

Registered number: 10127251

**NUSRET UK LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**



**LUBBOCK FINE LLP**  
**Chartered Accountants**  
**Paternoster House**  
**65 St Paul's Churchyard**  
**London EC4M 8AB**

**NUSRET UK LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Nihan Turgay Nimet Yazoglu Yegin Eryigit Umur
<b>Registered number</b>	10127251
<b>Registered office</b>	C/O Dogus International Limited 10 Stratford Place London United Kingdom W1C 1BA
<b>Independent auditors</b>	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB

# **NUSRET UK LIMITED**

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# **NUSRET UK LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Introduction**

The directors present their strategic report for the year ended 31 December 2020.

### **Business review**

The Company, together with its subsidiary entities, has been set up as a restaurant business. The Company operates in the United Kingdom, but has only commenced trading in September 2021 and these financial statements therefore detail its pre-trading activity.

### **Principal risks and uncertainties**

The Company has an appropriate risk management system in place which is designed to identify, manage and mitigate business risk. The management team carries out risk assessment and quality assurance continuously. The Company closely monitors trends and takes timely action to issues that may affect trading.

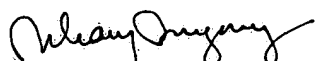
### **Financial key performance indicators**

The directors do not consider there to be any relevant key performance indicators, as the Company has not yet commenced operations. However, when the restaurant begins trading the key performance indicators will be turnover and profit before tax.

### **Section 172 Statement**

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole but having regard to a range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006. In carrying out our section 172 duty, we have regard for these factors taking them into consideration when decisions are made. Example of how the Directors have oversight of stakeholder matters and had regard for these matters when making decisions are set out in the Directors' Report.

This report was approved by the board and signed on its behalf.



**Nihan Turgay**  
Director

Date: 04 November 2021

## **NUSRET UK LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activity**

The principal activity of the Company during the year was that of a holding company. During the year the Company has been preparing for opening as a trading restaurant.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £73,128 (2019 - £188,789).

#### **Directors**

The directors who served during the year were:

Nihan Turgay  
Nimet Yazoglu Yegin  
Eryigit Umur

#### **Future developments**

In line with its stated principal activity, the future plans of the Company are to open and operate a restaurant in Kensington, London. Since the year end, the refurbishment of this restaurant has continued, with trade commencing in September 2021.

## **NUSRET UK LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Engagement with suppliers, customers and others**

During 2020, the management focused on the planning, construction and fit out of the venue. As of the report date, the venue is ready to operate and has opened for trade in September 2021. With the effect of Covid, the Company has experienced multiple market fluctuations in UK and adopted its capex program accordingly to be able to manage the cash flow while getting the venue ready for a potential target opening date which is expected to be simultaneously with the market recovery and decrease in global pandemic threat with the help of successful vaccination programs applied by governments.

The management is comfortable with the financial stability of the Company and the future forecasts while looking forward to continue trading.

#### **Greenhouse gas emissions, energy consumption and energy efficiency action**

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Post balance sheet events**

In September 2021, subsequent to the year end but prior to the date of these financial statements, the Company opened and commenced trade at its restaurant in Knightsbridge, London.

#### **Auditors**

Under section 487(2) of the Companies Act 2006, Lubbock Fine LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



**Nihan Turgay**  
Director

Date: 04 November 2021

## **NUSRET UK LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUSRET UK LIMITED**

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#### **Opinion**

We have audited the financial statements of Nurset UK Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **NUSRET UK LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUSRET UK LIMITED (CONTINUED)**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



## **NUSRET UK LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUSRET UK LIMITED (CONTINUED)**

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#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the sector and the impact of Covid 19 on financial and operating performance and policies;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations and environmental regulations.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of intercompany loans and management override. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- reviewing intercompany loan agreements and interest calculations and obtaining direct confirmations from third parties;
- reviewing lease agreements and terms of rebates that may indicate risks of irregularities in rebate recognition;

**NUSRET UK LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NUSRET UK LIMITED (CONTINUED)**

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- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the company's operations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Lubbock Fine LLP*

**Stephen Banks** (Senior Statutory Auditor)  
for and on behalf of  
**Lubbock Fine LLP**  
Chartered Accountants & Statutory Auditors  
Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB  
Date: 05 November 2021

**NUSRET UK LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 31 DECEMBER 2020**

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		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Administrative expenses		(162,027)	190,069
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(162,027)</b>	<b>190,069</b>
Interest receivable and similar income	<b>7</b>	271,619	-
Interest payable and expenses	<b>8</b>	(36,464)	(1,280)
<b>Profit before tax</b>		<b>73,128</b>	<b>188,789</b>
Tax on profit	<b>9</b>	-	-
<b>Profit for the financial year</b>		<b>73,128</b>	<b>188,789</b>

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There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 11 to 23 form part of these financial statements.

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
<b>Fixed assets</b>			
Tangible assets	11	5,926,475	1,268,822
Investments	12	80	80
		<u>5,926,555</u>	<u>1,268,902</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	1,639,271	1,243,334
Cash at bank and in hand	14	130,166	138,505
		<u>1,769,437</u>	<u>1,381,839</u>
Creditors: amounts falling due within one year	15	(3,420,602)	(679,837)
<b>Net current (liabilities)/assets</b>		<u>(1,651,165)</u>	<u>702,002</u>
<b>Total assets less current liabilities</b>		<u>4,275,390</u>	<u>1,970,904</u>
Creditors: amounts falling due after more than one year	16	(2,231,358)	-
<b>Net assets</b>		<u><u>2,044,032</u></u>	<u><u>1,970,904</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Other reserves	18	1,970,903	1,970,903
Profit and loss account	18	73,128	-
		<u><u>2,044,032</u></u>	<u><u>1,970,904</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**Nihan Turgay**  
Director

Date: 04 November 2021

The notes on pages 11 to 23 form part of these financial statements.

**NUSRET UK LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2019</b>	1	2,745,249	(877,321)	1,867,929
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	188,789	188,789
Dividends: Equity capital	-	-	(85,814)	(85,814)
Transfer to/from profit and loss account	-	(774,346)	774,346	-
<b>At 1 January 2020</b>	1	1,970,903	-	1,970,904
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	73,128	73,128
<b>At 31 December 2020</b>	1	1,970,903	73,128	2,044,032

The notes on pages 11 to 23 form part of these financial statements.

## **NUSRET UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1. General information**

Nusret UK Limited is a private company limited by shares and incorporated in England and Wales. The company's registered office is C/O Dogus International Limited, 10 Stratford Place, London, W1C 1BA and its principal place of business is The Park Tower, Knightsbridge Hotel, London, SW1X 7RN.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Dogus Holdings A.S. as at 31 December 2020 and these financial statements may be obtained from [www.dogusgrubu.com.tr](http://www.dogusgrubu.com.tr).

##### **2.3 Going concern**

The Company meets its day to day working capital requirements with the financial support of its ultimate parent undertaking. The directors believe it is appropriate to prepare the financial statements on a going concern basis on the basis of the Company's plans and the continued support of the parent undertaking and wider group. This assumes that the Company will continue in operational existence for the foreseeable future.

The directors have made ongoing assessments of the impact of the COVID-19 pandemic on the Company and believe that the Company will continue to trade with the support of its parent undertaking without any impact on the Company's going concern position.

Should the Company be unable to continue in operational existence for the foreseeable future, adjustments may be necessary to reduce the carrying value of assets to their recoverable amount, to provide for any additional liabilities that may arise, and to reclassify fixed assets as current assets.

# **NUSRET UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **2. Accounting policies (continued)**

##### **2.4 Exemption from preparing consolidated financial statements**

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

##### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The only assets held on the balance sheet in the period are in relation to assets under construction, and since the assets are not available for use, the assets have not been depreciated. Once the assets are ready for use they will be depreciated over the expected useful life of the assets.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### **2.6 Investments in subsidiaries**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an

**NUSRET UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'

**2.12 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



**NUSRET UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.14 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.15 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.16 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

## NUSRET UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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## 2. Accounting policies (continued)

### 2.17 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.18 Termination benefits

Amounts paid to employees on the termination of their employment become due on the date that the employment contract is terminated. At this point, the expected amount required to terminate employment is recognised as a charge in the Statement of Comprehensive Income, and accrued in the Balance Sheet up until the date when payment is made.

## 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions which affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. The following key sources of estimation are considered to have an impact on the amounts recognised in the financial statements:

#### Recoverability of group debtors

As at 31 December 2020 an amount of £8,719 (2019 - £nil) was due from subsidiaries and is held in accordance with the Company's accounting policy on debtors, being measured at transaction price less any accumulated impairment. Similarly, an amount of £nil (2019 - £239,568) was due from fellow subsidiary undertakings within the wider group headed by Dogus Holding AS. Recoverability of these debtors is dependent on the future performance of the subsidiaries, which determines their ability to repay the debts. As such, there is an element of uncertainty involved when considering the value of debt expected to be recovered, and the actual amount recovered could differ from the value of the debtor recognised in the financial statements. The directors consider that these amounts will be recoverable in full and therefore do not consider it appropriate to recognise a provision.

**NUSRET UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2020**

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**4. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Exchange differences	4,527	18,430
Other operating lease rentals	-	(404,688)
	<u>          </u>	<u>          </u>

**5. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6,900	6,000
	<u>          </u>	<u>          </u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**6. Employees**

	2020 £	2019 £
Wages and salaries	48,678	101,150
Social security costs	6,218	9,775
Cost of defined contribution pension scheme	329	1,180
	<u>55,225</u>	<u>112,105</u>

None of the directors received remuneration through the company during the year (2019 - £nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Directors	3	4
Management	1	1
	<u>4</u>	<u>5</u>

**NUSRET UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2020****7. Interest receivable and similar income**

	2020 £	2019 £
Other interest receivable	271,619	-

**8. Interest payable and similar expenses**

	2020 £	2019 £
Other loan interest payable	35,333	1,280
Other interest payable	1,131	-
	36,464	1,280

**9. Taxation**

	2020 £	2019 £
Total current tax	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	73,128	188,789
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	13,894	35,870
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,350	3,362
Capital allowances for year in excess of depreciation	(4,071)	-
Utilisation of tax losses	(13,173)	(39,232)
Total tax charge for the year	-	-

**NUSRET UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. Dividends**

	2020 £	2019 £
Dividends on ordinary share capital	-	85,814

**11. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2020	138,664	-	1,116,992	13,166	1,268,822
Additions	11,391	46,084	4,527,230	72,948	4,657,653
At 31 December 2020	150,055	46,084	5,644,222	86,114	5,926,475
<b>Net book value</b>					
At 31 December 2020	150,055	46,084	5,644,222	86,114	5,926,475
At 31 December 2019	138,664	-	1,116,992	13,166	1,268,822

**12. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2020	80
At 31 December 2020	80

**NUSRET UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2020**

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**12. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Nusret US Inc.	Restaurant	Ordinary	100%
Nusret Holdings USA LLC*	Holding company	Ordinary	90%
Nusret Miami LLC*	Restaurant	Ordinary	90%
Nusret South Beach LLC*	Restaurant	Ordinary	90%
Saltbae LA LLC*	Restaurant	Ordinary	90%
Nusret NY LLC*	Restaurant	Ordinary	90%
Saltbae NY LLC*	Restaurant	Ordinary	90%
Nusret Boston LLC*	Restaurant	Ordinary	90%
Nusret Dallas LLC*	Restaurant	Ordinary	90%
Nusret FH NY LLC*	Restaurant	Ordinary	90%
Nusret Las Vegas LLC*	Restaurant	Ordinary	90%
Nusret BH LLC*	Restaurant	Ordinary	90%

\* Indirectly held

All subsidiary undertakings are incorporated in the United States.

The registered office addresses of the subsidiaries are as follows:

- Nusret US Inc: C/O United Corporate Services Inc, 874 Walker Road, Suite C, Dover, Delaware 19904
- Nusret Holdings USA LLC: C/O United Corporate Services Inc, 874 Walker Road, Suite C, Dover, Delaware 19904
- Nusret Miami LLC: C/O Corporation Service Company, 1201 Hays Street, Tallahassee, Florida, 2301-2525
- Nusret South Beach LLC: C/O Corporation Service Company, 1201 Hays Street, Tallahassee, Florida, 2301-2525
- Saltbae LA LLC: C/O Corporation Services Company, CSC Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N Sacramento, CA 95833-3505
- Nusret New York LLC: C/O United Corporate Services Inc, 874 Walker Road, Suite C, Dover, Delaware 19904
- Saltbae NY LLC: C/O Corporation Service Company, 80 State Street Albany, New York, 12207
- Nusret Boston LLC: 100 Arlington Street, Boston, Massachusetts, 02116
- Nusret Dallas LLC: C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808
- Nusret FH NY LLC: C/O Corporation Service Company, 80 State Street Albany, New York, 12207
- Nusret Las Vegas LLC: C/O Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808
- Nusret BH LLC: 3390 Mary St. Ste 116, Miami, Florida, 33133

**NUSRET UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. Debtors**

	2020 £	As restated 2019 £
Amounts owed by group undertakings	8,720	241,090
Other debtors	1,574,473	785,669
Prepayments and accrued income	52,240	216,575
Tax recoverable	3,838	-
	<u>1,639,271</u>	<u>1,243,334</u>

See Note 19 for details of the prior year adjustment.

**14. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	<u>130,166</u>	<u>138,505</u>

**15. Creditors: Amounts falling due within one year**

	2020 £	As restated 2019 £
Trade creditors	10,365	9,788
Amounts owed to group undertakings	290	259,461
Other taxation and social security	1,098	3,912
Other creditors	1,464,519	172,869
Accruals and deferred income	1,944,330	233,807
	<u>3,420,602</u>	<u>679,837</u>

See Note 19 for details of the prior year adjustment.

**16. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Amounts owed to group undertakings	<u>2,231,358</u>	<u>-</u>

**NUSRET UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**17. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1 (2019 - 1) Ordinary share of £1.00	1	1
	<u>1</u>	<u>1</u>

**18. Reserves**

**Other reserves**

Other reserves relate to accumulated capital contributions received from the immediate parent entity.

**Profit and loss account**

The Profit and loss account comprises all retained profits and losses to date, less distributions paid.

**19. Prior year adjustment**

Accrued income and deferred income at 31 December 2019 have been restated to reclassify certain balances based on the period to which the services provided pertained. Accrued income has increased by £206,677 and deferred income has increased by the same amount. There was no impact on the profit and loss account at 31 December 2019.

**20. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £329 (2019 - £1,180). Contributions payable to the fund at the balance sheet date totalled £nil (2019 - £521) which are included in creditors or in the prior period.

**21. Termination benefits**

During the year the company charged a total of £11,000 (2019 - £nil) to the Statement of Comprehensive Income in respect of benefits paid to former employees on the termination of their employment contracts. The nature of all such payments was cash and the total amounts outstanding in respect of termination benefits at the balance sheet date was £nil (2019 - £nil).



## NUSRET UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 22. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	1,699,961	1,104,138
Later than 5 years	3,633,276	4,229,099
	<u>5,333,237</u>	<u>5,333,237</u>

#### 23. Related party transactions

Amounts owed from entities in which the company has a controlling interest totalled £8,719 as at 31 December 2020 (2019 - creditor balance of £259,461). This balance is unsecured, interest-free and repayable on demand.

During the year ended 31 December 2020 payments of £811,048 (2019 - £1,266,634) were received against this balance and advances of £1,411,335 (2019 - £nil) were made. A foreign exchange loss of £38,914 (2019 - gain of £10,262) was recognised on the outstanding balance in the year.

Amounts owed by fellow group companies totalled £nil as at 31 December 2020 (2019 - £239,568). This balance is unsecured, interest-free and repayable on demand.

During the year ended 31 December 2020 payments of £248,780 (2019 - £nil) were received against this balance and advances of £nil (2019 - £250,425) were made. A foreign exchange gain of £9,212 (2019 - loss of £10,857) was recognised on the outstanding balance in the year.

Included within creditors at the year end there is a balance of £290 (2019 - £1,520 debtor) due to related entities which are not part of the same wholly owned group. This balance is unsecured, interest-free and repayable on demand.

During the year the company has made purchases of £290 from these related entities.

#### 24. Post balance sheet events

In September 2021, subsequent to the year end but prior to the date of these financial statements, the Company opened and commenced trade at its restaurant in Knightsbridge, London.

**NUSRET UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**25. Parent undertaking**

The immediate parent undertaking is D Nusret International Holding B.V a company incorporated in the Netherlands. Dogus Holding AS, a company incorporated in Turkey, is the company's ultimate parent undertaking and the parent undertaking of the smallest and largest group to consolidate the accounts of Nusret UK Limited.

Copies of the accounts of Dogus Holding AS may be obtained from [www.dogusgrubu.com.tr](http://www.dogusgrubu.com.tr). The registered office of Dogus Holding AS is Büyükdere Cad. No: 249, 34398 Maslak / Sarıyer, İstanbul, Turkey.

PARENT COMPANY FINANCIAL STATEMENTS FOR FILING ALONGSIDE ACCOUNTS OF  
COMPANY #10127251

**DOĞUŞ HOLDİNG A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2020 WITH  
INDEPENDENT AUDITOR'S REPORT**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Doğu Holding A.Ş.

### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Doğu Holding A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA").

Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), "Independence Audit by-Law" published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and independent auditing requirements referred in Article 400 of the Turkish Commercial Code ("TCC") (collectively referred to as "Turkish Local Independence Rules"). We have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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Mersis Numaramız: 0-1460-0224-0500015



## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. 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.

Key audit matters	How the key audit matter was addressed in the audit
<p><b><i>Impairment tests of indefinite-life intangible assets</i></b></p> <p>The accompanying consolidated financial statements as of 31 December 2020 include goodwill and brands under intangible assets with carrying values of TL 1,038 million and TL 616 million, respectively. These indefinite-life intangible assets should be tested for impairment annually, as required by IFRS.</p> <p>Goodwill and brands are material to the consolidated financial statements at 31 December 2020. Moreover, significant judgments and estimates are used in the impairment tests performed by management. For goodwill and brand impairment tests, such significant judgments and estimates are Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA"), growth forecasts, long term growth rates and annual discount rates. In addition, royalty rates used in the relief from royalty method for the brand impairment tests are also key estimates. The realization of such estimates is very sensitive to changes in market conditions. Therefore, these impairment tests constitute key matters for our audit.</p> <p>Please refer to notes 2.2, 2.4 and 14 to the accompanying consolidated financial statements for the relevant disclosures, including the accounting policies and sensitivity analysis.</p>	<p>We performed the following procedures in relation to the impairment tests of goodwill and brands:</p> <ul style="list-style-type: none"> <li>• Evaluating the appropriateness of the Cash Generating Units ("CGUs") determined by management,</li> <li>• Understanding management's future plans and cash flow forecasts for relevant segments while taking into account the impacts of the Covid 19 pandemic, and evaluating these in light of available macroeconomic data,</li> <li>• Challenging the future plans of the food and beverage segment, which was affected negatively by the Covid 19 pandemic, by considering different recovery scenarios,</li> <li>• Assessing the reasonableness of forecasted cash flows for CGUs selected on a sample basis, comparing them against their historical financial performance,</li> <li>• With the cooperation of our internal valuation experts, assessing and challenging key assumptions, including long term growth rates, annual discount and royalty rates used in the calculations selected on a sample basis, and benchmarking these against rates used in the relevant industries,</li> <li>• Testing the setup of the discounted cash flow models selected on a sample basis and their mathematical accuracy,</li> <li>• Testing management's sensitivity analysis for key assumptions used in the calculations selected on a sample basis,</li> <li>• Checking the disclosures in the consolidated financial statements in relation to the impairment tests of indefinite-life intangible assets and evaluating the adequacy of such disclosures from IFRS requirements standpoint.</li> </ul>



### Key audit matters (Continued)

Key audit matters	How the key audit matter was addressed in the audit
<p><b>Utilisation of deferred income tax assets</b></p> <p>The Group's accompanying consolidated financial statements as of 31 December 2020 include deferred income tax assets amounting to TL 2,458 million. TL 1,356 million of these deferred income tax assets are related to tax losses carried forward and TL 656 million of these deferred income tax assets are related to unused investment tax incentives.</p> <p>The utilisation of deferred income tax assets recognized in the consolidated financial statements is assessed based on the business model and future taxable profit projections which include critical management estimates. Considering the inherent uncertainty as to the realization of such management estimates in the future, the necessity for expert involvement due to the complexity of such investment incentives and the materiality of such assets in consolidated financial statements, utilisation of deferred income tax assets is a key matter for our audit. Please refer to notes 2.2, 2.4 and 15 to the accompanying consolidated financial statements for the accounting policy and relevant disclosures.</p>	<p>We performed the following procedures in relation to the deferred income tax assets:</p> <ul style="list-style-type: none"> <li>• Understanding the nature of the related temporary differences and the investment tax incentives which form the basis of the deferred income tax assets through meetings with management,</li> <li>• Testing the current tax calculation including application of the investment tax incentive benefits,</li> <li>• Testing the capital expenditures based on the investment tax incentive documents on a sample basis,</li> <li>• Testing the business model used to assess the utilisation of deferred income tax assets from investment tax incentives, including the critical management estimations, using the following procedures: <ul style="list-style-type: none"> <li>- Testing the mathematical accuracy of the business model,</li> <li>- Benchmarking the estimations used in the model against prior periods' actuals, other independent data sources and the evaluation of the effects of Covid 19,</li> <li>- Benchmarking future foreign exchange rate estimations used in the business model against exchange rate estimations in the Group's approved budget/long term plans and other independent data sources,</li> <li>- Testing management's sensitivity analysis for key assumptions for the future utilization of investment tax incentives,</li> <li>- Testing the disclosures in the consolidated financial statements in relation to deferred income tax assets and liabilities and evaluating the adequacy of such disclosures from IFRS requirements standpoint.</li> </ul> </li> </ul>



### Key audit matters (Continued)

Key audit matters	How the key audit matter was addressed in the audit
<p><b>Fair value of investment properties and land and buildings included with property, plant and equipment</b></p> <p>The Group's accompanying consolidated financial statements as of 31 December 2020 include investment properties amounting to TL 10,488 million and land and buildings included with property, plant and equipment amounting to TL 7,687 million carried at their fair values. The Group's consolidated financial statements include fair value changes of property, plant and equipment accounted for under "Other accumulated comprehensive income or expenses not to be reclassified to profit or loss" amounting to TL 3,811 million and fair value changes of investment properties accounted for in "income from investment activities" in the statement of profit or loss and amounting to TL 95 million.</p> <p>As of 31 December 2020, investment properties and land and buildings included in property, plant and equipment comprise a significant portion of the Group's assets, and their valuation methods applied (market approach, income approach and cost approach) include significant estimates and assumptions based on the characteristics of these properties (such as annual discount rate, equivalent prices per square meter, construction costs, annual rent increase rates, estimated occupancy rates, estimated profitability, accommodation fees, etc.) Therefore, the fair value calculations of these assets is a key audit matter for our audit.</p> <p>Please refer to notes 2.2, 2.4, 11 and 12 to the accompanying consolidated financial statements for the accounting policies and relevant disclosures regarding the investment properties and property, plant and equipment.</p>	<p>We performed the following procedures in relation to the valuation of investment properties and land and buildings included in property, plant and equipment:</p> <ul style="list-style-type: none"> <li>• Evaluating the competence, capability and independence of valuation experts appointed by Group management in accordance with the relevant auditing standards,</li> <li>• Checking the consistency of the data used in the valuation against the Group's accounting and registry of deed records for the real estate selected on a sample basis,</li> <li>• Assessing the valuation reports selected on a sample basis to evaluate the assumptions and methods used by Group management and the valuation experts appointed by Group management, and evaluating the appropriateness of the valuation methods used considering the intended use of the relevant real estate,</li> <li>• Comparing the average fair value per square meter used in the calculation of fair value using the market approach method and market conditions,</li> <li>• For the real estate where fair value was determined using the income approach method, comparing the assumptions used in the business plans with the prior year's actual figures and the current data and evaluating the appropriateness of the business plans and the annual discount rates by taking into account the effects of the Covid-19 pandemic,</li> <li>• Comparing unit costs per square meter with the market data for the real estate where fair value was determined using the cost approach method,</li> <li>• Comparing and reconciling the fair values determined by valuation reports with the values recognized in the consolidated financial statements,</li> <li>• Testing the disclosures in the consolidated financial statements in relation to the valuation of investment properties and property, plant and equipment, and evaluating the adequacy of such disclosures from IFRS requirements standpoint.</li> </ul>



### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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.
- Obtain an understanding of 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.





#### **Auditor's responsibilities for the audit of the consolidated financial statements (Continued)**

- 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 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.

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

Adnan Akan, SMMM  
Partner

Istanbul, 2 April 2021

**DOĞUŞ HOLDİNG A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AT 31 DECEMBER 2020**

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**DOĞUŞ HOLDİNG A.Ş.****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	<u>Notes</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	6	2.833.719	1.668.982
Financial investments	7	280.879	218.259
Trade receivables	9	2.883.186	2.596.030
- Due from related parties	31	620.262	658.478
- Due from third parties		2.262.924	1.937.552
Inventories	10	3.129.639	1.348.637
Prepaid expenses	21	115.250	127.786
Other current assets	21	1.634.490	1.712.056
<b>Subtotal</b>		<b>10.877.163</b>	<b>7.671.750</b>
Assets held for sale	16	14.148	1.104.987
<b>Total current assets</b>		<b>10.891.311</b>	<b>8.776.737</b>
<b>Non-current assets:</b>			
Financial investments	7	34.485	25.460
Investments in equity accounted investees	8	5.587.214	4.420.531
Investment property	11	10.487.875	10.669.832
Property and equipment	12	12.939.979	11.327.250
Right of use assets	13	912.264	834.264
Intangible assets	14	2.226.700	2.310.663
- Goodwill		1.038.326	1.076.482
- Other intangible assets		1.188.374	1.234.181
Prepaid expenses	22	55.763	46.395
Deferred tax assets	15	2.458.109	1.583.071
Other non-current assets	22	541.729	382.291
<b>Total non-current assets</b>		<b>35.244.118</b>	<b>31.599.757</b>
<b>TOTAL ASSETS</b>		<b>46.135.429</b>	<b>40.376.494</b>

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

**DOĞUŞ HOLDİNG A.Ş.****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	31 December 2020	31 December 2019
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Short term loans and borrowings	18	2.211.784	2.356.116
Short term portion of long term loans and borrowings	18	3.182.185	2.190.974
Liabilities from leasing transactions	18	203.284	174.750
Trade payables	9	3.543.049	2.202.644
- Due to related parties	31	113.758	36.609
- Due to third parties		3.429.291	2.166.035
Current tax liabilities	15	40.693	48.173
Provisions	20	353.973	190.369
- Employee benefits	20	71.086	56.002
- Other provisions		282.887	134.367
Other current liabilities	23	1.186.648	768.034
<b>Subtotal</b>		<b>10.721.616</b>	<b>7.931.060</b>
Liabilities directly associated with the assets held for sale		-	557.063
<b>Total current liabilities</b>		<b>10.721.616</b>	<b>8.488.123</b>
<b>Non-current liabilities:</b>			
Long term loans and borrowings	18	31.960.349	24.859.706
Liabilities from leasing transactions	18	782.265	656.275
Derivative instruments	19	880.528	507.363
Other payables		44.739	290.274
- Due to related parties	31	44.739	290.274
Provisions	20	711.079	326.846
- Employee benefits	20	154.346	143.558
- Other provisions		556.733	183.288
Deferred tax liabilities	15	724.120	804.287
Other non-current liabilities	23	565.724	491.730
<b>Total non-current liabilities</b>		<b>35.668.804</b>	<b>27.936.481</b>
<b>TOTAL LIABILITIES</b>		<b>46.390.420</b>	<b>36.424.604</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company:</b>			
Share capital	30	862.837	862.837
Adjustments to share capital		1.512.094	1.512.094
Treasury shares (-)		(87.883)	(87.883)
Capital stock held by subsidiaries (-)		(94.531)	(94.531)
Share premium		167.384	167.384
Other comprehensive income items that not to be classified to profit or loss		3.766.107	2.876.253
Other comprehensive income items that are or may be classified to profit or loss		(723.567)	(461.714)
Restricted reserves	30	3.900.234	7.417.952
Accumulated losses		(5.589.146)	(8.580.870)
Loss for the year		(5.551.461)	(889.476)
<b>Total equity attributable to owners of the Company</b>		<b>(1.837.932)</b>	<b>2.722.046</b>
<b>Total non-controlling interests</b>	30	<b>1.582.941</b>	<b>1.229.844</b>
<b>TOTAL EQUITY</b>		<b>(254.991)</b>	<b>3.951.890</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>46.135.429</b>	<b>40.376.494</b>

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

**DOĞUŞ HOLDİNG A.Ş.****CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>PROFIT OR LOSS</b>			
Revenue	24	24.144.563	17.840.911
Cost of sales (-)	25	(21.787.565)	(14.680.493)
<b>Gross profit</b>		<b>2.356.998</b>	<b>3.160.418</b>
Administrative expenses (-)	26	(1.940.037)	(1.623.054)
Selling, marketing and distribution expenses (-)	26	(568.776)	(606.760)
Other operating income	29	497.290	722.820
Other operating expenses (-)	29	(533.429)	(542.595)
Share of profit / (loss) of equity accounted investees	8	458.232	203.986
<b>Operating profit</b>		<b>270.278</b>	<b>1.314.815</b>
Income from investing activities	27	1.784.779	538.965
Losses from investing activities (-)	27	(383.157)	(192.071)
<b>Profit before net finance cost</b>		<b>1.671.900</b>	<b>1.661.709</b>
Finance income	28	367.946	1.446.871
Finance expense (-)	28	(8.025.836)	(3.731.353)
<b>Loss before tax</b>		<b>(5.985.990)</b>	<b>(622.773)</b>
Tax (expense) / income			
- Current tax expense	15	(345.667)	(146.087)
- Deferred tax income	15	1.001.633	137.243
<b>Loss for the year</b>		<b>(5.330.024)</b>	<b>(631.617)</b>
<b>Profit / (loss) attributable to:</b>			
Non-controlling interests	30	221.437	257.859
Owners of the Company		(5.551.461)	(889.476)
<b>Net loss for the year</b>		<b>(5.330.024)</b>	<b>(631.617)</b>

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

**DOĞUŞ HOLDİNG A.Ş.****CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	2020	2019
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss:</b>		<b>1.363.666</b>	<b>366.949</b>
Revaluation of property and equipment	12	1.024.449	224.315
Remeasurements of defined benefit liability	20	5.931	(23.011)
Tax on items that will not be reclassified to profit or loss:			
- <i>Deferred tax</i>	15	(108.651)	(1.555)
Other comprehensive income from equity accounted investees, net of tax	8	441.937	167.200
<b>Items that are or may be reclassified to profit or loss:</b>		<b>(78.750)</b>	<b>(261.639)</b>
Foreign currency translation differences for foreign operations		(922.199)	(373.128)
Changes in fair value of financial assets at FVOCI		(1.563)	16.760
Net investment hedge for foreign operations	30	191.461	(220.117)
Tax on items that are or may be reclassified to profit or loss:			
- <i>Current tax</i>	15	114.249	44.023
- <i>Deferred tax</i>	15	313	(407)
Other comprehensive income from equity accounted investees, net of tax	8	538.989	271.230
<b>OTHER COMPREHENSIVE INCOME</b>		<b>1.284.916</b>	<b>105.310</b>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>		<b>(4.045.108)</b>	<b>(526.307)</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
Non-controlling interests		374.549	328.540
Owners of the Company		(4.419.657)	(854.847)
		<b>(4.045.108)</b>	<b>(526.307)</b>

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

# DOĞUŞ HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020 AND 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Other comprehensive income that not to be classified to profit or loss						Other comprehensive income that are or may be classified to profit or loss				Retained earnings		Total equity attributable to owners of the Company		Non-controlling interests	Total equity
	Paid-in capital	Adjustment to share capital	Treasury shares	Capital stock held by subsidiaries	Share premium	Revaluation surplus	Remeasurements of defined benefit liability	Translation reserve	Changes in fair value of financial assets at FVOCI	Hedging reserve	Restricted reserves	Retained earnings	Net profit/(loss) for the period	Company		
Balances at 1 January 2019	856,027	1,512,094	-	(94,531)	167,384	2,868,803	(32,600)	1,188,957	(10,239)	(1,228,180)	5,958,196	(4,562,923)	(2,944,243)	3,678,745	1,084,817	4,763,562
Total comprehensive income	-	-	-	-	-	365,857	(16,697)	(153,269)	14,832	(176,094)	-	-	(889,476)	(854,847)	328,540	(526,307)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(179,050)	(179,050)
Change related to reacquired shares of subsidiary <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	-	13,478	-	13,478	(13,478)	-
Change in non-controlling interests in consolidated subsidiaries without a change of control <sup>(2)</sup>	6,810	-	(87,883)	-	-	-	-	268	-	-	96,683	26,075	-	41,953	31,579	73,532
Change due to share based transactions <sup>(3)</sup>	-	-	-	-	-	-	-	(97,989)	-	-	(5,419)	-	-	(103,408)	(92,918)	(196,326)
Increase/(decrease) due to other changes <sup>(4)</sup>	-	-	-	-	-	(286,311)	-	-	-	-	-	232,436	-	(53,875)	70,354	16,479
Transfers	-	-	-	-	-	(22,799)	-	-	-	-	1,368,492	(4,289,936)	2,944,243	-	-	-
Balances at 31 December 2019	862,837	1,512,094	(87,883)	(94,531)	167,384	2,925,550	(49,297)	937,967	4,593	(1,404,274)	7,417,952	(8,580,870)	(889,476)	2,722,046	1,229,844	3,951,890
Balances at 1 January 2020	862,837	1,512,094	(87,883)	(94,531)	167,384	2,925,550	(49,297)	937,967	4,593	(1,404,274)	7,417,952	(8,580,870)	(889,476)	2,722,046	1,229,844	3,951,890
Total comprehensive income	-	-	-	-	-	1,389,061	4,596	(566,314)	(1,251)	305,712	-	-	(5,551,461)	(4,419,657)	374,549	(4,045,108)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(83,319)	(83,319)
Change in non-controlling interests in consolidated subsidiaries without a change of control	-	-	-	-	-	-	-	-	-	-	-	(69,070)	-	(69,070)	53,565	(15,505)
Change due to share based transactions <sup>(4)</sup>	-	-	-	-	-	(396,189)	-	-	-	-	(4,055)	396,189	-	(4,055)	(29,367)	(33,422)
Increase/(decrease) due to other changes <sup>(5)</sup>	-	-	-	-	-	(84,195)	-	-	-	-	(15,385)	32,384	-	(67,190)	37,669	(29,527)
Transfers	-	-	-	-	-	(23,419)	-	-	-	-	(3,498,278)	2,632,221	889,476	-	-	-
Balances at 31 December 2020	862,837	1,512,094	(87,883)	(94,531)	167,384	3,810,808	(44,701)	371,653	3,342	(1,098,562)	3,900,234	(5,589,146)	(5,551,461)	(1,837,932)	1,582,941	(254,991)

<sup>(1)</sup> On 26 July 2019, the Group signed a share sale agreement to sell 65 % shares of Marina Barcelona 92 S.A. The share transfer has been finalised on 16 October 2019.

<sup>(2)</sup> Includes the merger of Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. under Doğuş Holding A.Ş. on 30 December 2019.

<sup>(3)</sup> Includes the dividends related to reacquired shares of subsidiaries.

<sup>(4)</sup> Represents the sale of D Marina İşletmeciliği Turizm ve Yönetim Hizmetleri A.Ş., D Marinas Hellas S.A., its subsidiary Lefkas Marina S.A., Zea Marina S.A., Gouvria Marina S.A., Marina Borik d.o.o, Marina Dalmacija d.o.o., Marina Sibenk d.o.o. ve D Marin Dubai LLC, Anadolu Göcek Marina Turizm Yatırımları A.Ş., its subsidiaries Doğuş Turgutreis Marina İşletmeciliği Turizm ve Ticaret A.Ş. and Doğuş Didim Marina İşletmecileri ve Ticaret A.Ş., and Doğuş Turizm Sağlık Yatırımları ve İşletmeciliği Sanayi ve Turizm A.Ş. in 2020.

