Job advances	1,088	589
Other	780	565
	<b>149,828</b>	<b>58,172</b>

(1) VAT receivables amounting to TRY61,810 is related to Galata Wind and the remaining amount consists of VAT receivables related to the subsidiaries of the Group.

(2) TRY32,822 is related to prepaid tax and funds of Doğan Holding.

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

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**NOTE 20 - OTHER ASSETS (Continued)**

	31 December 2020	31 December 2019
<b>Other non-current assets</b>		
Value added tax ("VAT") receivables <sup>(2)</sup>	317,344	376,237
Other	425	2,275
	<b>317,769</b>	<b>378,512</b>

<sup>(2)</sup> TRY244,996 is related to VAT receivables of Galata Wind (31 December 2019: TRY310,181).

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

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

<b>Short term prepaid expenses</b>	31 December 2020	31 December 2019
Advances given <sup>(1)</sup>	42,558	45,754
Prepaid expenses <sup>(2)</sup>	22,089	21,252
	<b>64,647</b>	<b>67,006</b>

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

<sup>(2)</sup> Significant portion of the prepaid expenses are comprised of the prepaid expense for the following months of Aytemiz Akaryakıt, Galata, Doğan Holding and Çelik Halat which are subsidiaries of the Group.

<b>Long term prepaid expenses</b>	31 December 2020	31 December 2019
Prepaid expenses for future years	10,904	7,877
Advances given <sup>(1)</sup>	4,855	50,404
	<b>15,759</b>	<b>58,281</b>

<sup>(1)</sup> As of 31 December 2019, 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. As of 31 December 2020, the advance amounting to TRY46,994 for the related power plant has been accounted for under tangible fixed assets.

<b>Short-term deferred income</b>	31 December 2020	31 December 2019
Deferred income <sup>(2)</sup>	32,076	33,141
Advances received <sup>(3)</sup>	11,143	6,452
	<b>43,219</b>	<b>39,593</b>

<b>Long-term deferred income</b>	31 December 2020	31 December 2019
Deferred income <sup>(2)</sup>	12,070	4,970
	<b>12,070</b>	<b>4,970</b>

<sup>(2)</sup> 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.

<sup>(3)</sup> Significant amount of advances received consist of Sesa Ambalaj, Çelik Halat and Doğan Dış Ticaret.

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

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**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:

	<b>31 December 2020</b>		<b>31 December 2019</b>	
	<b>Asset</b>	<b>Liability</b>	<b>Asset</b>	<b>Liability</b>
Currency derivative transactions with maturity <sup>(1)</sup>	22,683	38,180	18,993	339
Commodity agreements <sup>(2)</sup>	-	3,083	-	-
<b>Total</b>	<b>22,683</b>	<b>41,263</b>	<b>18,993</b>	<b>339</b>

<sup>(1)</sup> Doğan Holding, D Gayrimenkul, Ditaş Doğan, Galata, Milta 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 31 December 2020 and 31 December 2019 are as follows:

	<b>31 December 2020</b>	<b>31 December 2019</b>
Payables to personnel <sup>(1)</sup>	23,977	14,142
Social security payables	7,042	5,125
	<b>31,019</b>	<b>19,267</b>

<sup>(1)</sup> The relevant amount includes provisions for bonuses and premium.



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

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**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 31 December 2020 and 31 December 2019 are as follows:

	<b>31 December 2020</b>	<b>31 December 2019</b>
Provision for unused vacation	21,959	18,138
Provision for bonuses and premiums	-	2,257
	<b>21,959</b>	<b>20,395</b>

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

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

	<b>31 December 2020</b>	<b>31 December 2019</b>
Provision for employment termination benefits	57,679	42,930
	<b>57,679</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 31 December 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 TRY7,638.96 (exact) which is effective from 1 January 2021, 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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**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 2020, 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 11.80% <sup>(1)</sup> (31 December 2019: 11.86%), inflation rate applied as 7.43% (31 December 2019: 7.77%) and increase in wages applied as 7.43% (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 4.07% (31 December 2019: 3.80%)

<sup>(2)</sup> It is determined by considering the 2021 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	11,265	9,901
Payments	(4,470)	(6,214)
Acquisition of subsidiary (Note 3)	4,610	-
Disposal of subsidiary (Note 31)	(704)	-
Payment/reduction of benefits/dismissal (gains)/losses	1,388	1,314
Actuarial loss / (gain)	2,660	3,858
<b>31 December</b>	<b>57,679</b>	<b>42,930</b>

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

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**NOTE 24 - EQUITY**

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

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

	<b>31 December 2020</b>	<b>31 December 2019</b>
Registered authorized capital ceiling	4,000,000	4,000,000
Issued capital	2,616,938	2,616,938

There are no privileged shares of Doğan Holding.

