

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
TOGETHER WITH THE AUDITOR'S REVIEW REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE
AUDITOR'S REVIEW REPORT AND
INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

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

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REVIEW
REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

To the General Assembly of Duran Dođan Basım Ve Ambalaj Sanayi Anonim Őirketi

Introduction

We have reviewed the accompanying condensed consolidated statement of balance sheet of Duran Dođan Basım Ve Ambalaj Sanayi Anonim Őirketi (the "Company" or "Duran Dođan") and its subsidiaries ("Group") as at 30 June 2023, the condensed consolidated statement of income, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of changes in equity, condensed consolidated cash flows and other explanatory notes for the six-month period then ended ("interim condensed consolidated financial information"). The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Other Matters

As stated in Appendix 1, 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 condensed consolidated financial statements. Therefore, we do not report any reasonable assurance regarding the results of the aforementioned EBITDA calculation.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information of the Group is not prepared, in all material respects, in accordance with TAS 34.

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

Birgöl Demir
Partner
İstanbul, 18 August 2023

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023 AND 31 DECEMBER 2022**

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

		Reviewed Current Period 30.06.2023	Audited Prior Period 31.12.2022
ASSETS			
Current Assets		655,772,578	640,869,736
Cash and Cash Equivalents	21	39,188,628	51,982,544
Financial Investments		14,566,494	10,881,998
Trade Receivables		279,529,032	224,255,406
<i>Third Parties</i>	5	279,529,032	224,255,406
Other Receivables		64,587	48,829
<i>Third Parties</i>		64,587	48,829
Inventories	6	288,583,065	331,659,912
Prepaid Expenses		24,014,411	11,829,878
Other Current Assets		9,826,361	10,211,169
Non-Current Assets		477,921,698	448,267,762
Other Receivables		1,155,667	923,457
<i>Third Parties</i>		1,155,667	923,457
Property, Plant and Equipment	7	106,868,607	84,197,952
Intangible Assets	8	2,405,601	2,672,380
Right of Use Assets	7	285,763,382	278,963,248
Prepaid Expenses		10,852,332	13,961,627
Deferred Tax Assets	16	70,876,109	67,549,098
TOTAL ASSETS		1,133,694,276	1,089,137,498

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

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023 AND 31 DECEMBER 2022**

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

	Notes	Reviewed Current Period 30.06.2023	Audited Prior Period 31.12.2022
LIABILITIES			
Current Liabilities		590,977,058	533,843,691
Short-Term Borrowings	18	174,481,162	175,834,971
Short Term Portion of Long- Term Borrowings		106,087,243	108,462,530
<i>Third Parties</i>	18	59,542,692	64,661,305
<i>Lease Liabilities</i>	18	46,544,551	43,801,225
Other Financial Liabilities	18	698,363	949,271
Trade Payables		178,142,562	134,280,230
<i>Related Parties</i>	4, 5	10,456,541	8,163,078
<i>Third Parties</i>	5	167,686,021	126,117,152
Employee Benefits		16,965,971	7,468,458
Other Payables	4	58,461,121	45,789,029
<i>Related Parties</i>		56,409,600	45,789,029
<i>Third Parties</i>		2,051,521	-
Deferred Income		31,126,531	12,602,419
Current Income Tax Liabilities	16	1,511,284	8,855,681
Short-Term Provisions		3,849,234	2,278,643
<i>Short-Term Provisions for Employee Benefits</i>		3,680,050	2,173,893
<i>Other Short-Term Provisions</i>		169,184	104,750
Other Current Liabilities		19,653,587	37,322,459
Non-Current Liabilities		76,900,419	78,863,811
Long-Term Borrowings		66,486,084	59,542,628
<i>Third Parties</i>	18	34,738,377	39,042,091
<i>Lease Liabilities</i>	18	31,747,707	20,500,537
Other Payables		-	-
<i>Related Parties</i>		-	-
Deferred Income		59,792	418,549
Long-Term Provisions		10,354,543	18,902,634
<i>Long-Term Provisions for Employee Benefits</i>		10,354,543	18,902,634
Deferred Tax Liabilities	16	-	-
EQUITY		465,816,799	476,429,996
Equity Holders of the Parent		465,820,487	476,429,598
Paid-in Share Capital	10	35,000,000	35,000,000
Adjustment to Share Capital		6,436,501	6,436,501
Treasury Shares (-)		(2,907,716)	-
Share Premium		5,220	5,220
Restricted Reserves	10	2,214,481	2,214,481
Other Comprehensive Income or Expenses not to be reclassified to Profit or Loss		176,525,174	196,667,769
<i>Gains/losses on revaluation and remeasurement</i>		190,288,413	204,201,078
<i>Gains/losses on remeasurements of defined benefit plans</i>		(13,763,239)	(7,533,309)
Other Comprehensive Income or Expenses to be reclassified to Profit or Loss		(20,863,138)	(11,625,643)
<i>Currency Translation Differences</i>		(20,863,138)	(11,625,643)
Retained Earnings		247,731,270	(21,593,316)
Profit for the Period		21,678,695	269,324,586
Non-Controlling Interests		(3,688)	398
TOTAL LIABILITIES AND EQUITY		1,133,694,276	1,089,137,498