<sup>(5)</sup> Significant portion of increase/(decrease) due to other changes consist of fair value change of the put option liability for non-controlling interests and sale of assets.

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

# DOĞUŞ HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	2020	2019
<b>A. Cash flows from operating activities</b>			
Loss for the year		(5.330.024)	(631.617)
<i>Adjustments for</i>			
Depreciation and amortisation	5, 12, 13, 14	926.000	856.933
Impairment loss on property and equipment	5, 12	16.505	-
Provision for employee severance indemnity	5, 20, 2	24.897	20.025
Warranty provision	5	100.384	139.023
Other provisions		346.743	100.013
Provision for doubtful receivables	5, 9	10.954	9.674
Interest expense	5, 18	462.145	370.884
Fair value change in investment property	5, 11	(94.962)	(317.722)
Loss on written off of property and equipment	5, 12	97.014	39.597
Taxation	15	(655.966)	8.844
Share of profit of equity accounted investees	8	(458.232)	(203.986)
Gain on sale of subsidiaries	27	(1.426.720)	(283.542)
Loss on sale of associate / joint venture	27	21.963	(40.178)
Gain on sales of property and equipment	27	(260.203)	(36.288)
Impairment of goodwill	5, 14	117.302	-
Adjustments resulting from changes of shares of associates	8	-	(20.382)
Loss from construction business segment	5	192.989	191.293
Impairment of intangible assets other than goodwill	27, 14	11.795	37.813
Other impairments	5	10.895	(78.956)
Unrealized foreign exchange losses		2.203.675	1.164.050
Foreign currency differences of cash and cash equivalents, net		(315.403)	(89.405)
<b>Change in working capital</b>			
Trade receivables		(276.202)	328.418
Inventories		(1.781.002)	395.719
Trade payables		1.094.870	188.868
Other assets and liabilities		679.917	1.701.716
<b>Cash flows from operations</b>			
Dividends received from equity accounted investees	8	11.772	121.572
Contribution to share capital increase of equity accounted investees	8	(207.721)	(147.950)
Acquisition of equity accounted investees	8	(8.548)	(23.278)
Employee severance indemnity paid	20, 2	(8.178)	(40.780)
Warranty expense paid		(87.130)	(143.974)
Recoveries from doubtful receivables	9	3.917	1.389
Taxes paid	15, 2	(287.071)	(97.299)
Proceeds from sale of investment property		176.021	122.405
Acquisition of investment property	11	(915.289)	(860.371)
<b>Cash flows provided from / (used in) operating activities</b>		<b>(5.602.893)</b>	<b>2.782.508</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sales of subsidiaries		5.482.019	1.578.093
Change in non-controlling interests in consolidated subsidiaries without a change in control		(15.505)	12.737
Proceeds from the sale of joint ventures and associates		526.746	424.908
Proceeds from sale of property and equipment and intangible assets		355.267	541.183
Acquisition of property and equipment and intangible assets		(749.513)	(982.433)
<b>Cash flows provided from / (used in) investing activities</b>		<b>5.599.014</b>	<b>1.574.488</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from loans and borrowings	18	7.400.851	8.368.488
Repayments of loans and borrowings	18	(4.750.693)	(10.268.033)
Interest paid		(1.828.848)	(2.824.532)
Dividends paid		(83.319)	(179.050)
<b>Cash flows from financing activities</b>		<b>737.991</b>	<b>(4.903.127)</b>
<b>Net increase / (decrease) in cash and cash equivalents before the effects of foreign currency differences (A+B+C)</b>		<b>734.112</b>	<b>(546.131)</b>
<b>D. Effects of foreign currency differences on cash and cash equivalents</b>		<b>315.403</b>	<b>89.405</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>		<b>1.049.515</b>	<b>(456.726)</b>
<b>E. Cash and cash equivalents at 1 January</b>	6	<b>1.654.678</b>	<b>2.111.404</b>
<b>Cash and cash equivalents at 31 December (A+B+C+D+E)</b>	6	<b>2.704.193</b>	<b>1.654.678</b>

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



## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Doğuş Holding Anonim Şirketi ("Doğuş Holding" or "the Company") was established in 1975 to invest in and coordinate the activities of companies operating in different industries, including automotive, construction, media, real estate, energy, food and beverage, tourism and retail and is registered in Turkey.

Doğuş Holding is owned and managed by the members of Şahenk Family. As at 31 December 2020, the principal shareholders and their respective shareholding rates in Doğuş Holding are stated in note 30.

The address of the registered office of Doğuş Holding is as follows:

Maslak Mahallesi  
Büyükdere Caddesi, No: 249  
34485 Sarıyer / İstanbul-Türkiye

As at 31 December 2020, Doğuş Holding has 173 (31 December 2019: 190) subsidiaries ("the Subsidiaries"), 66 (31 December 2019: 76) joint arrangements ("the Joint Arrangements") and 41 (31 December 2019: 41) associates ("the Associates") (referred to as "the Group" or "Doğuş Group" herein and after). The consolidated financial statements of Doğuş Group as at and for the year ended 31 December 2020 comprises Doğuş Holding and its subsidiaries and the Group's interest in associates and joint arrangements. As explained in more detail in this note, Doğuş Holding holds controlling interest directly or indirectly via other companies owned and/or exercising the control over the voting rights of the shares held by the members of Şahenk Family, in all its subsidiaries included in the Group.

The Group operates partnerships and has distribution, management and franchise agreements with internationally recognised brand names, such as Volkswagen AG, Volkswagen Financial Services AG, Audi AG, Dr.Ing.h.c. F.Porsche Aktiengesellschaft, Bentley Motors Limited, Seat SA, Scania CV AB, Automobili Lamborghini S.p.A., Thermo King, Hyatt International Ltd., Soho House, Chenot, Bodyism, Peninsula, Four Seasons, Eleventy, Messika Group S.A, Gucci, Loro Piana, M Missoni, Kiko, Under Armour, Hublot, Arnold&Son S.A., Bell and Ross, Breitling, HYT, Bulgari, Leica, Frederique Constant, Tag Heuer, Kitchenette, Zuma, Roka, Mezzaluna, Coya, Oblix and La Petite Maison.

The number of employees of the Group at 31 December 2020 is approximately 19.621 (31 December 2019: 20.363).

As explained in more detail in note 5, The Group is organised mainly in Turkey under 7 core operating segments:

- Construction
- Automotive
- Food & Beverage, Tourism and Retail
- Media
- Energy
- Others (Real Estate and Others)

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

The subsidiaries, the joint ventures, joint operations and the associates included in the consolidation scope of Doğuş Holding, their country of incorporation, nature of business and their respective operating segments are as follows:

##### 1.1 Entities in construction segment

Below entities are first consolidated under Doğuş İnşaat ve Ticaret A.Ş. ("Doğuş İnşaat"); then consolidated under the Group.

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Alperen Gayrimenkul Yatırım ve İşletme A.Ş. ("Alperen")	Real estate development	Turkey
Doğuş EOOD	Construction	Bulgaria
Doğuş İnşaat	Construction	Turkey
Doğuş İnşaat Limited (Kazakistan) ("Doğuş İnşaat (Kazakistan)")	Non-operating company	Kazakhstan
Doğuş İnşaat Limited (Ukraine) ("Doğuş İnşaat (Ukrayna)")	Construction	Ukraine
Doğus Maroc SARL	Construction	Morocco
Doğuş Construction Private LTD.	Construction	India
Dogus Oman LLC	Construction	Oman
Doğuş - (Onur)	Construction	Qatar
Teknik Mühendislik ve Müşavirlik A.Ş. ("Teknik Mühendislik")	Construction engineering	Turkey
Vitapark Spor Turizm Hizmet İnşaat ve Ticaret A.Ş. ("Vitapark")	Golf resort	Turkey
<u>Joint operations</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Doğuş Alarko YDA İnşaat ("Doğuş Alarko")	Construction	Turkey
Doğuş Gülsan Adi Ortaklığı ("Kazakistan")	Construction	Kazakhstan
Doğuş Gülsan Adi Ortaklığı ("Kömürhan")	Construction	Turkey
Doğuş – Tekfen Adi Ortaklığı	Construction	Turkey
Doğuş YDA Adi Ortaklığı ("Doğuş YDA")	Construction	Turkey
Gülermak-Doğuş Adi Ortaklığı ("Gülermak Doğuş")	Construction	Turkey
Doğuş – VIA – Ultrastryo Adi Ortaklığı	Construction	Bulgaria
Doğuş – ES Adi Ortaklığı	Construction	Turkey
Yapı Merkezi-Doğuş-Yüksel-Yenigün-Belen Adi Ortaklığı ("YMDYYB")	Construction	Turkey
Doğuş – Dusa Adi Ortaklığı	Construction	Turkey
Doğuş – Soma Adi Ortaklığı	Construction	India
Doğuş – Sukot Adi Ortaklığı	Construction	Turkey
Doğuş – Yapı Merkezi – Özaltın Adi Ortaklığı	Construction	Turkey

##### 1.2 Entities in automotive segment

Below entities are first consolidated under Doğuş Otomotiv Servis ve Ticaret A.Ş. ("DOAŞ"); then consolidated under the Group.

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
DOAŞ	Automotive distribution	Turkey
D-Auto Limited Liability Company ("Doğuş Auto Irak")	Automotive retail	Iraq
Doğuş Oto Pazarlama ve Ticaret A.Ş. ("Doğuş Oto")	Automotive retail	Turkey
Doğuş Sigorta Aracılık Hizmetleri A.Ş. ("Doğuş Sigorta")	Insurance agency	Turkey
<u>Joint ventures</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Karadeniz Taşıt Muayene İstasyonları İşletim A.Ş.	Vehicle inspection station	Turkey
TDB Sigorta Brokerlik A.Ş.	Insurance agency	Turkey
TÜV SÜD Doğuş Ekspertiz ve Danışmanlık Hizmetleri Limited Şirketi ("TÜV SÜD Doğuş Ekspertiz")	Valuation services	Turkey
TÜVTURK Güney Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Güney")	Vehicle inspection station	Turkey
TÜVTURK İstanbul Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK İstanbul")	Vehicle inspection station	Turkey
TÜVTURK Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Kuzey")	Vehicle inspection station	Turkey

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

##### 1.2 Entities in automotive segment (Continued)

<u>Associates</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Driver Turkey Master S.A.	Special purpose entity	Luxembourg
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	Factoring	Turkey
VDF Filo Kiralama A.Ş. ("VDF Filo Kiralama")	Fleet management	Turkey
VDF Servis ve Ticaret A.Ş. ("VDF Servis Holding")	Investment company	Turkey
VDF Sigorta Aracılık Hizmetleri A.Ş. ("VDF Sigorta")	Agency/brokerage	Turkey
Volkswagen Doğuş Finansman A.Ş. ("VDF Tüketici")	Consumer finance	Turkey
Yüce Auto Motorlu Araçlar Ticaret A.Ş. ("Yüce Auto")	Automotive distribution	Turkey

##### 1.3 Entities in hospitality and retail segment

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Ad Yiyecek İçecek Ticari Sanayi A.Ş. ("AD Yiyecek")	Restaurant establishment	Turkey
Alantur Turizm ve Ticaret A.Ş. ("Alantur")	Hospitality	Turkey
A.L.E. Gıda Turizm ve Ticaret A.Ş. ("A.L.E. Gıda")	Restaurant establishment	Turkey
Altınhan Turizm ve Ticaret A.Ş. ("Altınhan")	Restaurant establishment	Turkey
Antur Turizm A.Ş. ("Antur")	Hospitality and travel agency	Turkey
Argos Bağcılık ve Şarapçılık San.Tic. A.Ş. ("Argos Bağcılık")	Viticulture	Turkey
Argos Turizm Yatırım ve Ticaret A.Ş. ("Argos")	Hotel management	Turkey
Bal Turizm ve Gıda Pazarlama A.Ş. ("Bal Turizm")	Restaurant establishment	Turkey
Bangolare S.L.	Investment company	Spain
Bar Des Pres Holdings Ltd.	Investment company	United Kingdom
Bar Des Pres Ltd.	Investment company	United Kingdom
BMK Turizm ve Otelcilik Hizmetleri A.Ş. ("BMK")	Hotel management	Turkey
Boğaziçi Borsa Lokantacılık İşl. San. ve Tic. A.Ş. ("Borsa")	Restaurant establishment	Turkey
Bomonti Kültür ve Eğlence Merkezi Yönetimi A.Ş. ("Bomonti")	Entertainment and organization	Turkey
Coya Inc.	Investment company	U.S.A.
Coya Abu Dhabi Limited ("Coya Abu Dhabi")	Restaurant establishment	U.A.E.
Coya Angel Limited	Restaurant establishment	United Kingdom
Coya Limited	Investment company	U.A.E.
Coya Mykonos S.A.	Restaurant establishment	Greece
Coya Paris SAS	Restaurant establishment	France
Coya (Restaurant) Limited ("Coya London")	Restaurant establishment	United Kingdom
Coya Restaurant LLC ("Coya Dubai")	Restaurant establishment	U.A.E.
D Eğlence Bar Restoran İşletmeciliği ve Yatırım A.Ş. ("D Eğlence")	Establishment and management of restaurants and cafes	Turkey
D Et ve Et Ürünleri Gıda Pazarlama Ticaret A.Ş. ("D Et")	Establishment and management of restaurants and cafes	Turkey
D Hospitality BV	Investment company	The Netherlands
D Nusret International Holding BV	Investment company	The Netherlands
D Nusret International B.V.	Investment company	The Netherlands
D Otel Göcek Turizm Yatırımları ve İşletmeciliği Ticaret A.Ş. ("D Otel Göcek")	Hospitality	Turkey
D Otel Marmaris Turizm İşletmeciliği Ticaret ve Sanayi A.Ş. ("D Otel")	Hospitality	Turkey

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

##### 1.3 Entities in hospitality and retail segment (Continued)

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Dogus Avenue BV ("Doğuş Avenue BV")	Investment company	The Netherlands
Dogus Avenue Holding Coöperatief U.A. ("Doğuş Avenue Coop")	Investment company	The Netherlands
Dogus Avenue LLC ("Dogus Avenue LLC")	Non-operating company	Russia
Dogus Croatia d.o.o. ("Doğuş Croatia")	Investment Company	Croatia
Doğuş Dalaman Marina İşletmeciliği Turizm Ticaret A.Ş. ("Doğuş Dalaman")	Non-operating company	Turkey
Doğuş Health & Wellness AG	Hospitality	Switzerland
Dogus Hellas SA. ("Dogus Hellas")	Investment and management company	Greece
Dogus International Coöperatief U.A.	Investment company	The Netherlands
Dogus Leisure and Entertainment Investment Limited ("Dogus Leisure")	Investment company	United Kingdom
Dogus Mercado Inc.	Investment company	U.S.A.
Doğuş Marina Hoteli d.o.o. ("D Resort Sibenik")	Hospitality	Croatia
Doğuş Marina Upravljanje d.o.o. ("Marina Upravljanje")	Non-operating company	Croatia
D Marinas BV	Investment company	The Netherlands
Doğuş Otel Yatırımları ve Turizm İşletme A.Ş. ("Doğuş Otel")	Investment Company	Turkey
Doğuş Perakende Satış, Giyim ve Aksesuar Ticaret A.Ş. ("Doğuş Perakende")	Retail sale services	Turkey
Doğuş Razvitak I Upravljanje d.o.o. ("Doğuş Razvitak")	Non-operating company	Croatia
Dogus TRG Inc	Investment company	U.S.A.
Dogus Upravljanje d.o.o. ("Sibenik Upravljanje")	Non-operating company	Croatia
Doğuş Zhenfa Kozmetik Ticaret A.Ş. ("Doğuş Zhenfa")	Investment company	Turkey
Dream Global B.V.	Investment company	The Netherlands
Dream International B.V.	Investment company	The Netherlands
Dream International Coöperatief U.A.	Investment company	The Netherlands
Nahita Global Ltd. (formerly named as "Dream IP Limited")	Investment company	The Netherlands
Dream Management Services LLC	Investment and management company	U.A.E.
Etiler Kebapçılık Restoran A.Ş. ("Etiler Kebapçılık")	Restaurant establishment	Turkey
Etiler Turistik Tesisler İşletmeciliği Ticaret A.Ş. ("Etiler Turistik")	Establishment and management of restaurants and cafes	Turkey
Garanti Turizm Yatırım ve İşletme A.Ş. ("Garanti Turizm")	Investment company	Turkey
Göktrans Turizm ve Ticaret A.Ş. ("Göktrans Turizm")	Hospitality	Turkey
Günaydın Çamlıca Restoran Gıda Turizm Ticaret A.Ş.	Restaurant establishment	Turkey
Günaydın Et Sanayi ve Ticaret A.Ş. ("Günaydın Et")	Establishment and management of restaurants and cafes	Turkey
Günaydın International Holding B.V. ("Günaydın Int. B.V.")	Investment Company	The Netherlands
Günaydın International Holding Coöperatief U.A. ("Günaydın Int. Coop")	Investment Company	The Netherlands
Günaydın Restaurant LLC ("Günaydın Restaurant")	Restaurant establishment	U.A.E.
Gunaydın Restaurants LLC	Restaurant establishment	U.S.A.
Gunaydın US Inc.	Non-operating company	U.S.A.
Gunaydın UK Ltd.	Non-operating company	United Kingdom
Günaydın Üretim ve Lojistik A.Ş.	Restaurant, food and beverage production	Turkey
Havana Yayıncılık Turizm ve Gıda Pazarlama Ticaret A.Ş. ("Havana Yayıncılık")	Restaurant, food and beverage production	Turkey
Hospitality d.o.o. ("Hospitality")	Investment company	Croatia
Il Riccio Miami LLC	Non-operating company	U.S.A.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

##### 1.3 Entities in hospitality and retail segment (Continued)

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
King of the Rib	Investment company	Spain
Kivahan Turizm Ticaret A.Ş. ("Kivahan")	Restaurant establishment	Turkey
Lacivert Turizm A.Ş. ("Lacivert")	Restaurant establishment	Turkey
Liquid Art Boston LLC	Restaurant establishment	U.S.A.
Liquid Art Holding LLC	Investment company	U.S.A.
London Doors Restaurant Group Ltd	Investment company	United Kingdom
Luxury Food Restaurant LLC ("Nusret Katar")	Restaurant establishment	Qatar
Marinas TR BV	Investment company	The Netherlands
Meng Unlu Mamüller Gıda Sanayi ve Ticaret A.Ş.	Management of patisserie and cafes	Turkey
Mercati S.p.A	Hospitality	Italy
Meto Turizm İşletmeciliği ve Tasarım Dekorasyon Ticaret A.Ş. ("Meto Turizm")	Establishment and management of restaurants and cafes	Turkey
Mezzaluna Gıda İşletmecilik Sanayi ve Ticaret A.Ş. ("Mezzaluna")	Restaurant establishment	Turkey
MK Holding A.Ş. ("MK Holding")	Investment company	Turkey
Nahita Dallas	Restaurant establishment	U.S.A.
Nahita International Inc.	Investment company	U.S.A.
Nahita International Limited	Investment company	United Kingdom
Nahita Restoran İşletmeciliği ve Yatırım A.Ş. ("Nahita")	Investment company	Turkey
Nusret BH LLC	Restaurant establishment	U.S.A.
Nusret Boston LLC	Restaurant establishment	U.S.A.
Nusret Dallas LLC	Restaurant establishment	U.S.A.
Nusret Galleria Restaurant Limited ("Nusret Galleria")	Restaurant establishment	U.A.E.
Nusret Holdings USA LLC	Investment company	U.S.A.
Nusret Las Vegas LLC	Restaurant establishment	U.S.A.
Nusret Miami LLC	Restaurant establishment	U.S.A.
Nusret Mykonos Restaurant Bar SA	Restaurant establishment	Greece
Nusret Riyadh for Food Services LLC	Restaurant establishment	Saudi Arabia
Nusret South Beach LLC	Restaurant establishment	U.S.A.
Nusret New York LLC	Restaurant establishment	U.S.A.
Nusret Restaurant L.L.C. ("Nusret Dubai")	Restaurant establishment	B.A.E
Nusret FH NY LLC	Restaurant establishment	U.S.A.
Nusret UK Limited	Investment company	United Kingdom
Nusret US Inc.	Investment company	U.S.A.
Popülist Yiyecek İçecek Sanayi ve Ticaret A.Ş. ("Popülist")	Restaurant establishment	Turkey
Restaurant Craft Limited ("Rüya Londra")	Restaurant establishment	United Kingdom
Ruya Restaurant LLC ("Ruya Restoran")	Restaurant establishment	U.A.E.
Sait Restoran Turizm İşletmeciliği İnş. Emlak ve Tic.A.Ş. ("Sait")	Restaurant establishment	Turkey
Saltbae LA LLC ("Saltbae LA")	Restaurant establishment	U.S.A.
Saltbae Restoran İşletmeciliği Turizm Perakende Tekstil ve Yat. A.Ş.	Retail sale services	Turkey
Saltbae Restaurant Limited	Restaurant establishment	U.A.E.
Saltbae NY LLC	Restaurant establishment	U.S.A.
Soya Restoran İşletmeciliği ve Ticaret A.Ş. ("Soya")	Restaurant establishment	Turkey
Şahintur Şahinler Otelcilik Turizm Yatırım İşletmeciliği A.Ş. ("Şahintur")	Hospitality	Turkey
The Tom Aikens Group Ltd	Non-operating company	United Kingdom
Tiendes Turizm İşletmeleri A.Ş. ("Tiendes")	Restaurant establishment	Turkey
Tom Aikens Ltd	Non-operating company	United Kingdom
Villa Dubrovnik d.d.	Hospitality	Croatia
West Mediteranean Holding Limited ("West Mediteranean")	Investment company	Malta
Zadar Residences d.o.o	Non-operating company	Croatia

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

##### 1.3 Entities in hospitality and retail segment (Continued)

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Zadar Resort d.o.o	Investment company	Croatia
Zeytin Dallas LLC	Restaurant establishment	U.S.A.
Zuma Turizm ve Gıda Pazarlama Ticaret A.Ş. ("Zuma Turizm")	Restaurant establishment	Turkey
Wrap Around LLC	Non-operating company	U.A.E.
<u>Joint ventures</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Azumi Limited	Establishment and management of restaurant and cafes	United Kingdom
Azumi LLC	Restaurant establishment	U.S.A.
Azumi Management Services Ltd.	Management company	United Kingdom
Beach-Chu Hallandale LLC	Restaurant establishment	U.S.A.
Beach-Chu Inc.	Investment company	U.S.A.
Beach-Chu Las Olas LLC	Restaurant establishment	U.S.A.
Bodyism Global Holdings Limited ("Bodyism Global Holdings")	Investment company	United Kingdom
Bodyism Global Limited	Healthy life consultancy	United Kingdom
Corpera Turizm Yatırımları A.Ş. ("Corpera")	Hospitality	Turkey
HC Biontis S.R.L.	Healthy life consultancy	Italy
HC International A.G.	Investment company	Switzerland
Inko Nito Garey St. LLC	Restaurant establishment	U.S.A.
Inko Nito Inc.	Investment company	U.S.A.
Inko Nito West 3rd Street LLC	Restaurant establishment	U.S.A.
Inko Nito Broadwick Street Ltd.	Restaurant establishment	United Kingdom
Inko Nito Limited	Restaurant establishment	United Kingdom
Mad Atelier International B.V. ("Mad Atelier")	Investment company	Nederland
Mad Atelier S.A.S ("L'Atelier")	Restaurant establishment	France
Robata Holding USA LLC	Investment company	U.S.A.
Robata Rest Ltd	Restaurant establishment	United Kingdom
Roka Aldwych Ltd	Restaurant establishment	United Kingdom
Roka Limited (Roka Dubai)	Restaurant establishment	U.A.E.
Roka Restaurant LLC	Restaurant establishment	U.S.A.
Roka Mayfair Ltd	Restaurant establishment	United Kingdom
Taddeo Trading Ltd	Investment company	British Virgin Island
Taraneete International Ltd	Restaurant establishment	Hong Kong
Tasfiye Halinde Kanlıca Turizm Sanayi A.Ş. ("Kanlıca Turizm")	Non operating company	Turkey
Time Result Investments Ltd	Restaurant establishment	British Virgin Island
Wildfire Entertainment Ltd	Restaurant establishment	United Kingdom
Wildfire Holdings USA LLC	Investment company	U.S.A.
Zuma Bangkok Ltd	Restaurant establishment	Thailand
Zuma Club LLC	Restaurant establishment	U.A.E.
Zuma Holdings USA LLC	Investment company	U.S.A.
Zuma Japanese Restaurant INC	Investment company	U.S.A.
Zuma Japanese Restaurant Miami LLC	Restaurant establishment	U.S.A.
Zuma Las Vegas LLC	Restaurant establishment	U.S.A.
Zuma NY LLC	Restaurant establishment	U.S.A.
Zuma Restaurant LTD, Abu Dhabi	Restaurant establishment	U.A.E.
Zuma Rome	Restaurant establishment	Italy
Zuma USA LLC	Investment company	U.S.A.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

##### 1.3 Entities in hospitality and retail segment (Continued)

<u>Associates</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Amazonico Restaurants Ltd.	Restaurant establishment	U.A.E.
Amazonica UK Limited	Restaurant establishment	United Kingdom
Apollo Investment Holdco SARL	Investment company	Luxembourg
Astir Marina Vouliagmenis S.A.	Marina operation	Greece
Astir Palace Vouliagmenis S.A.	Hospitality	Greece
Central Asturcova S.L.U.	Restaurant management	Spain
Cüneyt Usa Restoran Gıda Turizm Ticaret A.Ş.	Restaurant establishment	Turkey
DÖA Miami Beach LLC	Non operating company	U.S.A.
El Gourmet de Jorge Juan S.L.U.	Restaurant establishment	Spain
IPE Velázquez 18, S.L.U (Chia)	Restaurant establishment	Spain
Jermyn Street Real Estate Fund IV L.P.	Investment company	Cayman Island
Kiko Kozmetik Ürünleri Ticaret A.Ş. ("Kiko")	Cosmetics retail	Turkey
LPM Miami	Restaurant establishment	U.S.A.
Metropolis 2020 Madrid	Restaurant establishment	Spain
Mosela Investments S.L.U.	Investment company	Spain
Puerta de Alcalá 10. S.L.U	Restaurant establishment	Spain
Restauradores Asturcova S.L.U. ("Paraguas")	Restaurant establishment	Spain
Secosilva Empresarial S.L.U.	Restaurant establishment	Spain
Ultramarinos Quintin S.L.U.	Restaurant establishment	Spain
XXV Bread and Food SL	Restaurant establishment	Spain

##### 1.4 Entities in media segment

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Doğuş Dijital Hizmetler A.Ş. ("Doğuş Dijital")	Media	Turkey
Doğuş Media Group GmbH ("Doğuş Media")	Media	Germany
Doğuş Yayın Grubu A.Ş. ("Doğuş Yayın Grubu")	Media	Turkey
Kral Müzik Medya Hizmetleri A.Ş. ("Kral Müzik Medya")	Media	Turkey
Kral Pop Avrupa Radyo ve Televizyon Yayıncılığı A.Ş. ("Kral Pop Avrupa")	Media	Turkey
Kral Pop İnternet Televizyon Yayıncılığı A.Ş.	Media	Turkey
Kral Pop Medya Hizmetleri A.Ş. ("Kral Pop")	Media	Turkey
Kral Platform İşletmeciliği A.Ş.	Media	Turkey
NTV Radyo ve Televizyon Yayıncılığı A.Ş. ("NTV Radyo")	Media	Turkey
NTVSPOR İnternet Yayıncılığı A.Ş. ("NTVSPOR")	Media	Turkey
Sekiz Prodüksiyon ve Reklam A.Ş. ("Sekiz Prodüksiyon")	Media	Turkey
Star Avrupa Radyo ve Televizyon Yayıncılığı A.Ş. ("Star Avrupa")	Media	Turkey
StarTV Medya Hizmetleri A.Ş.	Media	Turkey
<u>Associates</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
MNG Medya ve Tv Yayıncılık A.Ş. ("MNG Medya")	Media	Turkey
MNG Reklam Pazarlama ve Prodüksiyon A.Ş. ("MNG Reklam")	Media	Turkey
MNG TV Yayıncılık A.Ş. ("MNG TV")	Media	Turkey
Onsekiz Reklam Prodüksiyon Medya Yapımevi ("Onsekiz Reklam")	Media	Turkey
Sekiz Televizyon Yayıncılık A.Ş. ("Sekiz Televizyon")	Media	Turkey

##### 1.5 Entities in energy segment

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Doğuş Enerji Üretim ve Ticaret A.Ş. ("Doğuş Enerji")	Electricity generation	Turkey
<u>Joint ventures</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Aslancık Elektrik Üretim A.Ş. ("Aslancık")	Electricity generation	Turkey
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat")	Electricity generation	Turkey

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

##### 1.6 Entities in other segment

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Ara Güler Doğuş Sanat ve Müzecilik A.Ş.	Photography	Turkey
Dogus Doha LLC	Management company	Qatar
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. ("Doğuş Bilgi İşlem")	Software development / technology	Turkey
Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Doğuş GYO")	Real estate investment company	Turkey
Dogus International Limited ("Dogus International")	Management company	United Kingdom
Dogus Management Services Limited ("Dogus Management")	Business and financial investments	U.A.E.
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş. ("Doğuş Spor")	Sport Services	Turkey
Doğuş Tarımsal Projeler Araştırma Geliştirme A.Ş. ("Doğuş Tarım")	Agricultural research and development activities	Turkey
Doğuş Verimlilik ve Merkezi Satın Alma Hizmetleri Ticaret A.Ş.	Consultancy	Turkey
Doğuş Yeni Girişimler ve Projeler A.Ş.	Consultancy	Turkey
Doğuş Yönetim Danışmanlığı A.Ş.	Investment company	Turkey
Euromessage Deutschland GmbH ("Euromessage Deutschland")	E-mail marketing	Germany
Galataport İstanbul Liman İşletmeciliği ve Yatırımları A.Ş. ("Salıpaazarı")	Real estate development	Turkey
Hedef Medya Tanıtım Interaktif Media Pazarlama A.Ş. ("Hedef Medya")	E-mail marketing	Turkey
Körfez Havacılık Turizm ve Ticaret A.Ş. ("Körfez Hava")	Transportation	Turkey
Omni Kanal Dijital Teknoloji ve Arge Yazılım Hizmetleri A.Ş. ("Omni Kanal")	E-mail marketing	Turkey
Pozitif Arena Konser Salon İşletmeleri A.Ş. ("Pozitif Arena")	Entertainment and organization	Turkey
Pozitif Müzik A.Ş. ("Pozitif Müzik")	Entertainment and organization	Turkey
Pozitif Müzik Yapım A.Ş. ("Pozitif Yapım")	Entertainment and organization	Turkey
Related Digital Marketing Limited	Digital marketing	United Kingdom
Semanticum Bilişim Sanayi ve Ticaret A.Ş. ("Semanticum")	Social media informatics	Turkey
Sititur Turizm Yatırım ve Danışmanlık Hizmetleri A.Ş. ("Sititur")	Investment company	Turkey
Tansaş Gıda ve Sanayi Turizm A.Ş. ("Tansaş Gıda")	Non operating company	Turkey
<u>Joint ventures</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Doğuş Planet Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. ("Doğuş Planet")	E-commerce	Turkey
Doğuş SK Finansal ve Ticari Yatırım ve Danışmanlık A.Ş. ("Doğuş SK")	Financial investments	Turkey
Ege Turizm ve Gayrimenkul Yatırımları A.Ş. ("Ege Turizm")	Real estate development	Turkey
PIT İstanbul Otel İşletmeciliği A.Ş. ("PIT İstanbul")	Hospitality	Turkey
TDB Kalibrasyon Hizmetleri A.Ş. ("TDB Kalibrasyon")	Calibration services	Turkey
<u>Associates</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
DG Limited	Investment company	Jersey Island
DG Holdings Limited	Investment company	Jersey Island
Dome Group Financial Advisers Limited	Investment banking	United Kingdom
Reidin FZ-LLC ("Reidin")	Real estate research	U.A.E.
Reidin Bilgi ve Data Teknolojileri Ticaret A.Ş.	Real estate research	Turkey
Zingat Gayrimenkul Bilgi Sistemleri A.Ş. ("Zingat")	Real estate development	Turkey
Zingat Freezone LLC	Real estate development	U.A.E.
Zubizu Bilişim Hizmetleri A.Ş.	Information systems and loyalty program	Turkey
Zubizu Elektronik Para ve Ödeme Hizmetleri A.Ş.	Payment systems	Turkey



## DOĞUŞ HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.1 Basis of presentation

###### (a) Statement of compliance

Doğuş Group entities operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the accounting principles per Turkish Uniform Chart of Accounts, Turkish Commercial Code and per Capital Market Board of Turkey.

Doğuş Group's foreign entities maintain their books of account and prepare their statutory financial statements in accordance with the generally accepted accounting principles and the related legislation applicable in the countries they operate.

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The consolidated financial statements were authorised for issue by Doğuş Holding's management on 11 March 2021. The Doğuş Holding's General Assembly and the other reporting bodies have the power to amend the consolidated financial statements after their issue.

###### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the consolidated statement of financial position:

- derivative financial instruments are measured at fair value,
- available-for-sale financial assets are measured at fair value,
- non-derivative financial instruments at fair value through profit and loss are measured at fair value,
- investment property is measured at fair value,
- certain classes of property and equipment are measured at fair value.

The methods used to measure the fair values are discussed further in note 3.

###### (c) Functional and presentation currency

These consolidated financial statements are presented in TL which is Doğuş Holding's functional currency. All financial information presented in TL has been rounded to the nearest thousand, except when otherwise indicated.

Group's foreign entities maintain their books of account and prepare their statutory financial statements in accordance with the related legislation and generally accepted accounting principles applicable in the countries they operate.

###### (d) Comparatives and adjustment of prior periods financial statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### (d) Comparatives and adjustment of prior periods financial statements (Continued)

*Reclassifications made in the consolidated statement of financial position at 31 December 2019:*

- The Group has classified the financial liabilities amounting to TRY 1.000.151 thousand, which presented in the "Short term portion of long term loans and borrowings" account to "Long term loans and borrowings" account.

