

**DURAN DOĐAN BASIM VE AMBALAJ
SANAYİ A.Ő. AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE
INDEPENDENT AUDITORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR 1 JANUARY- 31 DECEMBER 2022

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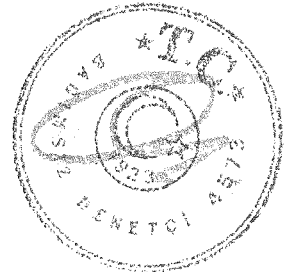
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INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi

A) Report on the audit of the consolidated financial statements

1) Opinion

We have audited the consolidated financial statements of Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi (the "Company" or "Duran Doğan") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS").

2) Basis for Opinion

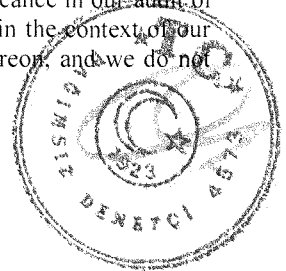
We conducted our audit in accordance with International Standards on Auditing (ISAs) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Other Matters

As stated in "APPEX 1 – Supplementary Information", the profit before interest, depreciation and tax ("EBITDA") calculation table is subject to presentation of the Group's EBITDA calculation and is not an integral part of the consolidated financial statements. Therefore, we do not report any reasonable assurance regarding the results of the aforementioned EBITDA calculation.

4) 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 of the current period. These matters were addressed in the context of our 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.



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Recoverability of Trade Receivables	
Key audit matters	How the matter was addressed in our audit
<p>As at 31 December 2022, trade receivables amounting to TL 224.255.406 constitutes a significant portion of Duran Doğan's total assets.</p> <p>However, provision for impairment on trade receivables is calculated by taking into consideration the past payment performances and credibility information of customers and the maturity analysis of the receivable balance and recognized accordingly in the accompanying consolidated financial statements. These known estimates are highly sensitive to possible market conditions. For these reasons, the recoverability of these receivables has been determined as key audit matter of our audit.</p> <p>Please refer to note 5 to the consolidated financial statements for the accounting policy and the relevant disclosures.</p>	<p>We performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> - Understanding and evaluating the process of collection of the trade receivables of the Group with the operational effectiveness of internal controls within the process, - Analytical review of the receivable aging study and comparison of the collection turnover ratio with the prior period, - Investigating whether there is any dispute or litigation related to collection and information about the proceedings from legal consultants, - Testing of trade receivable balances by reconciling the balances and tested by using sampling method, - Testing of collections made in the subsequent periods by sampling method, - Testing the disclosures in the consolidated financial statements in relation to the recoverability of trade receivables and evaluating adequacy of such disclosures for TFRS' requirements. <p>We had no material findings related to the recoverability of trade receivables as a result of these procedures.</p>
Revenue Recognition	
Key audit matters	How the matter was addressed in our audit
<p>As stated in Note 15, the consolidated financial statements of Duran Doğan as of 31 December 2022 include revenue with carrying values of TL 1.241.670.494.</p> <p>A contract with a customer will be recognised as a revenue within the scope of TFRS 15 if all the following conditions are met:</p> <ul style="list-style-type: none"> -the contract has been approved by the parties to the contract; -each party's rights in relation to the goods or services to be transferred can be identified; -the payment terms for the goods or services to be transferred can be identified; -the contract has commercial substance; and - it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected. <p>In this context, determination of revenue is based on the presence of management estimations in revenue calculations except for significant portion and high volume of revenue in the accompanying consolidated financial statements and the revenue amount correctly and not being recognised in the correct period in accordance with the TFRS 15 standard. Therefore, recognition of revenue requires significant accounting estimates and judgments in which accounted for correct period and amount in the accompanying consolidated financial statements have been determined as key audit matter of our audit.</p>	<p>We performed the following procedures in relation to the recognition of revenue:</p> <ul style="list-style-type: none"> - Evaluating and testing the design and implementation of controls related to the revenue process after obtaining information about how these policies are implemented, revenue is invoiced but unearned including the policies for recording each revenue type including relevant analytical controls where deemed necessary, - Evaluating sales returns in accordance with the matching principle, -The substantive procedures have been applied regarding revenue recognition process under the assumption of matching principle. In accordance with these procedures, the Group management assessed the revenue as a process and the information included in the reports. We have evaluated the process of revenue recognition with the operational effectiveness of internal controls. - Testing the disclosures in the consolidated financial statements in relation to the revenue recognition and evaluating adequacy of such disclosures for TFRS' requirements. <p>We had no material findings related to the revenue recognition as a result of these procedures.</p>

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<i>Provision for Impairment on Inventories</i>	
<i>Key audit matters</i>	<i>How the matter was addressed in our audit</i>
<p>As at 31 December 2022, the inventories amounting to TL 331.659.912 are subject to the risk of impairment.</p> <p>The calculation of the provision for impairment of inventories includes estimates and assumptions of the Group management. These estimates and assumptions include evaluation of the changing customer demands, the evaluation of the inventories that have not been seen for a certain period of time with the evaluation of the inventories sold slowly and the evaluation of the provision for the damaged inventories. Therefore, provision for impairment on inventories has been determined as key audit matter of our audit.</p> <p>Please refer to note 2.6 and 7 to the consolidated financial statements for the accounting policy and the relevant disclosures.</p>	<p>We performed the following procedures in relation to the provision for impairment on inventories:</p> <ul style="list-style-type: none"> - We have discussed with the Group management with the purpose of understanding and assessing the accounting policy related to inventory impairment and the inventories that were exposed to the risk of impairment were determined and the calculations of the provisions were eliminated. - The inventory turnover ratio has been compared with the prior period. - Costs of inventories are compared with market prices. - Inventory aging reports were assessed. - Testing the disclosures in the consolidated financial statements in relation to the provision for inventory impairment and evaluating adequacy of such disclosures for TFRS' requirements. <p>We had no material findings related to the inventory impairment provision as a result of these procedures.</p>

5) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TAS, 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.

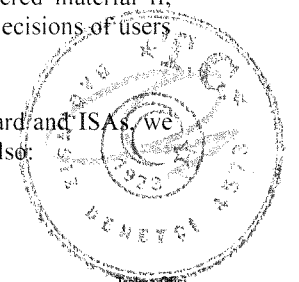
Those charged with governance are responsible for overseeing the Group's financial reporting process.

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISAs is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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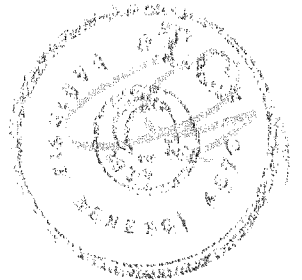
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- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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B. Other Legal and Regulatory Requirements

1) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Group’s bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Group’s articles of association related to financial reporting.

2) In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3) In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Group’s Board of Directors on 13 March 2023.

The engagement partner responsible for the audit resulting in this independent auditor’s report is Birgül Demir.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş. An Independent Member of BAKER TILLY INTERNATIONAL



Birgül DEMİR
Partner
İstanbul, 13.03.2023

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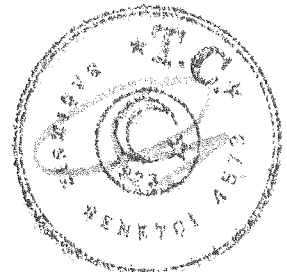
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CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2022 AND 2021

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	26	640.869.736	339.225.174
Financial Investments	13	51.982.544	14.941.401
Trade Receivables		10.881.998	-
<i>Third Parties</i>	5	224.255.406	149.666.901
Other Receivables		48.829	71.347
<i>Third Parties</i>	6	48.829	71.347
Inventories	7	331.659.912	141.137.959
Prepaid Expenses	8	11.829.878	16.906.856
Other Current Assets	13	10.211.169	16.500.710
Non-Current Assets			
Other Receivables		448.267.762	208.543.905
<i>Third Parties</i>	6	923.457	611.233
Property, Plant and Equipment	9	923.457	611.233
Intangible Assets	10	84.197.952	74.785.614
Right of Use Assets	9	2.672.380	3.012.419
Prepaid Expenses	9	278.963.248	120.471.462
Deferred Tax Assets	8	13.961.627	1.539.178
	22	67.549.098	8.123.999
TOTAL ASSETS		1.089.137.498	547.769.079

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



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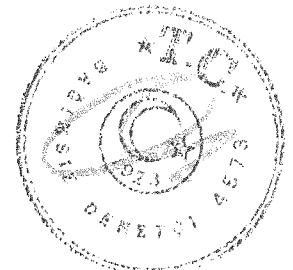
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CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2022 AND 2021

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
LIABILITIES			
Current Liabilities		533.843.691	317.814.890
Short-Term Borrowings	24	175.834.971	62.469.212
Short Term Portion of Long Term Borrowings		108.462.530	129.692.683
<i>Third Parties</i>	24	64.661.305	92.661.770
<i>Lease Liabilities</i>	24	43.801.225	37.030.913
Other Financial Liabilities	24	949.271	945.104
Trade Payables		134.280.230	98.314.062
<i>Related Parties</i>	4,5	8.163.078	5.992.782
<i>Third Parties</i>	5	126.117.152	92.321.280
Employee Benefits	12	7.468.458	3.368.627
Other Payables		45.789.029	479.185
<i>Related Parties</i>	4,6	45.789.029	450.257
<i>Third Parties</i>	6	-	28.928
Deferred Income	8	12.602.419	7.910.913
Current Income Tax Liabilities	22	8.855.681	5.744.194
Short Term Provisions		2.278.643	6.932.167
<i>Short Term Provisions for Employee Benefits</i>	12	2.173.893	6.880.432
<i>Other Short Term Provisions</i>	11	104.750	51.735
Other Current Liabilities	13	37.322.459	1.958.743
Non-Current Liabilities		78.863.811	158.103.058
Long Term Borrowings		59.542.628	111.698.229
<i>Third Parties</i>	24	39.042.091	66.030.736
<i>Lease Liabilities</i>	24	20.500.537	45.667.493
Other Payables		-	30.227.800
<i>Related Parties</i>	4	-	30.227.800
Deferred Income	8	418.549	597.928
Long Term Provisions		18.902.634	8.769.358
<i>Long Term Provisions for Employee Benefits</i>	12	18.902.634	8.769.358
Deferred Tax Liabilities	22	-	6.809.743
EQUITY		476.429.996	71.851.131
Equity Holders of the Parent		476.429.598	71.850.903
Paid-in Share Capital	14	35.000.000	35.000.000
Adjustment to Share Capital		6.436.501	6.436.501
Share Premium		5.220	5.220
Restricted Reserves	14	2.214.481	1.369.501
Other Comprehensive Income or Expenses not to be reclassified to Profit or Loss		196.667.769	59.834.335
<i>Gains/losses on revaluation and remeasurement</i>	21	204.201.078	61.206.059
<i>Gains/losses on remeasurements of defined benefit plans</i>	21	(7.533.309)	(1.371.724)
Other Comprehensive Income or Expenses to be reclassified to Profit or Loss		(11.625.643)	(9.674.631)
<i>Other Comprehensive Income Items be Reclassified to Profit or Loss</i>		(11.625.643)	(9.674.631)
<i>Currency Translation Differences</i>	21	(11.625.643)	(9.674.631)
Retained Earnings		(21.593.316)	(22.444.381)
Profit for the Period		269.324.586	1.324.358
Non-Controlling Interests		398	228
TOTAL LIABILITIES AND EQUITY		1.089.137.498	547.769.079

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



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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Audited Current Period 1 January- 31 December 2022	Audited Prior Period 1 January - 31 December 2021
PROFIT OR LOSS			
Revenue	15	1.241.670.494	528.698.589
Cost of Sales (-)	15	(677.327.832)	(340.321.920)
GROSS PROFIT		564.342.662	188.376.669
General Administrative Expenses (-)	16	(68.104.004)	(36.608.252)
Marketing Expenses (-)	16	(161.365.839)	(79.589.787)
Other Operating Income	18	88.761.494	120.903.413
Other Operating Expenses (-)	18	(73.486.081)	(65.061.373)
OPERATING PROFIT		350.148.232	128.020.670
Gains from Investment Activities	19	1.235.918	-
Losses from Investment Activities (-)	19	(7.974.157)	-
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		343.409.993	128.020.670
Financial Expenses (-)	20	(122.231.707)	(119.767.820)
PROFIT BEFORE TAX		221.178.286	8.252.850
Tax income/(expense)		48.146.470	(6.929.096)
- Current period tax expense	22	(38.444.130)	(11.184.851)
- Deferred tax income/expense	22	86.590.600	4.255.755
PROFIT FOR THE PERIOD		269.324.756	1.323.754
Attributable to:			
Non-Controlling Interests		170	(604)
Equity Holders of the Parent		269.324.586	1.324.358
		269.324.756	1.323.754
Earnings Per Share	23	0.0769	0.0004
OTHER COMPREHENSIVE INCOME			
Items Not be Reclassified to Profit or Loss		137.205.121	542.431
<i>Property, Plant and Equipment Revaluation Surplus</i>		<i>165.970.882</i>	<i>-</i>
<i>Gains/losses on remeasurements of defined benefit plans</i>		<i>(7.701.981)</i>	<i>678.039</i>
<i>Taxes relating to other comprehensive income not to be reclassified to profit/(loss)</i>		<i>(21.063.780)</i>	<i>(135.608)</i>
Items to be reclassified to profit/loss		(1.951.012)	(6.825.034)
<i>Currency Translation Differences</i>		<i>(1.951.012)</i>	<i>(6.825.034)</i>
Other comprehensive income/(expense)		135.254.109	(6.282.603)
Total comprehensive income		404.578.865	(4.958.849)
Attributable to:			
Non-Controlling Interests		170	(49.025)
Equity Holders of the Parent		404.578.695	(4.909.824)

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



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

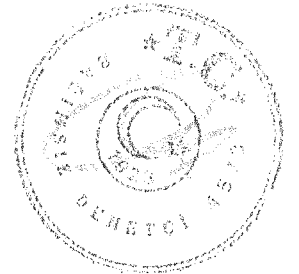
DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Paid-in Share Capital	Adjustment to Share Capital	Share premium	Gains/(losses) on revaluation and remeasurement	Gains/(losses) on remeasurement of defined benefit plans	Currency translation differences	Restricted reserves	Prior years income	Profit for the Period	Equity holders of the parent	Non-controlling Interest	Total Equity	Retained Earnings		
													Items not to be reclassified to profit or loss	Items to be reclassified to profit or loss	
Prior Period (Audited)															
Balances at 1 January 2021 (Beginning of the period)	35,000,000	6,436,501	5,220	61,509,912	(1,914,155)	(2,898,018)	1,369,501	(11,716,677)	(11,031,557)	76,760,727	49,253	76,809,980			
Transfers	-	-	-	-	-	-	-	(11,031,557)	11,031,557	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	(303,853)	542,431	(6,776,613)	-	303,853	1,324,358	(4,909,824)	(49,025)	(4,958,849)			
- Actuarial gains/losses on defined benefit plans	-	-	-	-	542,431	-	-	-	-	542,431	-	542,431			
-Gains/losses on revaluation and remeasurements	-	-	-	-	-	-	-	-	-	-	-	-			
-Gains/losses on reclassification of depreciation on revaluation and remeasurement	-	-	-	(303,853)	-	-	-	303,853	-	-	-	-			
- Currency translation differences	-	-	-	-	-	(6,776,613)	-	-	-	(6,776,613)	(48,421)	(6,825,034)			
-Profit for the period	-	-	-	-	-	-	-	-	1,324,358	1,324,358	(604)	1,323,754			
Balances at 31 December 2021 (End of the period)	35,000,000	6,436,501	5,220	61,206,059	(1,371,724)	(9,674,631)	1,369,501	(22,444,381)	1,324,358	71,850,903	228	71,851,131			

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



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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts on tables expressed in Turkish Lira ("TL.") unless otherwise indicated.)