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

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

<sup>(1)</sup> In accordance with the “CMB” Resolution No: 31/1059 issued on 30 October 2014 and 21/655 issued on 23 July 2010, it is regarded that 35.84% of 938,006,139 (exact) shares (31 December 2019: 35.84%) are outstanding as of 31 December 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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**NOTE 24 - EQUITY (Continued)*****Repurchased shares***

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

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

In the period of 1 January 2020 - 31 December 2020, within the scope of the Share Buyback Program, the Company shares with a nominal value of TRY5,722,833 (exact) were purchased by the Company itself from Borsa İstanbul for an amount TRY8,961,410 (exact) as TRY 1.565904 per share. As of 31 December 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.

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

***Restricted reserves***

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

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

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

<b>Restricted reserves</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Gain on sale of subsidiary's shares	476,597	442,349
General legal reserves	223,905	196,014
Venture capital investment fund	212,566	83,718
<b>Total</b>	<b>913,068</b>	<b>722,081</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)*****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 TRY12,913 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 TRY6,973 in the current period (31 December 2019: TRY45,451 value increase).

***ii. 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 TRY252,873 and the decrease amounting to TRY545 is attributable to non-controlling interest (31 December 2019: Increase amounting to TRY46,801 is attributable to parent and increase amounting to TRY2,582 is attributable to non-controlling interest).



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)*****Capital Reserves and Retained Earnings***

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

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

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

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

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

***Dividend Distribution***

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

On the other hand,

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

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

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

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)*****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 TRY3,803,155,819 (exact).

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Domestic sales	10,592,515	13,064,186
Foreign sales	374,676	349,081
Sales return and discounts (-)	(199,497)	(159,687)
<b>Net sales</b>	<b>10,767,694</b>	<b>13,253,580</b>
Cost of sales (-)	(9,481,624)	(12,177,709)
<b>Gross profit</b>	<b>1,286,070</b>	<b>1,075,871</b>

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Fuel sales income	6,432,942	7,184,591
LPG sales income	1,237,349	1,297,761
Trade income <sup>(1)</sup>	370	2,658,928
Other	113,382	95,678
<b>Total</b>	<b>7,784,043</b>	<b>11,236,958</b>

<sup>(1)</sup> During the period 1 January - 31 December 2020, trade income has not been generated due to the fact that Doel has ceased its commercial activities (1 January - 31 December 2019: TRY2,658,928)

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Electricity income <sup>(2)</sup>	332,409	109,806
<b>Total</b>	<b>332,409</b>	<b>109,806</b>

<sup>(2)</sup> During the period 1 January - 31 December 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:*

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Foreign trade income	643,376	361,133
Industrial income	476,078	426,566
Packaging income <sup>(3)</sup>	197,675	-
Other	33,128	36,376
<b>Total</b>	<b>1,350,257</b>	<b>824,075</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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:*

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Vehicle sales income	511,451	296,052
<b>Total</b>	<b>511,451</b>	<b>296,052</b>

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Factoring income	137,420	186,363
Investment income	55,864	26,729
Management consultancy income	24,251	18,683
Financing income	8,437	19,173
<b>Total</b>	<b>225,972</b>	<b>250,948</b>

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Advertisement income	303,293	237,136
Subscription income	30,080	38,290
Music production income <sup>(4)</sup>	25,717	47,054
Other <sup>(5)</sup>	81,773	44,366
<b>Total</b>	<b>440,863</b>	<b>366,846</b>

<sup>(4)</sup> As the details are explained in Note 31, the music production income of DMC and NetD Müzik did not occur between 1 July - 31 December 2020.

<sup>(5)</sup> Consists of Kanal D Romanya's satellite and transmitter service revenues.

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Real estate management income	65,006	93,775
Rent income	57,223	73,024
Other	470	2,096
<b>Total</b>	<b>122,699</b>	<b>168,895</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 periods ended at 31 December 2020 and 2019 are as follows:*

	<b>1 January - 31 December 2020</b>	<b>1 January 31 December 2019</b>
Fuel retail	(7,453,382)	(10,704,886)
Industry and trade	(1,116,872)	(737,820)
Automotive trade and marketing	(444,749)	(244,333)
Internet and entertainment	(211,722)	(176,934)
Financing and investment	(103,818)	(159,543)
Electricity production and trade	(88,998)	(80,459)
Real estate investments	(62,083)	(73,734)
<b>Total</b>	<b>(9,481,624)</b>	<b>(12,177,709)</b>

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Fuel and LPG sales cost	(7,364,841)	(8,157,602)
Electricity cost <sup>(1)</sup>	(367)	(2,477,128)
Other	(88,174)	(70,156)
<b>Total</b>	<b>(7,453,382)</b>	<b>(10,704,886)</b>

<sup>(1)</sup> During the period 1 January - 31 December 2020, electricity costs did not occur due to the fact that Doel has ceased its commercial activities (1 January - 31 December 2019: TRY2,477,128).