##### 2.2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities

##### (a) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent company, Doğuş Holding, its subsidiaries, joint arrangements and associates on the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

##### (i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (a)(iii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see (i)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

##### (ii) Non-controlling interests ("NCI")

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### (iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

The table below sets out the associates and shows the shareholding structure of the associates at 31 December:

	Direct and indirect ownership interest held by Doğuř Holding and its subsidiaries		Ownership interest through shares held by řahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuř Holding and its subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019
AD Yiyecek	90,00	90,00	-	-	90,00	90,00	90,00	90,00
A.L.E. Gıda	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Alantur	100,00	100,00	-	-	100,00	100,00	99,99	99,99
Alperen	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Altınhan	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Altın Mecralar (*)	-	100,00	-	-	-	100,00	-	100,00
Antur	99,99	99,99	-	-	99,99	99,99	99,99	99,99
Ara Güler (*)	100,00	60,00	-	-	100,00	60,00	100,00	60,00
Argos	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Argos Bağcılık	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Bal Turizm	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Bangolare S.L.	90,00	90,00	-	-	90,00	90,00	90,00	90,00
Bar Des Pres Holding (*)	60,00	-	-	-	60,00	-	60,00	-
Bar Des Pres (*)	100,00	-	-	-	100,00	-	60,00	-
BMK	100,00	100,00	-	-	100,00	100,00	90,00	90,00
Bomonti	100,00	100,00	-	-	100,00	100,00	99,94	99,39
Borsa	67,00	67,00	-	-	67,00	67,00	67,00	67,00
Coya Abu Dhabi	60,00	60,00	-	-	60,00	60,00	49,60	49,60
Coya Angelcourt	62,50	62,50	-	-	62,50	62,50	51,66	51,66
Coya Inc	100,00	100,00	-	-	100,00	100,00	82,66	82,66
Coya London	72,00	72,00	-	-	72,00	72,00	59,52	59,52
Coya Ltd, Dubai	76,00	76,00	-	-	76,00	76,00	62,82	62,82
Coya Paris	60,00	60,00	-	-	60,00	60,00	49,60	49,60
Coya Mykonos (*)	60,00	-	-	-	60,00	-	49,60	-
Coya Restaurant LLC, Dubai	49,00	49,00	-	-	49,00	49,00	30,78	30,78
CW Finance SAS	75,00	75,00	-	-	75,00	75,00	3,75	3,75
D Eğlence	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Enerji (*)	-	100,00	-	-	-	100,00	-	100,00
D Et	51,00	51,00	-	-	51,00	51,00	42,16	42,16
D Nusret International Holding B.V.	100,00	100,00	-	-	100,00	100,00	42,16	42,16
D Nusret International B.V.	51,00	100,00	-	-	51,00	100,00	42,16	42,16
D Marina (*)	-	100,00	-	-	-	100,00	-	100,00
D Marinas B.V. (*)	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Marine Göcek (*)	-	100,00	-	-	-	100,00	-	100,00
D Marinas Hellas S.A. (*)	-	99,01	-	-	-	99,01	-	99,01
D Hospitality B.V.	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Otel	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Otel Göcek	100,00	100,00	-	-	100,00	100,00	100,00	100,00
D Resort Sibenik	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Dartışşafaka Sportif (*)	-	100,00	-	-	-	100,00	-	100,00
Dogus Doha	100,00	100,00	-	-	100,00	100,00	100,00	100,00
DOAŞ	75,27	75,27	-	-	75,27	75,27	75,27	75,27
Dogus Croatia	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Dogus Construction Private Ltd. (*)	100,00	-	-	-	100,00	-	100,00	-
Doğuř Auto Iraq	100,00	100,00	-	-	100,00	100,00	75,27	75,27
Dogus Avenue BV	100,00	100,00	-	-	100,00	100,00	98,12	98,12
Dogus Avenue Coop	98,12	98,12	-	-	98,12	98,12	98,12	98,12
Dogus Avenue LLC	100,00	100,00	-	-	100,00	100,00	98,12	98,12
Doğuř Bilgi İşlem	100,00	100,00	-	-	100,00	100,00	94,62	94,62
Doğuř Dalaman	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğuř Didim(*)	-	100,00	-	-	-	100,00	-	100,00

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

	Direct and indirect ownership interest held by Doğu Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğu Holding and its subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019
Doğu Dijital	94,85	94,85	-	-	94,85	94,85	94,85	94,85
Doğu - (Onur)	55,00	55,00	-	-	55,00	55,00	55,00	55,00
Doğu Enerji	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu EOOD	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Gayrimenkul (*)	-	100,00	-	-	-	100,00	-	100,00
Doğu GYO	94,87	94,98	-	-	94,87	94,98	94,87	94,98
Doğu Health and Wellness	91,95	100,00	8,05	-	100,00	100,00	91,95	100,00
Doğu Hellas	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu İnşaat	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu İnşaat (Kazakistan)	60,00	60,00	-	-	60,00	60,00	60,00	60,00
Doğu İnşaat (Ukrayna)	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu International	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Dogus International Coöperatief U.A.	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Leisure	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Management	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Maroc SARL	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Media	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Dogus Oman LLC	70,00	70,00	-	-	70,00	70,00	70,00	70,00
Doğu Otel İşletmeciliği (*)	-	100,00	-	-	-	100,00	-	100,00
Doğu Otel Yatırımları	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Oto Pazarlama	100,00	100,00	-	-	100,00	100,00	76,21	76,21
Doğu Perakende	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Razvitak	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Sigorta	100,00	100,00	-	-	100,00	100,00	89,61	89,61
Doğu Spor	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Tarım	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Dogus TRG	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Turgutreis (*)	-	100,00	-	-	-	100,00	-	100,00
Doğu Turizm (*)	-	100,00	-	-	-	100,00	-	100,00
Doğu Verimlilik Hizmetleri	100,00	-	-	-	100,00	-	100,00	-
Doğu Yayın Grubu	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Yeni Girişimler	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Yönetim Danışmanlığı	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Doğu Zhenfa	67,00	67,00	-	-	67,00	67,00	67,00	67,00
Dream International Coöperatif U.A.	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Dream Global B.V.	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Dream International B.V.	82,66	82,66	-	-	82,66	82,66	82,66	82,66
Dream Management	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Etiler Kebapçılık	75,00	75,00	-	-	75,00	75,00	75,00	75,00
Etiler Turistik	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Euromessage Deutschland	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Garanti Turizm	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Gouvia Marina S.A.(*)	-	100,00	-	-	-	100,00	-	99,01
Gunaydin Int. B.V.	100,00	100,00	-	-	100,00	100,00	70,00	70,00
Gunaydin Int. Coop	100,00	100,00	-	-	100,00	100,00	70,00	70,00
Gunaydin Restaurant	100,00	100,00	-	-	100,00	100,00	70,00	70,00
Gunaydin Restaurants	100,00	100,00	-	-	100,00	100,00	70,00	70,00
Gunaydin UK	100,00	100,00	-	-	100,00	100,00	70,00	70,00
Gunaydin US	100,00	100,00	-	-	100,00	100,00	70,00	70,00
Günaydin Çamlıca	51,00	51,00	-	-	51,00	51,00	35,70	35,70
Günaydin Et Sanayi	70,00	70,00	-	-	70,00	70,00	70,00	70,00
Günaydin Üretim	100,00	70,00	-	-	100,00	70,00	70,00	70,00

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

	Direct and indirect ownership interest held by Doğuş Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğuş Holding and its subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019
Göktrans	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Havana Yayıncılık	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Hedef Meyda	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Hospitality	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Il Riccio Miami LLC	100,00	100,00	-	-	100,00	100,00	100,00	100,00
King of the Rib	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Kivahan	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Körfez Hava	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Kral Müzik Medya	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Kral Pop	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Kral Pop Avrupa	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Kral Pop İnternet Televizyon Yayıncılığı A.Ş.	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Kral Platform İşletmeciliği	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Lacivert	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Lefkas Marina S.A.(*)	-	100,00	-	-	-	100,00	-	99,01
Liquid Art Boston	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Liquid Art Holding	100,00	100,00	-	-	100,00	100,00	100,00	100,00
London Doors Restaurant Group	79,00	79,00	-	-	79,00	79,00	79,00	79,00
Marina Barcelona	5,00	5,00	-	-	5,00	5,00	5,00	5,00
Marina Borik (*)	-	100,00	-	-	-	100,00	-	100,00
Marina Dalmacija (*)	-	100,00	-	-	-	100,00	-	100,00
Marina Sibenik (*)	-	100,00	-	-	-	100,00	-	100,00
Marina Upravljanje	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Marinas TR BV	100,00	100,00	-	-	100,00	100,00	100,00	100,00
MB92 La Ciotat	100,00	100,00	-	-	100,00	100,00	5,00	5,00
Mercado	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Mercati S.p.A.	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Meto Turizm	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Mezzaluna	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Meng Unlu Mamuller	100,00	100,00	-	-	100,00	100,00	42,16	42,16
MK Holding	90,00	90,00	-	-	90,00	90,00	90,00	90,00
Mobilet (*)	-	100,00	-	-	-	100,00	-	95,31
Nahita	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Nahita Dallas	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Nahita Global	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Nahita International Inc	100,00	100,00	-	-	100,00	100,00	82,66	82,66
Nahita International Limited	100,00	100,00	-	-	100,00	100,00	82,66	82,66
NTV Radyo	100,00	100,00	-	-	100,00	100,00	100,00	100,00
NTVSPOR	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Nusret BH	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Nusret Boston	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Nusret Dallas	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Nusret Dubai	100,00	100,00	-	-	100,00	100,00	42,16	42,16
Nusret FH NY	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Nusret Galleria	100,00	100,00	-	-	100,00	100,00	42,16	42,16
Nusret Holdings USA	90,00	90,00	-	-	90,00	90,00	37,94	37,94
Nusret Katar	60,00	60,00	-	-	60,00	60,00	25,29	25,29
Nusret Las Vegas LLC	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Nusret Miami	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Nusret Mykonos Restaurant	100,00	100,00	-	-	100,00	100,00	42,16	42,16
Nusret New York	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Nusret Riyadh	100,00	-	-	-	100,00	-	42,16	-

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

	Direct and indirect ownership interest held by Doğu Holding and its subsidiaries		Ownership interest through shares held by Şahenk Family		Proportion of ownership interest		Proportion of effective interest of Doğu Holding and its subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019
Nusret South Beach	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Nusret US	100,00	100,00	-	-	100,00	100,00	42,16	42,16
Nusret UK Limited	100,00	100,00	-	-	100,00	100,00	42,16	42,16
Omni Kanal	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Panther Marina (*)	-	100,00	-	-	-	100,00	-	100,00
Populist	90,00	90,00	-	-	90,00	90,00	90,00	90,00
Portakal Yazılım (*)	-	100,00	-	-	-	100,00	-	100,00
Pozitif Arena	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Pozitif Müzik A.Ş. (**)	98,70	87,72	-	-	98,70	87,72	98,70	87,72
Pozitif Müzik Yapım A.Ş.	80,00	80,00	-	-	80,00	80,00	80,00	80,00
Related Digitam Marketing								
Coöperatief U.A. (*)	-	100,00	-	-	-	100,00	-	100,00
Related Digital Marketing BV (*)	-	100,00	-	-	-	100,00	-	100,00
Related Digital Marketing Limited	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Ruya London	100,00	100,00	-	-	100,00	100,00	67,00	67,00
Ruya Restaurant	67,00	67,00	-	-	67,00	67,00	67,00	67,00
Sait	75,00	75,00	-	-	75,00	75,00	75,00	75,00
Salıpazarı	81,00	81,00	-	-	81,00	81,00	81,00	81,00
Saltbae LA	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Saltbae NY	100,00	100,00	-	-	100,00	100,00	37,94	37,94
Saltbae Restoran İşletmeciliği	78,43	78,43	-	-	78,43	78,43	33,06	33,06
Saltbae Restaurant Limited	100,00	100,00	-	-	100,00	100,00	42,16	42,16
Sekiz Prodüksiyon	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Semanticum	80,00	80,00	-	-	80,00	80,00	80,00	80,00
Sibenik Upravljanje	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Sititur	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Soya	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Star Avrupa	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Star TV	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Şahintur	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Toms Kitchen Restaurant Holdings Limited (*)	-	74,00	-	-	-	74,00	-	58,46
Tansaş Gıda	99,87	99,87	-	-	99,87	99,87	99,87	99,87
Teknik Mühendislik	100,00	100,00	-	-	100,00	100,00	100,00	100,00
The Tom Aikens Group Ltd	100,00	100,00	-	-	100,00	100,00	58,46	58,46
Tom Aikens Ltd	100,00	100,00	-	-	100,00	100,00	58,46	58,46
Tiendes	75,00	75,00	-	-	75,00	75,00	52,50	52,50
Wrap Around LLC	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Villa Dubrovnik	38,60	38,60	51,00	51,00	89,60	89,60	38,60	38,60
Vitapark	100,00	100,00	-	-	100,00	100,00	100,00	100,00
West Mediternean	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Zadar	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Zadar Residences	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Zea Marina S.A. (*)	-	75,00	-	-	-	75,00	-	74,26
Zeytin Dallas	100,00	100,00	-	-	100,00	100,00	100,00	100,00
Zuma Turizm	90,00	90,00	-	-	90,00	90,00	57,87	57,87

(\*) Explanations related to ownership interest rate changes are explained in Note 34 and 35.

(\*\*) Doğu Holding's effective ownership interest rate has changed following the capital increase in 2020.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (iv) *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

###### (v) *Acquisitions from entities under common control*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any gain / loss arising is recognised directly in equity.

###### (vi) *Associates (Equity-accounted investees)*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for using the equity method and are initially recognised at cost.

The cost of investments includes transaction costs. The consolidated financial statements include the Group's share of profit and loss and other comprehensive income of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associates, the carrying amount of that interest, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

The table below sets out the associates and shows the shareholding structure of the associates at 31 December:

	Effective interest of Doğuş Holding and its subsidiaries			Effective interest of Doğuş Holding and its subsidiaries	
	2020	2019		2020	2019
Amazonico Dubai	33,06	33,06	Onsekiz Reklam	30,00	30,00
Amazonico UK	33,06	33,06	Puerta de Alcalá 10	33,06	33,06
Apollo Investment	33,33	33,33	Reidin	51,00	51,00
Astir Marina	33,33	33,33	Reidin Bilgi ve Data	51,00	51,00
Astir Palace	33,33	33,33	Teknolojileri	33,06	33,06
Central Asturcova	33,06	33,06	Paraguas	-	33,33
Cüneyt Usta	34,00	-	SARL Eden Rock (*)	-	-
DG Holdings Limited	16,67	16,67	SAS Eden Rock Villa Rental (*)	-	33,33
DG Limited	16,67	16,67	SCI Afternoon Tea (*)	-	33,33
Dome Group Financial	16,67	16,67	Secosilva Empresarial	33,06	33,06
Advisers Limited	26,86	26,86	Sekiz Televizyon	22,22	22,22
DÖA Miami	33,06	33,06	Solid Rock Property SAS (*)	-	33,33
El Gourmet	33,06	33,06	Ultramarinos Quintin	33,06	33,06
IPE Velázquez	-	42,00	VDF Faktoring (**)	36,88	39,55
İstinye Yönetim Hizmetleri (*)	33,33	33,33	VDF Filo Kiralama (**)	36,88	39,55
Jermyn Street Real Estate	32,83	32,83	Volkswagen Tüketici	37,13	37,13
Kiko	4,13	4,13	VDF Servis (**)	36,88	39,55
LPM Miami	33,06	-	VDF Sigorta (**)	36,88	39,56
Metropolis 2020 Madrid (*)	30,00	30,00	XXV Bread and Food SL (*)	33,06	-
MNG Medya	30,00	30,00	Yüce Auto	37,63	37,63
MNG Reklam	30,00	30,00	Zingat	31,14	31,14
MNG TV	33,06	33,06	Zingat Freezone LLC	31,14	31,14
Mosela Investments	-	-	Zubizu Bilişim (*)	46,36	-
			Zubizu E-Para (*)	46,36	-

(\*) Explanations related to ownership interest rate changes are explained in Note 34 and 35.

(\*\*) Doğuş Holding's effective ownership interest rate has changed following the sale of VDF shares owned by Doğuş Holding A.Ş. to Doğuş Otomotiv A.Ş.

##### (vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.
- Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.



## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

The table below sets out the equity accounted investees and joint arrangements and shows the shareholding structure of the associates at 31 December:

	Effective interest of Doğuş Holding and its subsidiaries			Effective interest of Doğuş Holding and its subsidiaries	
	2020	2019		2020	2019
Abu Dhabi	41,34	41,34	Gülermak Doğuş	50,00	50,00
Aslancık	33,33	33,33	HC Biontis S.R.L	50,99	50,99
Azumi Limited	41,34	41,34	HC International A.G.	50,99	50,99
Azumi LLC	41,34	41,34	Inko Nito Garey St LLC	41,34	41,34
Azumi Management Services Ltd.	41,34	41,34	Inko Nito Inc.	41,34	41,34
Bahia (UK) Limited (*)	-	60,00	Inko Nito West 3rd Street LLC	41,34	41,34
Beach-Chu Hallandale	41,34	41,34	Inko Nito Broadwick Street	41,34	41,34
Beach-Chu Inc.	41,34	41,34	Inko Nito Limited	41,34	41,34
Beach-Chu Las Olas LLC	41,34	41,34	Kanlıca Turizm	49,00	49,00
Bodysim Global Holdings	50,01	50,01	Karadeniz Taşıt	25,09	25,09
Bodyfood (*)	-	50,01	Kazakistan	50,00	50,00
Bodyism Global Limited	50,01	50,01	Kömürhan	50,00	50,00
Bodywear (*)	-	50,01	L'atelier	60,00	60,00
Boyabat	34,00	34,00	Lamda Dogus (*)	-	50,00
Chenot S.R.L (*)	-	50,09	Lamda Flisvos (*)	-	41,69
Corpera	50,00	50,00	Lamda Marina (*)	-	32,20
Doğuş – Soma	50,00	50,00	Mad Atelier	60,00	60,00
Doğuş – Tekfen	50,00	50,00	PIT İstanbul	40,50	40,50
Doğuş -VIA – Ultrastroy	60,00	60,00	Robata Holdings USA	33,07	33,07
Doğuş Yapı Merkezi - Özaltın	60,00	60,00	Robata Rest	41,34	41,34
Doğuş Alarko	37,50	37,50	Roka Aldwych Ltd	41,34	41,34
Doğuş ES	50,00	50,00	Roka Dubai	39,27	39,27
Doğuş Planet	50,00	50,00	Roka Mayfair Ltd	41,34	41,34
Doğuş SK	50,00	50,00	Roka Restaurants	39,27	39,27
Doğuş YDA	50,00	50,00	Taddeo Trading Ltd	41,34	41,34
Doğuş DUSA	60,00	60,00	Taraneete International Ltd	41,33	41,33
Doğuş - Sukot	50,00	50,00	TDB Kalibrasyon	33,33	33,33
D Marin Dubai (*)	-	50,00	TDB Sigorta	25,09	25,09
Ege Turizm	50,00	50,00	Time Result Investments Ltd	41,34	41,34
			TRG International IP Co (*)	-	61,47
			TRG US IP Co (*)	-	61,47
			TÜVTÜRK Güney	25,09	25,09
			TÜVTÜRK İstanbul	25,09	25,09
			TÜVTÜRK Kuzey	25,09	25,09
			Tüv Süd Doğuş Ekspertiz	49,95	49,95
			Wildfire Entertainment Ltd.	41,34	41,34
			Wildfire Holdings USA	16,44	16,44
			YMDYYB	26,00	26,00
			Zuma Bangkok Ltd	20,26	20,26
			Zuma Club LLC	41,34	41,34
			Zuma Holdings USA	37,20	37,20
			Zuma Japanese Restaurant INC	41,34	41,34
			Zuma Japanese Restaurant Miami LLC	41,34	41,34
			Zuma Las Vegaas LLC	37,20	37,20
			Zuma NY LLC	37,20	37,20
			Zuma Rome	41,34	41,34
			Zuma USA LLC	37,20	37,20

(\*) Explanations related to ownership interest rate changes are explained in Note 34 and 35.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (viii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with investments in equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

##### (a) Foreign currency

###### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or qualifying cash flow hedges to the extent the hedge is effective. The foreign currency exchange rates of EURO / TL, US Dollar / TL and GBP / TL as of the related periods are as follows:

	31 December 2020	31 December 2019
EURO / TL	9,0079	6,6506
US Dollar / TL	7,3405	5,9402
GBP / TL	9,9438	7,7765

###### (ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at average exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (ii) Foreign operations (continued)

When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operations is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented within equity in the translation reserve.

###### (iii) Hedge of net investment in foreign operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the parent entity's functional currency (TL), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income to the extent that the hedge is effective, and are presented within equity in the hedging reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged part of net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as a part of the profit or loss on disposal.

##### (b) Financial instruments

###### i) Recognition and measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

###### ii) Classification and subsequent measurement

###### Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI – debt and equity investment, or equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

##### (b) Financial instruments (continued)

##### ii) Classification and subsequent measurement (continued)

##### Financial assets (continued)

A debt instrument is measured at amortized cost if it meets both of the following conditions and is not designated as at FVOCI:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets and equity investments measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise

##### Financial assets- Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales. Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

##### Financial assets- Assessment whether contractual cash flows are solely payments of principal and interest

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

##### (b) Financial instruments (continued)

##### ii) Classification and subsequent measurement (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Since the principal is the present value of expected cash flows, trade receivables and other receivables meets the solely payments of principal and interest criteria. It is managed in accordance with the business model based on collection of these receivables.

##### Financial assets- Subsequent measurement and gains and losses

Accounting policies at below is applicable for following measurement of financial assets.

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
<b>Financial assets at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

##### Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Group does not have any financial liabilities at FVTPL.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (b) Financial instruments (continued)

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

###### iii) Derecognition

###### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group continues to recognize the financial asset in the statement of financial position if it retains substantially all the risks and benefits arising from the ownership of a financial asset.

###### Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

###### iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

###### v) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments for the purpose of hedging foreign currency and interest risk rate. Embedded derivative instruments are separated from the main contract and recognized separately when the underlying contract is not a financial asset and meets certain criteria.

Derivatives are initially recognized at fair value. Subsequent to initial recognition of derivative instruments, changes in fair value are recognized in profit or loss.

The Group defines certain derivatives as hedging instruments in order to maintain the variability in the cash flows related to the high probability of realization arising from the changes in exchange rates and interest rates. The Group defines certain derivatives and non-derivative financial liabilities as hedging instruments for net investment in foreign operations.

At the beginning of the hedge relationship, the Group makes a certification regarding the risk management purpose and strategy that causes the protection relationship and the operation of the enterprise.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (b) Financial instruments (continued)

The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and the protection means are expected to offset each other.

###### *Net investment hedge*

When derivative instruments or non-derivative financial liabilities are designated as hedging instruments in the net investment hedge transactions, the effective portion of the change in the fair value of the derivative instruments or foreign currency gains and losses on the non-derivative financial liability is recognized as other comprehensive income and is recognized under translation reserve in equity. The ineffective portion of the change in the fair value of the derivative or the foreign currency gains and losses arising from the financial liability are immediately recognized in profit or loss. The amount recognized in other comprehensive income is reclassified to profit or loss at the time of disposal of the entity abroad.

###### (c) Property and equipment

###### *(i) Recognition and measurement*

The costs of items of property and equipment purchased before 31 December 2005 are restated for the effects of inflation in TL units current at 31 December 2005 pursuant to IAS 29. Property and equipment purchased after this date are recorded at their historical costs. Accordingly, items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any (see accounting policy 42(i)), except as explained below:

In 2001, the Group started to reflect the land and buildings at their fair values as appraised by independent third party appraisers. Any increase arising on the revaluation of such land and buildings is credited to other comprehensive income, and presented in revaluation surplus in equity, except to the extent that it reverses a impairment loss for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of that asset.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour,
- any other costs directly attributable to bringing the asset to a working condition for its intended use,
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and
- capitalised borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (c) Property and equipment (continued)

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposals and the carrying amount of the item) is recognised, net in profit or loss in "gains from investing activities" or "losses from investing activities". When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

###### (ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation surplus in equity. Any loss is recognised immediately in profit or loss.

###### (iii) Subsequent expenditures

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

###### (iv) Depreciation

Items of property and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the assets are complete and ready for use.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

<u>Description</u>	<u>Year</u>
Buildings	20-50
Furniture and equipment	4-20
Motor vehicles	5-10

Leasehold improvements are amortised over shorter of useful lives or the periods of the respective leases, also on a straight-line basis. Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.



## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (d) Intangible assets and goodwill

###### (i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is presented in intangible assets and goodwill account. For the measurement of goodwill at initial recognition, see note 2.2(a)(i)

###### *Subsequent measurement*

Goodwill is measured at cost less accumulated impairment losses (see accounting policy 2.2(hg)(i)). In respect of associates / joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the associates as a whole.

###### (ii) Service concession arrangements

Concession rights acquired by the Group have finite useful lives of 18 years ("Pozitif Arena"), starting from 28 August 2013 and are measured at cost less accumulated amortisation. Cost includes borrowing costs directly attributable to the acquisition of the concession rights. The Group capitalises the borrowing costs directly attributable to the acquisition, or construction of a qualifying asset as part of the cost of that asset.

###### (iii) Broadcasting rights

Broadcasting rights represent terrestrial broadcasting licence of Kral TV and Kral FM which are the intangible assets recognised during the acquisition of commercial and economic assets of Kral TV and Kral FM in 2008 and terrestrial broadcasting licence of Star TV which are the intangible assets recognised during the acquisition of StarTV Medya Hizmetleri A.Ş. in 2011. Terrestrial broadcast rights have indefinite useful lives. These rights are tested for impairment annually.

###### (iv) Brand name

Brand name represents brand names resulting from acquisitions or revision of valuation work of net identifiable assets provisionally in the previous year of Aldrovandi and Coya in 2017, Masa and Borsa in 2015, Argos in Cappadocia, Babylon, Villa Dubrovnik and Günaydın in 2014, Mezzaluna, Lacivert, Ulus 29, Çubuklu 29, Maçakızı and Sait acquired in 2013, Da Mario, Gina, Kivahan, Kitchenette, Nusr-et and Vogue which are related to the intangible assets recognised during the acquisitions in 2012, and Star TV which is related to the intangible asset recognised during the acquisition in 2011. Brand names have indefinite useful lives and are tested for impairment annually.

###### (v) Content library

The content library of series and movies are related to the intangible assets recognised during the acquisition of Star TV in 2011. Ownership right of these items in the content library belongs to Star TV with unlimited transmission. The fair value of the content library on the acquisition date has been determined by an independent external expert. The content library is measured at cost less accumulated amortisation and any accumulated impairment losses. Useful lives of content library are five years from the date the content library is ready to screen on TV starting.

###### (vi) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses, if any (see accounting policy 2.2(h)).

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

##### (d) Intangible assets and goodwill (continued)

##### (vii) Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

##### (viii) Amortisation

Except for goodwill, broadcasting rights and brand name recognised in business combinations, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. Amortisation of service concession rights acquired by the Group is recognised in profit or loss on a straight line basis over their respective concession periods.

Amortisation of content library is based on the fair value of the asset which is acquired through business combination under scope of IFRS 3 "Business Combinations". The amortisation period for all items in content library are five years period when content library is ready to screen on TV. Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

Amortisation of franchise network is based on the fair value of the asset which is acquired through business combination under scope of IFRS 3 "Business Combinations". The amortisation period for franchise network is ten years period. Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

Amortisation of sponsorship is based on the fair value of the asset which is acquired through business combination under scope of IFRS 3 "Business Combinations". The amortisation period for sponsorship is ten years period. Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

##### (e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Investment property under construction is measured at cost when the fair value is not reliably determined.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation surplus is transferred to retained earnings. When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (f) Inventories

Inventories are measured at the lower of cost and net realisable value. Except as discussed in the following paragraphs, the cost of inventories is mainly based on the weighted average, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Entities operating in automotive businesses, the cost of inventories is determined on actual costing basis for trade goods, moving weighted average basis for spare parts and other inventories. Trading properties comprise land and buildings that are held for trading purposes. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

###### (g) Impairment

###### i. Non-derivative financial assets

According to IFRS 9, the Group recognizes the loss allowance for expected credit losses of items:

- financial assets measured at amortized cost;
- debt instruments measured by fair value through other comprehensive income;

The Group measures the loss allowance amount equal to the ECLs, excluding the items that are measured as 12-month expected credit loss ("ECL"), as stated below:

- debt instruments identified with low credit risk at the reporting date, and
- other debt instruments and bank balances in which credit risk (i.e. the risk of default over the expected life of the financial instrument) does not increase significantly since initial recognition.

The Group applied lifetime ECL for calculation of loss allowances for trade receivables and contract assets.

Loss allowances for trade receivables, other receivables, other assets and contract assets are always measured at an amount equal to lifetime expected credit losses.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses, except for items whose loss allowance is measured at 12-month expected credit losses:

In determining whether the credit risk of a financial asset has increased significantly since its initial recognition and in estimating its ECLs, the Group takes into account reasonable and supportable information related to the estimation of expected credit losses, including the effects of expected early payments, and that can be obtained without undue cost or effort. This information includes quantitative and qualitative information and analysis based on the Group's past credit loss experiences and containing forward-looking information. The Group acknowledges that there is a significant increase in the credit risk of financial assets that are more than 90 days due. The group acknowledges that financial assets are in default in the following situations:

- if the borrower is unlikely to fully fulfill its obligations arising from the existing contracts in the business lines in which the Group operates (if there are collaterals), or if the financial asset has exceeded the maturity of an average of 180 days before resorting to actions such as clearing the Group collaterals.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (g) Impairment (continued)

The Group acknowledges the low credit risk that if the risk ratings of bank balances are equal to the "investment grade" in international definition.

Lifetime expected credit losses are the result of possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion that represents expected credit losses resulting from default events that are likely to occur within 12 months of the reporting date.

The maximum period during which expected credit losses will be measured is the maximum contract period during which the Group is exposed to credit risk.

###### *Measurement of ECL*

ECL's are a probability-weighted estimate of credit losses. In other words, it is the credit losses that are measured on the present value of all the cash deficits (for example, the difference between the cash inflows to the entity and the cash flows expected by the entity to be collected based on the contract).

The cash deficit is the difference between the cash flows to be incurred and the cash flows expected to be received by the entity. As the amount and timing of payments are considered in anticipated credit losses, a credit loss occurs even if the entity expects to receive the full payment in the contract with the maturity specified in the contract. Expected credit loss are discounted over the effective interest rate of the financial asset.

###### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

###### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (g) Impairment (continued)

For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

###### *Impairment of non financial assets*

###### *Impairment of non current assets except goodwill and indefinite lived intangible assets*

For goodwill and indefinite lived intangible assets, the Group evaluates whether there is any indication of impairment of the asset at each reporting period of financial position. If there is such an indicator, the carrying value of that asset is compared with the net realizable value expressing the higher amount to be obtained through use or sales. In order to recognise impairment, assets are grouped at the lowest level, which are separately identifiable cash flows (cash generating units). If the carrying value of the asset or any cash-generating unit to which that asset belongs is higher than the net realizable value, an impairment has occurred. Impairment losses are recognized in the consolidated statement of profit or loss.

###### (h) Employee benefits

###### (i) Reserve for employee severance indemnity

Reserve for employee severance indemnity represents the present value of the estimated future probable obligation of the Group arising from the retirement of the employees and calculated in accordance with the Turkish Labour Law. It is computed and reflected in the consolidated financial statements on an accrual basis as it is earned by serving employees.

IFRSs require actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 December were as follows:

	<u>2020</u>	<u>2019</u>
	<u>%</u>	<u>%</u>
Discount rate	4,54	3,42
Turnover rate to estimate the probability of retirement	1,0-8,00	1,0-8,00

Actuarial gains/losses are comprised of adjustment of difference between actuarial assumptions and realised and change in actuarial assumptions. According to IAS 19, the Group recognised all actuarial differences in other comprehensive income.

###### (ii) Defined benefit plan

The Group is obliged to transfer certain amount of benefit on behalf of employees to Social Security Foundation (Public Institution). Except the benefit payments made by the Group, the Group does not have any other liability. These benefits are recognised directly in profit or loss in personnel expenses as they accrue.

###### (iii) Vacation liability

Liabilities from unused vacation days are recognised a liability when the right is qualified.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### (i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

##### (i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

The warranties on vehicles sold by the Group are issued by the main producers where the Group acts as an intermediary between the customers and the producer. The claims of customers to the Group are recognised as warranty expense in profit or loss. The Group recognises the amount claims from the producers as warranty income and offset against warranty expense. The Group incurs the cost that is not paid by the manufacturers. Accordingly, the Group recognises the estimated liability for the difference between possible warranty claims of customers and possible warranty claims from producers based on historical service statistics.

##### (ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2.2 (h)(i)).

##### (j) Revenue and cost recognition

###### General model for accounting of revenue

In accordance with IFRS 15, a five-step model is followed in recognizing revenue for all contracts with customers.

###### *Step 1: Identify the contract*

A contract with a customer is in the scope of the new standard when the contract is legally enforceable and certain criteria are met. If the criteria are not met, then the contract does not exist for purposes of applying the general model of the new standard, and any consideration received from the customer is generally recognized as a deposit (liability).

Contracts entered into at or near the same time with the same customer (or a related party of the customer) are combined and treated as a single contract when certain criteria are met.

###### *Step 2: Identify the performance obligations*

The Group defines the "performance obligations" as a unit of account for revenue recognition. The company assesses the goods or services it has committed in a contract with the customer and determines each commitment to the customer as one of the performance obligations as a performance obligation:

- (a) good or service (or a bundle of goods or services) that is distinct; or
- (b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (j) Revenue and cost recognition (Continued)

An entity may define a contract or a service separately from other contractual obligations and define it as a different commodity or service if the customer makes use of such goods or services alone or in combination with other resources available for use. A single contract may contain promises to deliver to the customer more than one good or service. At contract inception, an entity evaluates the promised goods or services to determine which goods or services (or bundle of goods or services) are distinct and therefore constitute performance obligations.

###### Step 3: Determine the transaction price

When determining the transaction price, an entity assumes that the goods or services will be transferred to the customer based on the terms of the existing contract. In determining the transaction price, an entity considers variables considerations and significant financing components.

###### Significant financing component

To estimate the transaction price in a contract, the Group adjusts the promised amount of consideration to reflect the time value of money if the contract contains a significant financing component. Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. The Group does not have a sales transaction with a significant financing component.

###### **Variable consideration**

The Group identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

###### Step 4: Allocate the transaction price

The transaction price is allocated to each performance obligation – generally each distinct good or service – to depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

###### Step 5: Recognize revenue

An entity recognizes revenue over time when one of the following criterias are met:

- Customer simultaneously receives and consumes the benefits as the entity performs, or
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (j) Revenue and cost recognition (continued)

For each performance obligation that is satisfied over time, an entity applies a single method of measuring progress toward complete satisfaction of the obligation. The objective is to depict the transfer of control of the goods or services to the customer. To do this, an entity selects an appropriate output or input method. It then applies that method consistently to similar performance obligations and in similar circumstances. If a performance obligation is not fulfilled in time, then the Company recognizes revenue when the control of goods or services is transferred to the customer.

Revenues are recognised on an accrual basis at the time the services are given and deliveries are made, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group at the fair value of considerations received or receivable. Other revenues from operations such as sponsorships and franchises are recognised on an accrual basis at the time services are given and/or the deliveries are made in accordance with the related contracts.

The Group transfers revenue to a customer and recognizes the revenue in its consolidated financial statements as per it fulfills or when it fulfills the performans obligation. When the control of an asset is checked (or passed to) by the customer, the assets is transferred.

The Group recognizes the revenue in the financial statements in accordance with the following basic principles:

- a) Identify the contracts with customer
- b) Identify the performance obligations in contracts
- c) Determine the transaction price in contracts
- d) Transaction price allocation to performance obligations
- e) Revenue recognition when each performance obligations are met.

###### (i) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Costs incurred in the period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.



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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (j) Revenue and cost recognition (continued)

###### (ii) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

###### (iii) Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other operating income.

###### (iv) Advertisement revenue under service revenue

Movie revenue is recognised in profit or loss when the movies or advertisements are broadcasted. The revenue is recognised as the fair value of the amount received or receivable for core business activity, after deduction of discounts, returns, sales premiums and return premium given to agents.

###### (v) Risturn premium

Advertising sales made in accordance with the contract signed risturn advertising agencies depend on the volume of sales premiums covered by the advertising agency risturn premium is paid. Risturn premiums are recorded by deducting from revenue items as incurred. Revenues are recorded at fair value can be obtained or to be obtained first amount if the amount of revenue is able to be reliably measured and the economic benefits arising from the transactions. If the sales transaction is including a financing transaction, the fair value of the sales price, the amount to be obtained in the receivables is calculated by discounting the effective interest method. The interest rate used in discounting, is the interest that discounts the nominal amount of the relevant goods or services to the cash sale price ratio.

###### (vi) Barter transactions

Revenue from barter transactions is recognised at the fair value of the goods or services received, adjusted for any cash involved in the transaction. When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue.

Revenue is measured at the fair value of the consideration received or receivable. When the fair value of the services received cannot be measured reliably, the revenue is measured at the fair value of the services provided, adjusted by the amount of any cash or cash equivalents transferred. When the outcome of a transaction involving the rendering of services cannot be estimated reliably (e.g. the amount of revenue cannot be measured reliably), revenue should be recognised only to the extent of the expenses recognised that are recoverable. Revenue is recognised only to the extent of costs incurred that are expected to be recoverable and, as the outcome of the transactions cannot be estimated reliably, no profit is recognised.

As a consequence, due to the dissimilarity among the services and goods exchanged within barter transaction and the difference in settlement term of transaction even if they are the advertisements, these exchanges were regarded as different transactions which generates revenue by the Group.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (j) Revenue and cost recognition (continued)

###### (vii) Revenue from magazine and book sales

Revenue from the sales of magazine and books in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised on an accrual basis when persuasive evidence exists that goods are delivered and services are rendered, that the significant risks and rewards of ownership have been transferred to the buyer; recovery of the consideration is probable; there is no continuing management involvement with the goods; and the amount of revenue can be measured reliably. If the discount can be measured reliably and probable, the discount is recognised net of revenue.