Current (Audited)	Paid-in Share Capital	Adjustment to Share Capital	Share premium	Gains/(losses) on revaluation and remeasurement	Gains/(losses) on remeasurement of defined benefit plans	Items to be reclassified to profit or loss	Items to be reclassified to profit or loss	Retained Earnings					Total Equity
								Currency translation differences	Restricted reserves	Prior years income	Profit for the Period	Equity holders of the parent	
Balances at 1 January 2022 (Beginning of the period)	35,000,000	6,436,501	5,220	61,206,059	(1,371,724)	(9,674,631)	1,369,501	(22,444,381)	1,324,358	71,850,903	228	71,851,131	
Transfers	-	-	-	-	-	-	844,980	479,378	(1,324,358)	-	-	-	
Total Comprehensive Income	-	-	-	142,995,019	(6,161,585)	(1,951,012)	-	371,687	269,324,586	404,578,695	170	404,578,865	
- Actuarial gains/losses on defined benefit plans	-	-	-	-	(6,161,585)	-	-	-	-	(6,161,585)	-	(6,161,585)	
-Gains/losses on revaluation and remeasurements	-	-	-	143,366,706	-	-	-	-	-	143,366,706	-	143,366,706	
-Gains/losses on reclassification of depreciation on revaluation and remeasurement	-	-	-	(371,687)	-	-	-	371,687	-	-	-	-	
- Currency translation differences	-	-	-	-	-	(1,951,012)	-	-	-	(1,951,012)	-	(1,952,012)	
-Profit for the period	-	-	-	-	-	-	-	-	269,324,586	269,324,586	170	269,324,756	
Balances at 31 December 2022 (End of the period)	35,000,000	6,436,501	5,220	204,201,078	(7,533,309)	(11,625,643)	2,214,481	(21,593,316)	269,324,586	476,429,598	398	476,429,996	

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



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

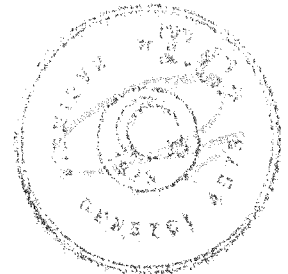
DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited Current Period	Audited Prior Period
		1 January- 31 December 2022	1 January- 31 December 2021
A) CASH FLOWS FROM OPERATING ACTIVITIES			
	Notes		
Profit for the Period		269.324.756	1.323.754
-Depreciation and amortisation	9-10	26.772.144	19.157.985
-Adjustments for gains/losses on disposal of non-current assets	19	-	-
-Adjustments for provisions for employment termination benefits	12	4.100.140	3.558.961
-Adjustments for other provisions	11	104.750	51.735
-Adjustments for provision for unused vacation	12	1.004.974	564.946
-Adjustments for provisions for bonuses	12	38.487	5.750.000
-Adjustments for provisions for doubtful receivables	5	338.318	208.288
-Adjustments for provisions for impairment on inventories	7	12.490.052	851.408
-Adjustments for tax income	22	(48.146.470)	6.929.096
-Adjustments for interest income	18	(1.503.247)	(559.020)
-Adjustments for interest expenses	20	40.994.216	18.249.161
-Adjustments for unrealized currency translation differences		45.561.527	84.978.183
Adjustments to reconcile profit for the period to cash generated from operating activities:		351.079.647	141.064.497
		-	
Changes in Working Capital			
-Changes in trade receivables		(74.926.823)	(79.442.187)
-Changes in inventories		(203.012.005)	(81.412.218)
-Changes in other receivables and assets		(12.227.633)	(22.221.603)
-Changes in trade payables		33.795.872	56.764.930
-Changes in payables due to related parties		2.170.296	4.340.079
-Changes in employee benefits		4.099.831	1.262.901
-Changes in other payables and liabilities		54.957.887	16.650.846
		155.937.072	37.007.245
-Payments due to other provisions		(51.735)	(12.317)
-Premium paid	12	(5.750.000)	(3.364.668)
-Interest received	18	1.503.247	559.020
-Employment termination benefits paid	12	(1.668.844)	(2.336.707)
-Taxes payable	22	(35.313.654)	(5.463.207)
Cash flows from Operating Activities		114.656.086	26.389.366

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



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

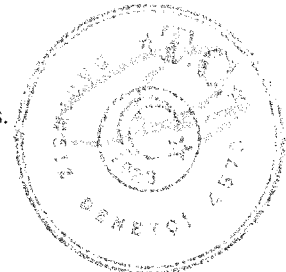
DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited Current Period 1 January- 31 December 2022	Audited Prior Period 1 January- 31 December 2021
	Notes		
B) CASH FLOWS FROM INVESTING ACTIVITIES			
-Cash inflows from sale of property, plant and equipment	9-10,19	-	138.658
-Cash outflows from purchase of property, plant and equipment	9	(25.703.025)	(33.361.322)
-Cash outflows from purchase of intangible assets	10	(597.061)	(997.725)
-Cash outflows from cash advances and borrowings		-	(948.770)
		(26.300.086)	(35.169.159)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
-Cash inflows from borrowings	24	299.312.353	132.576.642
-Cash outflows from repayments of borrowings	24	(261.400.633)	(108.539.210)
-Cash outflows from repayments of lease liabilities	24	(52.287.198)	(25.223.612)
-Interest paid		(34.992.534)	(16.119.827)
-Changes in other financial liabilities		4.167	(4.846)
		(49.363.845)	(17.310.853)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		38.992.155	(26.090.646)
D) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(1.951.012)	(6.776.613)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		37.041.143	(32.867.259)
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		14.941.401	47.808.660
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	26	51.982.544	14.941.401

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



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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 1 – GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Duran Doğan Basım ve Ambalaj Sanayi A.Ş. (the “Company” or “Duran Doğan”) and its subsidiaries together collectively referred as the Group with Duran Doğan Dış Ticaret A.Ş., Duran Doğan Europe B.V., Avantgarde Sürdürülebilir Kağıtçılık Sanayi ve Ticaret A.Ş. and Dudo UK Ltd. (the “Group”). Duran Doğan’s business activities include production of all kinds of packaging; printing, cutting, gluing and laminating works on aluminum, metal, tin materials, sales, purchase and sale of paper, cardboard packages, all kinds of plastic materials in rolls and sheets and other works written in the articles of association.

The Group was established in 1975 and the registered address of Duran Doğan is as follows:

Hadımköy Mahallesi Mustafa İnan Cad. No:41 Arnavutköy / İSTANBUL

The subsidiary of the Group is also registered and incorporated in Turkey.

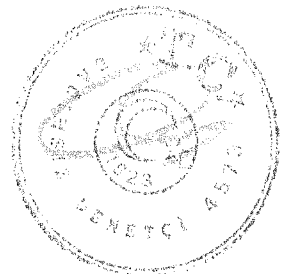
Duran Doğan is registered with CMB and subject to regulations of the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul (“BIST”).

Total end of period and average number of personnel employed by Duran Doğan is 333 (31 December 2021: 317).

The equity holders of the parent and the ultimate controlling parties of the Group are LGR International Societe Anonyme (30.00%), Dikran Mihran Acemyan (9.76%), İbrahim Okan Duran (7.95%), Oktay Duran (8.30%) and Dikran Acemyan (7.57%).

As of 31 December 2022 and 2021, subsidiaries (“Subsidiaries”) included in the scope of consolidation of Duran Doğan, their direct and indirect ownership interests and nature of business are as follows:

Subsidiaries	31 December 2022		31 December 2021		Nature of business
	Direct Ownership Interest held by Duran Doğan (%)	Indirect Ownership Interest held by Duran Doğan (%)	Direct Ownership Interest held by Duran Doğan (%)	Indirect Ownership Interest held by Duran Doğan (%)	
Dudo İthalat ve İhracat Pazarlama A.Ş.	99.92%	99.92%	99.92%	99.92%	Domestic and international purchase and sale of printed and unprinted cardboards
Dudo UK Ltd.	100.00%	100.00%	100.00%	100.00%	Domestic and international purchase and sale of printed and unprinted cardboards
Duran Doğan Europe B.V	100.00%	100.00%	100.00%	100.00%	Domestic and international purchase and sale of printed and unprinted cardboards
Avantgarde Sürdürülebilir Kağıtçılık Sanayi ve Ticaret A.Ş.	100.00%	100.00%	100.00%	100.00%	Sales of barrier properties of paper and cardboard such as oxygen and moisture for use in the production of sustainable flexible packaging



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ORIGINALLY ISSUED IN TURKISH**

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

Approval of the Consolidated Financial Statements

These consolidated financial statements for the period ended 31 December 2022 have been approved for issue by the Board of Directors (“BOD”) on 13 March 2023. These consolidated financial statements will be finalised following the approval by the General Assembly.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Statement of Compliance with TAS

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”)/Turkish Accounting Standards (“TAS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676.

In addition, the accompanying consolidated financial statements and notes have been prepared in accordance with the formats and mandatory information published by CMB on 7 June 2013.

With the decision taken on 17 March 2005 numbered 11/367, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their consolidated financial statements in accordance with the financial reporting standards accepted by the CMB (“CMB Financial Reporting Standards”). Accordingly, Turkish Accounting Standards 29, “Financial Reporting in Hyperinflationary Economies”, issued by the POA, has not been applied in the consolidated financial statements for the accounting year commencing 1 January 2005.

TAS 29 “Financial Reporting in Hyperinflation Economies” requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 (“IAS 29 — Financial Reporting in Hyperinflationary Economies”) describes characteristics that may indicate that an economy is hyperinflationary and it recommends all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. In the announcement published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) on 20 January 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of 31 December 2022. Nevertheless, the Authority has not published any announcement on whether the entities would restate their financial statements for the year ended 31 December 2022 in accordance with TAS 29. In this context, since there is no consensus on the application of inflation accounting in TFRS financial statements throughout the country, and it is expected that POA will delay the application of TAS 29, consolidated financial statements as of 31 December 2022 are not adjusted for inflation in accordance with TAS 29 in order to ensure comparability.

These consolidated financial statements have been prepared under the historical cost conversion except for revaluation of land and buildings. Historical cost has been determined at the fair value for the amount paid for the assets considered.

Basis of Presentation of Consolidated Financial Statements and Financial Reporting Standards

Duran Doğan Basım ve Ambalaj Sanayi A.Ş. and its Subsidiaries incorporated in Turkey maintains their books of account and prepares their statutory consolidated financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.



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DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”)/Turkish Accounting Standards (“TAS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676.

Comparatives and adjustment of prior periods’ consolidated 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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.1 Basis of presentation (continued)

Basis of Consolidation

Consolidated financial statements include subsidiaries are the entities controlled directly and indirectly by Duran Doğan A.Ş.

Control is achieved when the Group:

- i) has power over the investee;
- ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
- iii) has the ability to use its power to affect its returns.

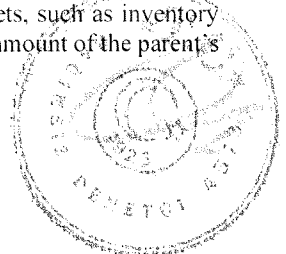
The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- i) the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- ii) potential voting rights held by the Group, other vote holders or other parties;
- iii) rights arising from other contractual arrangements; and
- iv) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

The accounting policies of the subsidiary have been changed when deemed necessary in order to comply with the policies accepted by the Group. In the matter of a reverse balance in non-controlling interests, total comprehensive income has been transferred to the parent company shareholders and non-controlling interests.

During the preparation of consolidated financial statements, consolidated financial statements eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Consolidated financial statements offset the carrying amount of the parent’s



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DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

investment in each subsidiary and the parent's portion of equity of each subsidiary. Unrealized losses are eliminated accordingly as unrealized gains, unless there is evidence of impairment.

2.2 Changes in Accounting Policies

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the previous periods Group's consolidated financial statements are adjusted. There are no changes in the accounting policies incurred during the period.

2.3 Changes in Accounting Estimates and Errors

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. Significant changes in the accounting policies and significant accounting errors are applied retrospectively and the financial statements of the previous period are restated. If changes in accounting policies are for only one period, changes are applied on the current year but if the changes affect the future periods, changes are applied both on the current period and future periods prospectively.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 New and Revised Turkish Financial Reporting Standards

New and revised standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2022 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/IFRS and ("TAS")/IFRS interpretations effective as of 1 January 2022. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective from 31 December 2022 are as follows:

Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

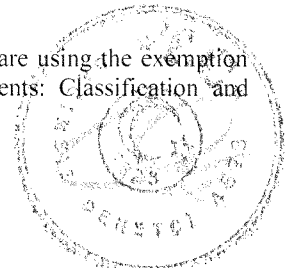
In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted.