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

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

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2023 AND 2022

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

		Reviewed Current Period	Unreviewed Current Period	Reviewed Prior Period 1 January -30 June 2022	Unreviewed Prior Period 1 April – 30 June 2022
Notes	1 January -30 June 2023	1 April – 30 June 2023			
PROFIT OR LOSS					
Revenue	11	533,179,085	265,094,997	578,063,447	309,412,305
Cost of Sales (-)	11	(408,276,757)	(155,530,339)	(352,984,305)	(182,632,621)
GROSS PROFIT		124,902,328	109,564,658	225,079,142	126,779,684
General Administrative Expenses (-)	12	(38,283,922)	(18,561,025)	(26,083,972)	(12,989,976)
Marketing Expenses (-)	12	(44,245,256)	(22,694,983)	(81,120,704)	(48,042,801)
Other Operating Income	13	188,707,230	168,465,169	63,415,650	43,012,129
Other Operating Expenses (-)	13	(108,845,819)	(101,632,713)	(39,942,041)	(31,926,226)
OPERATING PROFIT		122,234,561	135,141,106	141,348,075	76,832,810
Gains from Investment Activities	14	5,030,294	5,030,294	121,764	121,764
Losses from Investment Activities (-)	14	(1,599,889)	(23,803)	(2,002,807)	(2,002,807)
Operating profit before financial income/(expense)		125,664,966	140,147,597	139,467,032	74,951,767
Financial Expense (-)	15	(117,517,014)	(93,816,376)	(76,049,179)	(47,301,880)
PROFIT BEFORE TAX		8,147,952	46,331,221	63,417,853	27,649,887
Tax income/(expense)		13,526,657	11,772,293	(15,862,478)	(11,014,962)
- Current period tax expense	16	(1,636,375)	(1,590,073)	(22,486,164)	(13,296,444)
- Deferred income tax	16	15,163,032	13,362,366	6,623,686	2,281,482
PROFIT FOR THE PERIOD		21,674,609	58,103,514	47,555,375	16,634,925
Attributable to					
Non-Controlling Interests		(4,086)	(2,428)	(603)	(455)
Equity Holders of the Parent		21,678,695	58,105,942	47,555,978	16,635,380
Earnings Per Share		0,0062	0,0166	0,0136	0,0048
OTHER COMPREHENSIVE INCOME					
Items Not be Reclassified to Profit or Loss					
Property, Plant and Equipment Revaluation Surplus		(20,142,595)	(16,897,854)	(3,260,070)	(2,316,703)
Gains/losses on remeasurements of defined benefit plans		(13,912,665)	(13,912,665)	-	-
Taxes relating to other comprehensive income not to be reclassified to profit/(loss)		(8,306,573)	(4,250,647)	(4,075,088)	(2,895,879)
		2,076,643	1,265,458	815,018	579,176
Items to be reclassified to profit/loss		(9,237,495)	(7,139,979)	(4,906,991)	(6,091,010)
Currency Translation Differences		(9,237,495)	(7,139,979)	(4,906,991)	(6,091,010)
Other comprehensive income/(expense)		(29,380,090)	(24,037,833)	(8,167,061)	(8,407,713)
Total comprehensive income		(7,705,481)	34,065,681	39,388,314	8,227,212
Attributable to:					
Non-Controlling Interests		(4,086)	(2,428)	(603)	(455)
Equity Holders of the Parent		(7,701,395)	34,068,109	39,388,917	8,227,667

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

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES
IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2023 AND
2022**

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

	Paid-in Share Capital	Adjustmen t to Share Capital	Treasury shares (-)	Share premi um	Gains/(losses) on revaluation and remeasurement	Items not to be	Items to be	Retained Earnings					Total Equity	
						reclassified to profit or loss	reclassified to profit or loss	Gains/(losses) on remeasurements of defined benefit plans	Currency translation differences	Restricted reserves	Prior years income	Profit for the Period		Equity holders of the parent
Reviewed Current Period														
Balances at 1 January 2023 (Beginning 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
Transfers	-	-	-	-	-	-	-	-	269,324,586	(269,324,586)	-	-	-	-
Total Comprehensive Income	-	-	-	-	(13,912,665)	(6,229,930)	(9,237,495)	-	-	21,678,695	(7,701,395)	(4,086)	-	(7,705,481)
- Actuarial gains/losses on defined benefit plans	-	-	-	-	-	(6,229,930)	-	-	-	-	(6,229,930)	-	-	(6,229,930)
- Currency translation differences	-	-	-	-	-	-	(9,237,495)	-	-	-	(9,237,495)	-	-	(9,237,495)
- Profit for the period	-	-	-	-	-	-	-	-	-	21,678,695	21,678,695	(4,086)	-	21,674,609
Treasury shares (-)	-	-	(2,907,716)	-	-	-	-	-	-	-	(2,907,716)	-	-	(2,907,716)
Balances at 30 June 2023 (End of the Period)	35,000,000	6,436,501	(2,907,716)	5,220	190,288,413	(13,763,239)	(20,863,138)	2,214,481	247,731,270	21,678,695	465,820,487	(3,688)		465,816,799

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

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES
IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2023 AND
2022**

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

	Paid-in Share Capital	Adjustmen t to Share Capital	Share premium	Gains/(losses) on revaluation and remeasurement	Gains/(losses) on remeasurement of defined benefit plans	Items not 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	Non-controlling Interest		
Reviewed Prior Period													
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	-	-	-	(287,837)	(3,260,070)	(4,906,991)	-	287,837	47,555,978	39,388,917	(603)	-	39,388,314
- Actuarial gains/losses on defined benefit plans	-	-	-	-	(3,260,070)	-	-	-	-	(3,260,070)	-	-	(3,260,070)
-Gains/losses on reclassification of depreciation on revaluation and remeasurement	-	-	-	(287,837)	-	-	-	287,837	-	(178,624)	-	-	(178,624)
- Currency translation differences	-	-	-	-	-	(4,906,991)	-	-	-	(4,906,991)	-	-	(4,906,991)
-Profit for the period	-	-	-	-	-	-	-	47,555,978	47,555,978	-	(603)	-	47,555,375
Balances at 30 June 2022 (End of the Period)	35,000,000	6,436,501	5,220	60,918,222	(4,631,794)	(14,581,622)	2,214,481	(21,677,166)	47,555,978	111,239,820	(375)		111,239,445