###### (viii) Revenue from sales of cars and spare parts

Revenue from the sales of vehicles, spare parts and services in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized on an accrual basis when persuasive evidence exists that goods are delivered and services are rendered, that the significant risks and rewards of ownership have been transferred to the buyer.

In case the Group has the right to collect a price directly corresponding to the value of the customer from the customer's completed transaction, the Group takes the revenue to the financial statements by the amount that it has the right to invoice. The Group considers that, at the beginning of the contract, the period between the date of transfer of the goods or services to the customer and the date on which the customer pays the price of such goods will be one year or less, there will be no impact of an important financing component on the price promised. Therefore, Group does not correct the accrued price.

###### (ix) Revenue from tourism

Consisted of hotel accommodation, agency, and marina income. The hotel accommodation and agency income are recognised once the service is provided to the client, "at a specific point in time". 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. For the sale of hotel food and beverage products, the transfer is mostly due to the customer's receipt of the receipt. The hotel provides hotel management as well as hotel-related services. When the services are performed in a single contract but in different reporting periods, the price is distributed on the fair value basis between the services provided.

###### (x) Revenue from energy

The Group earns electric sales income through generating electricity from hydroelectric 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.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (j) Revenue and cost recognition (continued)

###### (xi) Other businesses

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sale is recognised. The transfer of control varies according to the terms of each sales contract. Revenues from the services offered are recorded in profit or loss on the date of reporting at the reporting date.

###### (xii) Research and development costs

Expenditure on research activities is recognised in profit or loss when incurred.

###### (xiii) Dividend income

Dividend income is recognised on the date that the Group's right to receive payment is established. Dividend payables are recognised after the dividend distribution approval in the General Assembly.

###### (k) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant and are then recognised in profit or loss as other operating income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other operating income on a systematic basis in the same periods in which the expenses are recognised.

###### (l) Leases

###### The Group - as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- the contract involved the use of an identified asset - this may be specified explicitly or implicitly.
- the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### 2.2. Significant accounting policies (Continued)

###### (I) Leases (continued)

- d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
- the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
  - the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

###### *Right of use asset*

The right of use asset is initially recognized at cost comprising of:

- amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and

The Group re-measure the right of use asset:

- after netting-off depreciation and reducing impairment losses from right of use asset,
- adjusted for certain re-measurements of the lease liability recognized at the present value

The Group applies TMS16 "Property, Plant and Equipment" to amortize the right of use asset and to assess for any impairment. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

###### **Lease Liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
- the exercise price of purchase option if the Group is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (I) Leases (continued)

###### Lease Liability (continued)

After initial recognition, the lease liability is measured:

- a) increasing the carrying amount to reflect interest on lease liability,
- b) reducing the carrying amount to reflect the lease payments made and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments. The Group recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or
- b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option.

The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Group remeasure the lease liability by discounting the revised lease payments, if either:

- a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- b) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The Group remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

The Group recognises the restructuring of the lease as a separate leasing if both of the following are met:

- a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
- b) The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### 2.2. Significant accounting policies (Continued)

###### (l) Leases (continued)

###### Lease Liability (continued)

Short-term lease agreements with a duration of 12 months or less, designated as low value assets by the Group and a significant portion of the lease payments of the Group's at existing restaurants on turnover are considered within the scope of the exemption granted by the standard, and the payments for these agreements are recognized as rent expense and operating expenses in the period they occur.

###### The Group - as a lessor

All of the leases of the Group as lessor are operational leases. In operational leases, the leased assets are classified under investment properties in the consolidated statement of financial position and the rent income obtained is recognised in the consolidated statement of profit or loss at equal amounts during the lease period. Rent income is recognised in the consolidated profit or loss statement on a straight-line basis throughout the lease period.

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. However, the Group has applied IFRS 15 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component

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

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is a reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment.

###### (m) Finance income and finance cost

Finance income comprises interest income on funds invested, foreign currency gains (excluding those on trade receivables and payables), and gains on derivative instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance cost comprise interest expense on borrowings, foreign currency losses (excluding those on trade receivables and payables), and losses on derivative instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Borrowing costs that are directly attributable to construction of investment property is included in the cost base of related assets.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position

## DOĞUŞ HOLDİNG A.Ş.

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

##### 2.2. Significant accounting policies (Continued)

###### (n) Income tax

Income tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date. Deferred tax is not recorded in the initial record of goodwill, in the initial record of assets and liabilities that affect neither financial nor operating profit or loss in transactions without a business combination, and differences related to subsidiaries and joint agreements that are unlikely to be reversed in the near future. In addition, deferred tax is not taken into account over the taxable temporary differences that occur when the goodwill is initially recorded.

Deferred tax is measured at the reporting date at the tax rates expected to be applied when temporary differences are reversed.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred taxes related to fair value measurement of available for sale assets and cash flow hedges are charged or credited to equity and subsequently recognised in profit or loss together with the deferred gains that are realised.

Deferred taxes related to revaluation surplus reserve are recognised in other comprehensive income in revaluation surplus in equity on a net basis.

Deferred tax asset is recognised and only limited with below mentioned conditions are met both for taxable temporary differences of Doğuş Holding and its subsidiaries:

- Temporary differences will reverse in a foreseeable future period and
- There would be enough taxable income in order to utilise temporary differences.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.2. Significant accounting policies (Continued)

###### (n) Income tax (continued)

Deferred tax liability is recognised except below mentioned conditions are met both for taxable temporary differences of Doğuş Holding and its subsidiaries:

- Owners of the Company are able to control timing of reversal of temporary differences and
- Temporary differences would not be reversed probably in a foreseeable future period.

###### (o) Assets held for sale

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the net assets of the discontinued operations are measured at fair value less cost of sale of the operation. The profit/(loss) before tax and the profit/(loss) after the tax of the discontinued operation are presented in the notes of the consolidated financial statements and a profit/(loss) analysis including the income and expenses is performed. Besides, the net cash flows related to operational, investing and financing activities of the discontinued operations are presented in the related note.

In compliance with IFRS 11 "Joint Arrangements" and IFRS 5 "Assets Classified as Held For Sale and Discontinuing Operations", the interests in jointly controlled entities are accounted for in accordance with IFRS 5. When an interest in a jointly controlled entity previously classified as held for sale no longer meets the criteria to be classified, it is accounted for using proportionate consolidation or the equity method as from the date of its classification as held for sale. Financial statements for the periods since classification as held for sale are amended accordingly. The operations of the joint venture whose operations have been previously classified as discontinued are classified as continued.

A group of assets is classified as asset held for sale if their carrying amount is planned to be recovered principally through a sale transaction rather than through continuing use. The liabilities directly associated with these assets are classified similarly.

Such group of assets is accounted for at the lower of its carrying amount (being the net amount of the assets and liabilities directly associated with them) and fair value less costs to sell. If the Group has classified an asset (or disposal group) as held for sale, but the criteria of such classification are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

- (a) Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been classified as held for sale.
- (b) Its recoverable amount at the date of the subsequent decision not to sell.

The Group does not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheet for prior periods to reflect the classification in the balance sheet for the latest period presented.



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

##### 2.2. Significant accounting policies (Continued)

###### (p) Segment reporting

Segment reporting has been arranged in a manner to ensure uniformity with the reporting made to the competent authority of the Group to make decisions regarding the activities. The chief operating decision maker of the Group is responsible for making decisions regarding the resources to be allocated to the departments and evaluating the performance of the departments. Sectors combined under "Other" were combined for the presentation of reporting by departments, as they could not meet sufficient numerical lower limits to become a reportable segment.

In order for an operating segment to be designated as a reportable segment, the reported revenue, including sales to external customers and inter-segment sales or transfers, constitutes 10 percent or more of the total revenue of all internal and external operating segments, reported profit or losses must be 10 percent or more, or their assets must be 10 percent or more of the total assets of all operating segments. If the management believes that the information regarding the segment will be useful to users of the financial statements, operating segments that do not meet any of the above numerical lower limits can be considered as reportable segments and the information regarding them can be disclosed separately.

With the implementation "IFRS 11, Joint Agreements" standard, the financial information of the Group's equity accounted investees are not consolidated by proportional consolidation method. Therefore, if the segment reporting is based on the equity accounting method specified in the "IFRS 11, Joint Arrangements" standard, other main financial information of the joint venture, other than the net profit for the period, such as revenue, operating profit and profit before tax, will not be included in the segment results.

The activities of equity accounted investees and their effects on the financial results of the Group and the sector are monitored in detail by the CEO ("Chief Executive Officer") and the Board of Directors, which is the authority to make decisions regarding the Group's activities. Therefore, segment reporting information has not been prepared based on the equity method specified in the "IFRS 11, Joint Agreements" standard for equity accounted investees; Within the framework of the new segment reporting approach, the financial information of the equity accounted investees are also included in the segment results, using full consolidation (100%) method. The Group defines the segment reporting information created within the framework of this new approach as "combined financial information".

###### (r) De-merger/ Spin off

Economically a de-merger represents a division of an entity into separate parts. The result of a de-merger is that the same shareholders own the same group of businesses; the shareholders structure and their ownership interests are identical both before and after the de-merger. In the absence of further guidance in IFRS, the Group has accounted the de-merger via book values.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### (s) Amendments in International Financial Reporting Standards

The accounting policies applied in the preparation of the consolidated financial statements as of 1 January – 31 December 2020 are consistent with those applied in the preparation of the consolidated financial statements as of 31 December 2019, except for the new and amended IFRS standards which are valid as of 1 January 2020 and Turkey Financial Reporting Interpretations Committee's ("TFRIC") interpretations summarised below.

*Standards, amendments and interpretations effective as of 1 January 2020:*

- **Amendments to IAS 1 and IAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs:
  - i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
  - ii) clarify the explanation of the definition of material; and
  - iii) incorporate some of the guidance in IAS 1 about immaterial information.
- **Amendments to IFRS 3 - definition of a business;** effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
- **Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform;** effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.
- **Amendment to IFRS 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 IFRS 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.

These amendments did not have any impact on the financial position or performance of the Group.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### 2.3 Changes in accounting policies, estimates and errors (Continued)

##### (s) Amendments in International Financial Reporting Standards (Continued)

*Standards, amendments and interpretations that are issued but not effective as at 31 December 2020:*

- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to IAS 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 IAS 1 means when it refers to the 'settlement' of a liability.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
  - **Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. .
  - **Amendments to IAS 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 IAS 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 IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

- **Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 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 impacts of the new standards, amendments and improvements on the financial position and performance of the Group is being assessed.

##### 2.3 Changes in accounting policies, estimates and errors

Any change in accounting policies resulting from the first time adoption of a new IFRS is made either retrospectively or prospectively in accordance with the transition requirements of IFRS. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.3 Changes in accounting policies, estimates and errors (Continued)

If changes in accounting estimates are related to only one period, they are recognised in the period when the changes are applied; if changes in estimates are related to future periods, they are recognised both in the period where the change is applied and in future periods prospectively. The Group doesn't have any significant changes in accounting policy or accounting estimates in the current period.

##### 2.4 Significant Accounting Estimates and Assumptions

The development, selection and presentation of the Group's significant accounting policies and estimates and the implementation of the policies and estimates are constantly evaluated. The mentioned notes have been added to support financial risk management explanations.

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- 1- Group amortises and depreciates its intangible assets and property and equipment over useful lives that are disclosed in note 2.2 (d) and (e). The Group reflects the fair values of lands and buildings determined by the authorized independent valuation company in the consolidated financial statements.
- 2- Assumptions are used in projections of discounted cash flow method and impairment test of non-financial assets, see note 14,
- 3- Fair value of derivative instruments are estimated through market price or use of discounted cash flow method, see note 32.4,
- 4- Liabilities that may occur due to ongoing cases and probability of loss from cases are estimated by Group Management considering the view of legal counsel and experts. Group Management assesses lawsuit provision thereon, see note 20,
- 5- The data in the discounted price list are used to calculate inventory impairment. If expected net realizable value is less than cost, the Group allocates provisions for inventory impairment, see note 10,
- 6- The warranties on automobiles sold by the Group are issued by the original equipment manufacturers ("OEM"). The Group acts as an intermediary between the customers and OEM. The claims of customers from the Group are recognised as warranty expense. The Group recognises the amount claimed from the OEM's as warranty income and offset against warranty expense. The Group incurs the cost that is not paid by the manufacturers. Accordingly, the Group recognises the estimated liability for the difference between possible warranty claims of customers and possible warranty claims based on historical service statistics, see note 20.2,

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### 2.4 Significant Accounting Estimates and Assumptions (Continued)

- 7- Deferred tax asset is recognised to the extent that taxable profit will be available against which the deductible temporary differences can be utilised. When taxable profit is probable, deferred tax assets is recognised for all temporary differences. For the year ended 31 December 2020 to the extent that the assumptions related to the Group's future taxable profit generation are considered adequate, deferred tax asset is recognised, see note 15,
- 8- In the calculations of provision for employee benefits, actuarial assumptions related to turnover ratio, discount rate and salary increase are used. Calculation details are disclosed in note 20,
- 9- Investment property is measured at fair value, which is appraised by independent third party appraisers. Investment property under construction is carried at cost. For assumptions used in the appraisals see note 11,
- 10- Group monitors recoverability of its accounts receivable considering the past experience and recognise allowance for doubtful receivables for probable losses. Subsequently, if the allowance for doubtful receivable is recovered fully or partially, the amount is reversed from allowance and recognised in profit or loss, see note 9.

##### 2.5 Going concern assumption

The consolidated financial statements have been prepared assuming that the Group will continue as a going concern on the basis that they will be able to realize its assets and discharge its liabilities in the normal course of business. As of 31 December 2020, the Group has achieved loss for the period in amounting to TL5.330.024 thousand In the same period, the consolidated equity turned into negative in amounting TL 254.991 thousand due to loss for the period. Article 376 of the TCC, "Communiqué on the Procedures and Principles Regarding the Application of Article 376 of the TCC numbered 6102" dated September 15, 2018 and "Regarding the Procedures and Principles Regarding the Application of Article 376 of the TCC numbered 6102, dated 26 December 2020, in accordance with the Communiqué on Amendments to the Communiqué, the shareholders' equity of the Group is positive when all of the foreign exchange losses and half of the total of, depreciation expenses, personnel expenses and rent expenses accrued in 2020 and 2021 are added back. In addition; consolidated financial borrowings of the Group with a maturity of May 2025 was extended to May 2027, and interest rates were reduced compared to 2019. In addition, the Group strengthened its cash position with the subsidiary and asset sales transactions in 2020.

##### 2.6 Significant developments in the current period

Due to the Covid-19 epidemic, which has affected the whole world, taking into account the general public health requirements, various measures such as travel restrictions and quarantine practices have been taken to prevent the spread of the disease. In addition to these social measures, comprehensive monetary and fiscal policy measures have been rapidly implemented by central banks and governments in many countries in order to reduce the negative effects on economic activity.

Due to the social measures taken, there has been a slowdown in both general economic activity and the sectors in which the Group operates, temporary disruption in activities, significant decrease in occupancy rates and capacity utilization.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### 2.6 Significant developments in the current period (Continued)

Although lockdowns were lifted as of the date of preparation of the financial statements, many restrictions such as working hours, capacity and occupancy rates, indoor use bans, travel and flight bans are still in place in some of the geographies where the Group operates.

Predictions are not precise about how long coronavirus will continue and how far it will spread, in the world and Turkey. As the severity and duration of the effects become clearer, it will be possible to make a more clear and healthy assessment for the medium and long term. However, while preparing the consolidated financial statements dated 31 December, the possible effects of Covid-19 outbreak were evaluated and the estimates and assumptions used in the preparation of the financial statements were reviewed.

Possible impacts of Covid-19, which spread to the whole world, on the Group's activities and financial position are studiously monitored in all respects and necessary actions are taken quickly in order to the Group to be affected from this pandemic in the least possible way. Apart from these, Group companies benefit from state aids (short-time working allowances, tax delays, grants, etc.) announced by the public authorities of the relevant countries in which they operate domestically and abroad. The important developments regarding the Covid-19 are summarized below according to the operating segments.

##### **Construction**

In the second quarter of the year, some construction sites were temporarily suspended within the scope of Covid-19 measures and most of the employees were evacuated. In some construction sites, efforts to protect controlled jobs with a limited number of employees continued. As of the beginning of June, activities resumed in a controlled and gradual manner. As of the balance sheet date, manufacturing continues in all construction sites.

##### **Automotive**

Possible effects of Covid-19, which affects the whole world, on the Group's activities and financial position, are studiously monitored in all respects, and necessary actions are taken quickly in order to the Group to be affected from this pandemic in the least possible way.

The Group's dealer network continued to provide services by taking all necessary precautions during the pandemic, and the showroom visits and service entrances contracted compared to pre-pandemic period. After the factories, which are the supplier of the vehicles subject to the Group's sale, resume production, new vehicle imports started in May and the supply of new vehicles continued in line with the manufacturers' production plans. The Group continued its entire sales and service organization services during this period. With the decrease in restriction practices aimed at preventing the spread of the epidemic, the activities of the Group have reached to their pre-pandemic levels as of the balance sheet date.

The Group management assumed that the epidemic does not require changes in the long-term business plans as of the date the consolidated financial statements were approved. However, while preparing the consolidated financial statements at 31 December 2020, the possible effects of the Covid-19 outbreak were evaluated and the estimates and assumptions used in the preparation of the consolidated financial statements were reviewed. In this context, no impairment has been recognised in the consolidated financial statements at 31 December 2020.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### 2.6 Significant developments in the current period (Continued)

###### Food-Beverage, Hospitality and Retail

With the Circular of the T.R. Ministry of Interior dated 16 March 2020, almost all of the businesses operating in the food-beverage, hospitality and retail sector have discontinued their operations. Similarly, almost all of the businesses operating abroad were temporarily closed in this period.

During the period when the restaurants temporarily closed, activities in the form of package or delivery to the address by a small number of stores continued for a limited number of stores operating in the food and beverage sector.

Two of the hotels in Istanbul have been allocated to the Ministry of Health and healthcare professionals. Apart from that, all hotels, including those located abroad, are closed. However, Resort hotels were not affected by this process as they were already closed during this period as of the season. Hotels gradually opened their doors to guests at the beginning of June. During this period, limited supply arose as many facilities were closed. However, due to the hygiene measures put forth at the highest standards, taking into account the recommendations of the Health Advisory Board, the summer season in resort hotels passes with a performance inline with the expectations.

On the retail side, similarly workplaces were opened gradually and in a controlled manner as of the beginning of June. In the lockdown period, the Group has focused to online sales to compensate the revenue reductions from store sales caused by the lockdown.

As of 30 June 2020, almost all businesses operating in the fields of food-beverage, hospitality and retail continue to their activities from where they left off. However, as of 20 November 2020, within the scope of the Circular of the Ministry of Interior of the Republic of Turkey, a number of new restrictions have been put into effect, including the take-away and take-away services at certain hours and curfews on weekends. Since this date, our activities have continued as package or address delivery by a small number of businesses for a limited number of places operating in the field of catering. In the retail field, since this date, our stores have suspended their activities at the weekend.

###### Media

As a result of the increase in length of lockdown and the increase at the demand of the viewers for the news channels, TV ratings and occupancy rates are increased in this period. While the demand for news channels increased with the start of the pandemic process, radio and internet revenues were negatively affected in the April-September period.

###### Energy

As the hydroelectric power plants operating within the Group, continue to their activities and the negative effects of the Covid-19 pandemic on the revenue of energy segment are at limited level.

###### Other

In order to protect public health, commercial areas excluding the market and optical services of Gebze Center Shopping Mall have been temporarily closed as of 23 March 2020 and İstinyepark Shopping Mall has been closed from 21 March 2020 until 1 June 2020.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

##### 2.6 Significant developments in the current period (Continued)

###### Other (Continued)

No rent collection has been made on the dates that properties were closed. In Doğuř Center Maslak and Doğuř Center Etiler real estates, no rent collection was received from the workplaces that were closed due to legal regulations until 31 May 2020. Closed properties have been started to operation as of 1 June 2020. However, changing consumer trends, companies continuing to work remotely, falling visitor numbers during the summer period, etc. it is estimated that the recovery in the retail sector will take time. Therefore, considering the current number of visitors and business volume to the mentioned shopping mall tenants, discounts were applied on the minimum rent at varying rates until the end of December.

#### NOTE 3 – DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

##### (a) Property and equipment

The fair value of property and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged based on market values. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between market participants in an orderly transaction where the participants act in their best economic interest and are knowledgeable.

The Group reflects land and buildings at their fair values as appraised by independent third party appraisers. The fair values of land and buildings are determined based on the discounted cash flow method, depreciable replacement cost or market prices for similar items.

##### (b) Intangible assets

The fair values of intangible assets, which comprise the broadcasting rights, concession rights, customer relationship, content library, franchise network, sponsorship contracts and brand names acquired in business combinations, are based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

##### (c) Investment property

External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every year.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.



## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 3 – DETERMINATION OF FAIR VALUES (Continued)

##### (c) Investment property *(continued)*

Valuations reflect, when appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and when appropriate counter-notices have been served validly and within the appropriate time.

##### (d) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

##### (e) Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss, debt securities at amortised cost and financial assets at fair value through other comprehensive income is determined by reference to their quoted bid price at the reporting date. The fair value of debt securities and amortised cost is determined for disclosure purposes only.

##### (f) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value is determined for disclosure purposes or when such assets are acquired through a business combination.

##### (g) Derivatives

The fair values of forward exchange contracts, options and other derivative contracts are based on their listed market prices, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

##### (h) Contingent consideration

The fair value of contingent consideration is measured based on discounted cash flow model based on expected payment amounts and the probability of related payments. When appropriate, contingent considerations are reduced to their present value.

##### (i) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 4 - FINANCIAL RISK MANAGEMENT

##### (a) General

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk (the risk of the counterparty as a result of not fulfilling its obligations)
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

##### Risk management framework

Enterprise Risk Management ("ERM") efforts have been initiated by Doğuş Group since 2006 and these efforts have been executed by Doğuş Holding Risk Management Department. Risk Management activities are conducted by a realistic organizational structure and it is fully supported with the commitment of top level management, so that the Group is pioneer in risk management activities in Turkish business environment.

Group acts proactively in terms of risk management in order to ensure that its business operations in different industries and regions are not adversely affected as a result of market, liquidity and counterparty risks. Risk Management and Internal Audit departments within each sector and at the Group level provide and maintain awareness for different types of risks, including emerging risks, and ensure that appropriate risk management mechanisms are in place.

In 2010, by the Risk and Audit Committee decision, Group companies created their own Risk Management departments. Doğuş Holding Risk Management Department works closely with the Group companies' Risk Management departments to obtain accurate information on time and to assess and evaluate the risk taking processes. In addition to establishing an independent reporting infrastructure for Group companies, group-wide awareness for different types of risks and risk management strategies is ensured by periodical risk roundtables, workshops, dashboards and reports throughout the organization.

Risk Committee meetings are held on regular basis and valuable and relevant risk information is generated discussed and escalated if deemed necessary.

ERM is applied in Group companies so that risks are managed effectively within the Group in accordance with the defined risk management framework. This framework is customised according to the needs and structure of the Group's businesses.

ERM activities are executed in the following fields:

- Determining risk management standards and policies,
- Developing group-wide culture and capabilities,
- Conducting risk analysis of existing and potential investments,
- Determining risk levels, limits and action plans,
- Supporting the implementation of these action plans,
- Enhancing strategic and operational processes with a risk management approach.

Risk Management Department is under the supervision of Doğuş Holding's CEO and the Risk and Audit Committee which functions under the Board of Directors. The Risk and Audit Committee is responsible for assessing the risk appetite of the shareholders and the investors. Many sectors has its own risk committee.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 4 - FINANCIAL RISK MANAGEMENT

##### **Risk management framework** *(continued)*

Furthermore, internal audit activities performed by Doğuř Holding Internal Audit Department are also planned and implemented on a risk-based perspective.

##### **Automotive**

Corporate Risk Management, which is established to revise and assess methods of defining volatilities in a timely and adequate manner and to take remedial measures in accordance with the objectives of the Companies' overall code of conduct, continues to evolve into a corporate culture that extends from the governing body to entry-level employees.

The Financial Control Department, operating under the General Directorate of the Chief Financial Officer as a consequence of the importance attached to risks in the automotive business, was restructured in May 2015 as the Financial Control and Risk Management Department. By addressing the complementary nature of risk and control concepts together under the same roof, the Companies operation in automotive business maintain the goal of creating one single responsibility center and a common language. In line with this objective, a direct, comprehensive and integrated service is provided for the Early Risk Detection Committee as the command center for effective risk management, with full support to the oversight duty of the Committee.

The risk composition, considered on the basis of probabilities and possible effects of processes and scenarios, has been redefined and expanded to include the growing sensitivity for health, safety, environment, business continuity, and sustainability in the recent years. Risk measurement and assessment parameters, the use of common terminology, business continuity approach, as well as all related reporting and shareholder information activities also continue to be reinforced accordingly.

##### **Construction**

The Board of Doğuř İnřaat has established a Risk Committee in 2009 to have a better view over risks and implement the enterprise-wide risk management process within the construction group. The Risk Committee is accountable to the Board and advises the Board on risk management, aiming to manage risks in a more systematic manner and foster a risk culture within the company. The management of the company has the overall responsibility for the establishment and oversight of the risk management framework. In January 2010, Doğuř İnřaat Risk Management Department has been established and assigned to managing risk management processes.

Risk management vision of Doğuř İnřaat is defined as, identifying and monitoring risks and opportunities that will impact the corporate objectives, managing risks and uncertainties in the most effective and efficient manner and in line with the shareholders' risk appetite, and proactively implementing the most appropriate response to risk.

Doğuř İnřaat's risk management policies and procedures are established to identify and analyse the risks faced by the company, to set up appropriate risk limits and controls, and to monitor risks, responses, and adherence to such limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Doğuř İnřaat's activities.

Risks are identified and managed at three levels: i) corporate level ii) business process level and iii) project level. Risks are discussed at monthly Risk Committee meetings with management and monitored by regular reports.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 4 - FINANCIAL RISK MANAGEMENT (Continued)

##### **Risk management framework** *(continued)*

##### **Media**

The Board of Directors has overall responsibility for establishment and oversight of the Media Group's risk management framework. The Risk Committee is accountable to the Board on risk management, aiming to manage risks in more systematic manner and foster risk culture. In January 2010, Internal Audit and Risk Management Department was established with the decision of the Board. Among the responsibilities of the department;

- To ensure the development and dissemination of the "Risk Management" concept and culture in the Company,
- To determine the risk management policies and implementation procedures in line with the opinions of the Board of Directors based on the risk management strategies, to ensure their implementation and compliance with them,
- The Company's risks include identifying, measuring, analyzing, monitoring and reporting.

The Department's Internal Audit activities include financial, operational, information technologies and regulatory compliance audits conducted in accordance with the risk-based annual business plan. Internal Audit activities include studies to evaluate the effectiveness and adequacy of control points, whether operational processes and financial records contain a significant error.

The Internal Audit and Risk Management Department provides information about the audit and risk management activities to the Doğuş Publishing Group Audit Committee and the Risk Committee.

##### **Hospitality and retail**

Doğuş Hospitality and Retail Group developed a risk management process to strengthen the internal controls and focus on risk assessment at the strategic level of the business and reports to the Risk Committee regularly. Within this perspective, Doğuş Hospitality and Retail Group has selected an internationally accepted internal control model and built a risk management framework to operationalise the selected model in the organisation.

The risk management framework consists of five interrelated components derived from the way management runs the business process: control environment, risk assessment, control activities, information and communication and monitoring.

##### **Real Estate, energy and other segment**

Doğuş Holding's Risk Management Department gives support to ensure the application of risk management processes in the Real Estate, Energy and other businesses.

##### **(b) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

##### *Trade receivable*

The Group's exposure to credit risk is influenced mainly by the characteristics of each customer of the segments. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate has an influence on credit risk. Since the Group mainly operates in construction, automotive, media, real estate, energy, entertainment and tourism businesses, geographically the concentration of credit risk for the Group's entities operating in the mentioned businesses are mainly in Turkey.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 4 - FINANCIAL RISK MANAGEMENT (Continued)

##### (b) Credit risk (Continued)

###### Trade receivable (Continued)

Majority of accounts receivable in the automotive business segment is due from dealers. Entities operating under automotive business segment have set an effective control mechanism to follow up and limit the risk for each counter party and obtain letters of guarantee from its dealers against its receivables for vehicle and spare part sales.

The companies operating under the other segments have set a credit policy under which each new customer is analysed individually for the creditworthiness before each company's standard payment and delivery terms and conditions are offered. Regarding the management of counterparty risk in the construction segment, the Group targets financing projects based on reliable sources and forms its portfolio in such projects. In addition, the Group manages this risk by diversifying its portfolio on a country and project basis.

###### Guarantees

In general terms, the Group's policy is to receive guarantees from the customers of the Group entities in terms of sureties, letters of guarantee in the nature of the businesses that each entity operates.

##### (c) Liquidity risk

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid markets. In the framework of liquidity risk management, funding sources are being diversified and sufficient cash and cash equivalents are held. In order to meet instant cash necessities it is ensured that the level of cash and cash equivalent assets does not fall below a predetermined portion of the short term liabilities.

Generally, Group entities secure enough cash to cover possible operating expenses, taking into account the characteristics of their activities and including financial liabilities, but excluding the possible impact of unforeseen extraordinary events such as natural disasters.

For entities in the automotive segment, the risk of funding current and future debt requirements is managed by maintaining the availability of sufficient and high-quality loan providers. Entities in the automotive segment keep cash, loan commitment and factoring capacity to meet their cash outflow for one month to manage their liquidity risk.

##### (d) Market risk

Market risk refers to the risk that changes in foreign exchange rates, interest rates and stock prices affect the income of the Group and the financial instruments it holds. The purpose of market risk management is to manage and control the market risk exposed within acceptable parameters while optimizing earnings.

###### Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily US Dollar ("USD"), but also Euro ("EUR"), Swiss Francs ("CHF"), Sterling ("GBP"), Libyan Dinar ("LYD"), Japanese Yen ("JPY"), Croatian Kuna ("HRK"), Romanian Leu ("RON"), Emirati Dirham ("AED"), Qatar Riyal ("QAR"), Kazakstani Tenge ("KZT"), Ukrainian Hryvnia ("UAH") and Russian Rouble ("RUB"). The currencies in which these transactions primarily are denominated are TL, Euro and USD.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 4 - FINANCIAL RISK MANAGEMENT (Continued)

##### (d) Market risk (Continued)

###### *Currency risk (continued)*

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. The Group is exposed to currency risk through the impact of rate changes on the translation of foreign currency denominated payables and bank borrowings from financial institutions. To minimise risk arising from foreign currency denominated statement of financial position items, the Group sometimes utilises derivative instruments as well as keeping part of its idle cash in foreign currencies. In addition, a natural foreign currency risk management occurs due to the Group's net investments in foreign operations.

At the same time, due to the foreign currency denominated real estate investments, which are accounted for as non-monetary items, and due to the fact that some of the foreign currency denominated loans are part of the foreign subsidiaries whose functional currency is other than Turkish Lira, the net foreign currency (liability) at the Note 33.3 in the economic sense is lower than it appears in the tables below. Due to its funding structure, Group aims to minimise its exposure to changes in interest rates.

Derivative financial instruments are used to manage the potential earnings impact of interest rate and foreign currency movement. Several types of derivative financial instruments are used for this purpose, including interest rate swaps and currency swaps, options, futures, forward contracts and other derivative instruments.

In the automotive segment, as a business with intensive import transactions, which are constantly exposed to foreign exchange risks, forward exchange contracts were executed and planned cash has been partially kept in foreign currency to keep the payments in check. Some additional measures were taken, including model-based agreements negotiated with manufacturers according to product portfolio and action plans and pricing options to minimize the negative effects of currency fluctuations.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 5 - OPERATING SEGMENTS

The Group has reportable segments, as described below, which are largely organised and managed separately according to nature of products and services provided, distribution channels and profile of customers.

Almost each entity included in the Group operates in one specific industry. Accordingly, all the financial statement components of an entity concerned are considered related only to its specific industry.

The Group's main segments are as follows:

*Construction:* Entities operating in the construction segment are mainly involved in the constructions of buildings, infrastructure and related civil engineering businesses.

*Automotive:* Entities operating in the automotive segment are exclusively involved in the importation, distribution and retailing of Volkswagen, Audi, Seat, Skoda, Porsche, Bentley, Scania and Lamborghini brand motor vehicles and spare parts and after sales services, and vehicle inspection services in Turkey.

*Food and beverage, tourism and retail:* Entities operating in the hospitality and retail segment are involved in establishment and management of restaurants and cafes, hotel and marina investments, hotel management, retail services, ticket sales, hotel reservation, and tour/conference organisation services.

*Media:* Entities operating in media segment are involved in broadcasting through TV channels, radios, digital and printed media.

*Energy:* Entities operating in energy segment are mainly involved in energy investments, electricity generation and hydroelectric power plant operation.

*Others:* Entities operating in other operations segment are mainly involved in real estate and several service businesses. Doğuş Holding is included in the other segment.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 5 - OPERATING SEGMENTS (Continued)

##### 5.1 Geographical segments

The Group operates principally in Turkey, but also has operations in the Netherlands, Russia, Turkish Republic of Northern Cyprus, Malta, Luxembourg, Switzerland, Germany, Morocco, Ukraine, Bulgaria, Libya, Italy, Greece, United Kingdom, Hong Kong, United States, Oman, Qatar, Dubai, Saudi Arabia, Thailand, Iraq, Spain and Croatia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

As at and for the years ended 31 December, total geographical sector risk concentrations, both on and off consolidated statement of financial position, are presented below:

<b>31 December 2020</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Capital expenditure</b>
Turkey	36.927.803	40.126.375	1.446.221
United Kingdom	1.311.298	552.139	833
Croatia	1.065.513	439.914	2.130
Spain	825.105	442	-
Italy	490.807	109.536	1.759
Others	5.514.903	5.162.014	213.859
	<b>46.135.429</b>	<b>46.390.420</b>	<b>1.664.802</b>

<b>31 December 2019</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Capital expenditure</b>
Turkey	30.962.644	30.587.806	1.192.969
United Kingdom	1.142.196	745.934	7.187
Croatia	1.918.884	612.399	54.756
Spain	618.089	90	-
Italy	742.959	85.667	1.045
Others	4.991.722	4.392.708	587.043
	<b>40.376.494</b>	<b>36.424.604</b>	<b>1.843.000</b>

##### 5.2 Major customers

As at 31 December 2020 and 2019, there is not any single external customer which comprises more than 10 percent of the Group's consolidated revenue.



**DOĞUŞ HOLDİNG A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**NOTE 5 - OPERATING SEGMENTS (Continued)**

**5.3 Information about the segments**

The financial information of the joint ventures was included in the segment results, prepared within the reporting framework of the Group's managerial approach, by combined method (as 100%). The below information about the segments was prepared as "combined financial information" and before consolidation adjustments and eliminations.