Amendments include the following matters:

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.



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Relief from discontinuing hedging relationships

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 New and Revised Turkish Financial Reporting Standards (continued)

New and revised standards and interpretations (continued)

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Additional disclosures

Amendments need additional TFRS 7 Financial Instruments disclosures such as;

How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes in notes to the financial statements.

The amendments did not have a significant material impact on the financial position or performance of the Group.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

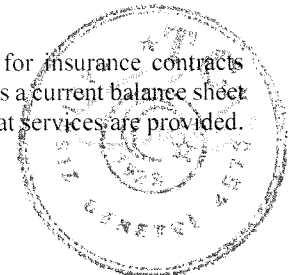
The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

Standards and amendments issued but not yet effective and not early yet adopted as of 31 December 2022:

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

TFRS 17 - The New Standard for Insurance Contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided.



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Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted for the entities applied TFRS 9 Financial Instruments and TFRS 15 Revenue from Contracts with Customers standards.

In accordance with amendments issued by POA in December 2021, entities have transition option for a “classification overlay” to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17. The Group is assessing the potential significant material impact of the amendments on financial position or performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 New and Revised Turkish Financial Reporting Standards (continued)

New and revised standards and interpretations (continued)

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will be applied for annual reporting periods beginning on or after January 1, 2023. Early application is permitted. The Group is assessing the potential significant material impact of the amendments on its financial position or performance.

Amendments to TAS 1 - Classification of Liabilities as Current or Non-current

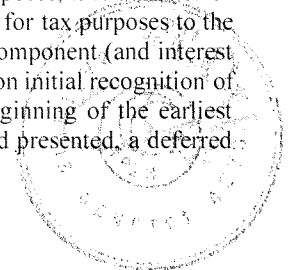
On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted. The Group is assessing the potential significant material impact of the amendments on its financial position or performance.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of “accounting estimates”. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the commencement of the effective date. Earlier application is permitted. The Group is assessing the potential significant material impact of the amendments on its financial position or performance.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred



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tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The Group is assessing the potential significant material impact of the amendments on its financial position or performance.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 New and Revised Turkish Financial Reporting Standards (continued)

New and revised standards and interpretations (continued)

Amendments to TFRS 16 – Sale and Leaseback Transactions

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. The amendments to TFRS 16 add to requirements explaining how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

2.5 Summary of Significant Accounting Policies

Revenue

The entity reflects the proceeds to the consolidated financial statements from an amount that reflects the cost that the Group expects to qualify for the transfer of the goods or services it commits to its customers. An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time.

Following indicators are considered while evaluating the transfer of control of the goods and services:

- a) Presence of Group's collection right of the consideration for the goods or services,
- b) Customer's ownership of the legal title on goods or services,
- c) Physical transfer of the goods or services,
- d) Customer's ownership of significant risks and rewards related to the goods or services,
- e) Customer's acceptance of goods or services

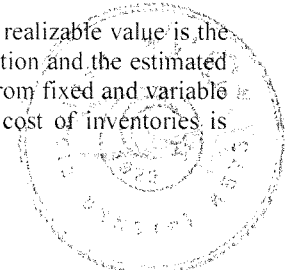
Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognized over time by measuring the progress towards complete satisfaction of that performance obligation. If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis and classified under other operating income.

Interest income:

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Inventories

Inventories are evaluated at either the lower of acquisition cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods. The cost of inventories is



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determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When the net realizable value of the inventory below its cost, the inventories are reduced to their net realizable value and the expense is reflected in the statement of profit or loss in the year in which the impairment incurred. In cases where the conditions that previously caused the inventories to be reduced to net realizable value lose their validity or there is an increase in the net realizable value due to changing economic conditions, the provision for the impairment allocated is reversed. The reverseal is limited with the allocated impairment.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Related parties

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

a) An individual or a close family member is considered related party of the reporting entity when the following criteria are met:

If a certain individual,

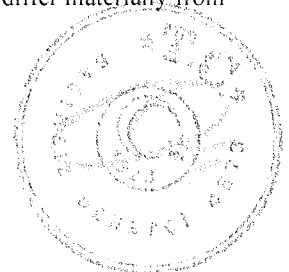
- i) Has control or joint control over the reporting entity,
- ii) Has significant influence over the reporting entity,
- iii) Is a key management personnel of the reporting entity or a parent company of the reporting entity. b) An entity is considered related party of the reporting entity when the following criteria are met:
 - i) If the entity and the reporting entity is within the same group (meaning every parent company, subsidiary and other subsidiaries are considered related parties of others.
 - ii) If the reporting entity is a subsidiary or a joint venture of another entity (or of another entity that the entity is within the same group).
 - iii) If both of the entities are a joint venture of a third party.
 - iv) If one of the entities are a joint venture of a third party while the other entity is a subsidiary of this third party.
 - v) If entity has plans of post employment benefits for employees of reporting entity or a related party of a reporting entity. If the reporting entity has its own plans, sponsor employers are also considered as related parties.
 - vi) If the entity is controlled or jointly controlled by an individual defined in the article (a).
 - vii) If an individual defined in the clause (i) of article (a) has significant influence over the reporting entity or is a key management personnel of this certain entity (or a parent company of the entity)

Related party transaction is the transfer of resources, services or liabilities regardless of whether a price is charged or not.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Property, plant and equipment (continued)

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation surplus relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Property, plant and equipment except buildings are carried at cost less accumulated depreciation and accumulated impairment losses.

Except for land and investments in progress, cost or valued amounts of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Expected useful life, residual value and depreciation method are reviewed every year for the possible effects of the changes in estimates and accounted for prospectively if there is a change in the estimates.

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

Intangible assets

Intangible assets acquired

Intangible assets acquired with definite useful lives are recognized at acquisition cost less any amortization and impairment loss. Intangible assets are amortized principally on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, and any changes in the estimate are accounted for on a prospective basis.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Intangible assets (continued)

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives .



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Internally generated intangible assets– research and development costs

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project of the Group/Company) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

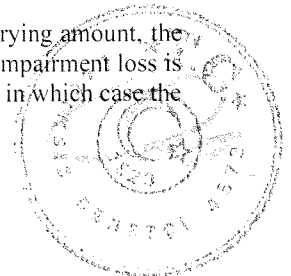
2.5 Summary of Significant Accounting Policies (continued)

Impairment of Property, Plant and Equipment and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.



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When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Borrowing costs

Borrowing costs are recognized as an expense in the consolidated statement of profit or loss in the period which they incurred.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Financial instruments

Financial assets

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contractual provisions of the instrument. Normal purchases or sales of financial instruments are recognized in the consolidated financial statements or excluded from the consolidated financial statements by using one of the accounting methods on the transaction date or delivery date. Trading transactions are accounted for at the date of delivery with the initial recognition and classification of financial instruments depends on the contractual terms and the relevant business model. A financial asset or financial liability other than TFRS 15 "Revenue from Contracts with Customers" is measured at fair value when first recognized in the consolidated financial statements. Transaction costs directly attributable to the acquisition or the issuance of financial assets and liabilities, except for the fair value changes recognized in profit or loss, are also added to the fair value or deducted from the fair value.

The classification of financial instruments during the initial recognition depends on the characteristics of the contractual cash flows.

Financial assets and liabilities under TFRS 9 are as follows:

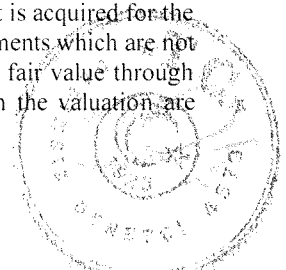
Financial assets

Financial investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Investments are recorded or derecognized on the date of the transaction on the basis of a contract with the condition of delivery of the investment instruments in accordance with the period determined by the relevant market.

Financial assets classified as "financial assets measured at fair value through profit or loss", "financial assets measured at amortized cost" and "financial assets measured at fair value through other comprehensive income".

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss; are financial assets held for trading and not acquired for trading purposes but recognized in this category at initial recognition. When a financial asset is acquired for the purpose of disposal in the short term, it is classified in that category. Derivative financial instruments which are not designated as effective hedging instruments are also classified as financial assets measured at fair value through profit or loss. Financial assets are carried at fair value and any gains or losses arising from the valuation are recognized in profit or loss.



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Financial assets measured at amortized cost

“Financial assets measured at amortised cost”, are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets carried at amortised cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortised cost are accounted for under the statement of income. Interest income from financial assets held to maturity recognized under statement of profit or loss.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Financial assets measured at fair value through other comprehensive income

“Financial assets measured at fair value through other comprehensive income” are assets that are either equity securities or debt securities. The Group measures related financial assets at fair value. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for foreign exchange gains and losses. When an equity security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings. When a debt security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Subsequent valuation of financial assets measured at fair value through other comprehensive income is carried at fair value. However, if the fair value cannot be determined reliably, for those with a fixed maturity, discounted price is calculated using the internal rate of return method; For those who do not have a fixed maturity, fair value is valued using pricing models or discounted cash flow techniques. Unrealized gains or losses arising from changes in the fair values of financial assets at fair value through other comprehensive income and expressing the difference between the amortized cost and fair value of the securities calculated using the effective interest method, are included in the “Financial Assets Revaluation Surplus” which is recognized in equity. When the financial assets at fair value through profit or loss are disposed of, the value in equity resulting from the application of fair value is reflected to the period profit / loss.

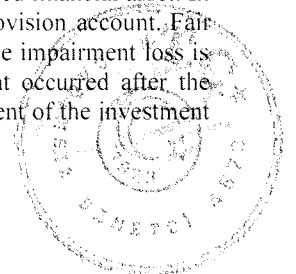
Recognition and derecognition of financial assets and liabilities

The Group recognizes a financial asset or financial liability in its balance sheet when only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of it only when the control on rights under the contract is discharged. The Group derecognizes a financial liability when the obligation under the liability is discharged or cancelled or expires.

Impairment of financial assets / expected credit loss

At each reporting date, it is evaluated whether there is a significant increase since the financial instrument within the scope of the impairment has been included in the consolidated financial statements for the first time. When making this assessment, the change in the risk of default of the financial instrument is taken into consideration. The expected credit loss estimate is unbiased, weighted according to probabilities, and includes information that can be supported about past events, current conditions, and forecasts for future economic conditions.

In all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an provision account, the impairment is offset directly from the carrying amount of the related financial asset. In the event that the trade receivable cannot be collected, the said amount is offset from the provision account. Fair value difference other than equity instruments reflected in other comprehensive income, if the impairment loss is reduced in the subsequent period and if the impairment can be attributed to an event that occurred after the recognition of the impairment loss, an impairment loss recognized in advance if the impairment of the investment



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DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

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(Amounts are expressed in Turkish Lira unless otherwise indicated.)

has never been recognized at the time the impairment loss is reversed will not exceed the amount of amortized cost in the income statement is reversed.

An increase in the fair value of the equity instruments reflected in other comprehensive income after the impairment loss, recognized directly in equity.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are measured at amortized cost, using the effective interest rate method. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

Group has preferred to apply "simplified approach" defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the reversal of the provision is recognised in other operating income.

Cash and cash equivalents

Cash and cash equivalents are cash in hand, demand deposits and other highly liquid short-term investments with maturities of 3 months or less following the date of acquisition, which is readily convertible to a known amount of cash and does not bear the risk of significant amount of value change.

Financial liabilities

A financial liability is measured at fair value during its initial recognition. During the initial recognition of financial liabilities whose fair value difference is not reflected in profit or loss, transaction costs that can be directly associated with the undertaking of the relevant financial liability are added to the fair value in question. Financial liabilities are accounted over the amortized cost value by using the effective interest method together with the interest expense calculated over the effective interest rate in the following periods.

Earnings per share

Earnings per share disclosed in the income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.



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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Foreign currency translation

Foreign currency transactions and balances

The separate financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates ("functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira ("TL"), which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in foreign currencies (currencies other than TL) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are converted at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Currency translation differences are recognized in profit or loss in the period in which they arise except for:

- Currency translation differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Currency translation differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and
- Currency translation differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Financial Statements of Subsidiaries Operating in Foreign Countries

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Currency translation differences arising, if any, are classified as equity and transferred to the Group's "currency translation difference". Such currency translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

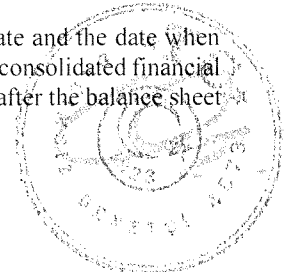
NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Events after the reporting period

Events after the reporting period are those events, which occur between the balance sheet date and the date when the financial statements are authorized for issue. The Group adjusts the amounts recognised in consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet



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date have material influence on the economic decisions of users of the consolidated financial statements, they are disclosed in the notes to the consolidated financial statements.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is set forth in the consolidated financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

Taxes on income

Turkish tax legislation does not permit a parent company to file a consolidated tax return. Therefore, tax liabilities, as reflected in consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense (or income) is the sum of the current period tax expense and the deferred tax expense (or income).

Current tax

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Group's liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

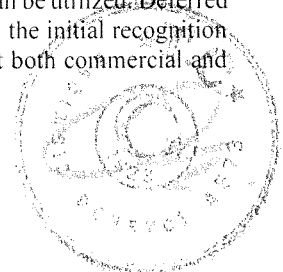
NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Taxes on income (continued)

Deferred tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the consolidated financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.



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Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Group intends to pay off the current tax assets and liabilities.

Current and deferred tax for the period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the income statement.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

Employee benefits/ Provision for employment termination benefits

Employment termination benefits

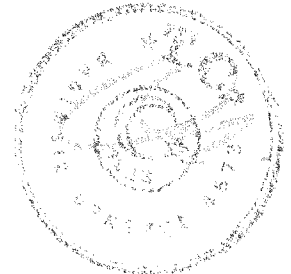
The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections. TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains / losses reflected to the accompanying consolidated financial statements. Actuarial gains and losses recognized under consolidated statement of other comprehensive income.

Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Statement of cash flow

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.



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Share capital and dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2.6 Significant Accounting Judgments, Estimates and Assumptions

Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are disclosed in Note 2.5, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements (apart from those involving estimations, which are as follows):

Useful lives of property, plant and equipment

The Group depreciates its property, plant and equipment in accordance with the economic useful lives disclosed in Note 9 and 10.

Impairment on inventories

The Group determined inventories lower of acquisition cost or net realisable value during the period. In accordance with the relevant assessment, provision for impairment on inventories is amounting to TL 12.490.052 recognised in the accompanying consolidated financial statements (31 December 2021: TL 851.408).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.6 Significant Accounting Judgments, Estimates and Assumptions (continued)

Provision for doubtful receivables

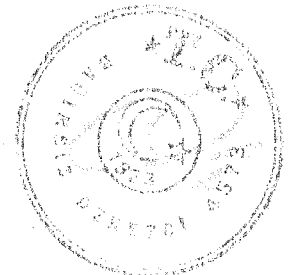
Group has preferred to apply "simplified approach" defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason. As of 31 December 2022, the amount of TL 1.176.577 included in trade receivables considered and recognized as provision for doubtful receivables in the accompanying consolidated financial statements.

Revaluation of land and buildings

The land and buildings acquired through lease owned by the Group are subject to revaluation by independent appraisal firm, Arz Taşınmaz Değerleme ve Danışmanlık A.Ş., on 15 December 2022. Arz Taşınmaz Değerleme ve Danışmanlık A.Ş. is authorised by Capital Markets Board ("CMB") and provides property valuation services in accordance with the capital market legislation and has sufficient experience and qualifications in the fair value measurement of property in the relevant regions.

NOTE 3 – SEGMENT REPORTING

The Group has been applied TFRS 8 effective from 1 January 2013 and reportable segments have been determined in accordance with the internal reporting system by the General Assembly regarding the operations of the Group by reviewing in a regular manner.



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The revenue arising from the reportable segments mainly include sales to Turkey, Europe, United States, Middle East, Africa and Asia Pacific geographical areas. The amounts reported in the consolidated financial statements for the years ended 31 December 2022 and 2021 are as follows:

1 January – 31 December 2022							
	Turkey	Europe	United States	Middle East and Africa	Asia Pacific	Other	Total
Gross Sales	463.860.090	689.400.547	34.323.469	53.297.598	520.110	12.883.278	1.254.285.092

1 January – 31 December 2021							
	Turkey	Europe	United States	Middle East and Africa	Asia Pacific	Other	Total
Gross Sales	203.382.743	301.815.651	11.253.307	8.854.834	2.471.124	4.185.457	531.963.116

NOTE 4 – RELATED PARTY DISCLOSURES

a) Related party balances are as follows:

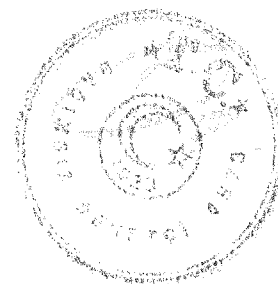
31 December 2022						
Other entities controlled by parent company	Receivables		Payables			
	Short term trade receivables	Short term other receivables	Short term trade payables	Short term other payables	Long term other payables	
LGR International Societe Anonyme (*) (Parent)	-	-	7.328.450	45.789.029	-	
Koenig Bauer Duran Amb.Kar.Tek.San. (**)	-	-	834.628	-	-	
Durkat Karton Amb. Tekn. San. Tic. A.Ş.	-	-	-	-	-	
Total	-	-	8.163.078	45.789.029	-	

31 December 2021						
Other entities controlled by parent company	Receivables		Payables			
	Short term trade receivables	Short term other receivables	Short term trade payables	Short term other payables	Long term other payables	
LGR International Societe Anonyme (*) (Parent)	-	-	3.795.213	450.257	30.227.800	
Koenig Bauer Duran Amb.Kar.Tek.San. (**)	-	-	2.197.569	-	-	
Durkat Karton Amb. Tekn. San. Tic. A.Ş.	-	-	-	-	-	
Total	-	-	5.992.782	450.257	30.227.800	

(*) Short term other payables due to related parties is arising from a borrowing at 3% + 12-month EURIBOR interest amounting to EUR 2.000.000 with a maturity of 31 January 2023 given to the Group by LGR International Societe Anonyme, which one of the shareholders of the Group. Interest has not been charged on trade receivables and payables due to/from related parties.

(**) Represents entities managed by the shareholders

Interest has not been charged on trade receivables and payables from related parties.



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b) Related party transactions are as follows:

Other entities controlled by parent company	1 January - 31 December 2022		
	Purchases of goods and services	Sales of goods and services	Interest expenses
LGR International Societe Anonyme (*)	7.328.450	-	(808.622)
Lgr Emballages S.A.S.	-	-	-
Durkat Karton Amb. Tekn. San. Tic. A.Ş.	-	-	-
Koenig Bauer Duran Amb.Kar.Tek.San.	5.063.190	(120.567)	-
Total	12.391.640	(2.484.275)	(808.622)

Other entities controlled by parent company	1 January - 31 December 2021		
	Purchases of goods and services	Sales of goods and services	Interest expenses
LGR International Societe Anonyme (*)	3.795.213	-	(764.296)
Lgr Emballages S.A.S.	-	-	-
Durkat Karton Amb. Tekn. San. Tic. A.Ş.	-	(18.439)	-
Koenig Bauer Duran Amb.Kar.Tek.San.	597.840	(2.465.836)	-
Total	4.393.053	(2.484.275)	(764.296)

(*) For the services provided by LGR International S.A.S, provision has been made at the rate of 0.5% over the monthly sales of the Group.

c) The key management of Duran Doğan is identified as the Chairman of the Board, Vice Chairman of the Board, Members of the Board of Directors, Director, Deputy Director and Finance Manager. As of 31 December 2022 and 2021, total key management compensation incurred by Duran Doğan is as follows:

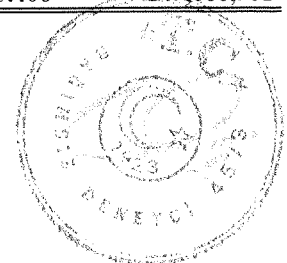
	1 January- 31 December 2022	1 January- 31 December 2021
Employee performance premium	16.950.000	9.114.668
Salaries and wages	12.914.600	6.817.824
Bonuses	1.919.913	752.110
Daily allowances	624.960	485.100
Other short-term employee benefits	367.311	191.235
	32.776.784	17.360.937

NOTE 5 – TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As of 31 December 2022 and 2021, the functional breakdown of trade receivables is as follows:

Short term trade receivables	31 December 2022	31 December 2021
Trade receivables	214.392.678	142.561.936
Notes receivables	11.039.305	7.943.224
Provision for doubtful receivables (-)	(1.176.577)	(838.259)
Short term trade receivables, net	224.255.406	149.666.901



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NOTE 5 – TRADE RECEIVABLES AND PAYABLES (continued)

The average maturity of trade receivables from domestic customers and foreign customers is 90 and 120 days, respectively. As of 31 December 2022, provision for doubtful trade receivables amounting to TL 1.176.577 (31 December 2021: TL 838.259) has been allocated in the accompanying consolidated financial statements.

The Group allocated provision for doubtful receivables in the accompanying consolidated financial statements for the uncollectible trade receivables. The provision for doubtful receivables has been determined in accordance with the past payment performance of uncollectible accounts. The Group evaluates whether there has been a change in the credit quality of the receivables from the first occurrence to the report date whether its collected or not.

The Group management has been estimated that there has been no additional provision account rather than aforementioned provision for doubtful receivables required in the accompanying consolidated financial statements.

The movement of doubtful trade receivables is as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Opening balance – 1 January	838.259	629.971
Increases during the period (*)	338.318	208.288
End of the period – 31 December	1.176.577	838.259

(*) Represents the portion of foreign exchange losses amounting to TL 219.893 arising from foreign exchange valuation. The remaining portion is the net effect of expected credit losses in accordance with the TFRS 19.

The breakdown of guarantees received by the Group for the collection of its trade receivables is as follows:

Short term trade receivables	31 December 2022	December 2021
Account receivables insurance	27.111.816	13.367.181
	27.111.816	13.367.181

b) Trade Payables:

As of 31 December 2022 and 2021, the functional breakdown of trade payables is as follows:

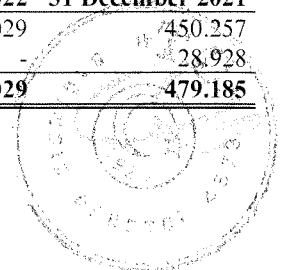
Short term trade payables	31 December 2022	31 December 2021
Trade payables	114.716.602	90.676.963
Expense accruals	11.400.550	1.644.317
Due to related parties	8.163.078	5.992.782
Short term trade payables, net	134.280.230	98.314.062

The average maturity of the purchase of raw materials and supplies is 67 days (31 December 2021 : 76 days).

NOTE 6 – OTHER RECEIVABLES AND PAYABLES

Short term other receivables	31 December 2022	31 December 2021
Deposits and guarantees given	11.309	11.309
Due from employees	37.520	60.038
Short term other receivables, net	48.829	71.347

Short term other payables	31 December 2022	31 December 2021
Due to related parties (*) (Note 4)	45.789.029	450.257
Other	-	28.928
Short term other payables, net	45.789.029	479.185



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Long term other payables	31 December 2022	31 December 2021
Due to related parties (*) (Note 4)	-	30.227.800
Short term other payables, net		30.227.800

(*) Due to related parties is arising from a borrowing amounting to EUR 2.000.000 with a maturity of 31 January 2023 given to the Group by LGR International S.A, which one of the shareholders of the Group. As of 31 December 2022, the relevant borrowing has 3% + 12-month EURIBOR interest rate and interest accrued from borrowing is amounting to EUR 70.657 (31 December 2021: EUR 60.833).

Long term other receivables	31 December 2022	31 December 2021
Due from employees	144.538	22.500
Deposits and guarantees given	778.919	588.733
Long term other receivables, net	923.457	611.233

NOTE 7 - INVENTORIES

Inventories are carried at cost in the accompanying consolidated financial statements and provision for impairment is also presented for the inventories subject to impairment.

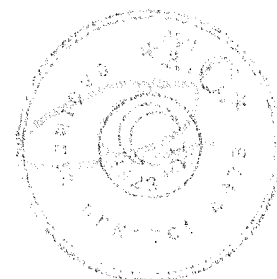
Account Name	31 December 2022	31 December 2021
Raw materials and supplies	159.607.080	63.655.304
Merchandise	137.394.624	58.866.328
Semi-finished goods	44.000.151	17.799.013
Goods in transit	3.148.109	1.668.722
Provision for impairment (-)	(12.490.052)	(851.408)
Total	331.659.912	141.137.959

NOTE 7 – INVENTORIES (continued)

As of 31 December 2022 and 2021, the movement of provision for impairment is as follows:

	1 January- 31 December 2022	1 January-31 December 2021
Beginning of the period – 1 January	(851.408)	(1.161.027)
Carried at cost	851.408	1.161.027
Increases during the period	(12.490.052)	(851.408)
End of the period – 31 December	(12.490.052)	(851.408)

Provision for impairment is included in cost of goods sold account.



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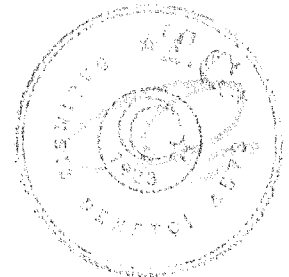
NOTE 8 – PREPAID EXPENSES AND DEFERRED INCOME

Short term prepaid expenses	31 December 2022	31 December 2021
Advances given for inventories	5.514.443	12.889.041
Short term prepaid expenses	6.312.435	4.014.815
Business cash advances	3.000	3.000
Short term prepaid expenses, net	11.829.878	16.906.856

Long term deferred income	31 December 2022	31 December 2021
Long term deferred income	418.549	597.928
Long term deferred income, net	418.549	597.928

Short term deferred income	31 December 2022	31 December 2021
Advances received	4.351.748	3.758.612
Short term deferred income	8.250.671	4.152.301
Short term deferred income, net	12.602.419	7.910.913

Long term prepaid expenses	31 December 2022	31 December 2021
Advances given for property, plant and equipment	13.677.173	948.770
Long term prepaid expenses	284.454	590.408
Long term prepaid expenses, net	13.961.627	1.539.178



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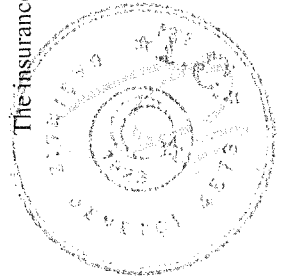
NOTE 9 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

a-) Property, plant and equipment

As of 31 December 2022 and 2021, the movements for property, plant and equipment, and related depreciation are as follows:

	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Constructions in progress	Leasehold improvements	Total
Cost and Revaluation						
Opening balance – 1 January 2022	114.268.207	80.508	20.478.636	955.350	7.395.561	143.178.262
Transfers from constructions in progress	-	-	-	-	-	-
Acquisitions	14.011.549	-	8.011.588	2.627.645	1.052.243	25.703.025
Disposals	-	-	-	-	-	-
Closing balance – 31 December 2022	128.279.756	80.508	28.490.224	3.582.995	8.447.804	168.881.287
Accumulated depreciation (-)						
Opening balance – 1 January 2022	52.654.275	65.750	11.806.941	-	3.865.682	68.392.648
Current period depreciation	10.977.270	14.758	3.488.650	-	1.810.009	16.290.687
Disposals	-	-	-	-	-	-
Closing balance – 31 December 2022	63.631.545	80.508	15.295.591	-	5.675.691	84.683.335
Net book value – 31 December 2022	64.648.211	-	13.194.633	3.582.995	2.772.113	84.197.952

The insurance coverage on property, plant and equipment is amounting to EUR 47,846,218 (2021: EUR 44,431,918).