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Amortization and depreciation	(34,451)	(32,139)
Electricity costs	(23,214)	(23,766)
Other	(31,333)	(24,554)
<b>Total</b>	<b>(88,998)</b>	<b>(80,459)</b>



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:*

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Cost of trade goods sold <sup>(2)</sup>	(574,359)	(325,873)
Raw material cost	(368,442)	(276,412)
Personnel expenses	(78,719)	(55,469)
General production expenses	(56,010)	(45,183)
Amortization and depreciation	(22,370)	(26,162)
Other	(16,972)	(8,721)
<b>Total</b>	<b>(1,116,872)</b>	<b>(737,820)</b>

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Cost of trade goods sold <sup>(2)</sup>	(444,749)	(244,333)
<b>Total</b>	<b>(444,749)</b>	<b>(244,333)</b>

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

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Cost of services sold	(103,818)	(159,543)
<b>Total</b>	<b>(103,818)</b>	<b>(159,543)</b>

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Personnel expenses	(62,277)	(56,112)
Amortization and depreciation	(57,328)	(45,398)
Cost of trade goods sold	(40,506)	(30,963)
Other	(51,611)	(44,461)
<b>Total</b>	<b>(211,722)</b>	<b>(176,934)</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:*

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Cost of goods and services sold	(62,083)	(73,734)
<b>Total</b>	<b>(62,083)</b>	<b>(73,734)</b>

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
General administrative expenses	(290,534)	(295,431)
Marketing expenses	(432,513)	(417,647)
<b>Operating expenses</b>	<b>(723,047)</b>	<b>(713,078)</b>

**Marketing expenses:**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Amortization and depreciation	(120,012)	(101,834)
Personnel expenses	(112,379)	(98,580)
Transportation, storage and travel expenses	(59,119)	(55,438)
Advertisement expenses	(50,457)	(43,663)
Royalty expenses	(22,904)	(38,797)
Outsourced service expenses	(12,994)	(7,543)
Consulting expenses	(7,128)	(13,961)
Electricity distribution expenses <sup>(1)</sup>	(82)	(17,952)
Other	(47,438)	(39,879)
<b>Total</b>	<b>(432,513)</b>	<b>(417,647)</b>

<sup>(1)</sup> During the period 1 January - 31 December 2020, electricity distribution expenses have not occurred due to the fact that Doel has ceased its commercial activities (1 January - 31 December 2019: TRY17,952).

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Personnel expenses	(173,915)	(157,903)
Consulting expenses	(24,602)	(30,328)
Amortization and depreciation	(18,968)	(20,352)
Outsourced service expenses	(14,150)	(13,814)
Various taxes	(5,575)	(9,605)
Transportation, storage and travel expenses	(2,966)	(4,383)
Other	(50,358)	(59,046)
<b>Total</b>	<b>(290,534)</b>	<b>(295,431)</b>

**NOTE 27 - EXPENSES BY NATURE**

Expenses are presented functionally for the periods ended 31 December 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**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Foreign exchange gains/losses, net	603,135	422,396
Interest income on bank deposit	64,878	128,720
Finance income due from sales with maturity	43,841	102,186
Income from fair value increase of investment properties (Note 13)	43,013	111,834
Unrecognized provisions	12,508	17,494
Other	56,551	47,945
<b>Total</b>	<b>823,926</b>	<b>830,575</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Foreign exchange gains/losses, net	(57,276)	(52,010)
Finance expense due to purchases with maturity	(27,680)	(50,477)
Provision for doubtful receivables (Note 9)	(20,053)	(24,520)
Donations and grants <sup>(1)</sup>	(15,300)	(12,398)
Provision for lawsuits (Note 18)	(4,863)	(2,669)
Other	(35,166)	(46,432)
<b>Total</b>	<b>(160,338)</b>	<b>(188,506)</b>

<sup>(1)</sup> 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**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Foreign exchange gains/(losses), net	460,963	86,984
Income from disposal of subsidiary (Note 31)	131,684	-
Interest income on marketable securities	102,283	85,083
Income from fair value increase of joint ventures (Note 4)	87,789	-
Income from sales of marketable securities	32,360	-
Income from sales of tangible and intangible assets	21,054	7,812
Income from fair value increase of investment properties (Note 13)	5,792	12,380
Other	-	146
<b>Total</b>	<b>841,925</b>	<b>192,405</b>

**Expenses from investment activities**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Loss on sales of property, plant and equipment	(327)	(3,889)
Loss on sale of marketable securities	-	(7,968)
Other	(215)	(3,153)
<b>Total</b>	<b>(542)</b>	<b>(15,010)</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 expenses**

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Interest expense on bank borrowings	(173,047)	(333,343)
Foreign exchange losses/gains, net	(88,185)	(58,007)
Interest expense related to lease borrowings	(31,841)	(45,677)
Bank commission expenses	(16,643)	(39,247)
Expenses from derivate instruments	(16,339)	(5,746)
Other	(339)	(2,956)
<b>Total</b>	<b>(326,394)</b>	<b>(484,976)</b>

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

As of 31 December 2020, non-current assets classified as held for sale amounting to TRY1,590 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 period of 1 January - 31 December 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:

	<b>Registered value</b>
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>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2020 and 31 December 2019 are as follows:

	<b>31 December 2020</b>	<b>31 December 2019</b>
Provision for current income tax	269,028	117,593
Prepaid corporate taxes	(245,866)	(110,212)
<b>Taxes payable for the period</b>	<b>23,162</b>	<b>7,381</b>

	<b>31 December 2020</b>	<b>31 December 2019</b>
Corporate and income taxes payable	23,162	7,381
Deferred tax (asset)/liabilities, net	163,059	31,089
<b>Total taxes</b>	<b>186,221</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 determined by the Corporate Tax Law 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.