			<i>Food &amp; Beverage, Tourism and retail</i>	<i>Media</i>	<i>Energy</i>	<i>Others</i>	<i>Total</i>
<b>31 December 2020</b>	<b>Construction</b>	<b>Automotive</b>					
Revenue	1.501.522	27.112.005	4.971.965	1.286.881	775.146	2.027.417	37.674.936
Gross profit	(1.184.398)	4.054.189	2.134.879	357.485	293.001	1.350.919	7.006.075
Operating profit/(loss)	(1.388.965)	2.511.767	396.836	113.815	284.067	96.451	2.013.971
Operating profit/(loss) before net finance cost	(1.366.098)	2.505.399	1.789.094	114.654	284.067	1.540.204	4.867.320
Profit/(loss) for the period attributable to the owners of the Company excluding non-controlling interests	(1.769.550)	1.459.624	(57.172)	(339.954)	(1.720.914)	(2.011.821)	(4.439.787)
<b>Total assets</b>	<b>4.232.501</b>	<b>22.523.879</b>	<b>33.806.824</b>	<b>1.872.506</b>	<b>5.804.575</b>	<b>40.820.415</b>	<b>109.060.700</b>
<b>Total liabilities</b>	<b>4.125.693</b>	<b>18.421.182</b>	<b>17.221.433</b>	<b>3.026.864</b>	<b>8.617.375</b>	<b>24.829.109</b>	<b>76.241.656</b>
			<i>Food &amp; Beverage, Tourism and retail</i>	<i>Media</i>	<i>Energy</i>	<i>Others</i>	<i>Total</i>
<b>31 December 2019</b>	<b>Construction</b>	<b>Automotive</b>					
Revenue	2.662.076	15.289.164	6.658.733	924.803	878.249	1.678.655	28.091.680
Gross profit	83.025	2.226.177	2.700.385	117.266	491.165	1.087.993	6.706.011
Operating profit/(loss)	(198.510)	999.089	231.415	(136.407)	462.588	404.676	1.762.851
Operating profit/(loss) before net finance cost	(177.757)	1.049.819	1.870.951	(130.593)	462.588	541.455	3.616.463
Profit/(loss) for the period attributable to the owners of the Company excluding non-controlling interests	(384.630)	309.468	277.101	(543.171)	(386.905)	108.030	(620.107)
<b>Total assets</b>	<b>4.101.546</b>	<b>13.693.392</b>	<b>30.157.278</b>	<b>1.469.222</b>	<b>8.166.288</b>	<b>35.895.376</b>	<b>93.483.102</b>
<b>Total liabilities</b>	<b>3.730.199</b>	<b>11.394.294</b>	<b>15.579.823</b>	<b>1.893.027</b>	<b>7.059.147</b>	<b>18.075.095</b>	<b>57.731.585</b>

**DOĞUŞ HOLDİNG A.Ş.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**NOTE 5 - OPERATING SEGMENTS (Continued)****5.3 Information about the segments (continued)**

The reconciliations of the combined financial information to the amounts reported in the accompanying consolidated financial statements for the years ended 31 December were presented separately as follows:

**a) Revenue**

	<b>2020</b>	<b>2019</b>
Combined	37.674.936	28.091.680
Joint ventures and associates	(12.864.334)	(9.436.345)
Consolidation elimination and adjustments	(666.039)	(814.424)
<b>Consolidated</b>	<b>24.144.563</b>	<b>17.840.911</b>

**b) Gross profit**

	<b>2020</b>	<b>2019</b>
Combined	7.006.075	6.706.011
Joint ventures and associates	(4.255.901)	(3.075.208)
Consolidation elimination and adjustments	(393.176)	(470.385)
<b>Consolidated</b>	<b>2.356.998</b>	<b>3.160.418</b>

**c) Operating profit**

	<b>2020</b>	<b>2019</b>
Combined	2.013.971	1.762.851
Joint ventures and associates	(1.443.352)	(696.100)
Consolidation elimination and adjustments	(300.341)	248.064
<b>Consolidated</b>	<b>270.278</b>	<b>1.314.815</b>

**d) Profit before net finance cost**

	<b>2020</b>	<b>2019</b>
Combined	4.867.320	3.616.463
Joint ventures and associates	(1.440.990)	(696.633)
Consolidation elimination and adjustments	(1.754.430)	(1.258.121)
<b>Consolidated</b>	<b>1.671.900</b>	<b>1.661.709</b>

**e) Loss for the period attributable to the owners of the Company excluding non-controlling interests**

	<b>2020</b>	<b>2019</b>
Combined	(4.439.787)	(620.107)
Joint ventures and associates	(1.521)	118.863
Consolidation elimination and adjustments	(1.110.153)	(388.232)
<b>Consolidated</b>	<b>(5.551.461)</b>	<b>(889.476)</b>

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**NOTE 5 - OPERATING SEGMENTS (Continued)****5.3 Information about the segments (continued)****f) Total assets**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Combined	109.060.700	93.483.102
Joint ventures and associates	(28.341.338)	(20.159.838)
Consolidation elimination and adjustments	(34.583.933)	(32.946.770)
<b>Consolidated</b>	<b>46.135.429</b>	<b>40.376.494</b>

**g) Total liabilities**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Combined	76.241.656	57.731.585
Joint ventures and associates	(23.755.643)	(17.148.382)
Consolidation elimination and adjustments	(6.095.593)	(4.158.599)
<b>Consolidated</b>	<b>46.390.420</b>	<b>36.424.604</b>

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**NOTE 5 - OPERATING SEGMENTS (Continued)**

**5.3 Information about the segments (continued)**

The below information were prepared on the basis of appropriate accounting policies applied for the subsidiaries, associates and joint ventures.

<i>31 December 2020</i>	<i>Construction</i>	<i>Automotive</i>	<i>Food &amp; Beverage, Tourism and retail</i>	<i>Media</i>	<i>Energy</i>	<i>Others</i>	<i>Total</i>
<b>Revenue</b>							
Total external revenue	1.501.522	18.905.923	2.380.970	546.400	406.491	908.924	24.650.230
Intersegment revenue (-)	21.914	189	18.390	43.584	-	421.590	505.667
Net segment revenue	1.479.608	18.905.734	2.362.580	502.816	406.491	487.334	24.144.563
Gross profit	(1.166.685)	2.480.685	606.842	72.187	161.846	202.123	2.356.998
Operating profit / (loss)	(1.368.638)	1.777.639	244.599	(27.683)	128.225	(483.864)	270.278
Operating profit / (loss) before net finance cost	(1.345.772)	1.776.072	283.463	(26.844)	128.224	856.757	1.671.900
Profit / (loss) for the period attributable to owners of the Company	(1.750.256)	835.617	(1.125.213)	(454.229)	(326.853)	(2.730.527)	(5.551.461)
<b>Other information</b>							
Segment assets	3.920.700	6.426.873	9.267.367	1.095.381	3.562.127	16.275.767	40.548.215
Investments in equity accounted investees	-	675.408	3.901.702	263.399	-	746.705	5.587.214
<b>Total assets</b>	<b>3.920.700</b>	<b>7.102.281</b>	<b>13.169.069</b>	<b>1.358.780</b>	<b>3.562.127</b>	<b>17.022.472</b>	<b>46.135.429</b>
<b>Total liabilities</b>	<b>3.780.675</b>	<b>4.719.660</b>	<b>9.795.042</b>	<b>1.892.622</b>	<b>2.844.615</b>	<b>23.357.806</b>	<b>46.390.420</b>
Capital expenditure (*)	19.593	189.952	391.293	8.500	25.898	1.029.566	1.664.802
Depreciation and amortisation	107.825	118.298	385.052	13.422	185.620	115.783	926.000
Non-cash expenses other than depreciation	521.800	113.251	141.892	5.939	(144)	510.006	1.292.744

(\*) Includes additions of investment properties.

**DOĞUŞ HOLDİNG A.Ş.**

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**NOTE 5 - OPERATING SEGMENTS (Continued)**

**5.3 Information about the segments (continued)**

<i>31 December 2019</i>	<i>Construction</i>	<i>Automotive</i>	<i>Food &amp; Beverage Tourism and retail</i>	<i>Media</i>	<i>Energy</i>	<i>Others</i>	<i>Total</i>
<b>Revenue</b>							
Total external revenue	2.662.076	9.849.085	3.988.534	505.791	407.501	945.954	18.358.941
Intersegment revenue (-)	52.685	549	57.678	29.130	—	377.988	518.030
Net segment revenue	2.609.391	9.848.536	3.930.856	476.661	407.501	567.966	17.840.911
Gross profit	66.616	1.274.107	1.227.148	20.913	292.476	279.158	3.160.418
Operating profit / (loss)	(218.612)	695.719	631.284	(181.002)	278.980	108.446	1.314.815
Operating profit / (loss) before net finance cost	(197.860)	716.840	824.112	(175.188)	278.980	214.825	1.661.709
Profit / (loss) for the period attributable to owners of the Company	(405.353)	86.325	(193.685)	(376.900)	189.641	(189.504)	(889.476)
<b>Other information</b>							
Segment assets	3.816.848	4.143.517	9.261.425	1.022.721	3.431.187	14.280.265	35.955.963
Investments in equity accounted investees	-	426.481	3.300.938	216.337	-	476.775	4.420.531
<b>Total assets</b>	<b>3.816.848</b>	<b>4.569.998</b>	<b>12.562.363</b>	<b>1.239.058</b>	<b>3.431.187</b>	<b>14.757.040</b>	<b>40.376.494</b>
<b>Total liabilities</b>	<b>3.704.875</b>	<b>3.392.036</b>	<b>8.608.424</b>	<b>1.526.861</b>	<b>2.482.206</b>	<b>16.710.202</b>	<b>36.424.604</b>
Capital expenditure (*)	109.152	67.386	633.811	2.987	1.744	1.027.920	1.843.000
Depreciation and amortisation	127.046	112.259	426.227	18.214	60.511	112.676	856.933
Non-cash expenses other than depreciation	397.645	87.623	84.099	(11.810)	(18.445)	(70.277)	468.835

(\*) Includes additions of investment properties.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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### NOTE 5 - OPERATING SEGMENTS (Continued)

#### 5.4 Non-cash (income) / expenses other than depreciation

Non-cash (income)/expenses other than depreciation for the year ended 31 December 2020 were as follows:

	<u>Construction</u>	<u>Automotive</u>	<u>Food &amp; Beverage Tourism and retail</u>	<u>Media</u>	<u>Energy</u>	<u>Others</u>	<u>Total</u>
Warranty provision	-	100.384	-	-	-	-	100.384
Accrued interest and other accruals	(13.932)	(20.904)	(20.534)	(2.326)	(79)	519.920	462.145
Loss on written-off of property and equipment	-	15.571	80.346	-	-	1.097	97.014
Provision for and reversal of employee severance indemnity	905	8.552	4.244	8.461	250	2.485	24.897
Provision for doubtful receivables	-	3.000	2.818	5.136	-	-	10.954
Impairment of intangible assets other than goodwill	-	-	1.252	-	-	10.543	11.795
Impairment of intangible assets (goodwill)	-	-	117.302	-	-	-	117.302
Fair value change in investment property	-	-	(41.275)	-	-	(53.687)	(94.962)
Impairment of tangible assets	4.066	-	-	-	-	12.439	16.505
Loss from construction business segment	192.989	-	-	-	-	-	192.989
Legal provisions	337.772	5.493	-	3.478	-	-	346.743
Recoveries of doubtful receivables	-	-	(49)	(3.868)	-	-	(3.917)
Others	-	1.155	(2.212)	(4.942)	(315)	17.209	10.895
<b>Total</b>	<b>521.800</b>	<b>113.251</b>	<b>141.892</b>	<b>5.939</b>	<b>(144)</b>	<b>510.006</b>	<b>1.292.744</b>

Non-cash (income)/expenses other than depreciation for the year ended 31 December 2019 were as follows:

	<u>Construction</u>	<u>Automotive</u>	<u>Food &amp; Beverage Tourism and retail</u>	<u>Media</u>	<u>Energy</u>	<u>Others</u>	<u>Total</u>
Warranty provision	-	139.023	-	-	-	-	139.023
Accrued interest and other accruals	159.576	(75.883)	17.298	(19.916)	(18.602)	308.411	370.884
Loss on written-off of property and equipment	-	-	39.597	-	-	-	39.597
Provision for and reversal of employee severance indemnity	705	7.141	6.432	8.810	261	(3.324)	20.025
Provision for doubtful receivables	-	1.136	1.568	6.448	-	522	9.674
Impairment of intangible asset (brand name)	-	-	37.813	-	-	-	37.813
Fair value change in investment property	-	-	(8.535)	-	-	(309.187)	(317.722)
Loss from construction business segment	191.293	-	-	-	-	-	191.293
Other investment operations	-	-	(4.170)	(6.268)	-	(70.154)	(80.592)
Legal provisions	46.071	8.060	3.583	879	-	-	58.593
Recoveries of doubtful receivables	-	(21)	(361)	(1.007)	-	-	(1.389)
Others	-	8.167	(9.126)	(756)	(104)	3.455	1.636
<b>Total</b>	<b>397.645</b>	<b>87.623</b>	<b>84.099</b>	<b>(11.810)</b>	<b>(18.445)</b>	<b>(70.277)</b>	<b>468.835</b>

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 6 - CASH AND CASH EQUIVALENTS

At 31 December, cash and cash equivalents comprised the following:

	<u>2020</u>	<u>2019</u>
Cash at banks	2.805.655	1.630.584
Time deposits (*)	1.591.079	945.978
Demand deposits	1.152.590	631.462
Credit card receivables (**)	61.986	53.144
Other liquid assets and cheques	19.958	29.830
Cash on hand	8.106	8.568
	<b>2.833.719</b>	<b>1.668.982</b>

For the years ended 31 December, cash and cash equivalents disclosed in the consolidated statement of cash flows comprised the following:

	<u>2020</u>	<u>2019</u>
Cash at banks	2.805.655	1.630.584
Other liquid assets and cheques	19.958	29.830
Cash on hand	8.106	8.568
Blocked deposits	(129.526)	(14.304)
Cash and cash equivalents in the statement of cash flows	<b>2.704.193</b>	<b>1.654.678</b>

(\*) As at 31 December 2020, the average effective interest rates of time deposits for TL, USD and Euro are 16,9%, 1,17% and 0,92% respectively (31 December 2019: Average effective interest rates are 14,56%, 2,27% and 1,17%, respectively).

(\*\*)Credit card receivables' due dates are less than three months.

There are blocked deposits amounting to TL 129.526 as at 31 December 2020 (31 December 2019: TL 14.304). Foreign currency risk exposure of cash and cash equivalents are presented under Note 32.

#### NOTE 7 - OTHER INVESTMENTS, INCLUDING DERIVATIVES

As at 31 December, other investments including derivatives comprised the following:

	<u>2020</u>		
	<u>Short-term</u>	<u>Long-term</u>	<u>Total</u>
Financial assets carried at fair value through profit or loss (*)	259.024	34.485	293.509
Financial assets carried at fair value through other comprehensive income	21.855	-	21.855
	<b>280.879</b>	<b>34.485</b>	<b>315.364</b>
	<u>2019</u>		
	<u>Short-term</u>	<u>Long-term</u>	<u>Total</u>
Financial assets carried at fair value through profit or loss (*)	194.634	25.460	220.094
Financial assets carried at fair value through other comprehensive income	23.625	--	23.625
	<b>218.259</b>	<b>25.460</b>	<b>243.719</b>

(\*) As of 31 December 2020, the portion of TL 256.918 thousand (31 December 2019: TL 194.601 thousand) of financial investments at fair value through profit or loss comprise investment funds.

#### Financial assets carried at fair value through other comprehensive income

As at 31 December, financial assets carried at fair value through other comprehensive income comprised the following:

	<u>2020</u>	<u>2019</u>
Equity securities	21.851	23.621
Debt securities	4	4
	<b>21.855</b>	<b>23.625</b>

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 8 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

Investments in equity-accounted associates and joint ventures and the Group's share of investment are as follows:

	31 December 2020		31 December 2019	
	Carrying value	% of ownership	Carrying value	% of ownership
<b>Associates-equity accounted</b>				
Jermyn Street (Astir Palace)	1.752.886	33,00	1.162.854	33,00
Paraguas Restaurant Group	602.233	40,00	453.484	40,00
MNG TV	263.399	30,00	216.337	30,00
VDF Servis	177.465	49,00	143.020	49,00
VDF Tüketici	140.220	49,00	115.434	49,00
Solid Rock <sup>(1)</sup>	-	-	418.958	33,33
Other	93.661		36.748	
<b>Joint ventures-equity accounted</b>				
Azumi Limited	986.491	50,01	737.368	50,01
PIT İstanbul	445.772	50,00	203.064	50,00
Corpera	309.215	50,00	314.688	50,00
TÜVTURK Kuzey-Güney	264.063	33,33	131.278	33,33
HC International AG	171.391	51,00	132.630	51,00
Doğuş Planet	109.878	50,00	81.488	50,00
Ege Turizm	109.793	50,00	119.778	50,00
Mad Atelier	66.612	60,00	66.612	60,00
Bodyism Global Holding	4.562	50,01	3.434	50,01
Boyabat <sup>(2)</sup>	-	34,00	--	34,00
Aslancık <sup>(3)</sup>	-	33,33	--	33,33
Other	89.573		83.356	
<b>Total</b>	<b>5.587.214</b>		<b>4.420.531</b>	

<sup>(1)</sup> The group sold all of its Solid Rock shares on 14 August 2020

<sup>(2)</sup> The Amendment Agreements were signed on 21 June 2019 and the credit agreements were concluded between Boyabat and the banks on 26 June 2013 and 26 June 2015 were amended. The entry into force of the Amendment Agreements is subject to the payment of 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 USD 8.868.945 (exact) and EUR 2.544.929 (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 2.897.774 (exact) USD and 831.511 (exact) EUR which belongs to the share of one of the shareholders and which has not paid and corresponds to the Group's share. In addition; expense accrual has recognised for this amount in the consolidated financial statements. The first interest payment date by Boyabat after refinancing is 19 June 2020, for the main loan of USD 11.610.772 (exact) and EUR 10.358.160 (exact) and for the consecutive loan of USD 1.246.765 (exact) and EUR 1.112.260 (exact), interest payment has been made, excluding BITT. After the interest payment made in June 2020, an interest reduction was requested from the creditors. On 21 October 2020; interest rate for the main loan and; interest for rate consecutive loan that has been signed on 7 October 2020 has been revised as 4.25% per annum until 31 December 2020. As of 31 December 2020, USD 1.000.000 (exact) principal and USD 6.524.786 (exact) interest; EUR 892.117 (exact) principal and EUR 5.820.868 (exact) interest for the main loan, and USD 700.632 (exact) and EUR 625.045 (exact) interest payment has been made for the consecutive loan.



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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 8 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (Continued)

<sup>(3)</sup> The Group's share of losses in Aslancık, a joint venture of the Group, exceeds its interest in Aslancık, the carrying amount of the investment is reduced to zero and the total carrying value of the investment and share of losses in Aslancık has been reclassified as other non-current liability amounting to TL 16.553 thousand as at 31 December 2020 (31 December 2019: TL 2.528 thousand). Aslancık Elektrik completed the negotiations with lending institutions on the restructuring of loan agreements in 2019, and signed an Amendment and Participation Agreement on the Loan Agreement dated 24 January 2011 with the lending institutions on 30 December 2019. As a prerequisite before restructuring, Aslancık Elektrik realized a capital increase of TL 141.000.000 (exact) and the capital was paid in cash by the shareholders. In addition, as of 27 December 2019, for the loan debt to Alternatif Bank in amounting to EUR 23.363.594 (exact) has made by capital increase in amounting to EUR 7,933,896 (exact) principal payment and the remaining debt amounting to EUR 15.429.698 (exact) paid with the loan in amounting to USD 17.218.000 (exact), which obtained from the same bank and total amount of loan debt has been paid. The newly purchased loan amounting to USD 17.218.000 (exact) is included in the consortium loans and the first interest and principal payment after the effective date is 30 June 2020 and the interest rate is Libor + 3.95. USD 69.482.000 (exact) loan principal payment on 30 June 2020 USD 1.500.000 (exact) loan principal payment with the related structuring, USD 3.000.000 (exact) loan principal payment on 25 August 2020 and the loan payment was made with a cash sweep of USD 2.460.000 (exact) USD on 31 December 2020 and the total loan liability decreased to USD 62.522.000 (exact) as of 31 December 2020.

The movements in investments in equity accounted investees were as follows:

	<u>2020</u>	<u>2019</u>
Balance at 1 January	4.420.531	4.130.928
Share of (loss) / profit of equity accounted investees	458.232	203.986
Share of other comprehensive income	980.926	438.430
Dividend	(11.772)	(121.572)
Transfer to assets held for sale	-	(17.291)
Disposals <sup>(1)</sup>	(524.805)	(324.153)
Loss making joint venture classified as non-current liability	25.463	(65.919)
Purchase of joint ventures and additional share purchase payments <sup>(2)</sup>	8.548	23.278
Differences from changes of shares of associates <sup>(3)</sup>	-	20.382
Profit margin elimination	22.370	(15.488)
Increase in paid-in capital	207.721	147.950
Balance at 31 December	<b>5.587.214</b>	<b>4.420.531</b>

<sup>(1)</sup> The Group sold all its shares in its joint venture Solid Rock Property SAS and its subsidiaries, in which it holds 33.33% of its shares in 2020.

<sup>(2)</sup> Consists of share transfer prices referred to Group's share purchase agreements of associates acquired in previous years by acquisition.

<sup>(3)</sup> Change consists of the shares held by the Group entities in Zingat Gayrimenkul Bilgi Sistemleri A.Ş representing from 51% to 31.14%.

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**NOTE 8 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (Continued)***Share of profit / (loss) of equity accounted investees*

For the years ended 31 December, share of profit/(loss) of investments in equity accounted investees comprised the following:

	<u>2020</u>	<u>2019</u>
Astir Palace	165.368	(13.043)
TÜVTURK Kuzey-Güney Consolidated	132.799	122.959
VDF Servis	34.446	33.032
VDF Tüketici	24.784	(25.611)
Azumi Limited	(247)	62.634
Boyabat	(11.439)	13.723
Aslancık	(15.024)	(16.024)
Other	127.545	26.316
<b>Total</b>	<b>458.232</b>	<b>203.986</b>

*Share of other comprehensive income / (expense) of equity accounted investees*

For the years ended 31 December, share of other comprehensive income/(expense) of investments in equity accounted investees comprised the following:

	<u>2020</u>	<u>2019</u>
Astir Palace	424.664	263.755
Azumi Limited	249.370	45.464
Paraguas Restaurant Group	145.640	36.287
Solid Rock	103.056	31.989
Other (*)	58.196	60.935
<b>Total</b>	<b>980.926</b>	<b>438.430</b>

(\*) Other is mainly attributable to the foreign currency translation effect of foreign associates and joint ventures.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 8 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEEs (Continued)

The table below presents the financial information of the joint ventures and the associates as adjusted to comply with accounting policies adopted by the Group; which is applied before consolidating to the Group with the equity method:

	31 December 2020						31 December 2020		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenue	Net profit/(loss)	Other comprehensive income / (expense)
<b>Associates</b>									
Astir Palace	1.213.193	3.681.233	4.894.426	428.816	1.600.268	2.029.084	1.169.839	496.154	1.274.119
Paraguas	228.664	759.316	987.980	265.831	491.893	757.724	390.101	7.773	364.101
VDF Tüketici	7.279.835	129.809	7.409.644	7.132.536	3.345	7.135.881	732.096	50.736	-
Others	2.755.637	2.560.140	5.315.777	4.334.418	782.533	5.116.951	5.038.050	357.228	309.169
<b>Joint ventures</b>									
Azumi	382.130	2.840.855	3.222.985	367.899	917.952	1.285.851	780.205	(494)	498.638
PIT Istanbul	286.846	677.709	964.555	31.521	1.803	33.324	-	7.224	-
Corpera	59.969	700.352	760.321	55.134	181.499	236.633	62.811	(596)	9.649
Others	1.502.988	3.282.664	4.785.652	1.296.651	5.863.543	7.160.194	4.691.233	(967.216)	97.203
	31 December 2019						31 December 2019		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenue	Net profit/(loss)	Other comprehensive income / (expense)
<b>Associates</b>									
Astir Palace	749.157	2.051.896	2.801.053	124.034	1.479.426	1.603.460	364.304	(39.134)	791.344
Paraguas	162.356	678.591	840.947	106.894	473.714	580.608	430.559	46.470	90.717
VDF Tüketici	5.347.267	134.435	5.481.702	5.255.706	2.815	5.258.521	940.692	(52.613)	-
Others	1.130.536	1.977.514	3.108.050	1.958.579	804.900	2.763.479	2.624.492	(68.708)	95.966
<b>Joint ventures</b>									
Azumi	250.287	2.187.626	2.437.913	293.221	674.525	967.746	1.181.587	125.242	90.910
PIT Istanbul	67.342	478.625	545.967	53.743	1.667	55.410	-	(1.080)	-
Corpera	51.590	688.187	739.777	30.499	174.643	205.142	98.143	11.963	93.739
Others	940.721	3.263.711	4.204.432	1.085.632	4.628.383	5.714.015	3.796.568	(207.901)	25.642

**DOĞUŞ HOLDİNG A.Ş.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 8 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (Continued)**

The following table summarizes cash and cash equivalents, depreciation and amortisation expenses, interest income and interest expenses of significant joint ventures before the consolidation of eliminations and adjustments:

	<b>31 December 2020</b>			
	<b>Cash and cash equivalents</b>	<b>Depreciation and amortisation</b>	<b>Interest income</b>	<b>Interest expense</b>
Azumi Limited	242.291	61.778	-	20.734
VDF Tüketici	107.306	7.231	732.096	569.374

	<b>31 December 2019</b>			
	<b>Cash and cash equivalents</b>	<b>Depreciation and amortisation</b>	<b>Interest income</b>	<b>Interest expense</b>
Azumi Limited	137.310	56.381	--	19.978
VDF Tüketici	241.727	6.818	940.692	889.467

**Financial Information regarding Azumi Limited and its subsidiaries**

The following table summarizes the reconciliation of investments in equity of Azumi Limited and its subsidiaries:

	<b>2020</b>	<b>2019</b>
Total equity attributable to equity holders of Azumi Limited	1.574.607	1.108.257
Total equity attributable to equity holders of Azumi Limited based on the equity interest of the Group (50,01%)	787.461	554.239
Goodwill	199.030	183.129
Investment in equity accounted investees	<b>986.491</b>	<b>737.368</b>

**Financial information regarding VDF Tüketici**

The following table summarizes the reconciliation of investments in equity of VDF Tüketici:

	<b>2020</b>	<b>2019</b>
Total equity attributable to equity holders of VDF Tüketici	273.763	223.180
Total equity attributable to equity holders of VDF Tüketici based on the equity interest of the Group (49,00%)	134.144	109.358
Other adjustments	6.076	6.076
Investment in equity accounted investees	<b>140.220</b>	<b>115.434</b>

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**NOTE 9 – TRADE RECEIVABLES AND PAYABLES****Short-term trade receivables**

As at 31 December, short-term trade receivables comprised the following:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Account receivables	2.105.129	1.670.434
Contracts receivable	145.663	274.968
Due from customers for contract work (Note 17)	460.010	526.053
Doubtful receivables	123.698	116.462
Post dated cheques	117.201	86.909
Notes receivables	5.647	8.560
Other receivables	49.536	29.106
	<b>3.006.884</b>	<b>2.712.492</b>
Allowance for doubtful receivables (-)	<b>(123.698)</b>	<b>(116.462)</b>
	<b>2.883.186</b>	<b>2.596.030</b>

**Long-term trade receivables**

As at 31 December, long-term trade receivables comprised the following:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Doubtful receivables	-	12.881
	-	12.881
Allowance for doubtful receivables (-)		<b>(12.881)</b>
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

As at 31 December 2020, the Group held letters of guarantee amounting to TL 101.422 thousand (31 December 2019: TL 78.892 thousand) as collateral against its receivables.

Movements in the allowance for doubtful receivables during the years ended 31 December were as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Balance at the beginning of the year	129.343	462.109
Provision for the year	10.954	9.674
Written-off assets	(11.934)	(344.642)
Recoveries	(3.917)	(1.389)
Written-off provisions	(3.172)	(1.983)
Exchange rate differences on foreign currency balances	2.424	5.574
<b>Balance at the end of the year</b>	<b>123.698</b>	<b>129.343</b>

**Short-term trade payables**

As at 31 December, short-term trade payables comprised the following:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Account payables	3.183.603	2.017.106
Due to customers for contract work (Note 17)	303.141	108.958
Payables related to employee benefits	31.823	31.283
Notes payable	2.643	1.102
Other payables	21.839	44.195
	<b>3.543.049</b>	<b>2.202.644</b>

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 10 - INVENTORIES

As at 31 December, inventories comprised the following:

	<u>2020</u>	<u>2019</u>
Raw materials (*)	144.706	198.498
Trading goods (**)	1.178.120	356.286
Goods in transit (**)	1.482.940	586.949
Spare parts	277.404	150.815
Trading property, net of impairment provisions	1.901	3.502
Other inventory	55.241	59.119
	<u>3.140.312</u>	<u>1.355.169</u>
Provision for impairment in the value of inventories (-)	(10.673)	(6.532)
	<u>3.129.639</u>	<u>1.348.637</u>

(\*) As at 31 December 2020 and 2019, raw materials are mainly composed of construction materials in various construction projects of Doğu İnşaat and food and beverage inventories of the companies of food and beverage and tourism segment.

(\*\*) Trading goods and goods in transit are mainly composed of automotive segment.

The Group has provided provision for damaged and slow-moving items in inventories. The current year inventory provision is included in "cost of sales".

For the years ended 31 December, movement of provision for diminution in the carrying value of inventories is as follows:

	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	6.532	10.476
Increase during the period	4.141	1.499
Currency translation differences	-	(254)
Reversal of provisions	-	(5.189)
End of the period	<u>10.673</u>	<u>6.532</u>

#### NOTE 11 – INVESTMENT PROPERTIES

As at 31 December, investment properties comprised the following:

	<u>2020</u>	<u>2019</u>
Investment property	2.109.965	4.396.896
Investment property under construction	8.377.910	6.272.936
	<u>10.487.875</u>	<u>10.669.832</u>

##### 11.1 Investment property

For the years ended 31 December, the movements of investment property were as follows:

	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	4.396.896	4.445.754
Fair value changes recognised in profit or loss (Note 29)	94.962	317.722
Additions	1.706	5.336
Disposals (*)	(2.398.382)	(122.405)
Transfer to trading property	1.040	(1.601)
Transfer from investment property under construction	9.822	-
Transfer from property and equipment (Note 12)	3.921	279.654
Transfer to property and equipment (Note 12)	-	(527.564)
End of the period	<u>2.109.965</u>	<u>4.396.896</u>

(\*) The amount consist of sale of the Group's shares in 2020 at Doğu Turizm Sağlık Yatırımları ve İşletmeciliği Sanayi ve Ticaret A.Ş., wholly owned subsidiary of Group

## DOĞUŞ HOLDİNG A.Ş.

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#### NOTE 11 – INVESTMENT PROPERTIES (Continued)

##### 11.2 Investment property under construction

For the years ended 31 December, the movements of investment property under construction were as follows:

	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	6.272.936	4.763.160
Additions	913.583	855.035
Capitalised interest expense	498.175	264.349
Capitalised foreign currency differences	703.038	390.392
Transfer to investment property	(9.822)	-
End of the period	<b>8.377.910</b>	<b>6.272.936</b>

Investment property under construction is mainly composed of Salıpazarı Cruise Harbor (Galataport). On 16 May 2013, Doğu Holding won the tender for privatization of Salıpazarı Port Area. On 18 July 2013, Competition Board decided that Doğu Holding's acquisition of the Salıpazarı Cruise Harbor, which was previously owned by Turkey Denizcilik İşletmeleri Anonim Şirketi, within the scope of its privatization via the "transfer of operating rights" method for a period of 30 years was not subject to authorisation of the Board. Total amount of the tender was paid on 13 February 2014 as TL 1.539.169 thousand (equivalent of USD 702 million).

The Group obtained independent appraisal reports for each item of investment properties and stated them at their fair values. All investment property within the scope of IFRS 13 on the fair value hierarchy are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>2020</b>				
Investment property	-	1.028.225	1.081.740	2.109.965
<b>Total</b>	-	<b>1.028.225</b>	<b>1.081.740</b>	<b>2.109.965</b>
<b>2019</b>				
Investment property	-	1.232.480	3.164.416	4.396.896
<b>Total</b>	-	<b>1.232.480</b>	<b>3.164.416</b>	<b>4.396.896</b>

As at 31 December 2020, fair value of the investment properties is calculated by using the discounted cash flow method and a peer comparison by independent appraisal.

Peer comparison method (Level 2) determines recently listed or sold properties in market and takes into consideration of other factors for the adjustment of value based on size of land of property with current condition and location. For current market outlook, the appraisers contact with the property sale intermediaries.

The following table shows the cost method and discounted cash flow valuation technique (Level 3) used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

##### Valuation technique

Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

##### Significant unobservable inputs

- ❖ Expected market rental growth, 3-10,75%
- ❖ Occupancy rate (90-99,9%)
- ❖ Risk-adjusted discount rates (9-18%).

**DOĞUŞ HOLDİNG A.Ş.**

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**NOTE 12 – PROPERTY AND EQUIPMENT (Continued)**

Movements of property and equipment and related accumulated depreciation during the year ended 31 December 2020 were as follows:

<u>Cost</u>	<u>1 January</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Effects of movements in exchange rates</u>	<u>Net revaluation change</u>	<u>Sale of subsidiary (**)</u>	<u>Transfers to investment property</u>	<u>Written off</u>	<u>31 December</u>
Land and buildings (*)	7.011.122	176.798	(218.208)	474.230	248.073	1.225.843	(6.035)	(11.046)	-	8.900.777
Furniture and equipment	2.504.049	140.662	(165.062)	13.560	326.395	-	(28.552)	-	(20.252)	2.770.800
Leasehold improvements	3.840.353	85.500	(25.115)	33.154	768.718	36.100	(389.932)	-	(97.553)	4.251.225
Motor vehicles	461.705	110.697	(46.834)	2.681	8.242	-	(4.416)	-	-	532.075
Construction in progress	808.124	132.647	(11.893)	(525.423)	57.774	-	(324)	-	-	460.905
Others	40.785	536	(3.513)	-	10.540	-	-	-	-	48.348
<b>Total cost</b>	<b>14.666.138</b>	<b>646.840</b>	<b>(470.625)</b>	<b>(1.798)</b>	<b>1.419.742</b>	<b>1.261.943</b>	<b>(429.259)</b>	<b>(11.046)</b>	<b>(117.805)</b>	<b>16.964.130</b>

<u>Less: Accumulated depreciation</u>	<u>1 January</u>	<u>Current year depreciation</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Effects of movements in exchange rates</u>	<u>Net revaluation change</u>	<u>Sale of subsidiary</u>	<u>Transfers to investment property</u>	<u>Written off</u>	<u>31 December</u>
Buildings	(905.241)	(114.275)	71.049	-	(34.808)	(237.494)	-	7.125	-	(1.213.644)
Furniture and equipment	(1.491.230)	(268.899)	165.062	(47)	(141.865)	-	22.564	-	9.746	(1.704.669)
Leasehold improvements	(732.192)	(207.201)	20.755	125	(86.507)	-	145.575	-	11.045	(848.400)
Motor vehicles	(173.759)	(45.226)	26.199	-	(6.818)	-	2.520	-	-	(197.084)
Others	(34.762)	(1.405)	3.384	-	(9.362)	-	-	-	-	(42.145)
<b>Total accumulated depreciation</b>	<b>(3.337.184)</b>	<b>(637.006)</b>	<b>286.449</b>	<b>78</b>	<b>(279.360)</b>	<b>(237.494)</b>	<b>170.659</b>	<b>7.125</b>	<b>20.791</b>	<b>(4.005.942)</b>
<b>Net book value</b>	<b>11.328.954</b>	<b>9.834</b>	<b>(184.176)</b>	<b>(1.720)</b>	<b>1.140.382</b>	<b>1.024.449</b>	<b>(258.600)</b>	<b>(3.921)</b>	<b>(97.014)</b>	<b>12.958.188</b>
<b>Less: Impairment in value</b>	<b>(1.704)</b>	<b>(16.505)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18.209)</b>
<b>Net carrying value</b>	<b>11.327.250</b>	<b>(6.671)</b>	<b>(184.176)</b>	<b>(1.720)</b>	<b>1.140.382</b>	<b>1.024.449</b>	<b>(258.600)</b>	<b>(3.921)</b>	<b>(97.014)</b>	<b>12.939.979</b>

(\*) The fair value of land and buildings have been calculated on a periodic basis by independent valuation companies using peer comparison and income discounting methods.

(\*\*) Represents the sale of D Marina İşletmeciliği Turizm ve Yönetim Hizmetleri A.Ş., D Marinas Hellas S.A., its subsidiary Lefkas Marina S.A., Zea Marina S.A., Gouvia Marina S.A. and Marina Borik d.o.o, Marina Dalmacija d.o.o., Marina Sibenik d.o.o. and D Marin Dubai LLC, Anadolu Göcek Marina Turizm Yatırımları A.Ş., its subsidiaries Doğuştur Turgutreis Marina İşletmeciliği Turizm ve Ticaret A.Ş. and Doğuştur Didim Marina İşletmecileri ve Ticaret A.Ş., and Doğuştur Turizm Sağlık Yatırımları ve İşletmeciliği Sanayi ve Turizm A.Ş. in 2020.