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

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2023 AND 2022**
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Reviewed Current Period	Reviewed Prior Period
	Notes	1 January -30 June 2023	1 January -30 June 2022
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the Period		21,674,609	47,555,375
-Depreciation and amortisation	7, 8	19,289,145	11,789,939
-Adjustments for provisions for employment termination benefits		2,376,978	2,397,072
-Adjustments for other provisions		169,184	149,102
-Adjustments for provisions for unused vacation		2,148,754	562,852
-Adjustments for provisions for bonuses		400,864	3,813,000
-Adjustments for provisions for doubtful receivables	5	(961,759)	239,496
-Adjustments for provisions for impairment on inventories	6	4,195,793	1,397,192
-Adjustments for tax income	16	(13,526,657)	15,862,478
-Adjustments for interest income	13	(1,195,992)	(332,025)
-Adjustments for interest expenses	15	30,433,263	18,696,965
-Adjustments for unrealized currency translation differences		16,796,676	14,535,920
Adjustments to reconcile profit for the period to cash generated from operating activities:		81,800,858	116,667,366
Changes in Working Capital			
-Changes in trade receivables		(54,311,867)	(74,579,258)
-Changes in inventories		38,881,054	(93,077,988)
-Changes in other receivables and assets		(12,622,893)	(2,266,312)
-Changes in trade payables		41,568,869	57,072,485
-Changes in payables due to related parties		2,293,463	(1,120,151)
-Changes in employee benefits		9,497,513	2,235,650
-Changes in other payables and liabilities		13,168,575	29,778,506
		120,275,572	34,710,298
-Payments due to other provisions		(104,750)	(51,735)
-Premiums paid		(1,043,461)	(5,750,000)
-Interest received	13	1,195,992	332,025
-Employment termination benefits payables		(19,231,642)	(816,611)
-Taxes payable	16	(38,425,141)	(14,579,460)
Cash flows from Operating Activities		62,666,570	13,844,517
B) CASH FLOWS FROM INVESTING ACTIVITIES			
-Cash inflows from sale of property, plant and equipment	7	1,800,679	-
-Cash outflows from purchase of property, plant and equipment	7	(32,195,492)	(12,596,759)
-Cash outflows from purchase of intangible assets		(66,190)	(316,599)
-Cash outflows from cash advances and borrowings	8	-	(948,770)
		(30,461,003)	(13,862,128)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
-Cash inflows from borrowings	18	159,589,200	139,560,746
-Cash outflows from repayments of borrowings	18	(134,373,502)	(90,112,604)
-Cash outflows from repayments of lease liabilities	18	(27,374,276)	(21,862,877)
-Interest paid		(33,603,410)	(15,417,032)
-Other cash inflows/outflows		-	4,170
		(35,761,988)	12,172,403
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		(3,556,421)	12,154,792
D) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(9,237,495)	(4,906,991)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(12,793,916)	7,247,801
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		51,982,544	14,941,401
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		39,188,628	22,189,202

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2023

(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 (“BİST”).

Total end of six-months period and average number of personnel employed by Duran Doğan is 298 (31 December 2022: 333).

The equity holders of the parent and the ultimate controlling parties of the Group are LGR International Societe Anonyme (30.00%), Dikran Mihran Acemyan (9.28%), İbrahim Okan Duran (7.95%), Oktay Duran (8.04%) and Dikran Acemyan (7.57%).

As of 30 June 2023 and 31 December 2022, 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	30 June 2023		31 December 2022		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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Approval of the condensed consolidated financial statements

These condensed consolidated financial statements as of and for the year six-months period ended 30 June 2023 have been approved for issue by the Board of Directors (“BOD”) on 18 August 2023. These condensed 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 condensed 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 and 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” (IAS 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 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 accounting period ending on 30 June 2023 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 30 June 2023 are not adjusted for inflation in accordance with TAS 29 in order to ensure comparability.

These condensed 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 condensed consolidated financial statements and financial reporting standards

Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi and its Subsidiaries incorporated in Turkey maintains their books of account and prepares their statutory consolidated financial statements in

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accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

The condensed 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 accordance with the Turkish Accounting Standard No: 34 “Interim Financial Reporting”, CMB allowed entities with its shares have been quoted on the Borsa İstanbul (“BIST”) to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements for the interim period ended 30 June 2023.

In this respect, the Group preferred to present its condensed consolidated financial statements as of 30 June 2023. The Group’s condensed consolidated financial statement does not include all disclosures and notes that should be included at year-end financial statements. Therefore, the condensed consolidated financial statements should be examined together with the 31 December 2022 year-end financial statements. Interim financial reporting and results are together not an indicator of year-end results. The interim financial report containing condensed financial statements is intended to provide an update on the latest annual financial statements.

The Group has been applied the consistent year end accounting policies and estimates presented in the consolidated financial statements for the year ended 31 December 2022.

Comparatives and adjustment of prior periods’ consolidated financial statements

The current period condensed 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 condensed consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial statements of the entities included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with Turkish Accounting Standards applying uniform accounting policies and presentation including necessary restatements and classifications. The operating results of subsidiaries are included or not included from scope of the consolidation from their effective dates of acquisition or disposal, respectively.

2.2 New and Revised Turkish Financial Reporting Standards

New and revised standards and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 30 June 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TFRS/TAS”) and interpretations effective as of 1 January 2023 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

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The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective from 30 June 2023 are as follows:

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 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.

Standards, amendments and interpretations that are issued but not effective as at 30 June 2023

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.

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Amendment to TAS 1 – Non-current liabilities with covenants

The amendment is effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements

The amendment is effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendment to TFRS 16 – Lease liability in a sale and leaseback

The amendment is effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain 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.

TFRS S1 - General requirements for disclosure of sustainability-related financial information

The standard is effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

TFRS S2 - Climate-related disclosures'

The standard is effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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 regularly reviewing by the General Assembly regarding the operations of the Group.

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The revenue arising from the reportable segments mainly include sales to Turkey, Europe, United States, Middle East and Africa and Asia Pacific geographical areas. The amounts reported in the condensed consolidated financial statements for the periods ended 30 June 2023 and 2022 are as follows:

1 January – 30 June 2023							
	Turkey	Europe	United States	Middle East and Africa	Asia Pacific	Other	Total
Gross Sales	326,468,614	176,647,816	15,403,906	18,974,765	247,881	935,214	538,678,196

1 January – 30 June 2022							
	Turkey	Europe	United States	Middle East and Africa	Asia Pacific	Other	Total
Gross Sales	235,500,129	303,408,789	22,800,660	14,057,970	223,488	6,758,693	582,749,729

NOTE 4 – RELATED PARTY DISCLOSURES

a) Related party balances are as follows:

	30 June 2023				
	Receivables		Payables		
	Short-term trade receivables	Short-term other receivables	Short-term trade payables	Short-term other payables	Long-term other payables
Other entities controlled by parent company					
LGR International Societe Anonyme (*) (Parent)	-	-	10,046,392	56,409,600	-
Koenig Bauer Duran Amb.Kar.Tek.San. (**)	-	-	410,149	-	-
Total	-	-	10,456,541	56,409,600	-

	31 December 2022				
	Receivables		Payables		
	Short-term trade receivables	Short-term other receivables	Short-term trade payables	Short-term other payables	Long-term other payables
Other entities controlled by parent company					
LGR International Societe Anonyme (*) (Parent)	-	-	7,328,450	45,789,029	-
Koenig Bauer Duran Amb.Kar.Tek.San. (**)	-	-	834,629	-	-
Total	-	-	8,163,078	45,789,029	-

(*) Other short-term 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 2024 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

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b) Related party transactions are as follows:

Other entities controlled by parent company	1 January - 30 June 2023		
	Purchases of goods and services	Sales of goods and services	Interest expenses
LGR International Societe Anonyme (*)	-	-	-
Lgr Emballages S.A.S.	-	-	-
Durkat Karton Amb. Tekn. San. Tic. A.Ş.	-	-	-
Koenig Bauer Duran Amb.Kar.Tek.San.	1,064,796	(790)	-
Total	1,064,796	(790)	