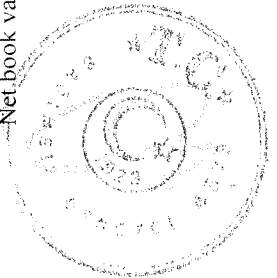
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NOTE 9 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (continued)

a-) Property, plant and equipment (continued)

	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Constructions in progress	Leasehold improvements	Total
Cost and Revaluation						
Opening balance – 1 January 2021	79.088.803	80.508	15.617.034	9.781.957	5.387.296	109.955.598
Transfers from constructions in progress	8.914.345	-	-	(8.914.345)	-	-
Acquisitions	26.299.935	-	4.965.384	87.738	2.008.265	33.361.322
Disposals	(34.876)	-	(103.782)	-	-	(138.658)
Closing balance – 31 December 2021	114.268.207	80.508	20.478.636	955.350	7.395.561	143.178.262
Accumulated depreciation (-)						
Opening balance – 1 January 2021	45.568.126	49.648	9.964.818	-	2.767.170	58.349.762
Current period depreciation	7.121.025	16.102	1.920.057	-	1.098.512	10.155.696
Disposals	(34.876)	-	(77.934)	-	-	(112.810)
Closing balance – 31 December 2021	52.654.275	65.750	11.806.941	-	3.865.682	68.392.648
Net book value – 31 December 2021	61.613.932	14.758	8.671.695	955.350	3.529.879	74.785.614



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NOTE 9 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (continued)

b-) Right of use assets

As of 31 December 2022 and 2021, the movements for right of use assets, and related depreciation are as follows:

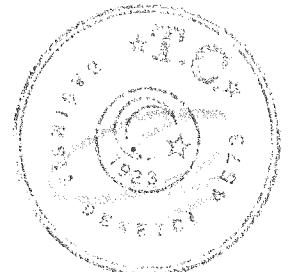
Cost	Plant, machinery and equipment				Total
	Land	Buildings	Motor vehicles		
Opening balance – 1 January 2022	58.075.000	43.462.434	5.007.244	34.974.682	141.519.360
Revaluation surplus	105.900.000	60.070.882	-	-	165.970.882
Additions	-	2.065.261	-	-	2.065.261
Disposals	-	-	-	-	-
Closing balance – 31 December 2022	163.975.000	105.598.577	5.007.244	34.974.682	309.555.503
Accumulated depreciation (-)					
Opening balance – 1 January 2022	(8.112)	(10.913.947)	(2.692.598)	(7.433.241)	(21.047.898)
Current period depreciation	-	(4.645.551)	(1.273.800)	(3.625.006)	(9.544.357)
Closing balance – 31 December 2022	(8.112)	(15.559.498)	(3.966.398)	(11.058.247)	(30.592.255)
Net book value – 31 December 2022	163.966.888	90.039.079	1.040.846	23.916.435	278.963.248

Cost	Plant, machinery and equipment				Total
	Land	Buildings	Motor vehicles		
Opening balance – 1 January 2021	58.075.000	43.462.434	2.951.782	34.974.682	139.463.898
Additions	-	-	2.055.462	-	2.055.462
Closing balance – 31 December 2021	58.075.000	43.462.434	5.007.244	34.974.682	141.519.360
Accumulated depreciation (-)					
Opening balance – 1 January 2021	(8.112)	(7.537.223)	(1.566.927)	(3.885.381)	(12.997.643)
Current period depreciation	-	(3.376.724)	(1.125.671)	(3.547.860)	(8.050.255)
Closing balance – 31 December 2021	(8.112)	(10.913.947)	(2.692.598)	(7.433.241)	(21.047.898)
Net book value – 31 December 2021	58.066.888	32.548.487	2.314.646	27.541.441	120.471.462

The fair value measurement of land and buildings

The land and building owned by the Group in Hadımköy are carried at cost in the accompanying consolidated financial statements less accumulated depreciation and impairment. The land and buildings acquired through leases have been subject to revaluation by independent appraisal Arz Taşınmaz Değerleme ve Danışmanlık A.Ş. on 15 December 2022. Arz Taşınmaz Değerleme ve Danışmanlık A.Ş. has been authorised by Capital Markets Board (“CMB”) and provides property valuation services in accordance with the legislation of Capital Markets Board and has adequate experience and qualifications in the fair value measurement of properties in the relevant geographical areas.

The fair value of the land has been determined in accordance with the Sales Comparison Approach (“SCA”) which is a property appraisal method that compares one property to comparables or other recently sold properties in the area with similar characteristics. The fair value of the building has been determined in accordance with the cost approach (“CA”) which is a property valuation method that estimates the price a buyer should pay for a piece of property is equal the cost to build an equivalent building.



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As of 31 December 2022, the fair value hierarchy of land, building and relevant properties owned by the Group is as follows:

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (continued)

	31 December 2022	Fair value level at the end of the reporting period		
		Level 1 (TL)	Level 2 (TL)	Level 3 (TL)
Hadımköy facility				
- Land	163.975.000	-	-	163.975.000
- Building	87.531.000	-	-	87.531.000

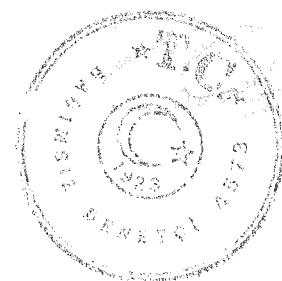
	31 December 2021	Fair value level at the end of the reporting period		
		Level 1 (TL)	Level 2 (TL)	Level 3 (TL)
Hadımköy facility				
- Land	58.075.000	-	-	58.075.000
- Building	22.898.916	-	-	22.898.916

If the land and right of use asset of buildings are subject to revaluation are carried at cost in the consolidated financial statements, the relevant amounts will be are as follows:

	31 December 2022	31 December 2021
Land - cost	4.965.000	4.965.000
Buildings - cost	15.292.464	15.292.464
Buildings – accumulated depreciation	(3.762.927)	(3.457.036)
Net book value	16.494.537	16.800.428

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Economic useful lives (years)
Land improvements	10-50
Buildings	5-50
Plant, machinery and equipment	4-20
Motor vehicles	1-5
Furniture and fixtures	4-20
Leasehold improvements	5-9



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NOTE 10 – INTANGIBLE ASSETS

As of 31 December 2022 and 2021, the movements for intangible assets, and related depreciation are as follows:

Cost	Rights	Capitalised development costs	Total
Opening balance – 1 January 2022	7.317.597	1.141.740	8.459.337
Acquisitions	597.061	-	597.061
Closing balance – 31 December 2022	7.914.658	1.141.740	9.056.398
Accumulated depreciation (-)			
Opening balance – 1 January 2022	(4.983.772)	(463.146)	(5.446.918)
Current period depreciation	(722.299)	(214.801)	(937.100)
Closing balance – 31 December 2022	(5.706.071)	(677.947)	(6.384.018)
Net book value – 31 December 2022	2.208.587	463.793	2.672.380

Cost	Rights	Capitalised development costs	Total
Opening balance – 1 January 2021	6.801.509	660.103	7.461.612
Acquisitions	516.088	481.637	997.725
Closing balance – 31 December 2021	7.317.597	1.141.740	8.459.337
Accumulated depreciation (-)			
Opening balance – 1 January 2021	(4.238.051)	(256.833)	(4.494.884)
Current period depreciation	(745.721)	(206.313)	(952.034)
Closing balance – 31 December 2021	(4.983.772)	(463.146)	(5.446.918)
Net book value – 31 December 2021	2.333.825	678.594	3.012.419

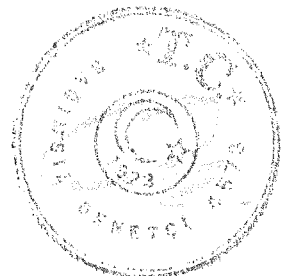
Depreciation and amortisation charges amounting to TL 16.290.687, TL 937.100 and TL 9.544.357 have been included in cost of sales, marketing and sales expenses and general administrative expenses, respectively (2021: TL 17.239.853, TL 289.804 and TL 1.628.328, respectively).

The depreciation periods for intangible assets, which approximate the economic useful lives of such assets, are as follows:

	Economic useful lives (years)
Rights	3-15
Capitalised development costs	5

NOTE 11 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Short term provisions	31 December 2022	31 December 2021
Provision for royalty	104.750	51.735
Short term provisions, net	104.750	51.735



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The movement of provisions is as follows:

	1 January- 31 December 2022	1 January-31 December 2021
Beginning of the period – 1 January	51.735	12.317
Additions	104.750	51.735
Payments during the period	(51.735)	(12.317)
End of the period – 31 December	104.750	51.735

a) Guarantees given

As of 31 December 2022 and 2021, the breakdown of guarantees given is as follows:

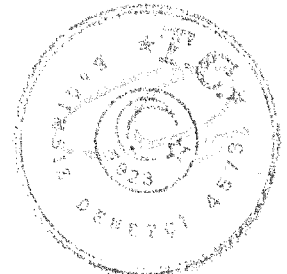
	31 December 2022	31 December 2021
Export credits	93.817.408	89.520.166
Foreign investment and overseas loans	183.401.080	135.077.160
Other	2.860.196	1.341.130
	280.078.684	225.938.456

As of 31 December 2022, the ratio of other CPM's given by the Group to its equity is 0% (31 December 2021: 0%).

NOTE 11 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

a) Guarantees given (continued)

31 December 2022	TL equivalent	GBP	EUR	USD	TL
A. Total amount of CPM's given in the name of its own legal personality	280.078.684	220.000	13.658.000	-	2.860.196
B. Total amount of CPM's given on behalf of the fully consolidated companies	-	-	-	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-	-
ii. Total amount of CPM's given on behalf of other companies which are not in scope of B and C above	-	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total	280.078.684	220.000	13.658.000	-	2.860.196



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31 December 2021	TL equivalent	GBP	EUR	USD	TL
A. Total amount of CPM's given in the name of its own legal personality	225.938.456	3.521.000	11.111.700	-	1.341.130
B. Total amount of CPM's given on behalf of the fully consolidated companies	-	-	-	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-	-
ii. Total amount of CPM's given on behalf of other companies which are not in scope of B and C above	-	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total	225.938.456	3.521.000	11.111.700	-	1.341.130

As of 31 December 2022, the Group has guarantees given to its bank borrowings amounting to TL 280.078.684 which includes letters of guarantee amounting to TL 96.677.604 and the remaining guarantees were pledged given to European Bank for Reconstruction and Development ("EBRD") and Sudwestbank AG amounting to TL 183.401.080 (31 December 2021: letters of guarantee amounting to TL 90.861.296 and pledges amounting to TL 135.077.160).

NOTE 11 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

b) Lawsuits filed against and in favor of the Group

As of 31 December 2022, the Group has 13 re-employment and compensation lawsuits filed against the Group in progress. Relevant provision for lawsuits have not been allocated in the accompanying consolidated financial statements as no cash outflow is estimated as of the reporting date considering the legal opinions attorneys regarding the related lawsuits.

NOTE 12 – EMPLOYEE BENEFITS

Defined benefit liabilities arising from employee benefits:

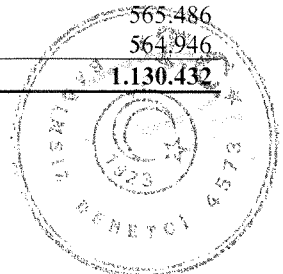
	31 December 2022	31 December 2021
Due to employees	5.423.055	2.358.576
Social security premiums payable	2.045.403	1.010.051
	7.468.458	3.368.627

Short term provisions for employee benefits:

	31 December 2022	31 December 2021
Provision for unused vacation	2.135.406	1.130.432
Provision for premium	38.487	5.750.000
	2.173.893	6.880.432

The movement of provision for unused vacation is as follows:

	1 January- 31 December 2022	1 January-31 December 2021
Beginning of the period – 1 January	1.130.432	565.486
Increases/decreases during the period, net	1.004.974	564.946
End of the period – 31 December	2.135.406	1.130.432



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Long term provisions for employee benefits:

Provision for employment termination benefits:

Under Turkish Labour Law, Duran Doğan and its Subsidiaries incorporated in Turkey are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

As of 31 December 2022, the amount payable consists of one month's salary limited to a maximum of TL 15.371,40 (31 December 2021: TL 8.284,21) for each year of service.

NOTE 12 – EMPLOYEE BENEFITS (continued)

Long term provisions for employee benefits (continued):

Provision for employment termination benefits (continued):

The liability is not funded as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As of 31 December 2022 and 2021, the provisions in the accompanying consolidated financial statements are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. As of the 31 December 2022, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 22.00% and an interest rate of 26.00%, resulting in a discount rate of 3.28% (31 December 2021: 3.92%).