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**NOTE 12 – PROPERTY AND EQUIPMENT (Continued)**

Movements of property and equipment and related accumulated depreciation during the year ended 31 December 2019 were as follows:

Cost	1 January	Additions	Transfer from investment property	Disposals	Transfers	Effects of movements in exchange rates	Net revaluation change	Sale of subsidiary (**)	Transfers to investment property	Transfers to assets held for sale (***)	Written off	31 December
Land and buildings (*)	8.212.565	20.934	527.564	(308.346)	29.111	178.206	263.122	(1.125.723)	(284.231)	(502.080)	-	7.011.122
Furniture and equipment	2.726.970	166.642	-	(271.017)	20.154	155.825	-	(201.494)	-	(81.490)	(11.541)	2.504.049
Leasehold improvements	3.583.927	124.906	-	(67.455)	6.831	362.411	-	(13.818)	-	(110.113)	(46.336)	3.840.353
Motor vehicles	559.323	44.111	-	(137.999)	3.253	7.100	-	(6.775)	-	(7.308)	-	461.705
Construction in progress	505.805	493.237	-	(5.729)	(58.211)	30.771	-	(154.883)	-	(2.866)	-	808.124
Others	103.761	415	-	(1.215)	584	3.221	-	(61.142)	-	(4.839)	-	40.785
<b>Total cost</b>	<b>15.692.351</b>	<b>850.245</b>	<b>527.564</b>	<b>(791.761)</b>	<b>1.722</b>	<b>737.534</b>	<b>263.122</b>	<b>(1.563.835)</b>	<b>(284.231)</b>	<b>(708.696)</b>	<b>(57.877)</b>	<b>14.666.138</b>
Less: Accumulated depreciation	1 January	Current year depreciation	Transfer from investment property	Disposals	Transfers	Effects of movements in exchange rates	Net revaluation change	Sale of subsidiary	Transfers to investment property	Transfers to assets held for sale	Written off	31 December
Buildings	(1.195.060)	(119.218)	-	88.566	(7.916)	(12.408)	(38.807)	190.260	4.577	184.765	-	(905.241)
Furniture and equipment	(1.526.375)	(260.383)	-	124.066	11.506	(55.842)	-	145.314	-	65.586	4.898	(1.491.230)
Leasehold improvements	(664.477)	(139.336)	-	35.827	4.430	(29.942)	-	13.712	-	34.212	13.382	(732.192)
Motor vehicles	(171.293)	(49.394)	-	50.553	(8.625)	(2.620)	-	3.392	-	4.228	-	(173.759)
Others	(70.622)	(2.121)	-	1.076	(3.392)	(2.708)	-	40.451	-	2.554	-	(34.762)
<b>Total accumulated depreciation</b>	<b>(3.627.827)</b>	<b>(570.452)</b>	<b>-</b>	<b>300.088</b>	<b>(3.997)</b>	<b>(103.520)</b>	<b>(38.807)</b>	<b>393.129</b>	<b>4.577</b>	<b>291.345</b>	<b>18.280</b>	<b>(3.337.184)</b>
<b>Net book value</b>	<b>12.064.524</b>	<b>279.793</b>	<b>527.564</b>	<b>(491.673)</b>	<b>(2.275)</b>	<b>634.014</b>	<b>224.315</b>	<b>(1.170.706)</b>	<b>(279.654)</b>	<b>(417.351)</b>	<b>(39.597)</b>	<b>11.328.954</b>
Less: Impairment in value	(1.704)	-	-	-	-	-	-	-	-	-	-	(1.704)
<b>Net carrying value</b>	<b>12.062.820</b>	<b>279.793</b>	<b>527.564</b>	<b>(491.673)</b>	<b>(2.275)</b>	<b>634.014</b>	<b>224.315</b>	<b>(1.170.706)</b>	<b>(279.654)</b>	<b>(417.351)</b>	<b>(39.597)</b>	<b>11.327.250</b>

(\*) The fair value of land and buildings have been calculated on a periodic basis by independent valuation companies using peer comparison and income discounting methods.

(\*\*) In 2019, the Group has transferred its shares of Acropolis S.p.A., Arena Otel Lokanta ve Eğlence Yerleri İşletmeciliği ve Turizm Yatırım A.Ş. and Marina Barcelona 92 S.A.

(\*\*\*) Includes transfers to assets held for sale as disclosed in Note 16.

The Group's land and buildings are revalued for the purpose of the consolidated financial statements. Independent third party appraisers conduct the appraisals periodically on the basis of fair market value. As at 31 December 2020, the revaluation surplus, net of non-controlling interests and deferred taxes, amounting to TL 3.810.808 thousand including the fair value differences of investment and trading properties till the date of the use of property change from own use and the fair value differences of land and buildings until reclassified as asset held for sale (31 December 2019: TL 2.925.550 thousand) was recognised in other comprehensive income, and presented in "revaluation surplus" account within the equity.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 12 – PROPERTY AND EQUIPMENT (Continued)

Had there been no revaluation on land and buildings, the balances of land and buildings as at 31 December would have been as follows:

	<u>Historical cost</u>	<u>Accumulated depreciation</u>	<u>Net Book Value</u>
31 December 2020	5.207.817	(640.177)	4.567.640
31 December 2019	4.529.727	(563.457)	3.966.270

#### NOTE 13 – RIGHT OF USE ASSETS

At 31 December 2020 and 31 December 2019, rights of use assets comprised the following:

	<u>1 January 2020</u>	<u>Additions</u>	<u>Disposal</u>	<u>Translation effect</u>	<u>Sale of subsidiary</u>	<u>31 December 2020</u>
<b>Cost:</b>						
Real estates	940.278	237.103	(56.625)	83.800	(16.448)	1.188.108
Vehicles	47.853	15.655	(1.579)	-	-	61.929
	<u>988.131</u>	<u>252.758</u>	<u>(58.204)</u>	<u>83.800</u>	<u>(16.448)</u>	<u>1.250.037</u>
<b>Accumulated depreciation</b>						
Real estates	(135.011)	(172.473)	14.957	(3.005)	1.109	(294.423)
Vehicles	(18.856)	(24.719)	225	-	-	(43.350)
	<u>(153.867)</u>	<u>(197.192)</u>	<u>15.182</u>	<u>(3.005)</u>	<u>1.109</u>	<u>(337.773)</u>
<b>Net book value</b>	<u>834.264</u>	<u>55.566</u>	<u>(43.022)</u>	<u>80.795</u>	<u>(15.339)</u>	<u>912.264</u>

	<u>1 January 2019</u>	<u>Additions</u>	<u>Transfers</u>	<u>Translation effect</u>	<u>31 December 2019</u>
<b>Cost:</b>					
Real estates	633.511	297.826	7.748	1.193	940.278
Vehicles	44.110	3.743	-	-	47.853
	<u>677.621</u>	<u>301.569</u>	<u>7.748</u>	<u>1.193</u>	<u>988.131</u>
<b>Accumulated depreciation:</b>					
Real estates	-	(134.245)	(519)	(247)	(135.011)
Vehicles	-	(18.856)	-	-	(18.856)
	<u>-</u>	<u>(153.101)</u>	<u>(519)</u>	<u>(247)</u>	<u>(153.867)</u>
<b>Net book value</b>	<u>677.621</u>	<u>148.468</u>	<u>7.229</u>	<u>946</u>	<u>834.264</u>

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 14 - INTANGIBLE ASSETS

As at 31 December, intangible assets comprised the following:

	<u>2020</u>	<u>2019</u>
Goodwill	1.038.326	1.076.482
Intangible assets other than goodwill	1.188.374	1.234.181
	<u>2.226.700</u>	<u>2.310.663</u>

#### 14.1 Goodwill

As at 31 December, the movements in goodwill were as follows:

	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	1.076.482	1.233.194
Sale of subsidiary	-	(199.546)
<i>Acropolis S.p.A.</i>	-	(43.789)
<i>CW Finance SAS</i>	-	(155.757)
Impairment of goodwill (Note 27)	(117.302)	--
<i>Tenos</i>	(11.812)	-
<i>Aldrovandi</i>	(105.490)	-
Adjustments for currency translation	79.146	42.834
<b>Balance at the end of the year</b>	<b>1.038.326</b>	<b>1.076.482</b>

**DOĞUŞ HOLDİNG A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**NOTE 14 - INTANGIBLE ASSETS (Continued)**

**14.1 Goodwill (continued)**

As at 31 December, goodwill comprised the following:

<u>Entity</u>	<u>Acquisition cost</u>	<u>Net asset fair value</u>	<u>Purchase date</u>	<u>Shares acquired</u>	<u>Group share %</u>	<u>Cumulative adjustment for currency translation</u>	<u>Impairment</u>	<u>31 December 2020 net amount</u>	<u>31 December 2019 net amount</u>
Coya	147.632	32.362	January 2017	76,00-72,00	140.714	177.890	-	318.596	239.450
Günaydın	316.884	94.941	August 2014	70,00	66.459	-	-	250.425	250.425
Star TV	596.234	405.110	November 2011	99,93	404.810	-	-	191.424	191.424
NTV Radyo	98.877	12.081	April 2004	97,00	11.719	-	-	87.158	87.158
Maça Kızı	58.236	15.926	November 2013	60,00	9.556	-	-	48.680	48.680
Sele Restaurant Group	54.625	24.061	April 2015	67,00	16.121	-	-	38.504	38.504
Doğuş İnşaat	89.076	1.491.894	December 2006	4,09	61.093	-	-	27.983	27.983
Etiler Turistik	28.112	15.182	August 2013	75,00	11.386	-	-	16.726	16.726
D Et	21.859	15.179	April 2012	51,00	7.741	-	-	14.118	14.118
Hedef Medya	43.267	55.010	March 2015	60,00	33.006	-	-	10.261	10.261
Villa Dubrovnik	80.425	82.780	April 2014	88,17	72.987	-	-	7.437	7.437
Sait Balıkçılık	8.061	5.062	December 2013	60,00	3.037	-	-	5.024	5.024
Meto Turizm	8.385	4.897	August 2013	75,00	3.673	-	-	4.712	4.712
Lacivert	9.145	5.971	May 2013	75,00	4.478	-	-	4.667	4.667
LPM (**)	1.461	(1.413)	February 2015	100,00	(1.413)	-	-	2.874	2.874
Kivahan	3.619	1.509	April 2012	51,00	770	-	-	2.849	2.849
DOAŞ	2.735	--	December 2006	50,00	-	-	-	2.735	2.735
Star TV (*) (formerly named as Kapital Radyo)	9.246	72	December 2007	97,00	70	-	-	2.388	2.388
Semanticum	1.649	609	February 2016	60,00	365	-	-	1.284	1.284
Portakal Yazılım (***)	1.525	1.741	December 2014	60,00	1.044	-	-	481	481
Zadar Resort	67.657	55.845	May 2014	100,00	55.845	-	(11.812)	-	11.812
Mercati S.p.A	270.659	209.591	January 2016	100,00	209.591	44.422	(105.490)	-	105.490
						<b>222.312</b>	<b>(117.302)</b>	<b>1.038.326</b>	<b>1.076.482</b>

(\*) Kapital Radyo merged with Star TV on 29 June 2012

(\*\*) LPM merged with Lacivert on 31 October 2019

(\*\*\*)Portakal Yazılım merged with Hedef Medya on 31 January 2020.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 14 - INTANGIBLE ASSETS (Continued)

##### 14.1 Goodwill (continued)

##### Impairment testing for goodwill

The Group performs annual impairment tests for goodwill and other intangible assets that have indefinite useful life, together in each entity.

The recoverable amount of goodwill related with DOAŞ are determined based on their quoted share prices.

The valuations of the fair value of equities of NTV Radyo is performed by the Group. The peer comparison approach and similar transactions approaches are used to determine the fair value of equities.

The valuation of the fair value of equity for Doğu İnşaat is performed by by the Group. The income approach (discounted cash flow method) is used to determine the fair value of equity of Doğu İnşaat. 6-year business plan prepared by management is used for valuation. The Group considers business plans developed during the life of the construction contracts in progress is more appropriate for valuation.

The valuation of the fair value of equity for Star TV is performed by the Group. The peer comparison approach and similar transactions approaches are used to determine the fair value of equity of Star TV.

The valuations of the fair value of equities of Kivahan, Mezzaluna, Lacivert, Sait Balıkçılık, Etiler Turistik, Meto Turizm, Sele Restaurant Group and LPM are performed by the Group. The peer comparison approach, similar transactions approaches and EBITDA multiplier method which is commonly used in food & beverage sector are used to determine the fair value of equities of Kivahan, Mezzaluna, Lacivert, Sait Balıkçılık, Etiler, Meto, Sele Restaurant Group and LPM.

The valuation of the fair value of equity for Günaydın companies is performed by the Group. The peer comparison approach, similar transactions approaches and EBITDA multiplier method which is commonly used in food & beverage sector are used to determine the fair value of equity of Günaydın.

The valuation of the fair value of equity for Villa Dubrovnik, Maça Kızı and Argos in Cappadocia are performed by the Group. The income approach (discounted cash flow method) is used to determine the fair value of equity of Maça Kızı. 6-year business plan prepared by management is used for valuation. Net asset value approach is used to determine the fair value of equity of Argos in Cappadocia and Villa Dubrovnik.

The valuation of the fair value of equity for Hedef Medya is performed by the Group. The income approach (discounted cash flow method) and similar transactions approaches are used to determine the fair value of equity of Hedef Medya 6-year business plan prepared by management is used for valuation.

The valuation of the fair value of equity for D-Et and Coya Restaurant Group is performed by the Group. In order to determine the fair value of the equity of these companies, the method used to multiply the profit before interest, tax, and depreciation is frequently used in the food and beverage sector.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 14 - INTANGIBLE ASSETS (Continued)

##### 14.1 Goodwill (continued)

##### Impairment testing for goodwill (continued)

##### Key assumptions used in discounted cash flow projections

Key assumptions used in calculation of recoverable amounts about goodwill and other intangible assets that have indefinite useful life are discount rates and terminal growth rates. Discount rates were determined by currency used in discounted cash flow. These assumptions are as follows:

	<u>Currency</u>	<u>Discount rate</u>	<u>Terminal growth rate</u>
Doğuş İnşaat	USD	percent 12,7	percent 1,90
Villa Dubrovnik	EUR	percent 9,25	percent 2,00
Hedef Medya	TL	percent 20,4	percent 9,1

	<u>Currency</u>	<u>Comparable companies multiples</u>	<u>Similar transactions multiples</u>
Star TV	TL	1,08 (Revenue)	3,01 - 3,29 (Revenue)
Kivahan	TL	8,30 (EBITDA)	10,70 (EBITDA)
Mezzaluna	TL	8,30 (EBITDA)	10,70 (EBITDA)
Lacivert	TL	8,30 (EBITDA)	10,70 (EBITDA)
Sait Balıkçılık	TL	8,30 (EBITDA)	10,70 (EBITDA)
Etiler Turistik ve Meto Turizm	TL	8,30 (EBITDA)	10,70 (EBITDA)
Günaydın	TL	11,30 (EBITDA)	15,10 (EBITDA)
Sele Restoran Grubu	TL	8,30 (EBITDA)	10,70 (EBITDA)
LPM	TL	8,30 (EBITDA)	10,70 (EBITDA)

Discount rates used in discounted cash flows are the weighted average cost of capital ("WACC") of the relevant entities. As a result of the impairment testing on entity basis, impairment loss is TL 117.306 thousand recognised during the year ended 31 December 2020 (31 December 2019: no impairment loss)

##### Sensitivity analysis

Sensitivity analysis where significant assumptions used in impairment tests show 1% negative deviation compared to the baseline scenario on the basis of significant cash generating units were analyzed. In the relevant sensitivity analyzes performed as of 31 December 2020, the positive deviations of the recoverable value compared to the book value included in the goodwill are summarized in the table below:

	<u>Star TV</u>	<u>Günaydın Restaurants</u>	<u>Coya Restaurants</u>
Base scenario	%150	%250	%146
Sensitivity analysis:			
0,5 point decrease at revenue multiplier	%125	-	-
1 point decrease at EBITDA multiplier	-	%231	%143
1% increase at discount rate	-	-	%136

# DOĞUŞ HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### NOTE 14 - INTANGIBLE ASSETS (Continued)

#### 14.2 Other intangible assets

Movements of other intangible assets and related accumulated amortisation during the year ended 31 December 2020 were as follows:

<u>Cost</u>	<u>1 January</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Effects of movements in exchange rates</u>	<u>Impairment</u>	<u>Sale of subsidiary</u>	<u>31 December</u>
Concession rights	100.072	-	-	-	-	-	(86.248)	13.824
Concession rights-D Marin Göcek (a)	34.952	-	-	-	-	-	(34.952)	-
Concession rights- Didim Marina (a)	33.084	-	-	-	-	-	(33.084)	-
Concession rights - Turgutreis Marina (a)	18.212	-	-	-	-	-	(18.212)	-
Concession rights - Pozitif Arena (h)	13.824	-	-	-	-	-	-	13.824
Customer relationship	59.605	-	-	-	-	-	(1.890)	57.715
Customer relationship-D Marin Göcek (a)	1.890	-	-	-	-	-	(1.890)	-
Customer relationship-Muça Kızı	734	-	-	-	-	-	-	734
Customer relationship-Hedef Medya	56.981	-	-	-	-	-	-	56.981
Brand name	587.261	-	-	-	28.699	-	-	615.960
Brand name - Star TV	232.429	-	-	-	-	-	-	232.429
Brand name - Nusr-et (d)	17.207	-	-	-	-	-	-	17.207
Brand name - Kivahan (e)	1.677	-	-	-	-	-	-	1.677
Brand name - Kitchenette (f)	22.630	-	-	-	-	-	-	22.630
Brand name - Da Mario (f)	13.804	-	-	-	-	-	-	13.804
Brand name - Gina (f)	11.341	-	-	-	-	-	-	11.341
Brand name - Vogue (f)	11.483	-	-	-	-	-	-	11.483
Brand name - Mezzaluna	5.887	-	-	-	-	-	-	5.887
Brand name - Lucivert	7.385	-	-	-	-	-	-	7.385
Brand name - Ulus 29 (i)	12.976	-	-	-	-	-	-	12.976
Brand name - Çubuklu 29 (i)	4.217	-	-	-	-	-	-	4.217
Brand name - Maça Kızı	2.955	-	-	-	-	-	-	2.955
Brand name - Sait	4.053	-	-	-	-	-	-	4.053
Brand name - Villa Dubrovnik	7.332	-	-	-	-	-	-	7.332
Brand name - Argos in Cappadocia	3.121	-	-	-	-	-	-	3.121
Brand name - Günaydın (j)	92.292	-	-	-	-	-	-	92.292
Brand name - Pozitif (h)	17.256	-	-	-	-	-	-	17.256
Brand name - Sele Restaurant Group (k)	33.536	-	-	-	-	-	-	33.536
Brand name - Aldrovandi	40.712	-	-	-	14.437	-	-	55.149
Brand name - Coya	44.968	-	-	-	14.262	-	-	59.230
Broadcasting rights	172.668	-	-	-	-	-	-	172.668
Broadcasting rights - A Yapım (b)	40.453	-	-	-	-	-	-	40.453
Broadcasting rights - Star TV	132.215	-	-	-	-	-	-	132.215
Content library (movies and series)-Puhu TV	1.369	-	-	-	-	-	-	1.369
Franchise network - Kitchenette (f)	6.913	-	-	-	-	-	-	6.913
Sponsorship contract (f)	74.887	-	-	-	-	-	-	74.887
Other intangible assets	649.773	102.673	(49.624)	1.801	29.806	(11.795)	(1.087)	721.547
<b>Total cost</b>	<b>1.652.548</b>	<b>102.673</b>	<b>(49.624)</b>	<b>1.801</b>	<b>58.505</b>	<b>(11.795)</b>	<b>(89.225)</b>	<b>1.664.883</b>

# DOĞUŞ HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### NOTE 14 - INTANGIBLE ASSETS (Continued)

#### 14.2 Other intangible assets (Continued)

	1 January	Current year amortisation	Disposals	Transfers	Effects of movements in exchange rates	Impairment	Sale of subsidiary	31 December
<b>Less: Accumulated amortisation</b>								
Concession rights	14.108	2.939	-	-	-	-	(12.728)	4.319
<i>Concession rights-D Marin Göcek (a)</i>	7.062	538	-	-	-	-	(7.600)	-
<i>Concession rights - Didim Marina (a)</i>	2.205	1.103	-	-	-	-	(3.308)	-
<i>Concession rights - Turgutreis Marina (a)</i>	1.213	607	-	-	-	-	(1.820)	-
<i>Concession rights – Pozitif Arena (h)</i>	3.628	691	-	-	-	-	-	4.319
Customer relationship	30.143	5.931	-	-	-	-	(857)	35.217
<i>Customer relationship-D Marin Göcek (a)</i>	771	86	-	-	-	-	(857)	-
<i>Customer Relationship-Maça Kızı</i>	882	147	-	-	-	-	-	1.029
<i>Customer Relationship – Hedef Medya</i>	28.490	5.698	-	-	-	-	-	34.188
Franchise network - Kitchenette (f)	4.909	703	-	-	-	-	-	5.612
Sponsorship contracts (f)	52.830	7.593	-	-	-	-	-	60.423
Other intangible assets	316.377	74.636	(26.994)	81	8.415	(680)	(897)	370.938
Total accumulated amortisation	418.367	91.802	(26.994)	81	8.415	(680)	(14.482)	476.509
Net carrying value	1.234.181	10.871	(22.630)	1.720	50.090	(11.115)	(74.743)	1.188.374



# DOĞUŞ HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### NOTE 14 - INTANGIBLE ASSETS (Continued)

#### 14.2 Other intangible assets (Continued)

Movements of other intangible assets and related accumulated amortisation during the year ended 31 December 2019 were as follows:

<u>Cost</u>	<u>1 January</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Effects of movements in exchange rates</u>	<u>Impairment</u>	<u>Transfers to asset held for sale</u>	<u>Sale of subsidiary</u>	<u>31 December</u>
Concession rights	855.869	-	-	(7.748)	67.201	-	(399.929)	(415.321)	100.072
Concession rights-D Marin Göcek (a)	42.700	-	-	(7.748)	-	-	-	-	34.952
Concession rights- Didim Marina (a)	33.084	-	-	-	-	-	-	-	33.084
Concession rights - Turgutreis Marina (a)	18.212	-	-	-	-	-	-	-	18.212
Concession rights - Dalmacija and Borik (c)	315.089	-	-	-	28.881	-	(343.970)	-	-
Concession rights - Pozitif Arena (h)	13.824	-	-	-	-	-	-	-	13.824
Concession rights - K&G (c)	53.315	-	-	-	1.983	-	(55.298)	-	-
Concession rights - Marina Sibenik (c)	650	-	-	-	11	-	(661)	-	-
Concession rights - MB 92	378.995	-	-	-	36.326	-	-	(415.321)	-
Customer relationship	69.247	-	-	-	996	-	(10.638)	-	59.605
Customer relationship-D Marin Göcek (a)	1.890	-	-	-	-	-	-	-	1.890
Customer relationship Dalmacija and Borik (c)	9.642	-	-	-	996	-	(10.638)	-	-
Customer relationship-Maça Kızı	734	-	-	-	-	-	-	-	734
Customer relationship-Hedef Medya	56.981	-	-	-	-	-	-	-	56.981
Brand name	642.899	-	-	-	5.859	(37.813)	-	(23.684)	587.261
Brand name - Star TV	232.429	-	-	-	-	-	-	-	232.429
Brand name - Nusr-et (d)	17.207	-	-	-	-	-	-	-	17.207
Brand name - Kivahan (e)	1.677	-	-	-	-	-	-	-	1.677
Brand name - Kitchenette (f)	60.443	-	-	-	-	(37.813)	-	-	22.630
Brand name - Da Mario (f)	13.804	-	-	-	-	-	-	-	13.804
Brand name - Gina (f)	11.341	-	-	-	-	-	-	-	11.341
Brand name - Vogue (f)	11.483	-	-	-	-	-	-	-	11.483
Brand name - Mezzaluna	5.887	-	-	-	-	-	-	-	5.887
Brand name - Lacivert	7.385	-	-	-	-	-	-	-	7.385
Brand name - Ulus 29 (i)	12.976	-	-	-	-	-	-	-	12.976
Brand name - Çubuklu 29 (i)	4.217	-	-	-	-	-	-	-	4.217
Brand name - Maça Kızı	2.955	-	-	-	-	-	-	-	2.955
Brand name - Sait	4.053	-	-	-	-	-	-	-	4.053
Brand name - Villa Dubrovnik	7.332	-	-	-	-	-	-	-	7.332
Brand name - Argos in Cappadocia	3.121	-	-	-	-	-	-	-	3.121
Brand name - Günaydın (j)	92.292	-	-	-	-	-	-	-	92.292
Brand name - Pozitif (h)	17.256	-	-	-	-	-	-	-	17.256
Brand name - Sele Restaurant Group(k)	33.536	-	-	-	-	-	-	-	33.536
Brand name - Capri	23.684	-	-	-	-	-	-	(23.684)	-
Brand name - Aldrovandi	36.901	-	-	-	3.811	-	-	-	40.712
Brand name - Coya	42.920	-	-	-	2.048	-	-	-	44.968
Broadcasting rights	172.668	-	-	-	-	-	-	-	172.668
Broadcasting rights - A Yapım (b)	40.453	-	-	-	-	-	-	-	40.453
Broadcasting rights - Star TV	132.215	-	-	-	-	-	-	-	132.215
Content library (movies and series)-Puhu TV	-	1.369	-	-	-	-	-	-	1.369
Franchise network - Kitchenette (f)	6.913	-	-	-	-	-	-	-	6.913
Sponsorship contract (f')	74.887	-	-	-	-	-	-	-	74.887
Other intangible assets	544.135	131.014	(20.975)	(1.565)	10.900	-	6.471	(20.207)	649.773
<b>Total cost</b>	<b>2.366.618</b>	<b>132.383</b>	<b>(20.975)</b>	<b>(9.313)</b>	<b>84.956</b>	<b>(37.813)</b>	<b>(404.096)</b>	<b>(459.212)</b>	<b>1.652.548</b>

# DOĞUŞ HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### NOTE 14 - INTANGIBLE ASSETS (Continued)

#### 14.2 Other intangible assets (continued)

	1 January	Current year amortisation	Disposals	Transfers	Effects of movements in exchange rates	Impairment	Transfers to asset held for sale	Sale of subsidiary	31 December
<b>Less: Accumulated amortisation</b>									
Concession rights	167.773	45.223	-	(519)	13.146	-	(105.331)	(106.184)	14.108
Concession rights-D Marin Göcek (a)	6.097	1.484	-	(519)	-	-	-	-	7.062
Concession rights - Didim Marina (a)	-	2.205	-	-	-	-	-	-	2.205
Concession rights - Turgutreis Marina (a)	-	1.213	-	-	-	-	-	-	1.213
Concession rights- Dalmacija ve Borik (c)	54.914	31.301	-	-	2.657	-	(88.872)	-	-
Concession rights - Pozitif Arena (h)	3.628	-	-	-	-	-	-	-	3.628
Concession rights - K&G (c)	12.439	4.020	-	-	-	-	(16.459)	-	-
Concession rights - MB 92	90.695	5.000	-	-	10.489	-	-	(106.184)	-
Customer relationship	27.896	6.544	-	-	461	-	(4.758)	-	30.143
Customer relationship-D Marin Göcek (a)	685	86	-	-	-	-	-	-	771
Customer relationship-Dalmacija and Borik (c)	3.684	613	-	-	461	-	(4.758)	-	-
Customer Relationship-Maça Kızı	735	147	-	-	-	-	-	-	882
Customer Relationship - Hedef Medya	22.792	5.698	-	-	-	-	-	-	28.490
Franchise network - Kitchenette (f)	4.208	701	-	-	-	-	-	-	4.909
Sponsorship contracts (f)	44.563	8.267	-	-	-	-	-	-	52.830
Other intangible assets	254.542	72.645	(7.753)	(3.319)	1.553	-	7.910	(9.201)	316.377
<b>Total accumulated amortisation</b>	<b>498.982</b>	<b>133.380</b>	<b>(7.753)</b>	<b>(3.838)</b>	<b>15.160</b>	<b>-</b>	<b>(102.179)</b>	<b>(115.385)</b>	<b>418.367</b>
<b>Net carrying value</b>	<b>1.867.636</b>	<b>-</b>	<b>(13.222)</b>	<b>(5.475)</b>	<b>69.796</b>	<b>(37.813)</b>	<b>(301.917)</b>	<b>(343.827)</b>	<b>1.234.181</b>

- On 21 December 2019, a Share Purchase and Sale Agreement between Doğuş Holding A.Ş., Venilia Investments SARL, Mistral Marina Turizm Yat. A.Ş. ("Buyers"), Doğuş Didim Marina İşletmeleri ve Ticaret A.Ş., Anadolu Göcek Marina Turizm Yatırımları A.Ş. and Doğuş Turgutreis Marina İşletmeciliği Turizm ve Ticaret A.Ş. the right to sell all of its shares to the Buyers. The share transfers were completed on 1 October 2020.
- Following the tender organised by Saving Deposits Insurance Fund on 18 June 2008; the transfer of the commercial and economic assets of Kral TV and Kral FM to A Yapım Televizyon Programcılık A.Ş. ("A Yapım"), a consolidated entity operating in media business, was started and Competition Authority approvals were obtained. Radio Television Supreme Council approved the process and A Yapım took over Kral TV and Kral FM on 16 October 2008 and recognised the amounts paid as broadcasting rights under intangible assets.
- On 21 December 2019, a Share Purchase and Sale Agreement between Doğuş Holding A.Ş., Venilia Investments SARL, Mistral Marina Turizm Yat. A.Ş. ("Buyers"), D Marina İşletmeciliği Turizm ve Yönetim Hizmetleri A.Ş. (and D Marin Dubai LLC, a subsidiary of this Company) D Marinas Hellas SA (Lefkas Marina S.A., Zea Marina S.A. and Gouvia Marina S.A., subsidiaries of this Company) and Marina Dalmacija d.o.o (and Marina Borik d.o.o, a subsidiary of this Company) Marina Sibenik d.o.o. the right to sell all of its shares to Buyers. Transfer of shares were completed on 9 April 2020.
- With the share transfer agreement dated 17 April 2012, the Group purchased 51 percent of shares of D Et from CNG Turizm Gıda İthalat İhracat Limited Şirketi and the Group obtained control and 51 percent voting rights in D Et. According to IFRS 3, brand name, amounting to TL 17.207 thousand has been recognised as an intangible asset at the acquisition date.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 14 - INTANGIBLE ASSETS (Continued)

##### 14.2 Other intangible assets (continued)

- e) With the share transfer agreement dated 13 April 2012, the Group has decided to purchase 51 percent of shares at Kivahan. On 17 April 2012, the share transfer was finalised and the Group obtained control by acquiring 51 percent of shares and voting rights in Kivahan. According to IFRS 3, brand name, amounting to TL 1.677 thousand has been recognised as an intangible asset at the acquisition date.
- f) On 14 November 2012, the Group signed a share purchase agreement to acquire 74.25 percent shares of Doors Holding A.Ş. On 26 December 2012, the share transfer was finalised and the Group obtained control and 74.25 percent voting rights in Doors Holding A.Ş. According to IFRS 3, TL 186.743 thousand worth of Kitchenette, Da Mario, Gina, Vogue and Tom's Kitchen brands, sponsorship contracts and Kitchenette franchise network values at the acquisition date have been recognized as intangible asset. Impairment loss amounting to TL 37.813 thousand recognised in profit or loss as at 31 December 2019.
- g) On 16 October 2012, the Group signed a share purchase agreement to purchase 60 percent of shares in Aresta Gıda. On 5 December 2012, the share transfer was finalised and the Group obtained control and 60 percent voting rights in Aresta Gıda. According to IFRS 3, brand name, amounting to TL 6.509 thousand has been recognised as an intangible asset at the acquisition date. Impairment loss amounting to TL 6.509 thousand recognised in profit or loss as at 31 December 2018.
- h) On 28 August 2013, the Group signed a share purchase agreement to purchase 80 percent of shares in Pozitif Müzik, Pozitif Yapım ve Pozitif Arena. According to IFRS 3, Babylon brand name, amounting to TL 17.256 thousand, sponsorship contract, amounting to TL 12.140 thousand and concession right Arena (VW Arena), amounting to TL 13.824 thousand has been recognised as an intangible asset at the acquisition date.
- i) On 2 August 2013, the Group signed a share purchase agreement to purchase 75 percent of shares in Meto Turizm, Etiler Turistik ve Afıyet Olsun. According to IFRS 3, brand name, amounting to TL 20.032 thousand has been recognised as an intangible asset at the acquisition date. On 27 December 2017, Afıyet Olsun Turizm İşletmeleri A.Ş. has merged with Meto Turizm İşletmeciliği ve Tasarım Dekorasyon Ticaret A.Ş. under Meto Turizm İşletmeciliği ve Tasarım Dekorasyon Ticaret A.Ş. Impairment loss amounting to TL 2.839 thousand recognised in profit or loss as at 31 December 2018.
- j) With the share transfer agreement dated August 2014, Group purchased 70 percent of share of Günaydın Group companies. According to IFRS 3, brand name, amounting to TL 92.292 thousand has been recognised as an intangible asset at the acquisition date.
- k) With the share transfer agreement dated April 2015, Group purchased 67 percent of share of Sele Restaurant Group companies. According to IFRS 3, brand name, amounting to TL 33.536 thousand has been recognised as an intangible asset at the acquisition date.

#### NOTE 15 - TAXATION

In Turkey, corporate tax rate is 22% as of 31 December 2020 (2019: 22%). However, according to the Article 91 of the Law numbered 7061 "Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation" which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the provisional clause 10 added to the Corporate Tax Law numbered 5520; corporate tax rate for the taxation periods of 2018, 2019 and 2020 is amended to 22%, which would later be applied as 20% at the end of these periods. During these periods, Council of Ministers is entitled to decrease the corporate tax rate of 22% to 20%.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 15 - TAXATION (Continued)

According to the Corporate Tax Law, 75% and 50% (2019: 75% and 50% respectively) of the revenues from the sales of subsidiaries and real estates which have remained in assets for more than two full years and recorded in equity accounts for five years from the date of sale are exempt from corporate tax. The remaining 25% is subject to corporate tax.

In order to be able to benefit from the exemption, the relevant income should be kept under a fund account in the liabilities and should not be withdrawn from the enterprise for 5 years. The sales amount should be collected by the end of the second calendar year following the year of sale.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15 percent. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The transfer pricing law is covered under Article 13 "disguised profit distribution via transfer pricing" of the Corporate Tax Law. The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets details about implementation. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

#### *Tax applications for foreign subsidiaries of the Group*

##### *The Netherlands*

In the Netherlands, corporate income tax is levied at the rate of 20 percent (31 December 2019: 20 percent) for tax profits up to Euro 200.000 and 25 percent (31 December 2019: Euro 200.000 and 25 percent) for the excess part over this amount on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. A unilateral decree for the avoidance of double taxation provides relief for resident companies from Dutch tax on income, such as foreign business profits derived through a permanent establishment abroad, if no tax treaty applies. There is an additional dividend tax of 5 percent computed only on the amounts of dividend distribution at the time of such payments

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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#### NOTE 15 - TAXATION (Continued)

*Tax applications for foreign subsidiaries of the Group (Continued)*

*The Netherlands (Continued)*

Under the Dutch taxation system, tax losses can be carried forward for nine years to offset against future taxable income. Tax losses can be carried back to one prior year. Companies must file their tax returns within nine months following the end of the tax year to which they relate, unless the company applies for an extension (normally an additional nine months).

Tax returns are open for five years from the date of final assessment of the tax return during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

*Iraq*

As at 31 December 2020, enacted corporation tax rate is 15 percent (31 December 2019: 15 percent) for the entities registered in Iraq according to local tax law.

*Switzerland*

As at 31 December 2020, enacted corporation tax rate is 18 percent (31 December 2019: 18 percent) for the subsidiaries registered in Switzerland according to local tax law. According to the Tax Procedural Law in Switzerland, statutory losses can be carried forward maximum for seven years.