The corporation tax rate is 22% in Turkey as of 31 December 2020 (2019: 22%). However, as per article 91 of Law No. 7061, Amending Certain Tax Laws and other Laws, promulgated in Official Gazette No. 30261 dated 5 December 2017, and provisional article 10 added to Corporate Tax Law No. 5520, the rate of tax paid by companies in 2018, 2019 and 2020 based on their income shall be 22%, and the rate shall be 20% thereafter. In the meantime, the Council of Ministers is authorized to discount the 22% rate as low as 20%. Accordingly, deferred tax assets and liabilities were calculated using the 20% rate for the portion of temporary differences that will create a tax impact in 2021 and thereafter.

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.

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

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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.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2020 applicable in the foreign countries, where the significant part of the Group's operations are performed, are as follows:

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

**Deferred tax**

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the POA's Financial Reporting Standards. The temporary differences arise due to accounting treatments made in different reporting periods based on the applicable tax laws and the transfer of financial losses.

Deferred taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using tax rates enacted at the statement of financial position dates which are disclosed in the table and explanations above.

Deferred tax assets and liabilities are presented in net in the consolidated financial statements of the Group, since they are presented in net in the financial statements of subsidiaries and joint ventures, which are each individual tax payers. Temporary differences, deferred tax assets and deferred tax liabilities at the table below are presented based on gross amounts.

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 31 December 2020 and 31 December 2019 using the enacted tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Deductible tax losses	297,715	317,568	59,543	69,865
Provision for employment termination and unused vacation benefits	79,638	63,325	15,928	13,073
Deferred financial income of trade receivables	5,665	6,491	1,133	1,428
Provision for doubtful receivables	37,640	26,994	7,528	5,939
Other	95,870	79,664	19,174	17,526
<b>Deferred tax assets</b>	<b>516,528</b>	<b>494,042</b>	<b>103,306</b>	<b>107,831</b>
Net differences between the tax and registered value of property, plant and equipment, inventories and intangible assets	(1,013,710)	(480,925)	(202,742)	(96,185)
Net differences between the fair values of investment properties and values of taxation	(391,399)	(231,557)	(63,623)	(42,735)
<b>Deferred tax liabilities</b>	<b>(1,405,109)</b>	<b>(712,482)</b>	<b>(266,365)</b>	<b>(138,920)</b>
<b>Deferred tax assets/(liabilities), net</b>			<b>(163,059)</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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 TRY297,715 of carry forward tax losses in the consolidated financial statements prepared in accordance with the TAS as of 31 December 2020 (31 December 2019: TRY317,568). As of 31 December 2020 and 31 December 2019, the maturity analysis of carry forward tax losses is as follows:

	<b>31 December 2020</b>	<b>31 December 2019</b>
2020	-	(128)
2021 and after	(297,715)	(317,440)
	<b>(297,715)</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 periods as of 31 December 2020 and 2019 are as follows:

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>(31,089)</b>	<b>(18,242)</b>
Current period income (expense)	(18,861)	(2,440)
Currency translation differences	(427)	413
Acquisition of subsidiary (Note 3)	(112,783)	-
Disposal of subsidiary (Note 31)	(953)	-
Tax recognized under equity	1,054	(10,820)
<b>31 December</b>	<b>(163,059)</b>	<b>(31,089)</b>

The taxes on income reflected to the consolidated statement of profit or loss for the periods ended 31 December 2020 and 2019 are summarized below:

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Tax expense for the period	(269,028)	(128,656)
Deferred tax income/(expense)	(18,861)	(2,440)
<b>Total tax (expense)/income</b>	<b>(287,889)</b>	<b>(131,096)</b>



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

The reconciliation of the taxation on income in the consolidated statement of profit or loss for periods ended 31 December 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:

	<b>2020</b>	<b>2019</b>
Income/(Loss) before tax and non-controlling interests	1,731,970	724,029
Current period tax income/(expense) calculated at 22% effective tax rate	(381,033)	(159,287)
Effect of carryforward tax losses not subject to deferred tax asset	(3,476)	(10,370)
Effect of investments accounted for by the equity method	(2,119)	5,885
Effect of expenses non- deductible/not subject to tax	(4,461)	(7,932)
Effect of change in statutory tax rate on deferred tax	(5,080)	3,089
Exceptions and discounts	94,198	28,562
Current period portion of prior period carry forward tax losses used that are subject to deferred tax calculation	15,424	(956)
Other	(1,342)	9,913
<b>31 December</b>	<b>(287,889)</b>	<b>(131,096)</b>