Other entities controlled by parent company	1 January - 30 June 2022		
	Purchases of goods and services	Sales of goods and services	Interest expenses
LGR International Societe Anonyme (*)	3,100,042	-	-
Lgr Emballages S.A.S.	-	-	-
Durkat Karton Amb. Tekn. San. Tic. A.Ş.	-	-	-
Koenig Bauer Duran Amb.Kar.Tek.San.	2,487,945	(102,175)	-
Total	5,587,986	(102,175)	

c) The key management of Duran Doğan is identified as the Chairman of the Board, Vice Chairman of the Board, other members of the Board of Directors, Director, Deputy Director and Finance Manager. As of 30 June 2023, total key management compensation incurred by Duran Doğan for the interim reporting period ended amounted to TL 9,768,056 (30 June 2022: TL 7,269,273 TL).

NOTE 5 – TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As of 30 June 2023 and 31 December 2022, the functional breakdown of trade receivables is as follows:

Short-term trade receivables	30 June 2023	31 December 2022
Trade receivables	257,784,219	214,392,678
Notes receivables	21,959,631	11,039,305
Provision for doubtful receivables (-)	(214,818)	(1,176,577)
Short-term trade receivables, net	279,529,032	224,255,406

The average maturity of trade receivables from domestic customers and foreign customers is 90 and 120 days, respectively. As of 30 June 2023, provision for doubtful trade receivables amounting to TL 214,818 (31 December 2022: TL 1,176,577) has been allocated in the accompanying condensed consolidated financial statements.

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The movement of doubtful trade receivables is as follows:

	1 January - 30 June 2023	1 January - 30 June 2022
Beginning of the period – 1 January	1,176,577	838,259
Increases during the period (*)	(961,759)	239,496
End of the period – 30 June	214,818	1,077,755

b) Trade Payables:

As of 30 June 2023 and 31 December 2022, the functional breakdown of trade payables is as follows:

Short-term trade payables	30 June 2023	31 December 2022
Trade payables	146,456,927	114,716,602
Expense accruals	21,229,094	11,400,550
Due to related parties (Note 4)	10,456,541	8,163,078
Short-term trade payables, net	178,142,562	134,280,230

The average maturity of the purchase of raw materials and supplies is 50 days (31 December 2022: 70 days).

NOTE 6 - INVENTORIES

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

Account Name	30 June 2023	31 December 2022
Raw materials and supplies	124,351,119	159,607,080
Merchandise	135,966,932	137,394,624
Semi-finished goods	24,305,283	44,000,151
Goods in transit	8,155,524	3,148,109
Provision for impairment (-)	(4,195,793)	(12,490,052)
Total	288,583,065	331,659,912

As of 30 June 2023 and 31 December 2022, the movement of provision for impairment is as follows:

	1 January-30 June 2023	1 January-31 December 2022
Beginning of the period – 1 January	12,490,052	(851,408)
Carried at cost	(12,490,052)	851,408
Increases during the period	(4,195,793)	(12,490,052)
End of the period – 30 June	(4,195,793)	(12,490,052)

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

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NOTE 7 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

a-) Property, plant and equipment

As of 30 June 2023 and 2022, the movements for property, plant and equipment, and related depreciation are as follows:

Cost and Revaluation	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Constructions in progress	Leasehold improvements	Total
Opening balance – 1 January 2023	128,279,756	80,508	28,490,224	3,582,995	8,447,804	168,881,287
Transfers from constructions in progress	-	-	-	-	-	-
Acquisitions	15,452,743	-	3,057,412	13,671,837	13,500	32,195,492
Disposals	(1,733,618)	-	(67,061)	-	-	(1,800,679)
Closing balance – 30 June 2023	141,998,881	80,508	31,480,575	17,254,832	8,461,304	199,276,100
Accumulated depreciation (-)						
Opening balance – 1 January 2023	63,631,545	80,508	15,295,591	-	5,675,691	84,683,335
Current period depreciation	5,985,304	-	1,897,383	-	894,723	8,777,410
Disposals	(1,015,731)	-	(37,521)	-	-	(1,053,252)
Closing balance – 30 June 2023	68,601,118	80,508	17,155,453	-	6,570,414	92,407,493
Net book value – 30 June 2023	73,397,763	-	14,325,122	17,254,832	1,890,890	106,868,607

The insurance coverage on property, plant and equipment is amounting to EUR 69,271,342 (2022: EUR 47,774,468).

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NOTE 7 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (continued)

a-) Property, plant and equipment (continued)

Cost and Revaluation	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Constructions in progress	Leasehold improvements	Total
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	984,615	-	3,780,641	7,457,847	373,656	12,596,759
Disposals	-	-	-	-	-	-
Closing balance – 30 June 2022	115,252,822	80,508	24,259,277	8,413,197	7,769,217	155,775,021
Accumulated depreciation (-)						
Opening balance – 1 January 2022	52,654,275	65,750	11,806,941	-	3,365,682	68,392,648
Current period depreciation	4,888,387	8,051	1,487,275	-	757,288	7,141,001
Disposals	-	-	-	-	-	-
Closing balance – 30 June 2022	57,542,662	73,801	13,294,216	-	4,622,970	75,533,649
Net book value – 30 June 2022	57,710,160	6,707	10,965,061	8,413,197	3,146,247	80,241,372

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NOTE 7 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (continued)

b-) Right of use assets

As of 30 June 2023 and 2022, the movements for right of use assets, and related depreciation are as follows:

Cost	Land	Buildings	Motor vehicles	Plant, machinery and equipment	Total
Opening balance – 1 January 2023	163,975,000	105,598,577	5,007,244	34,974,682	309,555,503
Revaluation surplus	-	-	-	-	-
Additions	-	21,504,004	-	-	21,504,004
Disposals	-	-	-	(7,573,790)	(7,573,790)
Closing balance – 30 June 2023	163,975,000	127,102,581	5,007,244	27,400,892	323,485,717
Accumulated depreciation (-)					
Opening balance – 1 January 2023	(8,112)	(15,559,498)	(3,966,398)	(11,058,246)	(30,592,254)
Current period depreciation	-	(6,876,343)	(494,652)	(2,807,771)	(10,178,766)
Disposals	-	-	-	3,048,685	3,048,685
Closing balance – 30 June 2023	(8,112)	(22,435,841)	(4,461,050)	(10,817,332)	(37,722,335)
Net book value – 30 June 2023	163,966,888	104,666,740	546,194	16,583,560	285,763,717