Movements in the provision for employment termination benefits are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Beginning of the period – 1 January	8.769.358	8.225.143
Service costs	1.820.107	1.749.430
Interest costs	2.280.033	1.809.531
Payments during the period (-)	(1.668.844)	(2.336.707)
Actuarial gains/losses	7.701.980	(678.039)
End of the period – 31 December	18.902.634	8.769.358

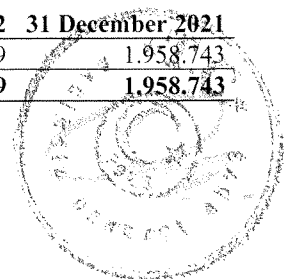
NOTE 13 – OTHER ASSETS, LIABILITIES AND FINANCIAL INVESTMENTS

Other current assets:

	31 December 2022	31 December 2021
VAT refunds	10.141.466	16.500.710
Advances given to employees	69.703	-
	10.211.169	16.500.710

Other current liabilities:

	31 December 2022	31 December 2021
Taxes payable	37.322.459	1.958.743
	37.322.459	1.958.743



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NOTE 13 – OTHER ASSETS, LIABILITIES AND FINANCIAL INVESTMENTS (continued)

Financial investments:

	31 December 2022	31 December 2021
Derivatives market (“VIOP”)	10.881.998	-
	10.881.998	-

NOTE 14 - EQUITY

a) Share capital

As of 31 December 2022 and 2021, the principal shareholders and their respective shareholding rates in Duran Doğan are as follows:

Shareholders	Share %	31 December 2022		31 December 2021	
		Amount	Share %	Amount	Share %
LGR International Societe Anonyme	30.00%	10.500.001	30.00%	10.500.001	
Dikran Mihran Acemyan	9.76%	3.415.238	9.76%	3.415.238	
Oktay Duran	8.30%	2.906.068	8.30%	2.906.068	
İbrahim Okan Duran	7.95%	2.783.352	7.95%	2.783.352	
Diran Acemyan	7.57%	2.651.152	7.85%	2.748.276	
Other	36.41%	12.744.189	36.13%	12.647.065	
Total share capital	100.00%	35.000.000	100.00%	35.000.000	

The current issued paid-in share capital consists of 3.500.000.000 (2021: 3.500.000.000) number of shares each with a nominal value of TL 0.01 (2021: TL 0.01).

b) Restricted reserves

As of 31 December 2022 and 2021, the functional breakdown of restricted reserves is as follows:

Account Name	31 December 2022	31 December 2021
Legal reserves	2.214.481	1.369.501
Total	2.214.481	1.369.501

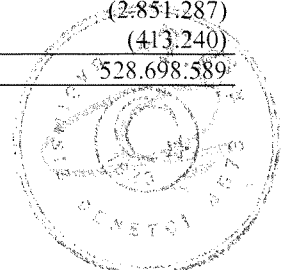
The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

NOTE 15 – REVENUE AND COST OF SALES

As of 31 December 2022 and 2021, the functional breakdown of revenue and cost of sales is as follows:

a) Sales

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Domestic Sales	457.402.249	203.382.743
Foreign Sales	796.882.843	328.580.373
Sales Returns (-)	(9.658.655)	(2.851.287)
Sales Discounts (-)	(2.955.943)	(413.240)
	1.241.670.494	528.698.589



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b) Cost of sales (-)		
Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Raw materials and supplies	553.543.562	267.349.897
Personnel expenses	60.926.675	34.268.312
General administrative expenses	74.187.249	31.262.967
Depreciation and amortisation charges	24.301.773	17.239.853
Changes in inventories, net	(56.412.996)	(16.159.060)
Cost of goods sold	656.546.263	333.961.969
Cost of merchandise sold	9.928.127	1.467.256
Other cost of sales	10.852.541	4.891.794
Idle capacity costs	901	901
	677.327.832	340.321.920

NOTE 16 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Marketing expenses	161.365.839	79.589.787
General administrative expenses	68.104.004	36.608.252
	229.469.843	116.198.039

NOTE 16 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES (continued)

As of 31 December 2022 and 2021, the functional breakdown of marketing expenses and general administrative expenses is as follows:

a) Marketing expenses

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Foreign transportation costs	115.403.900	61.697.263
Foreign marketing and distribution costs	17.905.771	7.420.533
Domestic transportation costs	9.468.853	2.925.919
Export commissions, fees and charges	4.987.482	1.990.039
Personnel expenses	6.026.951	3.386.561
Representation, hospitality and advertisement expenses	2.306.228	384.494
Insurance expenses	877.734	471.397
Travel expenses	492.675	49.475
Royalty expenses	439.530	240.585
Communication and information system expenses	303.576	226.920
Depreciation and amortization charges (Note 9 and 10)	258.910	289.804
Other	2.894.229	506.797
	161.365.839	79.589.787



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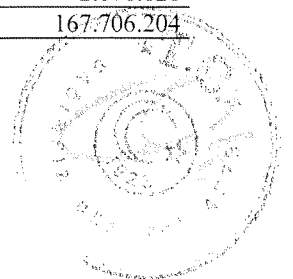
b) General administrative expenses

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Personnel expenses	47.182.138	24.475.215
Financial and legal counselling fees and charges	4.894.804	1.747.733
Consultancy expenses	4.746.368	2.891.540
Depreciation and amortisation charges (Note 9 and 10)	2.211.461	1.628.328
Information systems expenses	2.047.382	1.457.030
Insurance, maintenance and repair expenses	942.066	695.368
Motor vehicle expenditures	861.847	354.379
Representation and hospitality expenses	745.732	150.409
Travel expenses	613.595	74.684
Other taxes	545.002	719.503
Subscription expenses	424.171	138.788
Utility expenses	412.763	178.417
Subcontractor service costs	357.311	146.568
Stationery expenses	147.384	150.713
Communication expenses	99.303	73.850
Litigation and notary fees and charges	96.991	23.954
Education costs	11.875	11.875
Other	1.763.811	1.689.898
	68.104.004	36.608.252

NOTE 17 – EXPENSES BY NATURE

As of 31 December 2022 and 2021, the functional breakdown of expenses by nature is as follows:

Account Name	1 January - 31 December 2022	1 January - 31 December 2021
Personnel expenses	114.135.764	61.669.446
Depreciation and amortisation charges (Note 9 and 10)	26.772.144	19.277.390
Foreign transportation costs	115.403.900	61.697.263
Foreign marketing and distribution costs	17.905.771	7.420.533
Domestic transportation costs	9.468.853	3.386.561
Commission expenses	4.746.368	2.891.540
Export commissions, fees and charges	4.987.482	1.990.039
Consultancy expenses	4.894.804	1.628.328
Information systems expenses	2.047.382	1.457.030
Motor vehicle expenditures	861.847	737.095
Information systems expenses	402.879	379.373
Stationery expenses	147.384	719.503
Representation, hospitality and advertisement expenses	3.051.960	301.604
Other taxes	545.002	354.379
Subscription expenses	424.171	178.417
Subcontractor service costs	357.311	150.713
Travel expenses	1.106.270	123.325
Utility expenses	424.171	150.409
Royalty expenses	439.530	144.106
Insurance, maintenance and repair expenses	1.819.800	146.568
Litigation and notary fees and charges	96.991	23.954
Other	4.658.507	2.878.628
	314.698.291	167.706.204



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NOTE 18 – OTHER OPERATING INCOME/EXPENSES

As of 31 December 2022 and 2021, the functional breakdown of other operating income is as follows:

Other operating income	1 January - 31 December 2022	1 January - 31 December 2021
Foreign exchange gains	84.020.055	116.690.922
Interest income	1.503.247	559.020
Other	3.238.192	3.653.471
	<u>88.761.494</u>	<u>120.903.413</u>

NOTE 18 – OTHER OPERATING INCOME/EXPENSES (continued)

As of 31 December 2022 and 2021, the functional breakdown of other operating expenses is as follows:

Other operating expenses	1 January - 31 December 2022	1 January - 31 December 2021
Foreign exchange losses	65.737.588	64.753.984
Other	7.748.493	307.389
	<u>73.486.081</u>	<u>65.061.373</u>

NOTE 19 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

As of 31 December 2022 and 2021, the detailed analysis of gains and losses from investment activities are as follows:

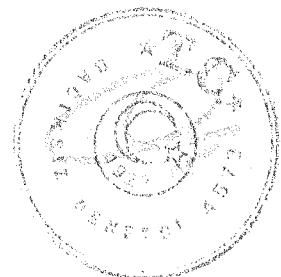
Gains from investment activities	1 January - 31 December 2022	1 January - 31 December 2021
Gain on derivatives market (VIOP)	1.235.918	-
	<u>1.235.918</u>	<u>-</u>

Losses from investment activities	1 January - 31 December 2022	1 January - 31 December 2021
Loss on derivatives market (VIOP)	7.974.157	-
	<u>7.974.157</u>	<u>-</u>

NOTE 20 - FINANCIAL INCOME / EXPENSES

As of 31 December 2022 and 2021, the detailed analysis and functional breakdown of financial expenses are as follows:

Financial expenses	1 January - 31 December 2022	1 January - 31 December 2021
Foreign exchange losses, net	74.424.311	97.084.812
Interest expenses	40.994.216	18.249.161
Interest expenses arising from leases	3.754.891	3.459.466
Other	3.058.289	974.381
	<u>122.231.707</u>	<u>119.767.820</u>



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NOTE 21 – OTHER COMPREHENSIVE INCOME ITEMS

	1 January - 31 December 2022	1 January - 31 December 2021
Property, plant and equipment revaluation surplus	204.201.078	61.206.059
Gains/(losses) on remeasurements of defined plans	(7.533.309)	(1.371.724)
Currency translation differences	(11.625.643)	(9.674.631)
	185.042.126	50.159.704

The movement of property, plant and equipment revaluation surplus is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Beginning of the period – 1 January	61.206.059	61.509.912
Gains on property, plant and equipment revaluation surplus	165.970.882	-
Deferred tax liabilities from revaluation, net	(22.604.176)	-
Transferred/charged to retained earnings (-)	(371.687)	(303.853)
End of the period – 31 December	204.201.078	61.206.059

The movement of gains/(losses) on remeasurements of defined plans is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Beginning of the period – 1 January	(1.371.724)	(1.914.155)
Changes during the period, net	(7.701.981)	678.039
Deferred tax assets	1.540.396	(135.608)
End of the period – 31 December	(7.533.309)	(1.371.724)

NOTE 22 – INCOME TAXES

	31 December 2022	31 December 2021
Current income tax liabilities		
Provision for taxes	38.425.141	5.744.194
Less: Prepaid taxes (-)	(29.569.460)	-
Current income tax liabilities, net	8.855.681	5.744.194

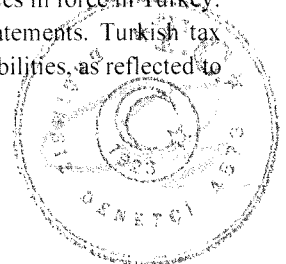
NOTE 22 – INCOME TAXES (continued)

The detailed analysis of tax income/expenses is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Current Period Tax Expense (-)	38.444.130	11.184.851
Deferred Income Tax / (Expense)	(86.590.600)	(4.255.755)
Total Tax Income/(Expense), net	(48.146.470)	6.929.096

Corporate Tax

The Group and its subsidiaries operating in Turkey, are subject to the tax legislation and practices in force in Turkey. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, Turkish tax legislation does not permit a parent company to file a consolidated tax return. Therefore, tax liabilities, as reflected to the consolidated financial statements, have been calculated on a separate-entity basis.



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The corporate tax to be accrued on the taxable income is calculated on the basis of the deduction of the expenses that cannot be deducted from the tax base expense in the determination of the earnings, and the amount of dividends received from domestic companies, taxable income and investment allowances.

In accordance with the temporary article 13 of regulation with the law numbered 7316 on the "Procedure for the Collection of Public Receivables and the Law Amending Certain Laws" published in the Official Gazette dated April 22, 2021 and numbered 31462, the corporate tax rate will be 25% for 2021 and 23% for 2022 corporate earnings. These rates will be applied to the earnings of the accounting period starting 1 January 2021 for the institutions with a special accounting period as of 1 July 2021.

The main corporate effective tax rate applied in the United Kingdom in 2022 is 19% (2021: 19%).

Advance tax in Turkey is calculated and accrued on a quarterly basis. Accordingly, the Group has been calculated tax in accordance with the 2022 earnings in the first provisional tax period, a provisional tax of 23% was calculated on corporate earnings (31 December 2021: 25%).

The Law numbered 7061 on Amendment of Certain Taxes and Laws and Other Acts came into effect, being published on the official gazette dated December 5, 2017 and numbered 30261. The 20% corporate tax rate listed in the first sub-clause of Article 32 of this Law, will be applied as 22% for enterprises' corporate income belonging to the taxation periods of 2018, 2019 and 2020. Within the framework of the Corporate Tax Law numbered 5520 and article numbered 89, 75% of the gains on the sale of the participation shares, which were held in the assets for a minimum of 2 whole years and 75% of the gains on the sale of immovables are exempt from tax. However, with the amendment made by Law No. 7061, this ratio has been reduced from 75% to 50% in terms of immovables and this ratio will be used as 50% in tax declarations to be prepared from 2018.

According to Corporate Tax Law's Article numbered 24, the corporate tax is imposed by the taxpayer's tax returns. Companies file their corporate tax returns between 1-25 April following the close of the accounting year. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits.

NOTE 22 – INCOME TAXES (continued)

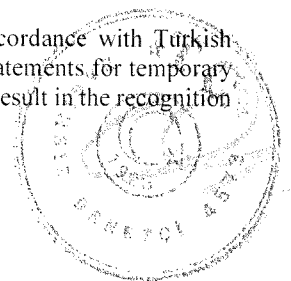
Income Withholding Tax:

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 10% between 24 April 2003 to 22 July 2006. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 22, 2006. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Based on the investment incentive certificates obtained before April 24, 2003, 19.8% tax withholding is required over the investment allowance amount. No tax withholding is made from investment expenditures without incentive certificate.

Deferred Tax

The Group's tax basis with the statutory consolidated financial statements prepared in accordance with Turkish Financial Reporting Standards arising from differences between the consolidated financial statements for temporary differences and deferred tax assets and liabilities are accounted for. These differences usually result in the recognition



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of revenue and expenses in different reporting periods for tax purposes and for the purposes of the TFRS and disclosed below.

Turkish tax legislation does not permit a parent company to file a consolidated tax return. Therefore, tax liabilities, as reflected in consolidated financial statements, have been calculated on a separate-entity basis. Accordingly, deferred tax assets and liabilities of the consolidated entities are also presented separately without offsetting in the accompanying consolidated financial statements.

The applicable tax rate used in the calculation of deferred tax assets and liabilities is 20% as of 31 December 2022 in the accompanying consolidated financial statements.