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

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

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Net profit/(loss) for the period attributable to equity holders of the Parent Company	1,390,240	616,789
Weighted average number of shares with face value of TRY1 each <sup>(1)</sup>	2,604,346	2,610,263
<b>Earning/(loss) per share</b>	<b>0.534</b>	<b>0.236</b>

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

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

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**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 31 December 2020 and 31 December 2019 are disclosed below:

**i) Balances with related parties:****Short term trade receivables from related parties**

	31 December 2020	31 December 2019
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") <sup>(1) (2) (5)</sup>	1,997	1,052
Gümüştaş Madencilik ve Ticaret A.Ş. ("Gümüştaş") <sup>(4) (5) (7)</sup>	949	9
Doğan ve Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Egmont") <sup>(1) (2) (5)</sup>	527	974
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market") <sup>(5) (6)</sup>	422	630
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv") <sup>(3) (7)</sup>	302	29
Deney Kent Eğitim Hizmetleri A.Ş. ("Deney Kent") <sup>(5)</sup>	146	421
Dergi Pazarlama Planlama ve Ticaret A.Ş. ("Dergi Pazarlama") <sup>(1) (2)</sup>	137	19
Other	329	380
<b>Total</b>	<b>4,809</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.

**Short term trade payables to related parties**

	31 December 2020	31 December 2019
D Market <sup>(1)</sup>	1,537	100
Ortadoğu Otomotiv	122	4
Other	67	259
<b>Total</b>	<b>1,726</b>	<b>363</b>

- (1) Mostly comprises of purchases of stationery consumables, small fixtures and gift certificates of the Group.

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

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**NOTE 34 - RELATED PARTY DISCLOSURES (Continued)****i) Balances with related parties: (Continued)****Short-term portion of long-term lease payables to related parties**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Aydın Doğan Vakfı	3,330	2,663
Ortadoğu Otomotiv	2,512	3,570
Other	13	5
<b>Total</b>	<b>5,855</b>	<b>6,238</b>

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

	<b>31 December 2020</b>	<b>31 December 2019</b>
Aydın Doğan Vakfı	13,771	15,708
Ortadoğu Otomotiv	372	3,192
Other	5	6
<b>Total</b>	<b>14,148</b>	<b>18,906</b>

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

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**NOTE 34 - RELATED PARTY DISCLOSURES (Continued)****ii) Transactions with related parties:****Product and service purchases from related parties**

	1 January - 31 December 2020	1 January - 31 December 2019
Ortadoğu Otomotiv <sup>(1)</sup>	12,175	11,106
Doğan Burda <sup>(2)</sup>	2,669	1,863
D Market <sup>(3)</sup>	2,362	1,106
Adilbey Holding A.Ş. <sup>(1)</sup>	-	2,864
Boyabat Elektrik <sup>(4)</sup>	-	732
Other	1,451	2,239
<b>Total</b>	<b>18,657</b>	<b>19,910</b>

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

**Product and service sales to related parties**

	1 January - 31 December 2020	1 January - 31 December 2019
D-Market <sup>(1) (5)</sup>	51,965	27,686
Doğan Egmont <sup>(1) (3) (4) (5)</sup>	13,782	14,979
Doğan Burda <sup>(1) (3) (5)</sup>	13,596	15,329
Gümüştaş Madencilik <sup>(2) (4) (5)</sup>	11,037	2,707
Ortadoğu Otomotiv <sup>(2) (6)</sup>	6,580	6,604
D Elektronik <sup>(5)</sup>	4,081	3,686
Other	7,449	10,120
<b>Total</b>	<b>108,490</b>	<b>81,111</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.

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

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**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:

	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Salaries and other short term benefits	26,618	26,890
<b>Total</b>	<b>26,618</b>	<b>26,890</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 31 December 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.

	<b>31 December 2020</b>	<b>31 December 2019</b>
Foreign currency assets	3,475,705	3,825,957
Foreign currency liabilities	(693,497)	(667,964)
<b>Net foreign currency position</b>	<b>2,782,208</b>	<b>3,157,993</b>



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**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****a) Market risk (Continued)****a.1) Foreign currency risk (Continued)**

Sensitivity analysis of foreign currency risk as of 31 December 2020 and 31 December 2019 and foreign currency denominated asset and liability balances are summarized below. The recorded amounts of foreign currency assets and liabilities held by the Group are as follows, in terms of foreign currency:

31 December 2020	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	149,713	5,792	10,408	13,443
2a. Monetary Financial Assets (Cash, banks included)	1,714,286	178,230	43,041	18,280
2b. Non-Monetary Financial Assets	1,605,900	197,217	14,256	29,812
3. Other	5,805	233	380	672
<b>4. Current Assets (1+2+3)</b>	<b>3,475,705</b>	<b>381,472</b>	<b>68,085</b>	<b>62,207</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>3,475,705</b>	<b>381,472</b>	<b>68,085</b>	<b>62,207</b>
10. Trade Payables	355,976	34,228	11,623	27
11. Financial Liabilities	82,822	2,270	7,344	-
12a. Other Monetary Liabilities	1,458	109	73	-
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>440,256</b>	<b>36,607</b>	<b>19,040</b>	<b>27</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	253,241	2,736	25,884	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>253,241</b>	<b>2,736</b>	<b>25,884</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>693,497</b>	<b>39,343</b>	<b>44,924</b>	<b>27</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>2,782,208</b>	<b>342,129</b>	<b>23,161</b>	<b>62,180</b>
<b>21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>1,170,503</b>	<b>144,679</b>	<b>8,525</b>	<b>31,696</b>

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

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**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****a) Market risk (Continued)****a.1) Foreign currency risk (Continued)**

<b>31 December 2019</b>	<b>TRY Equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>
1. Trade Receivables	90,823	7,347	7,059	234
2a. Monetary Financial Assets (Cash, banks included)	2,687,269	389,380	51,507	31,719
2b. Non-Monetary Financial Assets	1,047,812	154,280	19,752	-
3. Other	53	4	4	-
<b>4. Current Assets (1+2+3)</b>	<b>3,825,957</b>	<b>551,011</b>	<b>78,322</b>	<b>31,953</b>
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>3,825,957</b>	<b>551,011</b>	<b>78,322</b>	<b>31,953</b>
10. Trade Payables	364,991	43,664	15,180	4,662
11. Financial Liabilities	200,618	4,647	26,011	25
12a. Other Monetary Liabilities	531	39	45	-
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>566,140</b>	<b>48,350</b>	<b>41,236</b>	<b>4,687</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	101,824	3,443	12,236	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>101,824</b>	<b>3,443</b>	<b>12,236</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>667,964</b>	<b>51,793</b>	<b>53,472</b>	<b>4,687</b>
<b>19. Net Asset/(Liability) Position Of</b>				
<b>Off Statement of Financial Position</b>				
<b>Derivative Instruments (19a-19b)</b>	-	-	-	-
<b>19a. Off Statement of Financial Position</b>				
<b>Foreign Currency Derivative Assets</b>	-	-	-	-
<b>19b. Off Statement of Financial Position</b>				
<b>Foreign Currency Derivative Liabilities</b>	-	-	-	-
<b>20. Net Foreign Currency Asset/(Liability)</b>				
<b>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)</b>				
<b>Position of Monetary Items</b>				
<b>(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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2020 and 31 December 2019, foreign currency denominated asset and liability balances were converted by the following exchange rates: TRY7.3405 =USD1 and TRY9.0079 =EUR1 (31 December 2019: TRY5.9402 =USD1 and TRY6.6506 =EUR1).

31 December 2020	Income/(Loss)	
	Foreign currency appreciates	Foreign currency depreciates
If the USD had changed by 20% against the TRY		
1- USD net (liabilities)/assets	502,280	(502,280)
2- Hedging amount of USD (-)	-	-
<b>3- USD net effect on income/(loss) (1+2)</b>	<b>502,280</b>	<b>(502,280)</b>
If the EUR had changed by 20% against the TRY		
4- EUR net (liabilities)/assets	41,726	(41,726)
5- Hedging amount of EUR (-)	-	-
<b>6- EUR net effect on (loss)/income (4+5)</b>	<b>41,726</b>	<b>(41,726)</b>
If the other currencies had changed by 20% against the TRY		
7- Other currency net (liabilities)/assets	12,436	(12,436)
8- Hedging amount of other currency (-)	-	-
<b>9- Other currency net effect on (loss)/income (7+8)</b>	<b>12,436</b>	<b>(12,436)</b>
<b>TOTAL (3+6+9)</b>	<b>556,442</b>	<b>(556,442)</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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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

**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****a) Market risk (Continued)****a.2) Interest rate risk**

Other operating segments are exposed to interest rate risk because of financial liabilities of these segments. Financial obligations in this segment are mainly composed of floating rate borrowings.

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

As of 31 December 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 TRY1,028 (31 December 2019: TRY1,509) higher/lower, mainly as a result of additional interest expense on floating rate borrowings.

The table presenting Group's fixed and floating rate financial instruments is shown below:

	31 December 2020	31 December 2019
--	------------------	------------------

**Financial instruments with fixed rate**

Financial assets		
- Banks (Note 6)	2,338,267	3,125,308
- Financial investments (Note 7)	2,424,023	1,177,726
Financial liabilities (Note 8)	2,795,505	2,300,609

**Financial instruments with floating rate**

Financial liabilities (Note 8)	102,756	150,863
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**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:

	31 December 2020			31 December 2019		
	USD	EUR	TRY	USD	EUR	TRY
<b>Assets</b>						
Cash and cash equivalents (Note 6)	0.05 - 3.60	2.20 - 3.10	13.57 - 17.75	0.95 - 2.45	0.25 - 0.30	1.91 - 10.50
Financial investments	2.5 - 13.8	2.37 - 5.2	-	2.38 - 8.50	2.38 - 5.20	-
<b>Liabilities</b>						
Financial liabilities (Note 8)	5.45 - 12.41	0.60 - 4.65	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:

31 December 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)	2,338,267	-	-	567,680	2,905,947
Financial investments (Note 7)	2,424,023	-	-	-	2,424,023
<b>Total</b>	<b>4,762,290</b>	<b>-</b>	<b>-</b>	<b>567,680</b>	<b>5,329,970</b>
Short and long term financial liabilities (Note 8) <sup>(1)</sup>	1,837,220	1,016,873	44,172	-	2,898,265
<b>Total</b>	<b>1,837,220</b>	<b>1,016,873</b>	<b>44,172</b>	<b>-</b>	<b>2,898,265</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>	1,855,017	548,252	48,203	-	2,451,472
<b>Total</b>	<b>1,855,017</b>	<b>548,252</b>	<b>48,203</b>	<b>-</b>	<b>2,451,472</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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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

**NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****b) Credit risk**

Credit risk involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by setting credit limits to individual counterparties. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases and their dispersion across many different industries.

The table representing the Group's credit risk of financial instruments as of 31 December 2020 is as follows:

	Trade receivables		Other receivables		Cash on deposit
	Related party	Other	Related party	Other	
<b>Maximum net credit risk as of the reporting date</b>					
- The part of maximum risk under guarantee with collateral	-	1,381,760	-	-	-
A. Net book value of neither past due nor impaired financial assets	4,809	1,707,025	-	33,669	2,903,415
- Guaranteed amount by collateral		1,316,609			
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)	-	102,994	-	-	-
- Guaranteed amount by collateral (Note 9)	-	65,151	-	-	-
D. Impaired asset net book value	-	-	-	-	-
- Past due (gross amount) (Note 9, 19)	-	115,951	-	-	-
- Impairment (-) (Note 9, 19)	-	(115,951)	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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	
<b>Maximum net credit risk as of the reporting date</b>	<b>3,495</b>	<b>1,730,969</b>	<b>-</b>	<b>25,153</b>	<b>3,276,842</b>
- 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	-	-	-	-	-

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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

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

## b) Credit risk (Continued)

The aging of the receivables of the Group, which are past due but not impaired including related party balances by taking into consideration past due dates are as follows:

	31 December 2020		31 December 2019	
	Related party	Other receivables	Related party	Other receivables
Maturity				
1-30 days overdue	-	39,637	-	51,857
1-3 months overdue	-	12,545	-	24,617
3-12 months overdue	-	15,657	-	5,572
1-5 years overdue	-	35,067	-	26,658
More than 5 years overdue	-	88	-	7,017
<b>Total</b>	-	<b>102,994</b>	-	<b>115,721</b>

## Guaranteed amount by collateral

Fuel retail	-	48,244	-	35,749
Industry and trade	-	9,825	-	22,744
Automotive trade and marketing	-	5,640	-	-
Real estate investments	-	1,442	-	1,816
<b>Total</b>	-	<b>65,151</b>	-	<b>60,309</b>

	31 December 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	1,163	2.86%	33	82	2.82%	2
1 - 30 days overdue	477	5.80%	28	71	6.41%	5
1 - 3 months overdue	899	6.79%	61	1,234	7.7%	96
3 - 12 months overdue	443	9.52%	42	3,045	12.14%	373
More than 1 year overdue	1,925	18.63%	359	1,167	34.33%	401
<b>Total</b>	<b>4,907</b>		<b>523</b>	<b>5,599</b>		<b>877</b>

<sup>(1)</sup> The balance consists of trade receivables of the companies for which the credit loss is calculated.

## c) Liquidity risk

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2020 and 31 December 2019 undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

<b>31 December 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)	2,686,821	3,025,031	1,039,677	1,348,393	592,200	44,761
Lease payables (Note 8)	211,440	361,046	13,131	55,911	125,428	166,576
Trade payables to non-related parties (Note 9)	714,181	715,492	707,364	8,128	-	-
Other payables to non-related parties (Note 10)	160,902	160,902	150,449	1,612	8,841	-
Trade payables to related parties (Note 34)	1,726	1,726	1,726	-	-	-
Payables related to employee benefits (Note 23)	31,019	31,019	-	31,019	-	-
Deferred income (Note 21)	55,289	55,289	43,219	-	12,070	-
Other short-term provisions (Note 18)	16,826	16,826	16,826	-	-	-
<b>Total</b>	<b>3,878,204</b>	<b>4,367,331</b>	<b>1,972,392</b>	<b>1,445,063</b>	<b>738,539</b>	<b>211,337</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)	2,218,764	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>3,400,222</b>	<b>3,699,430</b>	<b>1,136,810</b>	<b>1,802,473</b>	<b>599,067</b>	<b>161,080</b>

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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)****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 collectability. 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2020 and 31 December 2019 is summarized below:

	31 December 2020	31 December 2019
Total liability <sup>(1)</sup>	3,975,966	3,472,646
Less: Cash and cash equivalents (Note 6)	(2,905,947)	(3,278,832)
<b>Net liabilities</b>	<b>1,070,019</b>	<b>193,814</b>
Equity attributable to equity holders of the parent company	8,439,572	7,136,609
<b>Total equity</b>	<b>9,509,591</b>	<b>7,330,423</b>
<b>Net liability/Total equity ratio</b>	<b>11%</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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

(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:

		Fair value level as of reporting date		
	31 December 2020	Level 1 TRY	Level 2 TRY	Level 3 TRY
Financial assets				
Derivative instruments				
held for sale at fair value				
through profit or loss (Note 22)	22,683	-	22,683	-
Available-for-sale financial assets				
held at fair value				
through other comprehensive				
income statement (Note 7)	192,089	-	192,089	-
Bonds, bills and stocks (Note 7)	2,424,023	2,424,023	-	-
Total	2,638,795	2,424,023	214,772	-
Financial liabilities				
Derivative instruments				
held for sale at fair value				
through profit or loss (Note 22)	41,263	-	-	41,263
Total	41,263	-	-	41,263

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

(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.

<b>AYTEMİZ</b>	<b>31 December 2020</b>	<b>31 December 2019 <sup>(1)</sup></b>
Current assets	1,188,295	1,360,059
Non-current assets	865,765	880,759
Short-term liabilities	995,684	1,319,682
Long-term liabilities	357,936	376,865
Total equity	700,439	544,270
	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Revenue	7,793,696	8,587,683
Cost of sales	(7,452,153)	(8,226,503)
Gross profit/(loss)	341,543	361,180
Profit/(loss) before taxation	28,457	(66,868)
Total comprehensive income/(expense)	17,316	(52,584)
	<b>1 January - 31 December 2020</b>	<b>1 January - 31 December 2019</b>
Cash flows from operating activities	451,312	218,295
Cash flows from investing activities	(9,309)	(28,626)
Cash flows from financing activities	(256,602)	(95,937)
Cash and cash equivalents at the beginning of the period	119,379	25,648
<b>Cash and cash equivalents at the end of the period</b>	<b>304,780</b>	<b>119,380</b>

(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.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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

#### NOTE 38 - SUBSEQUENT EVENTS

Subsequent significant events are as follows;

##### Activities performed in scope of publicly offering Galata Wind Enerji A.Ş. shares

A subsidiary of the Group, Galata Wind Enerji A.Ş. applied for the amendment of Articles of Association to ensure conformity with the Articles of Association to the Capital Markets Legislation in scope of public offering activities, and the application was accepted with CMB Letter dated 26 February 2021 and numbered E-29833736-110.03.03-2450.

##### Capital Increases

The prospectus prepared to increase Çelik Halat's, a group subsidiary, issued capital by TRY25,000,000 (exact), from TRY16,500,000 (exact) to TRY41,500,000 (exact), was approved by the Capital Markets Board on 12 February 2021. The exercise of the right to purchase new shares within 15 days started on 15 February 2021, in accordance with the principles stated in the prospectus. The Group used all its rights to purchase new shares.

The prospectus prepared to increase Ditaş Doğan's, a group subsidiary, issued capital by TRY16,000,000 (exact), from TRY10,000,000 (exact) to TRY26,000,000 (exact), was approved by the Capital Markets Board on 19 February 2021. The exercise of the right to purchase new shares within 15 days started on 23 February 2021, in accordance with the principles stated in the prospectus. The Group used all its rights to purchase new shares.

A group subsidiary which the Group owns 100% of the shares, Öncü Girişim's issued capital was decided to be increased in cash by TRY180,000,000 (exact), from TRY320,000,000 (exact) to TRY500,000,000 (exact), and the capital increase was registered on 14 January 2021. The Group used all its rights to purchase new shares.

A group subsidiary which the Group owns 100% of the shares, Marlin Otelcilik's issued capital increase in cash by TRY16,000,000 (exact) to TRY41,000,000 (exact) was approved during the Extraordinary General Assembly meeting of Marlin Otelcilik on 24 February 2021. Accordingly, it was decided during the Company's Board of Directors meeting on 24 February 2021 that the Company's right to purchase new shares in cash would be completely used and the contribution to increase capital in cash was defined as TRY16,000,000 (exact).

##### Share Repurchases

In scope of the "Share Buyback Program" approved in the Ordinary General Assembly Meeting dated 20 March 2019 of Doğan Holding, the Group repurchased its own 510,000 shares from the Stock Market on 19 February 2021.

##### Merger and Acquisitions

Where 50% of Doğan Egmont's issued capital of TRY17,550,000 is held by the Group and 50% by Egmont International Holding A.Ş., it was decided that the 8,775,000 registered shares of Doğan Egmont held by Egmont International Holding A.Ş. and having a nominal value of TRY1 will be taken over by the Group, resulting in Doğan Egmont being controlled by the Group as the sole shareholder. The negotiations resulted in a share transfer amount of TRY11,000,000.







**Doğan Şirketler Grubu Holding A.Ş.**

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