Cost	Land	Buildings	Motor vehicles	Plant, machinery and equipment	Total
Opening balance – 1 January 2022	58,075,000	43,462,434	5,007,244	34,974,682	141,519,360
Additions	-	-	-	-	-
Closing balance – 30 June 2022	58,075,000	43,462,434	5,007,244	34,974,682	141,519,360
Accumulated depreciation (-)					
Opening balance – 1 January 2022	(8,112)	(10,913,947)	(2,692,598)	(7,433,241)	(21,047,898)
Current period depreciation	-	(1,515,069)	(677,684)	(1,971,262)	(4,164,015)
Closing balance – 30 June 2022	(8,112)	(12,429,016)	(3,370,282)	(9,404,503)	(25,211,913)
Net book value – 30 June 2022	58,066,888	31,033,418	1,636,962	25,570,179	116,307,447

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 condensed consolidated financial statements less accumulated depreciation and impairment. The land and buildings acquired through leases have been 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. 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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NOTE 7 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (continued)

As of 30 June 2023, the detailed analysis and the measurement of fair value hierarchy categories of the land and building are as follows:

		Fair value level at the end of the reporting period		
Hadımköy facility	30 June 2023	Level 1 (TL)	Level 2 (TL)	Level 3 (TL)
- Land	163,975,000	-	-	163,975,000
- Building	87,531,000	-	-	87,531,000
		Fair value level at the end of the reporting period		
Hadımköy facility	30 June 2022	Level 1 (TL)	Level 2 (TL)	Level 3 (TL)
- Land	58,075,000	-	-	58,075,000
- Building	22,898,916	-	-	22,898,916

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 8 – INTANGIBLE ASSETS

As of 30 June 2023 and 2022, the movements for intangible assets, and related depreciation are as follows:

Cost	Rights	Capitalised development costs	Total
Opening balance – 1 January 2023	7,914,658	1,141,740	9,056,398
Acquisitions	66,190	-	66,190
Closing balance – 30 June 2023	7,980,848	1,141,740	9,122,588
Accumulated depreciation (-)			
Opening balance – 1 January 2023	(5,706,071)	(677,947)	(6,384,018)
Current period depreciation	(226,336)	(106,633)	(332,969)
Closing balance – 30 June 2023	(5,932,407)	(784,580)	(6,716,987)
Net book value – 30 June 2023	2,048,441	357,160	2,405,601

Cost	Rights	Capitalised development costs	Total
Opening balance – 1 January 2022	7,317,597	1,141,740	8,459,337
Acquisitions	316,599	-	316,599
Closing balance – 30 June 2022	7,634,196	1,141,740	8,775,936
Accumulated depreciation (-)			
Opening balance – 1 January 2022	(4,983,772)	(463,146)	(5,446,918)
Current period depreciation	(377,083)	(107,840)	(484,923)
Closing balance – 30 June 2022	(5,360,855)	(570,986)	(5,931,841)
Net book value – 30 June 2022	2,273,341	570,754	2,844,095

Depreciation and amortisation charges amounting to TL 17,475,680, TL 259,539 and TL 1,533, 926 have been included in cost of sales, marketing and sales expenses and general administrative expenses, respectively (2022: TL 10,677,979, TL 137,052 and TL 974,808, 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

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NOTE 9 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Collaterals/pledges/mortgages (“CPM”) of the Group as of 30 June 2023 and 31 December 2022 are as follows:

Guarantees given

30 June 2023	TL equivalent	GBP	EUR	USD	TL
A. Total amount of CPM’s given in the name of its own legal personality	403,116,504	-	14,221,000	-	2,738,470
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	403,116,504	-	14,221,000	-	2,738,470

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

As of 30 June 2023, the Group has guarantees given on its bank borrowings amounting to TL 403,116,504 which includes letters of guarantee amounting to TL 144,099,704 and the remaining guarantees were pledges given to European Bank for Reconstruction and Development (“EBRD”) and Sudwestbank AG amounting to TL 259,016,800 (31 December 2022: letters of guarantee amounting to TL 96,677,604 and pledges amounting to TL 183,401,080).

In addition, the Group has bill of guarantees given to European Bank for Reconstruction and Development (“EBRD”) amounting to EUR 4,500,000 at the end of interim reporting period as of 30 June 2023.

As of 30 June 2023, the ratio of collaterals, pledges and mortgages to equity given by the Group is 0% (31 December 2022: 0%).

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NOTE 10 - EQUITY

a) Share capital

As of 30 June 2023 and 31 December 2022, the principal shareholders and their respective shareholding rates in Duran Doğan are as follows:

Shareholders	Share %	30 June 2023	Share %	31 December 2022
		Amount		Amount
LGR International Societe Anonyme	30.00%	10,500,001	30.00%	10,500,001
Dikran Mihran Acemyan	9.28%	3,249,138	9.76%	3,415,238
Oktay Duran	8.04%	2,813,961	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	7.57%	2,651,152
Other	37.16%	13,002,396	36.41%	12,744,189
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 (2022: 3.500.000.000) number of shares each with a nominal value of TL 0.01 (2022: TL 0.01).

b) Treasury shares

	30 June 2023	31 December 2022
Treasury shares (-) (*)	(2,907,716)	-
	(2,907,716)	-

(*) The acquisition cost of the treasury shares of Duran Doğan has been presented in the accompanying condensed consolidated financial statements less equity. There has been no purchase or sale transactions were realised regarding the treasury shares in the current period and no profit or loss incurred accordingly. The nominal amount of treasury shares in the accompanying condensed consolidated financial statements is amounting to TL 74,500.

c) Restricted reserves

As of 30 June 2023 and 31 December 2022, the functional breakdown of restricted reserves is as follows:

Account Name	30 June 2023	31 December 2022
Legal reserves	2,214,481	2,214,481
Total	2,214,481	2,214,481

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.