NOTE 22 – INCOME TAXES (continued)

Deferred Tax (continued)

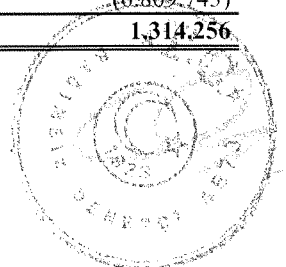
The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

Cumulative Temporary Differences	31 December 2022	31 December 2021
-Depreciation and amortization charges on property, plant and equipment and intangible assets and capitalized foreign exchange losses and interest expenses, net	169.275.821	(80.767.020)
-Adjustments for profit margin elimination on inventories	40.427.208	33.120.466
-Provision for employment termination benefits	18.902.634	8.769.358
-Provision for unused vacation	2.135.406	1.130.432
-Provision for impairment on inventories	12.490.052	851.408
-Adjustments for currency translation differences, net	1.499.506	2.605.401
-Adjustments for deferred income	4.923.241	2.124.881
-Other	8.590.680	4.641.177
	258.244.548	(27.523.897)

Deferred tax assets/(liabilities) are as follows:

	31 December 2022	31 December 2021
-Depreciation and amortization charges on property, plant and equipment and intangible assets and capitalized foreign exchange losses and interest expenses, net	49.755.353	(10.843.215)
-Adjustments for profit margin elimination on inventories	8.085.442	7.617.707
-Provision for employment termination benefits	3.780.527	1.753.872
-Provision for unused vacation	427.081	259.999
-Provision for impairment on inventories	2.498.010	195.824
-Adjustments for currency translation differences, net	299.901	599.242
-Adjustments for deferred income	984.648	488.723
-Other	1.718.136	1.242.104
	67.549.098	1.314.256

	31 December 2022	31 December 2021
Deferred tax assets	67.549.098	8.123.999
Deferred tax liabilities	-	(6.809.743)
Deferred tax assets, net	67.549.098	1.314.256



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NOTE 22 – INCOME TAXES (continued)

Deferred Tax (continued)

Movements in deferred tax assets/(liabilities) are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Beginning of the Period – 1 January	1.314.256	(3.036.984)
Charge to income statement	86.590.600	4.255.755
Charge to retained earnings	708.022	231.093
Charge to equity	(21.063.780)	(135.608)
End of the period - 31 December	67.549.098	1.314.256

Income tax expenses in the consolidated income statements are summarised and reconciled are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Profit Before Tax	221.178.286	8.252.850
Taxes calculated at domestic tax rate (23%) (2021: 25%)	(51.196.752)	(2.063.213)
Tax Effect:		
- Deferred Tax Effect of Revaluation Surplus	101.686.098	-
- Non-Deductible Expenses	(2.335.879)	(4.188.349)
- Retained Earnings to be Offset	-	1.992.003
-Tax rate differences/changes	(3.384.591)	(2.163.257)
- Tax allowances and deductions	1.620.030	-
-Other	1.757.564	(506.280)
Tax income/(expense)	48.146.470	(6.929.096)

The breakdown of taxes recognised under equity in the accompanying consolidated financial statements is as follows:

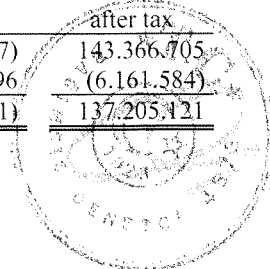
Deferred tax	1 January - 31 December 2022	1 January - 31 December 2021
Charge to equity:		
-Property, plant and equipment revaluation surplus	(22.604.176)	-
-Actuarial gains/(losses)	1.540.396	(135.608)
Total deferred tax liabilities charge to equity	(21.063.780)	(135.608)

NOTE 22 – INCOME TAXES (continued)

As of 31 December 2022 and 2021, tax effects of other comprehensive income items in the accompanying consolidated financial statements is as follows:

Deferred tax	31 December 2022	31 December 2021
Property, plant and equipment revaluation surplus	204.201.078	61.206.059
Gains/(losses) on remeasurements of defined benefit plans	(7.533.309)	(1.371.724)
Currency translation differences	(11.625.643)	(9.674.631)
	185.042.126	50.159.704

	1 January - 31 December 2022		
	Amount before tax	Tax income/ expense	Amount after tax
Changes in property, plant and equipment revaluation surplus	165.970.882	(22.604.177)	143.366.705
Actuarial gains/(losses)	(7.701.980)	1.540.396	(6.161.584)
Other comprehensive income during the period	158.268.902	(21.063.781)	137.205.121



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	1 January - 31 December 2021		
	Amount before tax	Tax income/ expense	Amount after tax
Changes in property, plant and equipment revaluation surplus	-	-	-
Actuarial gains/(losses)	678.039	(135.608)	542.431
Other comprehensive income during the period	678.039	(135.608)	542.431

NOTE 23 – EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 31 December 2022 and 2021, which is as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Weighted average number of shares	3.500.000.000	3.500.000.000
Profit for the period attributable to equity holders of the parent	269.324.586	1.323.754
Earnings per share	0.0769	0.0004

NOTE 24 – FINANCIAL INSTRUMENTS

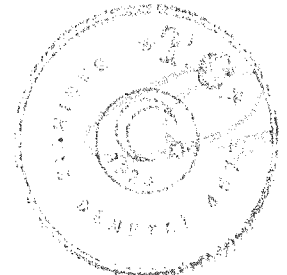
a) Bank Borrowings

Financial liabilities	31 December 2022	31 December 2021
Short term bank borrowings	175.834.971	62.469.212
Short term portion of long term borrowings	64.661.305	92.661.770
Short term lease liabilities	43.801.225	37.030.913
Other financial liabilities (*)	949.271	945.104
Total current liabilities, net	285.246.772	193.106.999

Long term bank borrowings	39.042.091	66.030.736
Long term lease liabilities	20.500.537	45.667.493

Other non-current liabilities	59.542.628	111.698.229
Total liabilities, net	344.789.400	304.805.228

Currency	Annual effective interest rate (%)	31 December 2022	
		Short term	Long term
TL	12-34%	139.951.158	349.032
EUR	3.35%-7.40%	98.932.011	26.482.045
GBP	3.68%	1.458.284	-
USD	1.25%	154.821	12.211.016
Bank borrowings		240.496.274	39.042.093



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Currency	Annual effective interest rate (%)	31 December 2021	
		Short term	Long term
TL	17.24-27.24%	78.641.479	15.796.197
EUR	0.72%-6.67%	47.736.220	40.388.163
GBP	3.96%-5.44%	28.641.810	1.126.448
USD	1.27%	111.473	8.719.928
Bank borrowings		155.130.982	66.030.736

NOTE 24 – FINANCIAL INSTRUMENTS (continued)

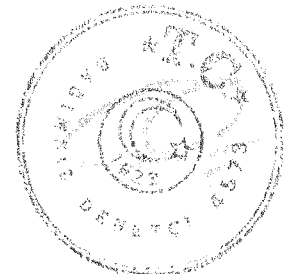
The repayment schedule of bank borrowings is as follows:

	31 December 2022	31 December 2021
Up to 1 year	240.496.274	155.130.982
1-2 years	26.984.376	39.262.710
2-3 years	151.374	18.504.477
3-4 years	149.473	103.742
4-5 years	147.597	102.439
5 years and over	11.609.273	8.057.368
Bank borrowings	279.538.367	221.161.718

As of 31 December 2022, the Group has guarantees given to its bank borrowings amounting to TL 280.078.684 which includes letters of guarantee amounting to TL 96.677.604 and the remaining guarantees were pledges given to European Bank for Reconstruction and Development (“EBRD”) and Sudwestbank AG amounting to TL 183.401.080 (31 December 2021: letters of guarantee amounting to TL 90.861.296 and pledges amounting to TL 135.077.160).

b) The details of lease liabilities are as follows:

Lease liabilities	Minimum lease payments		Net present value of minimum lease payments	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Up to 1 year	46.010.571	41.099.221	43.801.225	37.030.913
2-10 years	21.109.148	48.305.390	20.500.537	45.667.494
	67.119.719	89.404.611	64.301.762	82.698.407
Less: Long term financial expenses			(2.817.957)	(6.706.205)
Net present value of lease liabilities			64.301.762	82.698.406
Less: Short term prepaid expenses (up to 1 year) (presented under current liabilities)			(43.801.225)	(37.030.913)
Long term prepaid expenses (1 year and over)			20.500.537	45.667.493



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NOTE 24 – FINANCIAL INSTRUMENTS (continued)

b) Lease liabilities (continued)

		31 December 2022	
Currency	Annual effective interest rate (%)	Short term	Long term
USD	6.50%	27.713.020	4.183.246
EUR	6.80%	16.088.205	16.317.291
Lease liabilities		43.801.225	20.500.537

		31 December 2021	
Currency	Annual effective interest rate (%)	Short term	Long term
USD	6.50%	17.897.523	18.279.402
EUR	6.80%	15.298.743	23.911.534
TL	18.20%	3.834.647	3.476.557
Lease liabilities		37.030.913	45.667.493

c) Other financial liabilities

Other financial liabilities	31 December 2022	31 December 2021
Credit card payables (*)	949.271	945.104
	949.271	945.104

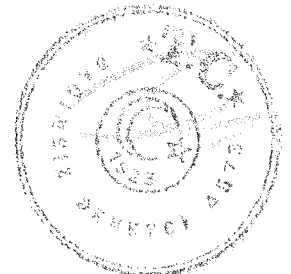
(*) Represents payables arising from credit card payments made to its suppliers for purchasing raw materials and supplies and consumables.

d) Reconciliation of balances of liabilities from financing activities

Cash and non-cash changes in the Group's liabilities from financing activities are as follows. Liabilities from financing activities are cash flows that classified or will be reclassified to cash flows from financing activities in the Group's consolidated statement of cash flows.

Financial assets/liabilities	Beginning of the period – 1 January	Cash flows from financing activities	Interest accrual	Currency translation differences	Additions		Disposals	Closing balance – 31 December 2022
Bank borrowings	221.161.718	8.848.302	2.587.822	46.940.525	-	-	-	279.538.367
Lease liabilities	82.698.406	(40.972.824)	748.202	21.827.978	-	-	-	64.301.762
	303.860.124	(32.124.522)	3.336.024	68.768.503	-	-	-	343.840.129

Financial assets/liabilities	Beginning of the period – 1 January	Cash flows from financing activities	Interest accrual	Currency translation differences	Additions		Disposals	Closing balance – 31 December 2021
Bank borrowings	149.943.292	24.037.432	888.822	46.292.172	-	-	-	221.161.718
Lease liabilities	70.257.448	(25.223.612)	1.240.512	34.777.769	1.646.289	-	-	82.698.406
	220.200.740	(1.186.180)	2.129.334	81.069.941	1.646.289	-	-	303.860.124



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NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group's main objectives for capital management are to keep the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of borrowings includes loans explained in note 24, cash and cash equivalents explained in note 27 and equity items containing respectively issued share capital, capital reserves, adjustment to share capital, profit reserves and retained earnings explained in note 14.

The Group monitors capital on the basis of the net financial debt/total equity ratio. This ratio calculated as dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes payables and financial liabilities as disclosed in the consolidated balance sheet). Total capital is calculated as equity, as shown in the balance sheet, plus net debt. Consolidated net financial debt/invested capital ratio as of 31 December 2022 and 2021 is as follows:

	31 December 2022	31 December 2021
Total borrowings	343.840.129	303.860.124
Less: Cash and cash equivalents	(51.982.544)	(14.941.401)
Net financial debt	291.857.585	288.918.723
Equity	476.429.598	71.850.903
Invested capital	768.287.183	360.769.626
Net financial debt/invested capital ratio	37.99%	80.08%

b) Financial risk management and financial risk factors

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk) and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance.



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NOTE 25- NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

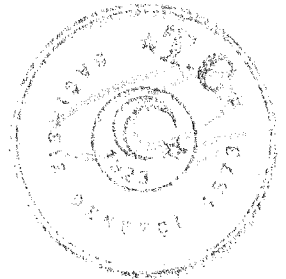
b) Financial risk management and financial risk factors (continued)

b.1) Credit risk management

As of 31 December 2022 and 2021, the exposure of consolidated financial assets to credit risk is as follows:

31 December 2022	Receivables				Bank Deposits
	Trade Receivables Related Party	Other	Other Receivables Related Party	Other	
Maximum exposure to credit risk as of reporting date (*)	-	224.255.406	-	972.286	52.011.461
- <i>Maximum risk, secured with guarantees</i>	-	27.111.816	-	-	-
A. Net book value of neither past due nor impaired financial assets	-	205.419.680	-	972.286	52.011.461
- <i>Maximum risk, secured with guarantees</i>	-	27.111.816	-	-	-
B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	-	-	-	-	-
C – Net book value of overdue but not impaired financial assets	-	18.835.726	-	-	-
- <i>Maximum risk, secured with guarantees</i>	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross amount)	-	1.176.577	-	-	-
- <i>Impairment (-)</i>	-	(1.176.577)	-	-	-
- Not past due (gross amount)	-	-	-	-	-
E – Off-balance sheet expected credit losses (-)	-	-	-	-	-

(*) The factors such as collaterals received, that increase the credit reliability, have not been taken into consideration in determination of the amount.



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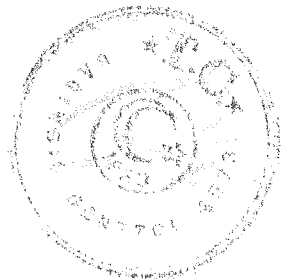
NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk management and financial risk factors (continued)

b.1) Credit risk management (continued)

31 December 2021	Receivables			Bank Deposits
	Trade Receivables Related Party	Other	Other Receivables Related Party	
Maximum exposure to credit risk as of reporting date (*)	-	149.666.901	-	15.029.243
- <i>Maximum risk, secured with guarantees</i>	-	13.728.020	-	-
A. Net book value of neither past due nor impaired financial assets	-	141.494.505	-	15.029.243
- <i>Maximum risk, secured with guarantees</i>	-	13.367.181	-	-
B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	-	-	-	-
C - Net book value of overdue but not impaired financial assets	-	8.172.396	-	-
- <i>Maximum risk, secured with guarantees</i>	-	360.839	-	-
D. Net book value of impaired assets	-	-	-	-
- Past due (gross amount)	-	838.259	-	-
- Impairment (-)	-	(838.259)	-	-
- Secured with guarantees	-	-	-	-
- Not past due (gross amount)	-	-	-	-
E - Off-balance sheet expected credit losses (-)	-	-	-	-

(*) The factors such as collaterals received, that increase the credit reliability, have not been taken into consideration in determination of the amount.