*Qatar*

As at 31 December 2020, enacted corporation tax rate is 10 percent (31 December 2019: 10 percent) for the subsidiaries registered in Qatar according to local tax law.

*Morocco*

The applicable corporate tax rate in Morocco is 31 percent (31 December 2019: 31 percent). Tax losses can be carried forward to offset against future taxable income for five years. Where the loss includes a claim for depreciation, that portion can be carried forward for indefinitely.

*Saudi Arabia*

As at 31 December 2020, enacted corporation tax rate is 20 percent for the entities registered in Saudi Arabia according to local tax law (31 December 2019: 20 percent).

*Croatia*

As at 31 December 2020, enacted corporation tax rate is 18 percent for the entities registered in Croatia according to local tax law (31 December 2019: 18 percent).

*Greece*

As at 31 December 2020, enacted corporation tax rate is 24 percent for the entities registered in Greece according to local tax law (31 December 2019: 24 percent).

*United Kingdom*

As at 31 December 2020, enacted corporation tax rate is 19 percent for the entities registered in the United Kingdom according to local tax law (31 December 2019: 19 percent).

*United States of America*

As at 31 December 2020, enacted corporation tax rate is 21 percent for the entities registered in the United States of America according to local tax law (31 December 2019: 21 percent).

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 15 - TAXATION (Continued)

##### 15.1 Tax recognised in profit or loss

Income tax benefit for the years ended 31 December comprised the following items:

	2020	2019
Current corporation and income taxes	345.667	146.087
Deferred tax benefit	(1.001.633)	(137.243)
Total income tax (benefit) / expense	(655.966)	8.844

##### 15.2 Reconciliation of effective tax rate

The reported income tax benefit for the years ended 31 December are different than the amounts computed by applying statutory tax rate to profit before tax as shown in the following reconciliation:

	2020		2019	
	Amount	%	Amount	%
Reported loss before taxation	(5.985.990)		(622.773)	
Taxes on reported profit per statutory tax rate	1.316.918	(22,00)	137.010	(22,00)
Permanent differences:				
Disallowable expenses	(106.075)	1,77	(82.833)	13,30
Tax exempt income	587.477	(9,81)	10.129	(1,63)
Impairment of goodwill	(25.807)	0,43	-	-
Effect of share of profit of equity-accounted investees	100.811	(1,68)	44.877	(7,21)
Current-year losses for which no deferred tax asset is recognised	(409.387)	6,84	(162.820)	26,14
Reversal of tax effect of previously recognised tax losses	(78.162)	1,31	103.847	(16,67)
Tax rate differences	(76.134)	1,27	5.992	(0,96)
Effects of exchange rates	(45.782)	0,76	(72.209)	11,59
Differences related to investment property exemption	13.041	(0,22)	(7.088)	1,14
Others, net	(620.934)	10,37	14.251	(2,29)
Tax (expense) / benefit	655.966		(8.844)	

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with IFRS and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes. Since the applicable tax rate has been changed to 22% for the 3 years beginning from 1 January 2018, 22% tax rate is used in the deferred tax calculation of 31 December 2020 for the temporary differences expected to be realized within 3 years (for the years 2018, 2019 and 2020). However, since the corporate tax rate after 2020 is 20%, 20% tax rate is used for the temporary differences expected to be realized after 2020 (31 December 2019: 20%).

##### 15.3 Taxes payable on income

In accordance with the tax legislation in Turkey, tax payments that are made in advance during the year are being deducted from the total final tax liability of the fiscal year. Accordingly, the taxation charge on income is not equal to the final tax liability appearing on the consolidated statement of financial position.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 15 - TAXATION (Continued)

##### 15.3 Taxes payable on income (continued)

Taxes payable on income as at 31 December comprised the following:

	<u>2020</u>	<u>2019</u>
Total tax expense / (benefit)	(655.966)	8.844
Add: Taxes carried forward	48.173	43.408
Add: Current taxes recognised in other comprehensive income	(114.249)	(44.023)
Add: Deferred taxes	1.001.633	137.243
Less: Corporation taxes paid in advance	(238.898)	(97.299)
<b>Taxes payable on income</b>	<b>40.693</b>	<b>48.173</b>

##### 15.4 Deferred tax assets and liabilities

Deferred tax is provided in respect of taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences relating to goodwill not deductible for tax purposes and the initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

###### *Unrecognised deferred tax assets and liabilities*

As at 31 December 2020, deferred tax assets amounting to TL 833.104 thousand (31 December 2019: TL 600.925 thousand) have not been recognised mainly with respect to the statutory tax losses carried forward and temporary differences. Such losses carried forward expire until 2024. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

###### *Recognised deferred tax assets and liabilities*

Deferred tax assets and deferred tax liabilities at 31 December are attributable to the items detailed in the table below:

	<u>2020</u>		<u>2019</u>	
	<u>Asset</u>	<u>Liability</u>	<u>Asset</u>	<u>Liability</u>
Revaluation on land and buildings	-	(280.172)	-	(220.295)
Provisions	87.472	-	60.012	-
Effect of percentage of completion method	252.601	(81.095)	170.227	(177.169)
Employee severance indemnity and short term employee benefits	24.126	-	23.143	-
Pro-rata basis depreciation expense	79.596	-	-	(149.246)
Fair value gain from investment property	-	(177.781)	-	(138.014)
Differences arising on property and equipment	-	(283.582)	117.193	-
Valuation difference of financial assets and liabilities	29.860	-	40.612	-
Differences arising on business combinations and intangible assets	27.570	(281.225)	28.102	(341.385)
Investment incentives	655.682	-	-	-
Other temporary differences	387.137	(62.222)	236.587	(7.032)
<b>Subtotal</b>	<b>1.544.044</b>	<b>(1.166.077)</b>	<b>675.876</b>	<b>(1.033.141)</b>
Tax losses carried forward	1.356.022	-	1.136.049	-
<b>Total deferred tax assets/(liabilities)</b>	<b>2.900.066</b>	<b>(1.166.077)</b>	<b>1.811.925</b>	<b>(1.033.141)</b>
Set off of tax	(441.957)	441.957	(228.854)	228.854
<b>Deferred tax assets/(liabilities), net</b>	<b>2.458.109</b>	<b>(724.120)</b>	<b>1.583.071</b>	<b>(804.287)</b>

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 15 - TAXATION (Continued)

##### 15.4 Deferred tax assets and liabilities (continued)

*Recognised deferred tax assets and liabilities (continued)*

According to the Tax Procedural Law in Turkey, statutory losses can be carried forward maximum for five years. Consequently, 2025 is the latest year for recovering the deferred tax assets arising from such tax losses carried forward. The Group management forecasted to generate taxable income during 2021 and the years thereafter and based on this forecast, it has been assessed as probable that the deferred tax assets resulting from tax losses carried forward in the amount of TL 6.780.108 thousand (31 December 2019: TL 5.680.245 thousand) will be realisable; hence, such realisable deferred tax assets in the amount of TL 1.356.022 thousand (31 December 2019: TL 1.136.049 thousand) are recognised in the consolidated financial statements.

##### Movements in temporary differences during the year

Movements in deferred tax assets / (liabilities) were as follows:

	2020	2019
1 January	778.784	446.320
Recognised in profit or loss	1.001.633	137.243
Recognised in other comprehensive income	(108.338)	(1.962)
- Remeasurements of defined benefit liability	(1.186)	4.602
- Valuation difference on financial assets and liabilities	313	(407)
- Revaluation of property and equipment	(107.465)	(6.157)
Effect of sales of property and equipment	17.363	19.107
Effect of transfer to assets held for sale	-	31.851
Sale of subsidiary	(22.790)	147.846
Adjustments for currency translation	67.337	(1.621)
31 December	1.733.989	778.784

#### NOTE 16 - ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE

As at 31 December, assets held for sale comprised the following:

	2020	2019
Property and equipment (**)	14.148	11.906
Assets subject to sale of subsidiary (*)	-	1.093.081
	14.148	1.104.987

##### Liabilities directly associated with the assets held for sale

As at 31 December, liabilities directly associated with the assets held for sale comprised the following:

	2020	2019
Liabilities subject to sale of subsidiary (*)	-	557.063
	-	557.063

(\*) On 21 December 2019, Doğuş Holding A.Ş. has signed a share transferred agreement between with Venilia Investments SARL and Mistral Marina Turizm Yat. A.Ş. to sales of shares of D Marina İşletmeciliği Turizm ve Yönetim Hizmetleri A.Ş., D Marinas Hellas S.A. (and its subsidiaries Lefkas Marina S.A., Zea Marina S.A. and Gouvia Marina S.A.), Marina Borik d.o.o, Marina Dalmacija d.o.o, Marina Sibenik d.o.o., D Marin Dubai LLC and Lamda Dogus Marina Investments S.A.. On 20 February 2020, the share transfer of Lamda Dogus Marina Investments S.A. has been finalised. Other companies share transfer has not been finalised. At 31 December 2019, assets and liabilities belonging to the these companies was reclassified asset held for sale in the consolidated statement of financial position.

(\*\*) Other comprised of the apartments, villas and flats obtained through barter transactions with construction companies in exchange for advertising service provided from Doğuş Yayın Grubu.



## DOĞUŞ HOLDİNG A.Ş.

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 17 - DUE FROM/DUE TO CUSTOMERS FOR CONTRACT WORK

As at 31 December, the details of uncompleted contracts were as follows:

	<u>2020</u>	<u>2019</u>
Total costs incurred on uncompleted contracts	17.020.215	14.025.406
Estimated earnings / (loss)	987.886	1.574.403
Total estimated revenue on uncompleted contracts	18.008.101	15.599.809
Less: Billings to date	(17.851.232)	(15.182.714)
Net amounts due from customers for contract work	<b>156.869</b>	<b>417.095</b>

Due from customers for contract work and due to customers for contract work were included in the accompanying consolidated statement of financial position under the following captions:

	<u>2020</u>	<u>2019</u>
Due from customers for contract work (Note 9)	460.010	526.053
Due to customers for contract work (Note 9)	(303.141)	(108.958)
	<b>156.869</b>	<b>417.095</b>

#### NOTE 18 – LOANS AND BORROWINGS

As at 31 December, loans and borrowings comprised the following:

	<u>2020</u>	<u>2019</u>
<b>Non-current liabilities</b>		
Long-term bank borrowings	31.624.929	24.548.954
Long term liabilities from leasing transactions	782.265	656.275
Finance lease liabilities	335.420	11.525
Issued debt securities (*)	-	299.227
	<b>32.742.614</b>	<b>25.515.981</b>
<b>Current liabilities</b>		
Short-term portion of long term bank borrowings	2.822.681	2.130.852
Short-term bank borrowings	2.064.603	2.252.147
Issued debt securities(*)	359.504	60.122
Short term liabilities from leasing transactions	203.284	174.750
Factoring liabilities	114.921	96.236
Finance lease liabilities	32.260	7.733
	<b>5.597.253</b>	<b>4.721.840</b>

As at 31 December, the Group's total loans and borrowings are as follows:

	<u>2020</u>	<u>2019</u>
Bank borrowings	36.512.213	28.931.953
Liabilities from leasing transactions	985.549	831.025
Finance lease liabilities	367.680	19.258
Issued debt securities(*)	359.504	359.349
Factoring liabilities	114.921	96.236
	<b>38.339.867</b>	<b>30.237.821</b>

#### Long term debt securities issued

(\*)Doğuş Holding A.Ş. has issued a bond with a nominal value of TL 350 million with an interest rate of the benchmark interest TRLibor +3,75 spread and quarterly coupon payment to be sold only to qualified investors without being offered to the public on 31 July 2017 and with a maturity of 26 July 2021.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 18 – LOANS AND BORROWINGS (Continued)

##### Terms and debt repayment schedule

As at 31 December, the terms and conditions of outstanding loans and borrowings were as follows:

2020					
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Secured bank borrowings	USD	(Libor + 0,65 - Libor + 3,70)	2021 - 2026	3.036.973	3.037.266
Secured bank borrowings	EUR	(Euribor + 3,20 - Euribor+5,75)-2,00-6,25	2021 - 2030	27.285.682	28.069.695
Secured bank borrowings	Other	(TRLibor 1m + 8,00)-2,65 - 12,50	2021 - 2030	1.073.412	1.083.336
Unsecured bank borrowings	EUR	(Euribor + 2,25)-4,80	2022 - 2025	1.462.717	1.478.347
Unsecured bank borrowings/factoring	Other	9,60 -20,50	2021 - 2022	2.885.717	2.958.490
Finance lease liabilities	USD	6,40	2022	14.426	14.426
Finance lease liabilities	EUR	4,70	2030	352.058	352.058
Finance lease liabilities	Other	10,54 - 31,00	2024	1.196	1.196
Liabilities from leasing transactions	USD	4,07 - 5,40	2021 - 2030	508.572	508.572
Liabilities from leasing transactions	EUR	4,63 - 6,17	2021 - 2030	69.225	69.225
Liabilities from leasing transactions	Other	7,50 - 25,58	2021 - 2058	407.752	407.752
Issued debt securities(*)	Other	TR Libor +3,75	2021	350.000	359.504
				<b>37.447.730</b>	<b>38.339.867</b>
2019					
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Secured bank borrowings	USD	(Libor + 0,65 - Libor + 5,35)	2021 - 2026	2.719.308	2.716.703
Secured bank borrowings	EUR	(Euribor + 3,50 - Euribor+5,75)-4,5-6,5	2020 - 2030	20.392.493	20.580.733
Secured bank borrowings	Other	2,65 - 30,45	2020 - 2028	932.088	938.766
Unsecured bank borrowings	USD	Libor+3,70	2022	89.103	89.103
Unsecured bank borrowings	EUR	(Euribor + 3,50 - Euribor +5,63)-4,50 - 7,09	2020 - 2022	1.746.462	1.769.094
Unsecured bank borrowings/factoring	Other	14,50 -30,00	2020 - 2022	2.846.397	2.933.790
Finance lease liabilities	USD	6,40	2022	17.218	17.218
Finance lease liabilities	Other	10,26 - 18,47	2020	2.040	2.040
Liabilities from leasing transactions	USD	5,40	2020 - 2028	332.277	332.277
Liabilities from leasing transactions	EUR	5,98	2020 - 2030	44.257	45.900
Liabilities from leasing transactions	Other	19,95	2020 - 2058	425.669	452.848
Issued debt securities*	Other	TR Libor +3,75	2021	350.000	359.349
				<b>29.897.312</b>	<b>30.237.821</b>

Doğuş Group reached a final agreement with the banks on the refinancing process initiated by Doğuş Group to restructure the maturity of various loans used by various group companies, and final loan modification agreements and other financial documents were signed in June 2020 and December 2020.

A significant change, in whole or in part, to the requirements of an existing financial liability in accordance with IFRS 9 indicates that the old financial obligation is eliminated and a new financial obligation should be included in the financial statements. In assessing the material change, it is examined whether the present value of the cash flows generated under the new conditions, including any commissions and fees paid, is reduced by using the effective interest rate at least 10% from the reduced present value of the remaining cash flows of the original financial liability. In the event of a material change, the difference between the carrying amount of the financial liability and the amount paid (including fees and commissions paid or new financial obligation) is recognized in the financial statements as profit or loss.

The refinancing process that the Group is included in has been evaluated within this scope and financial transactions, fees and consultancy expenses are recognised respectively under the financial expenses and general administrative expenses accounts.

# DOĞUŞ HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### NOTE 18 – LOANS AND BORROWINGS (Continued)

#### Terms and debt repayment schedule (continued)

Redemption schedules of the Group's total loans and borrowings according to original maturities as at 31 December are as follows:

	<u>2020</u>	<u>2019</u>
2020	-	4.721.840
2021	5.597.253	4.089.893
2022	5.591.768	5.903.331
2023	4.001.875	2.714.795
2024 and over	23.148.971	12.807.962
	<b>38.339.867</b>	<b>30.237.821</b>

For the years ended 31 December, financial liabilities movement schedule is as follows:

	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year – 1 January	30.237.821	28.632.999
Additions	7.400.851	8.368.488
Principal payments	(4.750.693)	(10.268.033)
Change in exchange rates	4.990.124	3.117.404
Change in interest accruals	461.764	386.963
End of the period – 31 December	<b>38.339.867</b>	<b>30.237.821</b>

#### Finance lease liabilities

As at 31 December 2020, finance lease liabilities are payable as follows:

	<u>Minimum lease payments</u>	<u>Interest</u>	<u>Present value of minimum lease payments</u>
Less than one year	45.899	(13.639)	32.260
Between one and five years	393.631	(58.211)	335.420
	<b>439.530</b>	<b>(71.850)</b>	<b>367.680</b>

As at 31 December 2019, finance lease liabilities are payable as follows:

	<u>Minimum lease payments</u>	<u>Interest</u>	<u>Present value of minimum lease payments</u>
Less than one year	8.544	(811)	7.733
Between one and five years	12.090	(565)	11.525
	<b>20.634</b>	<b>(1.376)</b>	<b>19.258</b>

### NOTE 19 – DERIVATIVE INSTRUMENTS

As at 31 December 2020 and 2019, derivative instruments comprised the following:

	<u>Contract amount(*)</u>	<u>31 December 2020</u>	
		<u>Fair values</u>	
		<u>Asset</u>	<u>Liability</u>
Cross-currency fixed rate swaps	1.835.685	-	880.528
	<b>1.835.685</b>	<b>-</b>	<b>880.528</b>

	<u>Contract amount(*)</u>	<u>31 December 2019</u>	
		<u>Fair values</u>	
		<u>Asset</u>	<u>Liability</u>
Cross-currency fixed rate swaps	1.482.090	--	507.363
	<b>1.482.090</b>	<b>--</b>	<b>507.363</b>

(\*) Refers to the aggregate contract amounts of buy and sell legs of the related derivative instruments.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 20 - PROVISIONS, COMMITMENT AND CONTINGENCIES

As at 31 December 2020, the Group's position related to collaterals, pledges, mortgages and letter of guarantees ("CPMG") are as follows:

31 December 2020	Original balances (TL equivalent)			Total
	USD	TL	Other (*)	
A. Total amount of CPMG's given in the name of its own legal personality	314.408	14.778.239	8.592.603	23.685.250
B. Total amount of CPMG's given on behalf of the fully consolidated companies	3.160.758	1.517.272	10.826.957	15.504.987
C. Total amount of CPMG's given on behalf of third parties for ordinary course of business	-	25.000	-	25.000
D. Total amount of other CPMG's given	402.558	727.702	67.559	1.197.819
i. Total amount of CPMG's given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPMG's given to on behalf of other group companies which are not in scope of B and C	402.558	727.702	67.559	1.197.819
iii. Total amount of CPMG's given on behalf of third parties which are not in scope of C	-	-	-	-
<b>Total</b>	<b>3.877.724</b>	<b>17.048.213</b>	<b>19.487.119</b>	<b>40.413.056</b>

(\*) The other mainly consists of EUR.

As at 31 December 2019, the Group's position related to collaterals, pledges, mortgages and letter of guarantees ("CPMG") are as follows:

31 December 2019	Original balances (TL equivalent)			Total
	USD	TL	Other (*)	
A. Total amount of CPMG's given in the name of its own legal personality	306.420	15.123.865	6.636.886	22.067.171
B. Total amount of CPMG's given on behalf of the fully consolidated companies	2.883.699	1.447.772	8.254.417	12.585.888
C. Total amount of CPMG's given on behalf of third parties for ordinary course of business	--	25.000	--	25.000
D. Total amount of other CPMG's given	339.534	241.400	49.880	630.814
i. Total amount of CPMG's given on behalf of the majority shareholder	--	--	--	--
ii. Total amount of CPMG's given to on behalf of other group companies which are not in scope of B and C	339.534	241.400	49.880	630.814
iii. Total amount of CPMG's given on behalf of third parties which are not in scope of C	--	--	--	--
<b>Total</b>	<b>3.529.653</b>	<b>16.838.037</b>	<b>14.941.183</b>	<b>35.308.873</b>

(\*) The other mainly consists of EUR.

Other CPMGs given by the Group as at 31 December 2020 are equivalent to (65)% of the Group's equity (31 December 2019: 23%).

Doğuş Group reached a final agreement with the banks on the refinancing process initiated by the various group companies in order to restructure the maturity of some of its loans. The final loan agreement and other finance documents were signed in April 2019 and the final loan disbursement was realized in May 2019. Final loan modification agreements and other financial documents were signed in June 2020 and December 2020.

Mortgage Contract, Credit Transfer Contract, Movable Pledge Contract, Share Pledge Contract and Account Pledge Contract are among the signed financial documents. Within the scope of these agreements, movable and immovable assets and shares of the Group which are given to banks as pledges, mortgages and collaterals are included in the Margin, Pledge and Mortgage table above.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 20 - PROVISIONS, COMMITMENT AND CONTINGENCIES (Continued)

##### Letter of guarantees received and suretyship

As at 31 December 2020 and 2019, the Group's letters of guarantees received are as follows:

	<u>2020</u>	<u>2019</u>
Letters of guarantees received	756.587	599.616
Letter of guarantee for bill guarantee	3.919	5.178
Others	31.962	15.694
	<u>792.468</u>	<u>620.488</u>

##### Litigation and claims

On 27 April 2010 Alstom - Marubeni- Doğuş Consortium ( AMD Consortium) terminated the Marmaray CR1 contract (as a consequence of the termination letter issued by Alstom ) signed with DLH General Management which is connected to Ministry of Transport. Upon the Ministry's attempt to call the performance bonds, an injunction decision was obtained from the Turkish Courts and the consortium has referred the issue to the Secretariat of the International Chamber of Commerce ("ICC") with the request of arbitration and then the parties were asked to report their mutual monetary claims to the arbitration committee. Phase 1 (Liability) and Phase 2 (Quantum) of the arbitration were concluded between years 2011 and 2019. As a result of the hearing held on 2 October 2019 for the Phase 3 of the Arbitration and the presentations made by the both parties on 20 December 2019 and 7 February 2020, the Third Partial Final Award was signed by the Arbitral Tribunal on 15 July 2020 and revised decision notified to Doğuş İnşaat on 12 November 2020. With this latest decision, the ICC Arbitration ICC Case No 17265 have been concluded. As a result of these decisions, the amount that the Group has to pay has been recorded in the short term provisions in the consolidated financial statements as of 31 December 2020.

ICC Tribunal declared its decision on 6 September 2013 and distributed Final Award (ICC Award) related with the case about the Doğuş Construction's bridge project in Kiev. ICC Tribunal decided Respondent South West Railways (SWR) to pay Dogus Construction USD 23,438 thousand remuneration ve USD 3,346 thousand arbitration costs totaling to USD 26,784 thousand. In addition for the balance of USD 20,059 thousand Tribunal decided to impose %3 interest from the date of award until full payment. SWR appealed this decision in Swiss Federal Court (SCC) and Swiss Federal Court approved ICC decision and dismissed SWR's appeal. As a result of this decision, the process of recognizing the indemnity to be paid by Ukraine has been completed, and the amount expected to be collected as a result of this decision is followed in the consolidated financial statements as of 31 December 2020.

The ICC International Court of Arbitration / Arbitration Panel concluded the case filed by Doğuş İnşaat (and its partner to JV) regarding the construction of in Almaty, Kazakhstan in 2017 on 2 July 2020, and the defendant Republic of Kazakhstan, Ministry of Transport and Communication, was decided to pay to JV 1,700,494 thousand KZT and 2,974 thousand USD to Doğuş İnşaat as compensation. In addition, the arbitration court decided the defendant to pay to JV monthly compounded interest based on the Kazakh Central Bank base interest rates + 3% for the part in KZT currency, and the FED basic interest rates + 3% for the part in USD currency. As a result of the aforementioned decision, Doğuş İnşaat recorded the portion between the amount of revenues recorded in previous years and the amount of compensation decided as expense in its consolidated financial statements as of 31 December 2020.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 20 - PROVISIONS, COMMITMENT AND CONTINGENCIES (Continued)

##### 20.1 Commitments and contingent liabilities

As at 31 December 2020, commitment for uncalled capital of subsidiaries amounting to TL 17.608 thousand (31 December 2019: TL 5.114 thousand).

##### 20.2 Provisions

###### Short-term provisions

As at 31 December, short-term provisions comprised the following items:

	<u>2020</u>	<u>2019</u>
Provision for litigation	258.475	104.743
Vacation pay liability	71.086	56.002
Warranty provision	6.182	8.600
Other short-term provisions	18.230	21.024
	<u>353.973</u>	<u>190.369</u>

###### Long-term provisions

As at 31 December, long-term provisions comprised the following items:

	<u>2020</u>	<u>2019</u>
Provision for litigation	166.234	2.721
Long-term provisions related to employee benefits	154.346	143.558
<i>Reserve for severance payments</i>	<i>154.346</i>	<i>143.558</i>
Warranty provision	42.410	26.746
Other long-term provisions (*)	348.089	153.821
	<u>711.079</u>	<u>326.846</u>

(\*) Other long-term provisions includes provisions related to construction project amounting to TL 329.555 thousand (31 December 2019: TL 139.817 thousand).

###### Reserve for severance payments

In accordance with the existing labour law in Turkey, the Group entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire (age of 58 for women, age of 60 for men) or completed service years of 20 for women or 25 for men, are called up for military service or die. According to change of regulation, dated 8 September 1999, there are additional liabilities for the integration articles.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 20 - PROVISIONS, COMMITMENT AND CONTINGENCIES (Continued)

##### 20.2 Provisions (continued)

##### Reserve for severance payments (continued)

For the years ended 31 December, the movements in the reserve for severance payments were as follows:

	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	143.558	141.302
Provision for the year	24.897	20.025
Paid during the year	(8.178)	(40.780)
Actuarial difference	(5.931)	23.011
<b>Balance at the end of the year</b>	<b>154.346</b>	<b>143.558</b>

The reserve has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees.

Statistical valuation methods were developed to estimate the Group's obligation under defined benefit plans. Accordingly, the following statistical assumptions were used in the calculation of the total liability:

	<u>2020</u>	<u>2019</u>
	%	%
Discount rate	4,54	3,42
Interest rate	8,5-12,2	8,5-12,2
Expected rate of salary/limit increase	1,5-8,0	1,5-8,0
The range of turnover rate to estimate the probability retirement	1,0-8,0	1,0-8,0

The computation of the liability is predicated upon retirement pay ceiling announced by the Government.

#### NOTE 21 – OTHER CURRENT ASSETS AND PREPAYMENTS

As at 31 December, other current assets comprised the following:

	<u>2020</u>	<u>2019</u>
Value Added Tax ("VAT") receivables	412.948	467.777
Accrued income	353.305	245.847
Deposits and guarantees given	203.291	263.756
Prepaid taxes	94.110	98.695
Warranty claims and price difference receivables(**)	69.777	107.235
Receivables from insurance companies	18.149	14.893
Others (*)	482.910	513.853
<b></b>	<b>1.634.490</b>	<b>1.712.056</b>

(\*) As at 31 December 2020, others comprised restricted cash and cash equivalents amounting to TL 429.489 thousand (31 December 2019: TL 407.106 thousand).

(\*\*) Warranty claims comprise the amounts to be paid by the suppliers in regards to the portion of warranty expenses of the vehicles imported by the Group, OEM's are responsible for. As at 31 December 2020, other receivables which has not been billed yet is amounting to TL 41.096 (31 December 2019: TL 38.965).

**DOĞUŞ HOLDİNG A.Ş.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**NOTE 21 – OTHER CURRENT ASSETS AND PREPAYMENTS (Continued)**

As of 31 December, short-term prepayments consist of the following:

	<u>2020</u>	<u>2019</u>
Prepaid expenses	77.343	90.100
Advances given for inventory	26.197	27.827
Others	11.710	9.859
	<b>115.250</b>	<b>127.786</b>

**NOTE 22 – OTHER NON CURRENT ASSETS AND PREPAYMENTS**

As at 31 December, other non-current assets comprised the following:

	<u>2020</u>	<u>2019</u>
VAT receivables	284.291	185.906
Prepaid taxes	68.807	91.869
Deposits and guarantees given	2.413	3.612
Others (*)	186.218	100.904
	<b>541.729</b>	<b>382.291</b>

(\*) As at 31 December 2020, others comprised restricted cash and cash equivalents amounting to TL 75.729 thousand (31 December 2019: TL 78.711 thousand).

As at 31 December, long-term prepayments comprised the following:

	<u>2020</u>	<u>2019</u>
Prepaid expenses	47.217	44.155
Advances given for property and equipment	6.720	412
Other advances given	1.826	1.828
	<b>55.763</b>	<b>46.395</b>

**NOTE 23 - OTHER CURRENT AND NON CURRENT LIABILITIES**

As at 31 December, other current liabilities comprised the following:

	<u>2020</u>	<u>2019</u>
Taxes and duties payable other than on income	530.837	217.110
Deposits and guarantees received	357.359	204.978
Accrued expenses	101.694	131.858
Employee benefits	100.027	18.648
Deferred income	64.306	94.607
Other	32.425	100.833
	<b>1.186.648</b>	<b>768.034</b>



## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 23 - OTHER CURRENT AND NON CURRENT LIABILITIES (Continued)

As at 31 December, other non-current liabilities comprised the following:

	<u>2020</u>	<u>2019</u>
Advances received	184.599	176.418
Deferred income	69.377	29.810
Deposits and guarantees received	14.825	32.572
Liabilities due to extension of concession period	-	33.163
Other (*)	296.923	219.767
	<b>565.724</b>	<b>491.730</b>

(\*)The Group's share of losses in Aslancık, a joint venture of the Group, exceeds its interest in Aslancık, the carrying amount of the investment is reduced below zero and the total carrying value of the investment and share of losses in Aslancık has been reclassified as other non-current liability amounting to TL 16.553 thousand (31 December 2019: TL 2.528 thousand).

#### NOTE 24 - REVENUE

For the years ended 31 December, revenue comprised the following:

	<u>2020</u>	<u>2019</u>
Domestic sales	22.975.791	14.201.503
Foreign sales	1.168.772	3.639.408
	<b>24.144.563</b>	<b>17.840.911</b>

#### NOTE 25 - COST OF SALES

For the years ended 31 December, cost of sales comprised the following:

	<u>2020</u>	<u>2019</u>
Cost of merchandise sold	16.625.393	8.784.804
Cost of construction	2.543.954	2.423.265
Personnel expenses	723.187	793.181
Amortisation and depreciation expense	628.693	542.543
Broadcasting costs	265.285	284.092
Cost of electricity sold	34.303	36.697
Others	966.750	1.815.911
	<b>21.787.565</b>	<b>14.680.493</b>

**DOĞUŞ HOLDİNG A.Ş.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020**

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**NOTE 26 - ADMINISTRATIVE, SELLING, MARKETING AND DISTRIBUTION EXPENSES**

For the years ended 31 December, general and administrative expenses comprised the following:

	<b>2020</b>	<b>2019</b>
Personnel expenses	1.155.186	758.730
Depreciation and amortisation	275.013	297.151
Audit and consultancy expenses	85.043	85.529
Maintenance and repair expenses	73.497	67.034
Taxes and duties other than taxes on income	48.346	50.711
Provision for employee severance indemnity	24.897	20.025
Insurance expenses	20.512	25.824
Litigation expenses	19.930	14.708
Electronic data processing expenses	17.343	19.194
Grant and donation expenses	13.064	16.919
Executive expenses	11.753	16.619
Travel expenses	10.983	13.286
Utility expenses	7.994	9.931
Cleaning expenses	7.176	5.872
Rent expenses	5.407	63.835
Telecommunication expenses	4.745	6.048
Stationery expenses	2.495	2.169
Gasoline expenses	970	1.398
Others	155.683	148.071
	<b>1.940.037</b>	<b>1.623.054</b>

For the years ended 31 December, selling, marketing and distribution expenses comprised the following:

	<b>2020</b>	<b>2019</b>
Personnel expenses	201.518	170.183
Warranty provision expense	100.384	139.023
Distribution expenses	82.931	62.300
Advertising and promotion expenses	81.196	97.582
Depreciation and amortisation	22.294	17.239
Customer service expenses	8.342	14.768
Rent expenses	6.536	13.114
Commission expense	2.055	3.481
Others	63.520	89.070
	<b>568.776</b>	<b>606.760</b>

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 27 – GAINS AND LOSSES FROM INVESTING ACTIVITIES

For the years ended 31 December, gains from investing activities comprised the following:

	<u>2020</u>	<u>2019</u>
Gain on sales of subsidiary (*)	1.430.347	302.532
Gain on sales of property and equipment	178.053	105.206
Gain on sales of associate / joint venture	63.794	50.635
Gain on sales of investment property	111.742	-
Other	843	80.592
	<b>1.784.779</b>	<b>538.965</b>

(\*) Includes the gain on sales of D Marina İşletmeciliği Turizm ve Yönetim Hizmetleri A.Ş., D Marinas Hellas S.A., its subsidiaries Lefkas Marina S.A., Zea Marina S.A., Gouvía Marina S.A., Marina Borik d.o.o, Marina Dalmacija d.o.o., Marina Sibenik d.o.o. and D Marin Dubai LLC, Anadolu Göcek Marina Turizm Yatırımları A.Ş., its subsidiaries Doğuştur Turgutreis Marina İşletmeciliği Turizm and Ticaret A.Ş. and and Doğuştur Didim Marina İşletmeleri ve Ticaret A.Ş. on 9 April 2020 and sale of Doğuştur Turizm Sağlık Yatırımları ve İşletmeciliği Sanayi ve Turizm A.Ş. on 26 November 2020.

For the years ended 31 December, losses from investing activities comprised the following:

	<u>2020</u>	<u>2019</u>
Impairment of goodwill (Note 14)	(117.302)	-
Loss on written-off of property and equipment (Note 12)	(97.014)	(39.597)
Loss on sale of associate	(85.757)	(10.457)
Loss on sales of property and equipment	(29.592)	(68.918)
Losses on financial assets at fair value through profit or loss	(21.565)	(1.784)
Impairment of property and equipment (Note 12)	(16.505)	-
Impairment of intangible assets other than goodwill (Note 14)	(11.795)	(37.813)
Loss on sale of subsidiary	(3.627)	(18.990)
Other	-	(14.512)
	<b>(383.157)</b>	<b>(192.071)</b>

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 28 - FINANCIAL INCOME AND EXPENSES

For the years ended 31 December, finance income comprised the following:

	<u>2020</u>	<u>2019</u>
Foreign exchange gains	101.689	1.193.207
Interest income on bank deposits	103.458	191.543
Other interest and similar items	162.799	62.121
	<b>367.946</b>	<b>1.446.871</b>

For the years ended 31 December, finance cost comprised the following:

	<u>2020</u>	<u>2019</u>
Foreign exchange losses	(5.980.193)	(669.846)
Interest expense on borrowings	(1.753.274)	(2.748.342)
Other interest and similar items	(216.795)	(236.975)
Interest expense on leases	(75.574)	(76.190)
	<b>(8.025.836)</b>	<b>(3.731.353)</b>

#### NOTE 29 - OTHER OPERATING INCOME AND EXPENSES

For the years ended 31 December, other operating income comprised the following:

	<u>2020</u>	<u>2019</u>
Fair value gain on investment property (Note 11)	137.891	317.722
Construction income	76.209	101.804
Commission income	44.386	47.504
Service income	36.969	40.714
Rental income	17.741	32.588
Foreign exchange gains on trade receivables and payables	9.079	13.508
Insurance claim income	5.919	5.894
Reversal of provision for litigation	4.815	1.407
Others	164.281	161.679
	<b>497.290</b>	<b>722.820</b>

For the years ended 31 December, other operating expenses comprised the following:

	<u>2020</u>	<u>2019</u>
Legal provision expenses	125.855	58.593
Construction expense	98.580	83.374
Commission expense	50.903	47.952
Foreign exchange losses on trade receivables and payables	48.380	8.134
Fair value loss on investment property (Note 11)	42.929	-
After sales services expense	23.836	24.680
Impairment loss	15.096	17.404
Service expenses	14.773	9.469
Compensation expenses	7.604	6.121
Insurance claim expenses	4.418	2.622
Loss from construction business segment	-	191.293
Others	101.055	92.953
	<b>533.429</b>	<b>542.595</b>

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 30 - CAPITAL AND RESERVES

##### 30.1 Share capital

As at 31 December 2020, the share capital of Doğuş Holding amounted to TL 862.837 thousand (31 December 2019: TL 862.837 thousand).