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NOTE 11 – REVENUE AND COST OF SALES

As of 30 June 2023 and 2022, the functional breakdown of revenue and cost of sales is as follows:

a) Sales

Account Name	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Domestic Sales	258,481,017	120,573,398	235,500,129	126,905,983
Foreign Sales	249,908,449	137,295,061	347,249,600	186,480,231
Other Sales	30,288,730	10,887,281	-	-
Sales Returns (-)	(4,841,114)	(3,309,325)	(4,220,044)	(3,700,721)
Sales Discounts (-)	(657,997)	(351,418)	(466,238)	(273,188)
	533,179,085	265,094,997	578,063,447	309,412,305

b) Cost of sales (-)

Account Name	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Raw materials and supplies	256,602,844	96,871,443	296,751,219	145,874,431
Personnel expenses	45,887,356	29,988,192	26,299,781	12,756,826
General administrative expenses	45,475,880	19,696,162	33,231,661	17,904,064
Depreciation and amortisation charges	17,475,680	9,056,764	10,677,979	5,418,184
Changes in inventories, net	23,219,127	(2,612,359)	(19,384,048)	(2,158,377)
Cost of goods sold	388,660,887	153,000,202	347,126,592	179,795,128
Cost of merchandise sold	654,438	508,655	2,968,883	1,273,011
Other cost of sales	18,960,532	2,021,482	2,887,930	1,564,482
Idle capacity costs	900	-	900	-
	408,276,757	155,530,339	352,984,305	182,632,621

NOTE 12 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

Account Name	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Marketing expenses	44,245,256	22,694,983	81,120,704	48,042,801
General administrative expenses	38,283,922	18,561,025	26,083,972	12,989,976
	82,529,178	41,256,008	107,204,676	61,032,777

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As of 30 June 2023 and 2022, the functional breakdown of marketing expenses and general administrative expenses is as follows:

a) General administrative expenses

Account Name	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Personnel expenses	28,322,274	13,828,522	16,609,362	8,729,744
Financial and legal counselling fees and charges	2,535,076	1,062,453	1,366,971	962
Depreciation and amortisation charges (Note 9 and 10)	1,553,926	635,897	974,908	513,307
Communication and information systems expenses	1,245,793	485,160	890,297	487,106
Insurance and repair and maintenance expenses	853,342	432,254	399,371	255,521
Travel and accommodation expenses	529,318	456,180	151,988	121,513
Subscription fees and charges	496,136	194,396	198,148	76,320
Motor vehicle expenditures	360,145	121,703	400,520	185,199
Utility expenses	272,866	102,358	173,587	87,982
Representation and hospitality expenses	253,378	159,404	178,917	145,209
Subcontractor service fees and charges	171,257	77,335	178,027	124,716
Litigation and notary fees and charges	116,429	100,330	45,299	19,014
Education costs	114,240	92,574	1,000	-
Stationery expenses	94,383	38,003	36,472	30,890
Consultancy expenses	64,171	31,238	3,042,370	1,679,216
Other taxes	47,222	27,776	507,237	142,900
Other	1,253,966	715,412	929,388	390,377
	38,283,922	18,561,025	26,083,972	12,989,976

b) Marketing expenses

Account Name	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Foreign transportation costs	17,150,378	9,206,005	59,641,403	34,707,745
Foreign marketing and distribution costs	9,285,077	5,107,572	7,558,262	3,672,181
Domestic transportation costs	7,135,450	3,673,461	4,126,848	2,567,400
Personnel expenses	5,006,640	2,207,942	2,398,092	1,109,564
Export commissions, fees and charges	1,966,640	931,888	2,226,726	1,536,548
Insurance expenses	528,996	268,148	266,876	129,139
Representation and hospitality expenses	477,691	277,498	9,733	8,123
Royalty expenses	297,063	155,616	224,482	158,357
Communication and information systems expenses	278,623	163,373	167,863	90,943
Depreciation and amortisation charges (Note 9 and 10)	259,539	87,925	137,052	68,173
Travel and accommodation expenses	206,129	113,436	127,965	112,056
Other	1,653,030	502,119	4,235,402	3,882,122
	44,245,256	22,694,983	81,120,704	48,042,801

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NOTE 13 – OTHER OPERATING INCOME/EXPENSES

As of 30 June 2023 and 2022, the functional breakdown of other operating income is as follows:

Other operating income	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Foreign exchange gains	177,720,064	161,933,284	61,766,385	42,774,897
Interest income	1,195,992	662,697	332,025	237,232
Other	9,791,174	5,869,188	1,317,240	-
	<u>188,707,230</u>	<u>168,465,169</u>	<u>63,415,650</u>	<u>43,012,129</u>

As of 30 June 2023 and 2022, the functional breakdown of other operating expenses is as follows:

Other operating expenses	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Foreign exchange losses	105,164,271	99,959,526	39,678,014	31,496,634
Other	3,681,548	1,673,187	264,027	429,592
	<u>108,845,819</u>	<u>101,632,713</u>	<u>39,942,041</u>	<u>31,926,226</u>

NOTE 14 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

As of 30 June 2023 and 2022, the detailed analysis of gains and losses from investment activities are as follows:

Gains from investment activities	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Gain on derivatives market (VIOP)	5,030,294	5,030,294	121,764	121,764
	<u>5,030,294</u>	<u>5,030,294</u>	<u>121,764</u>	<u>121,764</u>
Losses from investment activities	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Loss on derivatives market (VIOP)	1,599,889	23,803	2,002,807	2,002,807
	<u>1,599,889</u>	<u>23,803</u>	<u>2,002,807</u>	<u>2,002,807</u>

NOTE 15 - FINANCIAL INCOME / EXPENSES

As of 30 June 2023 and 2022, the detailed analysis and functional breakdown of financial expenses are as follows:

Financial expenses	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Foreign exchange losses, net	82,987,407	73,595,124	54,456,706	35,323,866
Interest expenses	30,433,263	17,995,455	18,696,965	10,582,871
Interest expenses arising from leases	1,463,774	597,547	1,664,153	630,461
Other	2,632,570	1,628,250	1,231,355	764,682
	<u>117,517,014</u>	<u>93,816,376</u>	<u>76,049,179</u>	<u>47,301,880</u>

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NOTE 16 – INCOME TAXES

Current income tax liabilities	30 June 2023	31 December 2022
Provision for taxes	1,617,386	38,425,141
Less: Prepaid taxes (-)	(106,102)	(29,569,460)
Current income tax liabilities, net	1,511,284	8,855,681

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

	30 June 2023	30 June 2022
Current Period Tax Expense (-)	1,636,375	22,486,164
Deferred Income Tax / (Expense)	(15,163,032)	(6,623,686)
Total Tax Income/(Expense), net	(13,526,657)	15,862,478

Corporate tax

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

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 is calculated over taxable income and investment allowances.