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NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk management and financial risk factors (continued)

b.1) Credit risk management (continued)

Analysis of past due trade receivables is as follows:

Trade receivables	31 December 2022	31 December 2021
Past due up to 1 month	11.716.844	6.030.802
Past due 1-3 months	6.973.220	401.596
Past due 3-12 months	145.662	901.739
Past due more than 1 year	-	838.259
Total past due trade receivables	18.835.726	8.172.396

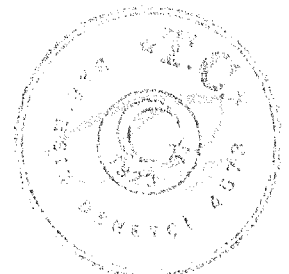
b.2) Liquidity risk management

The Board of Directors is responsible for reviewing the liquidity risk framework. The Board of Directors has established an appropriate liquidity risk management strategy for the short, medium and long term funding and liquidity requirements of the Group management. 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. As of the reporting date, in order to adverse the effects of liquidity risk, the borrowings that will be utilised in case of necessity but not utilised are disclosed in Note 24.

Undiscounted contractual cash flows of the derivative and non-derivative consolidated financial liabilities as of 31 December 2022 and 2021 are as follows. Non-derivative financial liabilities are presented without consideration of discount and based on the earliest due dates. Interest charged on the relevant liabilities are included in the table disclosed below.

31 December 2022

Contractual maturities	Carrying Value	Total Contractual Cash				
		Outflow(I+II+III+IV)	Demand or up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and over (IV)
Non-Derivative Financial Liabilities						
Bank						
Borrowings	279.538.367	285.563.707	115.319.902	131.324.112	27.310.422	11.609.271
Lease						
Liabilities	64.301.762	66.113.779	9.846.807	35.103.818	21.163.154	-
Other						
Financial						
Liabilities	949.271	949.271	949.271	-	-	-
Trade						
Payables	134.280.230	134.703.737	127.758.371	6.945.366	-	-
Other						
Payables	45.789.029	45.789.029	45.789.029	-	-	-
Total						
Liabilities	524.858.659	533.119.523	299.663.380	173.373.296	48.473.576	11.609.271



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31 December 2021

Contractual maturities	Carrying Value	Total Contractual Cash				
		Outflow(I+II+III+IV)	Demand or up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and over (IV)
Non-Derivative Financial Liabilities						
Bank Borrowings	221.161.718	232.318.987	61.816.984	96.933.623	64.665.154	8.903.226
Lease Liabilities	82.698.406	89.404.611	7.697.958	30.199.589	51.507.064	-
Other Financial Liabilities	945.104	945.104	945.104	-	-	-
Trade Payables	98.314.062	98.803.809	95.657.654	3.146.155	-	-
Other Payables	30.706.985	30.706.985	28.928	-	30.678.057	-
Total Liabilities	433.826.275	452.179.496	166.146.628	130.279.367	146.850.275	8.903.226

NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk management and financial risk factors (continued)

b.2) Liquidity risk management (continued)

The expected maturities to be realized are the same as the maturities in accordance with the contract.

b.3) Market risk management

Due to its operations, the Group is exposed to financial risks related to exchange rates and interest rates.

Market risks seen at the level of Group are measured according to the sensitivity analysis principle. Market risks faced by the Group in current period or the process of undertaking the faced risks or the process of the measure of faced risks were not changed compare to previous year.

b.3.1) Foreign currency risk management

The Group is exposed to foreign currency risk due to the changes in exchange rates and transactions denominated in foreign currencies. Foreign currency risk is managed with forward contracts in accordance with the policies approved by the Group management.

As of 31 December 2022 and 2021, the functional breakdown of monetary and non-monetary financial assets and liabilities denominated in foreign currencies is as follows:



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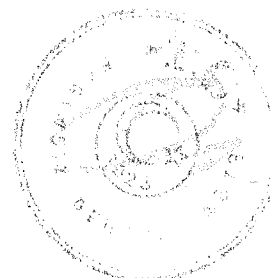
NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

b) Financial risk management and financial risk factors (continued)

b.3.1) Foreign currency risk management

As of 31 December 2022 and 2021, foreign exchange position table of the Group is as follows:

31 December 2022	TL Equivalent	USD	EUR	GBP	CHF Frangı
1. Trade Receivables	41.573.844	392.731	692.904	906.513	1.521
2a. Monetary Financial Assets	3.653.716	140.946	50.411	395	220
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Total Current Assets (1+2+3)	45.227.560	533.677	743.315	906.908	1.741
5. Non-monetary financial assets	-	-	-	-	-
6. Other	665.286	35.580	-	-	-
7. Total Non-Current Assets (5+6)	665.286	35.580	-	-	-
8. Total Assets (4+7)	45.892.846	569.257	743.315	906.908	1.741
9. Trade Payables	75.087.628	431.932	3.279.367	475.448	(454.618)
10. Financial Liabilities	144.346.340	1.487.713	5.759.420	64.507	-
11. Total Current Liabilities (9+10)	219.433.968	1.919.645	9.038.787	539.955	(454.618)
12. Financial Liabilities	59.193.598	875.201	2.143.096	-	-
13. Other Monetary Liabilities	39.941.600	-	2.000.000	-	-
14. Total Non-Current Liabilities (12+13)	99.135.198	875.201	4.143.096	-	-
15. Total Liabilities (11+14)	318.569.166	2.794.845	13.181.882	539.955	(454.618)
16. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (16a-16b)	50.485.410	2.700.000	-	-	-
16a. Total Asset Amount of Hedged	50.485.410	2.700.000	-	-	-
16b. Total Liabilities Amount of Hedged	-	-	-	-	-
17. Net Foreign Exchange Asset / (Liability) Position (8-15+16)	(222.190.910)	474.412	-12.438.567	366.952	456.359
18. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+6-11-14)	(272.676.320)	(2.225.588)	(12.438.567)	366.952	456.359



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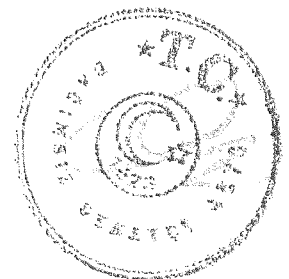
31 December 2021	TL Equivalent	USD	EUR	GBP	CHF
1. Trade Receivables	55.231.570	633.860	377.918	2.273.251	-
2a. Monetary Financial Assets	5.940.176	3.587	247.176	119.112	360
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	1.973.039	14.253	91.360	15.560	8.250
4. Total Current Assets (1+2+3)	63.144.785	651.700	716.454	2.407.923	8.610
5. Non-monetary financial assets	475.100	35.580	-	-	-
7. Total Non-Current Assets (5+6)	475.100	35.580	-	-	-
8. Total Assets (4+7)	63.619.885	687.280	716.454	2.407.923	8.610
9. Trade Payables	63.344.065	952.622	3.178.787	136.151	8.250
10. Financial Liabilities	107.135.703	1.250.195	4.088.954	1.585.890	-
11. Other Monetary Liabilities	-	-	-	-	-
12. Total Current Liabilities (9+10+11)	170.479.768	2.202.817	7.267.741	1.722.041	8.250
13. Financial Liabilities	123.852.419	2.093.929	6.270.105	62.371	-
14. Other Monetary Liabilities	-	-	-	-	-
15. Total Non-Current Liabilities (13+14)	123.852.419	2.093.929	6.270.105	62.371	-
16. Total Liabilities (12+15)	294.332.187	4.296.746	13.537.846	1.784.412	8.250
17. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (17a-17b)	-	-	-	-	-
17a. Total Asset Amount of Hedged	-	-	-	-	-
17b. Total Liabilities Amount of Hedged	-	-	-	-	-
18. Net Foreign Exchange Asset / (Liability) Position (8-16+17)	(230.712.302)	(3.609.466)	(12.821.392)	623.511	360
19. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+6-12-15)	(230.712.302)	(3.609.466)	(12.821.392)	623.511	360

NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

b.3.1) Foreign currency risk management (continued)

Sensitivity analysis of foreign currency risk

The Group is exposed to foreign exchange risk due to changes in exchange rates used in the translation of foreign currency denominated assets and liabilities to Turkish Lira. The difference between the foreign currency denominated and foreign currency indexed assets and liabilities for USD, EURO and GBP of the Group are defined as the "Net foreign currency position" and it is the basis of the foreign currency risk. The following table details the Group's foreign currency sensitivity as at 31 December 2022 and 2021 for the changes at the rate of 10%. The Group management evaluates and monitors the balance of the assets and liabilities denominated in Turkish Lira as open positions at the rate of 10%. The positive impact represents an increase in profit/loss and other equity items.



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NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

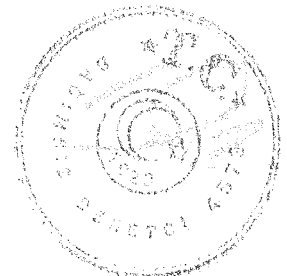
b.3.1) Foreign currency risk management (continued)

Sensitivity analysis of foreign currency risk (continued)

Foreign Exchange Sensitivity Analysis Table				
	31 December 2022		31 December 2021	
	Profit / Loss		Profit / Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
				Change in USD against TL by 10%
1- USD Net Asset / Liability	887.070	(887.070)	(4.819.720)	4.819.720
2- Hedged portion of USD Risk (-)	-	-	-	-
3- USD Net Effect (1+2)	887.070	(887.070)	(4.819.720)	4.819.720
				Change in EUR against TL by 10%
4- EURO Net Asset / Liability	(24.853.339)	24.853.339	(19.378.124)	19.378.124
5- Hedged portion of Euro Risk (-)	-	-	-	-
6- EURO Net Effect (4+5)	(24.853.339)	24.853.339	(19.378.124)	19.378.124
				Change in GBP against TL by 10%
7- GBP currencies Net Asset / Liability	825.246	(825.246)	1.126.086	(1.126.086)
8- Hedged portion of GBP Risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	825.246	(825.246)	1.126.086	(1.126.086)
				Change in CHF against TL by 10%
10- CHF Net Asset / Liability	921.932	(921.932)	528	(528)
11- Hedged portion of CHF Risk (-)	-	-	-	-
12- CHF Net Effect (10+11)	921.932	(921.932)	528	(528)
				Change in PLN against TL by 10%
13- PLN currencies Net Asset / Liability	-	-	-	-
14- Hedged portion of PLN Risk (-)	-	-	-	-
15- PLN Net Effect (13+14)	-	-	-	-
Total (3+6+9+12+15)	(22.219.091)	22.219.091	(23.071.230)	23.071.230

b.3.2) Interest rate risk management

The Group is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed-floating interest and short-long-term nature of borrowings as well as using derivative instruments for hedging purposes. Accordingly, the Group is aimed to establish an optimal hedge strategy, to review the balance sheet position and to stabilize interest costs under estimated level at different interest rates.



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NOTE 25 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

b.3.2) Interest rate risk management (continued)

Interest rate sensitivity

The breakdown of financial instruments sensitive to changes in interest rates is as follows:

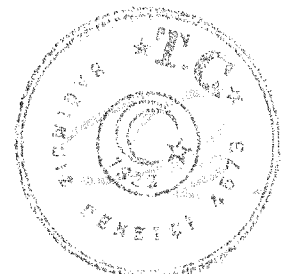
Interest Position Table

Fixed Interest Rate Financial Instruments	31 December 2022	31 December 2021
Financial Liabilities	342.840.129	303.860.124
Floating Interest Rate Financial Instruments		
Other Payables Due to Related Parties	45.789.029	30.678.057
Financial Liabilities	1.000.000	-

As of 31 December 2022, in the case of 100 bps rise in the annual interests with all other variables held constant, interest expenses arising from other payables with floating interest rate increased by TL 471.354 (31 December 2021: TL 254.003).

Fair value and classification of financial instruments

	Financial assets at fair value through profit or loss	Loans and receivables (including cash and cash equivalents)	Financial liabilities at amortised cost	Carrying value
31 December 2022				
Financial assets				
Cash and cash equivalents	-	51.982.544	-	51.982.544
Trade receivables	-	224.255.406	-	224.255.406
Other receivables	-	972.286	-	972.286
Financial investments	10.881.998	-	-	10.881.998
Financial liabilities				
Borrowings	-	-	344.789.400	344.789.400
Trade payables	-	-	134.280.230	134.280.230
Other payables	-	-	45.789.029	45.789.029
31 December 2021				
Financial assets				
Cash and cash equivalents	-	14.941.401	-	14.941.401
Trade receivables	-	149.666.901	-	149.666.901
Other receivables	-	682.580	-	682.580
Financial liabilities				
Borrowings	-	-	304.805.228	304.805.228
Trade payables	-	-	98.314.062	98.314.062
Other payables	-	-	30.706.985	30.706.985



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NOTE 26 - SUPPLEMENTARY CASH FLOW INFORMATION

Account Name	31 December 2022	31 December 2021
Cash in hand	52.307	46.737
Banks	52.011.461	15.029.243
<i>Demand deposit</i>	49.411.461	12.029.243
<i>Time deposit (up to 3 months)</i>	2.600.000	3.000.000
Expected credit losses (-)	(81.224)	(134.579)
	<u>51.982.544</u>	<u>14.941.401</u>

**NOTE 27 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/INDEPENDENT
AUDIT FIRMS**

The Group's disclosure regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated August 19, 2021, the preparation principles which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Audit fee for the reporting period (*)	1.457.969	701.414
Total	1.457.969	701.414

(*) The aforementioned amount include the independent audit service received by Dudo UK LTD., a subsidiary of the Group, from a different independent audit firm.

NOTE 28 - EVENTS AFTER THE REPORTING PERIOD

None.

EBITDA

APPEX – 1 SUPPLEMENTARY INFORMATION

	1 January- 31 December 2022	1 January- 31 December 2021
Domestic Sales	457.402.249	203.382.743
Foreign Sales	796.882.843	328.580.373
Sales Returns (-)	(9.658.655)	(2.851.287)
Sales Discounts (-)	(2.955.943)	(413.240)
		528.698.589
REVENUE	1.241.670.494	
Cost of Sales (-)	(677.327.832)	(340.321.920)
		188.376.669
GROSS PROFIT	564.342.662	
General Administrative Expenses	(68.104.004)	(36.608.252)
Marketing Expenses	(161.365.839)	(79.589.787)
Other Operating Income	88.761.494	120.903.413
Other Operating Expenses (-)	(73.486.081)	(65.061.373)
OPERATING PROFIT	350.148.232	128.020.670
		19.157.985
Depreciation and Amortisation Charges	26.772.144	
EBITDA, net	376.920.376	147.178.655