The paid-in capital of Doğuş Holding comprises 862.837.305 shares (31 December 2019: 862.837.305 shares) of TL 1 each.

At 31 December, the shareholding structure of Doğuş Holding based on the number of shares is presented below:

	2020		2019	
	Thousands	%	Thousands	%
	of shares		of shares	
Ferit Şahenk	279.230	32,36	279.230	32,36
Filiz Şahenk	261.381	30,29	261.381	30,29
Deniz Şahenk	148.053	17,16	148.053	17,16
Doğuş Holding A.Ş.(*)	87.883	10,19	87.883	10,19
Others	86.290	10,00	86.290	10,00
	<b>862.837</b>	<b>100,00</b>	<b>862.837</b>	<b>100,00</b>

(\*) On 30 December 2019, Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. and Doğuş Holding A.Ş. have merged under Doğuş Holding A.Ş. The paid-in capital of Doğuş Holding has been increased by TL 6.810 thousand and those shares were given to shareholders of Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. other than Doğuş Holding A.Ş.. Accordingly, D Otel Göcek which was one of the shareholders of Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. has become a shareholder of Doğuş Holding A.Ş. In addition, the shares of the Company which were previously held by Doğuş Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. started to be accounted as "treasury shares" under the equity in the consolidated financial statements at the nominal value. As a result of the merger transaction, the composition of the Company's shareholding structure is presented at the above table.

##### 30.2 Restricted reserves

The details of the restricted reserves are as follows:

	2020	2019
Legal reserves	369.291	375.819
Treasury share reserves	256.497	257.728
Special reserves	3.274.446	6.784.405
	<b>3.900.234</b>	<b>7.417.952</b>

According to article 519 of Turkish Commercial Code, exceptions are defined for holding companies which aims to invest in other entities regarding the legal reserves. Accordingly, the legal reserves are generated by annual appropriations amounting to 5 percent of income disclosed in the Group's statutory accounts until it reaches 20 percent of paid-in share capital (first legal reserve). Within the scope of the Exemption for Sale of Participation Shares, the 75% portion of gains in statutory financial statements arising from the sale of investments held in the past at least for two years was classified under "Restricted Reserves".

Doğuş Otomotiv, reacquired its own shares that are traded on Borsa İstanbul A.Ş. In this context, as of 31 December 2016, Doğuş Otomotiv reacquired its own 22.000.000 units of registered shares that are equivalent to 10% portion of its issued capital at an amount of TL 220.274 thousand and accounted as "Treasury shares" under the equity. Additionally, "Treasury share reserve" have been reclassified in the amount of the Group's portion of the value of the reacquired shares under "Restricted reserves" in accordance with the relevant communique.

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#### NOTE 30 - CAPITAL AND RESERVES (Continued)

##### 30.3 Dividend

In 2020, the Company did not distribute dividends to the shareholders (2019: None)

##### 30.4 Revaluation surplus

For the years ended 31 December, the movements of revaluation surplus were as follows:

	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	2.925.550	2.868.803
Revaluation increase in land and building	1.492.645	370.632
Deferred taxes on revaluation surplus	(103.586)	(4.775)
Sale of assets	(480.381)	(286.311)
Depreciation effect on revaluation surplus	(23.420)	(22.799)
Balance at the end of the year	<b>3.810.808</b>	<b>2.925.550</b>

##### 30.5 Remeasurements of defined benefit liability

As a result of the adoption of IAS 19 (2013), all actuarial differences are recognised immediately in other comprehensive income.

##### 30.6 Non-controlling interests

For the years ended 31 December, movements of the non-controlling interests were as follows:

	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	1.229.844	1.084.817
Effect of share capital increase and new establishments	9.098	70.354
Changes of non controlling interest in consolidated subsidiaries	53.565	31.579
Actuarial differences	149	(1.709)
Release of non-controlling interests through dividend distribution	(83.319)	(179.050)
Sale of subsidiary	(29.367)	(92.918)
Non-controlling interest of changes in revaluation surplus	27.601	15.977
Sale of share of subsidiary	28.509	-
Dividends related to reacquired shares of subsidiary	-	(13.478)
Foreign currency translation effect	125.362	56.413
Non-controlling interest of profit for the year	221.437	257.859
Other	62	-
Balance at the end of the year	<b>1.582.941</b>	<b>1.229.844</b>

##### 30.7 Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations into TL.

##### 30.8 Capital stock held by subsidiaries

Capital stock held by subsidiaries is used to present share capital at the amount of statutory records of the Company due to the purchase of shares of the Company by subsidiaries.

##### 30.9 Accounting in net investment hedge

Group, designated some portion of its EUR and CHF denominated bank borrowings as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiaries, joint ventures and joint operations operating in foreign countries from EUR to Turkish Lira. As at 31 December 2020, bank borrowings amounting to EUR 242 million was designated as a net investment hedging instrument (31 December 2019: EUR 355 million).

Net foreign exchange losses before tax recognised in the statement of profit or loss and other comprehensive income for the year ended 31 December 2020 is TL 191.461 thousand related to the net investment hedging transactions (31 December 2019 Net foreign exchange loss: TL 220.117 thousand).

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 31 – RELATED PARTY DISCLOSURES

For the purpose of the consolidated financial statements, the shareholders, key management personnel and the Board members, and in each case, together with their families and companies controlled by/affiliated with them; and associates, investments and joint ventures are considered and referred to as the related parties. A number of transactions are entered into with the related parties in the normal course of business. Most of the related party activity is eliminated at consolidation and the remaining activity is not material to the Group.

As disclosed in detail in Note 2, the Joint Ventures and Associates of the Group have been accounted for using the equity method in the consolidated financial statements. Accordingly, the transactions of Group's Subsidiaries with Joint Ventures and Associates and the balances from Joint Ventures and Associates are not subject to elimination.

##### 31.1 Related party balances

As at 31 December, the Group had the following balances outstanding from its related parties:

	2020		
	<u>Joint Ventures</u>	<u>Other</u>	<u>Total</u>
Trade receivables - due from related parties	7.355	612.907	620.262
Trade payables - due to related parties	15.739	98.019	113.758
Other payables - due to related parties	-	44.739	44.739
Other current liabilities	5.656	-	5.656

	2019		
	<u>Joint Ventures</u>	<u>Other</u>	<u>Total</u>
Trade receivables - due from related parties	117.471	541.007	658.478
Trade payables - due to related parties	12.883	23.726	36.609
Other payables - due to related parties	-	290.274	290.274

As at 31 December 2020, TL 553.977 thousand of trade receivables (31 December 2019: TL 536.259 thousand) is composed of balances due to the factoring receivables of DOAŞ from VDF Factoring, TL 65.227 thousand of trade payables (31 December 2019: TL 22.213 thousand) is composed of balances due to vehicle purchases of DOAŞ from Yüce Oto.

No impairment losses have been recognised against balances outstanding as at 31 December 2020 (31 December 2019: None) and no specific allowance has been made for impairment losses on balances with the related parties.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 31 - RELATED PARTY DISCLOSURES (Continued)

For the years ended 31 December, the revenues earned and expenses incurred by the Group in relation to transactions with its related parties as summarised below:

	2020		
	<u>Joint Ventures</u>	<u>Other (*)</u>	<u>Total</u>
Revenue	20.660	299.961	320.621
Cost of sales	(311)	(21)	(332)
Administrative expenses	(539)	(12.800)	(13.339)
Selling, marketing and distribution expenses	(221)	(393)	(614)
Net finance income / (expenses)	(5)	(19.285)	(19.290)
Other operating income	153.139	43.674	196.813
Other operating expenses	(197.180)	(51.091)	(248.271)

	2019		
	<u>Joint Ventures</u>	<u>Other (*)</u>	<u>Total</u>
Revenue	12.840	113.872	126.712
Cost of sales	--	(31)	(31)
Administrative expenses	(668)	(6.043)	(6.711)
Selling, marketing and distribution expenses	(115)	(168)	(283)
Net finance income / (expenses)	3.998	(4.644)	(646)
Other operating income	171.762	29.307	201.069
Other operating expenses	(140.127)	(50.286)	(190.413)

(\*) Mainly includes related party balances with Associates of the Group.

#### 31.3 Transactions with key management personnel

On a consolidated basis, key management costs included in administrative expenses for the year ended 31 December 2020 amounted to TL 606.245 thousand (31 December 2019: TL 212.584 thousand).



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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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#### NOTE 32 - FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

##### 32.1 Liquidity risk

The following tables are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

31 December 2020							
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>6 months or less</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
<b>Non-derivative financial liabilities</b>							
Secured bank borrowings	32.190.297	35.280.160	339.646	1.535.354	5.715.563	10.353.505	17.336.092
Unsecured bank borrowings	4.796.341	5.036.728	2.508.662	570.597	622.242	637.312	697.915
Liabilities from leasing transactions	985.549	1.008.104	167.588	169.664	196.285	103.193	371.374
Finance lease liabilities	367.680	439.530	46.813	38.338	46.499	307.880	-
Trade payables	3.543.049	3.543.049	2.775.475	767.574	-	-	-
Notes payable	359.504	396.915	396.915	-	-	-	-
<b>Derivative financial liabilities</b>							
Cross-currency fixed interest rate swaps (*)	880.528	(857.991)	(857.991)	-	-	-	-
	<b>43.122.948</b>	<b>44.846.495</b>	<b>5.377.108</b>	<b>3.081.527</b>	<b>6.580.589</b>	<b>11.401.890</b>	<b>18.405.381</b>

31 December 2019							
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>6 months or less</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
<b>Non-derivative financial liabilities</b>							
Secured bank borrowings	24.236.202	26.262.434	760.236	1.319.323	3.597.181	11.012.209	9.573.485
Unsecured bank borrowings	4.791.987	5.361.387	1.647.898	1.402.542	1.460.431	566.206	284.310
Liabilities from leasing transactions	831.025	842.779	69.189	119.061	164.529	243.050	246.950
Finance lease liabilities	19.258	20.634	3.840	5.874	9.511	1.409	-
Trade payables	2.202.644	2.217.364	1.429.015	788.349	-	-	-
Notes payable	359.349	447.962	32.654	32.654	382.654	-	-
<b>Derivative financial liabilities</b>							
Cross-currency fixed interest rate swaps (*)	507.363	(462.592)	17.173	16.895	(496.660)	-	-
	<b>32.947.828</b>	<b>34.689.968</b>	<b>3.960.005</b>	<b>3.684.698</b>	<b>5.117.646</b>	<b>11.822.874</b>	<b>10.104.745</b>

(\*) The carrying value of forward transactions represents the fair value of the related contracts carried in the balance sheet. Contractual cash flows represent the net of possible cash inflows and outflows from related forward foreign exchange transactions over nominal contract amounts.

**DOĞUŞ HOLDİNG A.Ş.**

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**NOTE 32 - FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)**

**32.2. Credit risk**

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December 2020 was:

	<b>Trade receivables</b>				
<b>31 December 2020</b>	<b>Related party</b>	<b>Third party</b>	<b>Cash at banks</b>	<b>Financial investments</b>	<b>Derivatives</b>
<b>Maximum credit risk exposure at reporting date (A+B+C+D)</b>	<b>620.262</b>	<b>2.262.924</b>	<b>2.825.613</b>	<b>-</b>	<b>-</b>
- Portion of maximum risk covered by guarantees	-	101.422	-	-	-
<b>A. Carrying value of financial assets that are neither past due nor impaired</b>	<b>620.262</b>	<b>2.113.852</b>	<b>2.825.613</b>	<b>-</b>	<b>-</b>
<b>B. Carrying value of financial assets that are past due but not impaired (*)</b>	<b>-</b>	<b>139.218</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Carrying value of impaired assets</b>	<b>-</b>	<b>9.854</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Past due	-	9.854	-	-	-
- Gross book value (-)	-	133.552	-	-	-
- Impairment (-)	-	(123.698)	-	-	-
- <i>Guaranteed portion of net values</i>	-	-	-	-	-
- Not past due	-	-	-	-	-
- Gross book value (-)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- <i>Guaranteed portion of net values</i>	-	101.422	-	-	-
<b>D. Off financial statement items with credit risks</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**DOĞUŞ HOLDİNG A.Ş.**

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**NOTE 32 - FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)**

**32.2. Credit risk (Continued)**

**Exposure to credit risk (Continued)**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December 2019 was:

	<b>Trade receivables</b>				
<b>31 December 2019</b>	<b>Related party</b>	<b>Third party</b>	<b>Cash at banks</b>	<b>Financial investments</b>	<b>Derivatives</b>
<b>Maximum credit risk exposure at reporting date (A+B+C+D)</b>	<b>658.478</b>	<b>1.937.552</b>	<b>1.660.414</b>	<b>-</b>	<b>-</b>
- Portion of maximum risk covered by guarantees	-	78.892	-	-	-
<b>A. Carrying value of financial assets that are neither past due nor impaired</b>	<b>658.478</b>	<b>1.797.937</b>	<b>1.660.414</b>	<b>-</b>	<b>-</b>
<b>B. Carrying value of financial assets that are past due but not impaired (*)</b>	<b>-</b>	<b>123.649</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Carrying value of impaired assets</b>	<b>-</b>	<b>15.966</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Past due	-	15.966	-	-	-
- Gross book value (-)	-	145.309	-	-	-
- Impairment (-)	-	(129.343)	-	-	-
- <i>Guaranteed portion of net values</i>	-	-	-	-	-
- Not past due	-	-	-	-	-
- Gross book value (-)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- <i>Guaranteed portion of net values</i>	-	78.892	-	-	-
<b>D. Off financial statement items with credit risks</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) As at 31 December 2020 and 31 December 2019, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

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**NOTE 32 - FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT  
(Continued)****32.2. Credit Risk (Continued)**

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was as follows:

	<u>2020</u>	<u>2019</u>
Contract receivables	1.350.839	1.560.933
Retailers	485.292	218.332
Advertising agencies	286.138	205.198
End-users	59.553	83.647
Other	701.364	527.920
	<b>2.883.186</b>	<b>2.596.030</b>

The maximum exposure to credit risk for trade receivables at the reporting date by geographic concentration was as follows:

	<u>Carrying amount</u>	
	<u>2020</u>	<u>2019</u>
Turkey	2.690.658	2.128.288
Euro zone	3.011	3.434
Ukraine	-	5.253
Morocco	-	214
Other	189.517	458.841
	<b>2.883.186</b>	<b>2.596.030</b>

*Impairment losses*

The aging of trade receivables at the reporting date was:

	<u>2020</u>		<u>2019</u>	
	<u>Gross</u>	<u>Impairment</u>	<u>Gross</u>	<u>Impairment</u>
Not past due	2.734.115	-	2.456.415	-
Past due 0-30 days	4.807	-	1.912	-
Past due 31-120 days	40.241	-	53.248	-
Past due 121-365 days	94.169	-	68.489	-
More than one year	133.552	(123.698)	145.309	(129.343)
<b>Total</b>	<b>3.006.884</b>	<b>(123.698)</b>	<b>2.725.373</b>	<b>(129.343)</b>

*Cash and cash equivalents*

As of 31 December 2020 and 2019, total cash and cash equivalents are neither past due nor impaired. A significant portion of the bank deposits that are classified under cash and cash equivalents are held in banks operating in Turkey.

**DOĞUŞ HOLDİNG A.Ş.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 32 - FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT  
(Continued)****32.3 Market risk***Interest rate risk**Profile*

As at 31 December, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	<u>2020</u>	<u>2019</u>
<b>Fixed rate instruments</b>		
Financial assets	1.591.079	945.978
Financial liabilities	29.565.518	20.331.486
<b>Variable rate instruments</b>		
Financial liabilities	8.774.349	9.906.335

*Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2019.

	<u>Profit or loss</u>		<u>Equity</u>	
	<u>100 bp</u>		<u>100 bp</u>	
	<u>increase</u>	<u>decrease</u>	<u>increase</u>	<u>decrease</u>
<b>31 December 2020</b>				
Variable rate instruments	(30.414)	30.414	(125.710)	125.710
Cash flow sensitivity (net)	(30.414)	30.414	(125.710)	125.710
	<u>Profit or loss</u>		<u>Equity</u>	
	<u>100 bp</u>		<u>100 bp</u>	
	<u>increase</u>	<u>decrease</u>	<u>increase</u>	<u>decrease</u>
<b>31 December 2019</b>				
Variable rate instruments	(3.368)	3.368	(23.551)	23.551
Cash flow sensitivity (net)	(3.368)	3.368	(23.551)	23.551

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### NOTE 32 - FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

#### 32.3 Market risk (continued)

##### Currency risk

To minimise risk arising from foreign currency denominated statement of financial position items, the Group sometimes utilises derivative instruments as well as keeping part of its idle cash in foreign currencies.

At 31 December 2020, the currency risk exposures of the Group in TL thousand equivalents are as follows:

CURRENCY POSITION ANALYSIS		31 December 2020			
	TL equivalent	USD	EURO	OTHER <sup>(*)</sup>	
1. Trade receivables	1.179.237	19.089	37.219	703.852	
2a. Monetary financial assets (including cash, bank accounts)	2.127.148	16.813	193.520	260.523	
2b. Non-monetary financial assets	-	-	-	-	
3. Other	1.006.080	25.379	27.292	573.942	
<b>4. Current assets (1+2+3)</b>	<b>4.312.465</b>	<b>61.281</b>	<b>258.031</b>	<b>1.538.317</b>	
5. Trade receivables	-	-	-	-	
6a. Monetary financial assets	-	-	-	-	
6b. Non-monetary financial assets	-	-	-	-	
7. Other	203.258	17	18.541	36.122	
<b>8. Non-current assets (5+6+7)</b>	<b>203.258</b>	<b>17</b>	<b>18.541</b>	<b>36.122</b>	
<b>9. Total Assets (4+8)</b>	<b>4.515.723</b>	<b>61.298</b>	<b>276.572</b>	<b>1.574.439</b>	
10. Trade payables	(2.050.371)	(9.778)	(161.577)	(523.125)	
11. Financial liabilities	(2.290.354)	(20.909)	(236.161)	(9.566)	
12a. Other monetary liabilities	(411.771)	(9.534)	(6.183)	(286.086)	
12b. Other non-monetary liabilities	-	-	-	-	
<b>13. Short term liabilities (10+11+12)</b>	<b>(4.752.496)</b>	<b>(40.221)</b>	<b>(403.921)</b>	<b>(818.777)</b>	
14. Trade payables	-	-	-	-	
15. Financial liabilities	(31.690.433)	(464.108)	(3.070.763)	(622.519)	
16a. Other monetary liabilities	(1.400.085)	(7.643)	(138.489)	(96.481)	
16b. Other non-monetary liabilities	-	-	-	-	
<b>17. Long term liabilities (14+15+16)</b>	<b>(33.090.518)</b>	<b>(471.751)</b>	<b>(3.209.252)</b>	<b>(719.000)</b>	
<b>18. Total liabilities (13+17)</b>	<b>(37.843.014)</b>	<b>(511.972)</b>	<b>(3.613.173)</b>	<b>(1.537.777)</b>	
<b>19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)</b>	<b>(1.351.185)</b>	<b>-</b>	<b>(150.000)</b>	<b>-</b>	
19a. Hedged portion of assets amount	-	-	-	-	
19b. Hedged portion of liabilities amount	(1.351.185)	-	(150.000)	-	
<b>20. Net foreign currencies assets / (liability) position (9+18+19)</b>	<b>(34.678.476)</b>	<b>(450.674)</b>	<b>(3.486.601)</b>	<b>36.662</b>	
<b>21. Monetary items Net foreign currencies assets / (liability) position (=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(34.536.629)</b>	<b>(476.070)</b>	<b>(3.382.434)</b>	<b>(573.402)</b>	

(\*) TL equivalents are given.

# DOĞUŞ HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

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### NOTE 32 - FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

#### 32.3 Market risk (continued)

##### Currency risk (continued)

At 31 December 2019, the currency risk exposures of the Group in TL thousand equivalents are as follows:

CURRENCY POSITION ANALYSIS		31 December 2019			
	TL equivalent	USD	EURO	OTHER <sup>(*)</sup>	
1. Trade receivables	998.027	18.142	24.345	728.351	
2a. Monetary financial assets (including cash, bank accounts)	759.978	30.600	45.912	272.865	
2b. Non-monetary financial assets	-	-	-	-	
3. Other	956.937	28.360	41.053	515.442	
<b>4. Current assets (1+2+3)</b>	<b>2.714.942</b>	<b>77.102</b>	<b>111.310</b>	<b>1.516.658</b>	
5. Trade receivables	-	-	-	-	
6a. Monetary financial assets	-	-	-	-	
6b. Non-monetary financial assets	-	-	-	-	
7. Other	108.136	35	10.857	35.722	
<b>8. Non-current assets (5+6+7)</b>	<b>108.136</b>	<b>35</b>	<b>10.857</b>	<b>35.722</b>	
<b>9. Total Assets (4+8)</b>	<b>2.823.078</b>	<b>77.137</b>	<b>122.167</b>	<b>1.552.380</b>	
10. Trade payables	(929.652)	(9.062)	(79.538)	(346.843)	
11. Financial liabilities	(2.299.935)	(54.654)	(280.597)	(109.144)	
12a. Other monetary liabilities	(295.997)	(8.242)	(5.120)	(212.985)	
12b. Other non-monetary liabilities	-	-	-	-	
<b>13. Short term liabilities (10+11+12)</b>	<b>(3.525.584)</b>	<b>(71.958)</b>	<b>(365.255)</b>	<b>(668.972)</b>	
14. Trade payables	-	-	-	-	
15. Financial liabilities	(24.049.729)	(476.523)	(3.086.878)	(689.493)	
16a. Other monetary liabilities	(879.788)	(4.267)	(114.879)	(90.426)	
16b. Other non-monetary liabilities	-	-	-	-	
<b>17. Long term liabilities (14+15+16)</b>	<b>(24.929.517)</b>	<b>(480.790)</b>	<b>(3.201.757)</b>	<b>(779.919)</b>	
<b>18. Total liabilities (13+17)</b>	<b>(28.455.101)</b>	<b>(552.748)</b>	<b>(3.567.012)</b>	<b>(1.448.891)</b>	
<b>19. Outside of the financial statements derivatives instruments net assets / (liability) position (19a+19b)</b>	<b>(997.590)</b>	<b>-</b>	<b>(150.000)</b>	<b>-</b>	
19a. Hedged portion of assets amount	-	-	-	-	
19b. Hedged portion of liabilities amount	(997.590)	-	(150.000)	-	
<b>20. Net foreign currencies assets / (liability) position (9+18+19)</b>	<b>(26.629.613)</b>	<b>(475.611)</b>	<b>(3.594.845)</b>	<b>103.489</b>	
<b>21. Monetary items Net foreign currencies assets / (liability) position (=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(26.697.096)</b>	<b>(504.006)</b>	<b>(3.496.755)</b>	<b>(447.675)</b>	

(\*) TL equivalents are given.

# DOĞUŞ HOLDİNG A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### NOTE 32 - FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

#### 32.3 Market risk (continued)

##### Sensitivity analysis

A 10 percent weakening / strengthening of TL against the following currencies at 31 December 2020 and 2019 would have increased / (decreased) profit or loss before tax and equity by the amounts shown below.

	Profit / (Loss)		Equity	
	Strengthening of TL	Weakening of TL	Strengthening of TL	Weakening of TL
<b>31 December 2020</b>				
<b>Increase/(decrease) 10% of USD parity</b>				
1-US Dollar net asset / liability	332.709	(332.709)	(1.891)	1.891
2-Hedged portion of US Dollar amounts(-)	-	-	-	-
<b>3-Net effect of US Dollar (1+2)</b>	<b>332.709</b>	<b>(332.709)</b>	<b>(1.891)</b>	<b>1.891</b>
<b>Increase/(decrease) 10% of EUR parity</b>				
4-EUR net asset / liability	2.825.022	(2.825.022)	466.198	(466.198)
5-Hedged portion of EUR amounts(-)	(150.524)	150.524	-	-
<b>6-Net effect of EUR (4+5)</b>	<b>2.674.498</b>	<b>(2.674.498)</b>	<b>466.198</b>	<b>(466.198)</b>
<b>Increase/(decrease) 10% of other parities</b>				
7-Other foreign currency net asset / liability	(39.380)	39.380	35.714	(35.714)
8-Hedged portion of other foreign currency amounts(-)	-	-	-	-
<b>9-Net effect of other foreign currencies (7+8)</b>	<b>(39.380)</b>	<b>39.380</b>	<b>35.714</b>	<b>(35.714)</b>
<b>TOTAL (3+6+9)</b>	<b>2.967.827</b>	<b>(2.967.827)</b>	<b>500.021</b>	<b>(500.021)</b>
	Profit / (Loss)		Equity	
	Strengthening of TL	Weakening of TL	Strengthening of TL	Weakening of TL
<b>31 December 2019</b>				
<b>Increase/(decrease) 10% of USD parity</b>				
1-US Dollar net asset / liability	291.248	(291.248)	(8.725)	8.725
2-Hedged portion of US Dollar amounts(-)	-	-	-	-
<b>3-Net effect of US Dollar (1+2)</b>	<b>291.248</b>	<b>(291.248)</b>	<b>(8.725)</b>	<b>8.725</b>
<b>Increase/(decrease) 10% of EUR parity</b>				
4-EUR net asset / liability	2.139.226	(2.139.226)	448.248	(448.248)
5-Hedged portion of EUR amounts(-)	(196.686)	196.686	-	-
<b>6-Net effect of EUR (4+5)</b>	<b>1.942.540</b>	<b>(1.942.540)</b>	<b>448.248</b>	<b>(448.248)</b>
<b>Increase/(decrease) 10% of other parities</b>				
7-Other foreign currency net asset / liability	(23.411)	23.411	13.063	(13.063)
8-Hedged portion of other foreign currency amounts(-)	-	-	-	-
<b>9-Net effect of other foreign currencies (7+8)</b>	<b>(23.411)</b>	<b>23.411</b>	<b>13.063</b>	<b>(13.063)</b>
<b>TOTAL (3+6+9)</b>	<b>2.210.377</b>	<b>(2.210.377)</b>	<b>452.586</b>	<b>(452.586)</b>



## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 32 - FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

##### 32.4 Fair value information

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 of liquidation, and is best evidenced by a quoted market price.

The estimated fair values of financial instruments have been determined using available market information by the Group, and where it exists, using appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. While the management of the Group has used available market information in estimating the fair values of financial instruments, the market information may not be fully reflective of the value that could be realised in the current circumstances.

The following methods and assumptions are used to estimate the fair values of financial instruments.

##### *Financial assets*

Carrying values of significant portion of cash and cash equivalents and trade receivables are assumed to reflect their fair values due to their short-term nature.

##### *Financial liabilities*

Fair values of short term borrowings and trade payables are assumed to approximate their carrying values due to their short-term nature.

The table below analyses financial instruments carried at fair value as at 31 December, by valuation method:

<b>2020</b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Financial assets at fair value through profit or loss	2.107	291.402	-	293.509
Financial assets at fair value through other comprehensive income	21.855	-	-	21.855
Financial assets at fair value	<b>23.962</b>	<b>291.402</b>	<b>-</b>	<b>315.364</b>
Derivative financial liabilities	-	880.528	-	880.528
Financial liabilities at fair value	<b>-</b>	<b>880.528</b>	<b>-</b>	<b>880.528</b>
	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
<b>2019</b>				
Financial assets at fair value through profit or loss	33	220.061	-	220.094
Financial assets at fair value through other comprehensive income	23.625	-	-	23.625
Financial assets at fair value	<b>23.658</b>	<b>220.061</b>	<b>-</b>	<b>243.719</b>
Derivative financial liabilities	-	507.363	-	507.363
Financial liabilities at fair value	<b>-</b>	<b>507.363</b>	<b>-</b>	<b>507.363</b>

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### NOTE 33 - INTERESTS IN OTHER ENTITIES

Information regarding the DOAŞ in which the Group has major non-controlling interests is as follows:

<b>Subsidiary</b>	<b>Non-controlling interest</b>	<b>Net profit attributable to non-controlling interests</b>	<b>Accumulated non-controlling interests</b>	<b>Dividend paid to non-controlling interests</b>
31 December 2020	%24,73	290.179	740.119	-
31 December 2019	%24,73	47.771	420.042	19.891

Consolidated financial information of DOAŞ before consolidation adjustments and eliminations are as follows:

	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Assets</b>		
Cash and cash equivalents	655.599	648.342
Current trade receivables	1.047.149	745.346
Other current assets	2.899.126	1.120.937
Non-current assets	2.515.260	2.150.319
<b>Total assets</b>	<b>7.117.134</b>	<b>4.664.944</b>
Short-term loans and borrowings	2.152.609	2.201.933
Current trade payables	1.853.830	713.263
Other current liabilities	460.682	177.974
Long-term loans and borrowings	234.307	236.119
Other non-current liabilities	119.972	83.114
<b>Total liabilities</b>	<b>4.821.400</b>	<b>3.412.403</b>
<b>Total equity</b>	<b>2.295.734</b>	<b>1.252.541</b>
<b>Total liabilities and equity</b>	<b>7.117.134</b>	<b>4.664.944</b>
Revenue	18.900.148	9.844.133
Cost of sales	(16.425.050)	(8.574.429)
Operating profit	1.444.467	486.103
Profit before tax	1.287.663	57.234
<b>Profit for the year</b>	<b>1.041.870</b>	<b>76.759</b>

### NOTE 34 - GROUP ENTERPRISES

The major changes in Group enterprises for the year ended 31 December 2020 are summarised in the following paragraphs:

#### Establishment of new entities

- On 14 April 2020, the Group has established Zubizu Bilişim Hizmetleri A.Ş..
- On 8 July 2020, the Group has established Zubizu Elektronik Para ve Ödeme Hizmetleri A.Ş..
- On 21 July 2020, the Group has established Doğuş Verimlilik ve Merkezi Satın Alma Hizmetleri Ticaret A.Ş..
- Bar Des Pres Ltd and Bar Des Pres Holdings Ltd were established to operate in the segment of food and beverage on 13 August 2020 and on 11 September 2020 respectively. Both entities are London-based company.
- In 2020, Dogus Construction Private Limited was established to operate in the construction segment in India.

## DOĞUŞ HOLDİNG A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

#### NOTE 34 - GROUP ENTERPRISES (Continued)

##### Establishment of new entities (continued)

- In 2020, the Group has established Nusret Riyadh for Food Services LLC, Coya Mykonos SA, Metropolis 2020 Madrid, XXV Bread and Food SL and Cüneyt Usta Restoran Gıda Turizm Ticaret A.Ş.. The companies operate in food and beverage segment.
- Altın Mecralar İnteraktif Medya ve Pazarlama ve Teknoloji Hizmetleri Ticaret Limited Şirketi and Portakal Yazılım Danışmanlık Reklamcılık ve Yayıncılık San. ve Tic A.Ş. and Hedef Medya Tanıtım İnteraktif Media Pazarlama A.Ş. are merged under Hedef Medya Tanıtım İnteraktif Media Pazarlama A.Ş..
- Doğuş Gayrimenkul Yatırım ve İşletme A.Ş., Darüşşafaka Doğuş Sportif Yatırımlar ve Tic. A.Ş., Mobilet Dijital Hizmetler A.Ş. and D Enerji Yatırım A.Ş. and Doğuş Holding A.Ş. are merged under Doğuş Holding A.Ş..
- Doğuş Otel İşletmeciliği ve Yönetim Hizmetleri A.Ş. and Doğuş Otel Yatırımları ve Turizm A.Ş. are merged under Doğuş Otel Yatırımları ve Turizm A.Ş..
- On 2 January 2020, Related Digital Marketing BV and Related Digital Marketing Coöperatief UA companies were liquidated.
- On 18 February 2020, Bodywear Limited and on 29 September 2020, Bodyfood Limited were liquidated.
- On 20 March 2020, Panther Marina Limited was liquidated.
- On 24 September 2020, Tom's Kitchen Restaurant Holdings Limited was liquidated.
- On 27 October 2020, Bahia (UK) Limited was liquidated.
- TRG International IP Co Limited and TRG US IP Co Limited companies were liquidated.
- Tom Aikens Limited, The Tom Aikens Group Limited, Doğuş Finance Ukraine, Related Digital, Marketing Limited, Dogus Avenue LLC, Doğuş Prestige and Kanlıca Turizm Sanayi A.Ş. companies are still in liquidation process.

#### NOTE 35 - SIGNIFICANT EVENTS

- By purchasing the remaining 40% shares of Ara Güler Doğuş Sanat ve Müzecilik A.Ş. on 9 January 2020, the Group's ownership rate has increased to 100%.
- On 21 December 2019, a Share Purchase and Sale Agreement between Doğuş Holding A.Ş. and D Marinas BV with Venilia Investments SARL and Mistral Marina Turizm Yat. A.S. ("Buyers") to transfer of all shares belonging to Doğuş Group at D Marina İşletmeciliği Turizm ve Yönetim Hizmetleri A.Ş. (and D Marin Dubai LLC, a subsidiary of this Company) D Marinas Hellas SA (Lefkas Marina S.A., Zea Marina S.A. and Gouvia Marina S.A., subsidiaries of this Company) and Marina Dalmacija d.o.o (and Marina Borik d.o.o, a subsidiary of this Company) Marina Sibenik d.o.o. and Lamda Dogus Marina Investments S.A. (and its subsidiaries Lamda Flisvos Holding A.E. and Lamda Flisvos Marina A.E.). As a result of pre-emption rights of shareholders; the shares of Lamda Dogus Marina Investments S.A. were sold to Lamda Development S.A. and transfer of shares were completed on 20 February 2020. Share transfers of other companies were completed on 9 April 2020.
- On 21 December 2019, a Share Purchase and Sale Agreement between Doğuş Holding A.Ş. with Venilia Investments SARL and Mistral Marina Turizm Yat. A.S. ("Buyers"), to transfer of all shares belonging to Doğuş Group at Anadolu Göcek Marina Turizm Yatırımları A.Ş. and its subsidiaries; Doğuş Turgutreis Marina İşletmeciliği Turizm ve Ticaret A.Ş. and Doğuş Didim Marina İşletmeleri ve Ticaret A.Ş.. Share transfers were completed on 1 October 2020.
- On 28 October 2020, a Share Purchase and Sale Agreement between Doğuş Holding A.Ş. with Qatar Holding LLC to transfer of a portion of shares of Doğuş Turizm Sağlık Yatırımları ve İşletmeciliği Sanayi ve Ticaret A.Ş. and İstinye Yönetim Hizmetleri A.Ş. belonging to Doğuş Group was signed and share transfer was completed on 26 November 2020. After the share transfer, Doğuş Group has no shares in these two companies.

## **DOĞUŞ HOLDİNG A.Ş.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **NOTE 35 - SIGNIFICANT EVENTS (Continued)**

- In accordance with the Share Purchase and Sale Agreement signed between Columbus Holding International GMBH (Oetker Group Affiliate) and D Hospitality BV on 14 August 2020, Solid Rock Property SAS and all the shares owned by the Group in its subsidiaries (Eden Rock Villa Rental SAS, Eden Rock SARL ve Afternoon Tea SCI) have been transferred.

#### **NOTE 36 – SUBSEQUENT EVENTS**

- In January 2021, D Marinas B.V., subsidiary of the Group was liquidated.
- On 9 March 2021, London Doors Restaurant Group Limited, a subsidiary of the Group was liquidated.
- Board of Directors of Doğuş Otomotiv Servis ve Tic. A.Ş. has resolved to file an application with the Capital Markets Board to obtain the necessary approvals to issue all kinds of bonds, convertible bonds, commercial papers and other capital market instruments, which the Capital Markets Board accepts as debt instruments and which will be sold once or multiple times in the domestic market to qualified investors and/or private placement excluding public offering, for a total nominal value not to exceed TL 500,000 (Five hundred million Turkish Lira) and for up to three (3) years with various maturity dates.
- As part of the restructuring strategy to improve the managerial effectiveness of the associates that are jointly governed with the Germany based Volkswagen Financial Servis AG, the Group management decided to transfer the shares of VDF Finans affiliate, to VDF Servis via "partial demerger through associate model" and initiated the process detailed in the material event disclosure of Doğuş Otomotiv Servis ve Ticaret A.Ş. dated 21 January 2021.

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