Law No.7456 has entered into force as of 15 July 2023, by being promulgated on the Official Gazette. In the Official Gazette dated 15/7/2023 and numbered 32249, Law No.7456, “Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and Decree-Law No. 375” was published. However, in accordance with article number 21 of the relevant law, the corporate tax rate is increased from 20% to 25% effective from 1 October 2023. Accordingly, deferred tax assets and liabilities are calculated considering the 25% tax rate as of the end of the reporting period.

The main corporate effective tax rate applied in the United Kingdom in 2023 is 19% (2022: 19%).

Advance tax in Turkey is calculated and accrued on a quarterly basis. Accordingly, the Group has been calculated tax in accordance with the 2023 earnings in the first provisional tax period, a provisional tax of 25% was calculated on corporate earnings (31 December 2022: 23%).

Law No.7456 has entered into force as of 15 July 2023, by being promulgated on the Official Gazette. In the Official Gazette dated 15/7/2023 and numbered 32249, Law No.7456, “Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and Decree-Law No. 375” was published. However, in accordance with article number 21 of the relevant law, the corporate tax rate is increased from 20% to 25% effective from 1 October 2023. Accordingly, deferred tax assets and liabilities are calculated considering the 25% tax rate as of the end of the reporting period. In accordance with aforementioned law, the exemption regarding the 50% of the income from the sale of the immovables that are in the assets of the institutions for at least two years, which will be exempt from tax, has been abolished.

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NOTE 16 – INCOME TAXES (continued)

According to Corporate Tax Law 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.

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 and 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 23, 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 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 condensed consolidated financial statements.

The applicable tax rates used in the calculation of deferred tax are 25% as of 30 June 2023 in the accompanying condensed consolidated financial statements.

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NOTE 16 – 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	30 June 2023	31 December 2022
-Depreciation and amortization charges on property, plant and equipment and intangible assets and capitalized foreign exchange losses and interest expenses, net	157,461,775	169,275,821
-Adjustments for profit margin elimination on inventories	39,397,428	40,427,208
-Provision for employment termination benefits	10,354,543	18,902,634
-Provision for unused vacation	3,279,186	2,135,406
-Provision for impairment on inventories	4,195,793	12,490,052
-Adjustments for currency translation differences, net	652,544	1,499,506
-Adjustments for deferred tax	3,456,012	4,923,241
-Other	24,956,680	8,590,680
	243,753,962	258,244,548

Deferred tax assets/(liabilities) are as follows:

	30 June 2023	31 December 2022
-Depreciation and amortization charges on property, plant and equipment and intangible assets and capitalized foreign exchange losses and interest expenses, net	49,303,062	49,755,353
-Adjustments for profit margin elimination on inventories	9,849,357	8,085,442
-Provision for employment termination benefits	2,588,636	3,780,527
-Provision for unused vacation	819,797	427,081
-Provision for impairment on inventories	1,048,948	2,498,010
-Adjustments for currency translation differences, net	163,136	299,901
-Adjustments for deferred tax	864,003	984,648
-Other	6,239,170	1,718,136
	70,876,109	67,549,098

Provision for deferred tax assets

-

Deferred tax assets, liabilities, net

70,876,109

67,549,098

	30 June 2023	31 December 2022
Deferred tax assets	70,876,109	67,549,098
Deferred tax assets, net	70,876,109	67,549,098

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

	1 January – 30 June 2023	1 January – 30 June 2022
Beginning of the Period – 1 January	67,549,098	1,314,256
Charge to statement of profit or loss	15,163,032	6,623,686
Charge to retained earnings	-	708,021
Charge to equity	(11,836,021)	815,018
End of the period - 30 June	70,876,109	9,460,982

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Income tax expenses in the condensed consolidated statement of profit or loss are summarised and reconciled are as follows:

	1 January – 30 June 2023	1 January – 30 June 2022
Profit Before Tax	8,147,952	63,417,853
Taxes calculated at domestic tax rate (25%) (2022: 23%)	(2,036,988)	(14,586,106)
Tax Effect:		
- Non-Deductible Expenses	(2,534,590)	(2,543,367)
-Tax rate differences/changes	17,997,920	673,668
-Other	100,314	593,328
Tax income/(expense)	13,526,657	(15,862,478)

NOTE 17 – EARNINGS PER SHARE

Basic earnings per share disclosed in the profit or loss and other comprehensive income is determined by dividing the net income by the weighted average number of shares that have been outstanding during the relevant period. Number of total shares and calculation of earnings per share for the periods 1 January – 30 June 2023 and 2022 is as follows:

	1 January – 30 June 2023	1 January – 30 June 2022
Weighted Average Number of Shares	3,500,000,000	3,500,000,000
Profit for the period attributable to equity holders of the parent	21,678,695	47,555,375
Earnings Per Share	0.0062	0.0136

NOTE 18 – FINANCIAL INSTRUMENTS

a) Bank borrowings

Financial liabilities	30 June 2023	31 December 2022
Short-term bank borrowings	174,481,162	175,834,969
Short-term portion of long-term borrowings	59,542,692	64,661,307
Short-term lease liabilities	46,544,551	43,801,225
Other financial liabilities (*)	698,363	949,271
Total current liabilities, net	281,266,768	285,246,772
Long-term bank borrowings	34,738,377	39,042,091
Long-term lease liabilities	31,747,707	20,500,537
Total non-current liabilities	66,486,084	59,542,628
Total liabilities, net	347,752,852	344,789,400

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NOTE 18 – FINANCIAL INSTRUMENTS (continued)

The detailed analysis of bank borrowings is as follows:

		30 June 2023	
Currency	Annual effective interest rate (%)	Short-term	Long-term
TL	12%-23.04%	118,938,159	-
EUR	4.50%-8.81%	114,871,888	17,875,052
USD	1.25%	213,807	16,863,325
Bank borrowings		234,023,854	34,738,377

		31 December 2022	
Currency	Annual effective interest rate (%)	Short-term	Long-term
TL	12%-34%	139,951,158	349,030
EUR	3.35%-7.40%	98,932,011	26,482,045
GBP	3.68%	1,458,284	-
USD	1.25%	154,823	12,211,016
Bank borrowings		240,496,276	39,042,091

Other financial liabilities	30 June 2023	31 December 2022
Credit card payables (*)	698,363	949,271
	<u>698,363</u>	<u>949,271</u>

(*) Represents the payables of the Group arising from credit card payments realised to its suppliers during the acquisition of raw materials and supplies

The repayment schedule of bank borrowings is as follows:

	30 June 2023	31 December 2022
Up to 1 year	234,023,854	240,496,276
1-2 years	18,086,756	26,984,376
2-3 years	209,046	151,374
3-4 years	206,421	149,473
4-5 years	205,489	147,597
5 years and over	16,030,665	11,609,271
Bank borrowings	268,762,231	279,538,367

As of 30 June 2023, the Group has guarantees given for its bank borrowings amounting to TL 403,116,504 which includes letters of guarantee amounting to TL 144,099,704 and the remaining guarantees were pledges given to European Bank for Reconstruction and Development (“EBRD”) and Sudwestbank AG amounting to TL 259,016,800 (31 December 2022: letters of guarantee amounting to TL 111,447,328 and pledges amounting to TL 164,893,440).

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NOTE 18 – FINANCIAL INSTRUMENTS (continued)

b) The detailed analysis of lease liabilities is as follows:

Lease liabilities	Minimum lease payments		Net present value of minimum lease payments	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Up to 1 year	48,174,619	46,010,571	46,544,551	43,801,225
2-10 years	32,172,803	21,109,148	31,747,707	20,500,537
	80,347,422	67,119,719	78,292,258	64,301,762
Less: Long-term financial expenses			(2,055,164)	(2,817,957)
Net present value of lease liabilities			78,292,258	64,301,762
Less: Short-term prepaid expenses (up to 1 year) (presented under current liabilities)			(46,544,551)	(43,801,225)
Long-term prepaid expenses (1 year and over)			31,747,707	20,500,536

Currency	Annual effective interest rate (%)	30 June 2023	
		Short-term	Long-term
USD	6.50%	28,656,302	16,257,624
EUR	6.80%	17,379,350	15,490,083
TL	20%	508,899	-
Lease liabilities		46,544,551	31,747,707

Currency	Annual effective interest rate (%)	31 December 2022	
		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

NOTE 19 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Foreign exchange risk

Foreign exchange risk arises from the fact that the Group has liabilities denominated in USD, EURO, GBP and CHF. The difference between the foreign currency denominated and foreign currency indexed assets and liabilities of the Group is the basis of the foreign exchange risk. Foreign exchange is managed with forward foreign exchange contracts for hedging purposes in accordance with the policies and risk exposure limits determined by the Group management. The functional breakdown of monetary and non-monetary assets and liabilities denominated in foreign currency are as follows:

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NOTE 19 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk (continued)

30 June 2023	TL Equivalent	USD	EURO	GBP	CHF
1. Trade Receivables	47,322,650	401,124	1,069,242	207,791	1,521
2a. Monetary Financial Assets	5,036,048	11,548	15,228	131,345	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Total Current Assets (1+2+3)	52,358,698	412,672	1,084,470	339,136	1,521
5. Non-Monetary Financial Assets	-	-	-	-	-
6. Other	918,786	35,580	-	-	-
7. Total Non-Current Assets(5+6)	918,786	35,580	-	-	-
8. Total Assets (4+7)	53,277,484	448,252	1,084,470	339,136	1,521
9. Trade Payables	97,305,432	804,412	2,941,875	213,648	(466,500)
10. Financial Liabilities	161,121,347	1,115,986	4,688,962	-	-
11. Total Current Liabilities (9+10)	258,426,779	1,920,398	7,630,837	213,648	(466,500)
12. Financial Liabilities	66,486,084	1,280,304	1,182,959	-	-
13. Other Monetary Liabilities	56,409,600	-	2,000,000	-	-
14. Total Non-Current Liabilities (12+13)	122,895,684	1,280,304	3,182,959	-	-
15. Total Liabilities (11+14)	381,322,463	3,200,702	10,813,796	213,648	(466,500)
16. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (16a-16b)	3,770,173	146,000	-	-	-
16a. Total Asset Amount of Hedged	3,770,173	146,000	-	-	-
16b. Total Liabilities Amount of Hedged	-	-	-	-	-
17. Net Foreign Exchange Asset / (Liability) Position (8-15+16)	(324,274,806)	(2,606,449)	(9,729,327)	125,488	468,021
18. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+6-11-14)	(328,044,979)	(2,752,449)	(9,729,327)	125,488	468,021

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NOTE 19 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk (continued)

31 December 2022	TL				
	Equivalent	USD	EUR	GBP	CHF
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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NOTE 19 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk (continued)

Sensitivity analysis of foreign exchange risk

The sensitivity analysis of Duran Doğan regarding the fluctuations in foreign exchange rate which results in foreign exchange risk of liabilities in denominated in USD, EURO and GBP. The table presented below represents sensitivity analysis of 10% increase or decrease in USD, EURO and GBP Pound exchange rates. The sensitivity analysis of 10% is the rate used when reporting the foreign exchange risk of the Group to the key management personnel, and the rate indicates the possible change expected by the Group management in the foreign exchange rates. The sensitivity analysis includes foreign currency denominated monetary assets and liabilities at the end of the year and presents the effects of 10% change in foreign exchange rates at the end of the year. The decrease in foreign exchange risk has the the positive impact on the Group's profit/loss and other equity items.

Foreign Exchange Sensitivity Analysis Table				
	30 June 2023		31 December 2022	
	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	(6,730,660)	6,730,660	887,070	(887,070)
2- Hedged portion of USD Risk (-)	-	-	-	-
3- USD Net Effect (1+2)	(6,730,660)	6,730,660	887,070	(887,070)
Change in EUR against TL by 10%				
4- EURO Net Asset / Liability	(27,456,787)	27,456,787	(24,853,339)	24,853,339
5- Hedged portion of Euro Risk (-)	-	-	-	-
6- EURO Net Effect (4+5)	(27,456,787)	27,456,787	(24,853,339)	24,853,339
Change in GBP against TL by 10%				
7- GBP currencies Net Asset / Liability	411,696	(411,696)	825,246	(825,246)
8- Hedged portion of GBP Risk (-)	-	-	-	-
9- GBP Net Effect (7+8)	411,696	(411,696)	825,246	(825,246)
Change in CHF against TL by 10%				
10- CHF Net Asset / Liability	1,348,270	(1,348,270)	921,932	(921,932)
11- Hedged portion of CHF Risk (-)	-	-	-	-
12- CHF Net Effect (10+11)	1,348,270	(1,348,270)	921,932	(921,932)
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)	(32,427,481)	32,427,481	(22,219,091)	22,219,091

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NOTE 20 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES)

Interest rate risk

30 June 2023

	Financial assets at fair value through profit or loss	Loans and receivables (including cash and cash equivalents	Financial liabilities at amortized cost	Carrying Value
Financial Assets			-	
Cash and Cash Equivalents	-	39,188,628	-	39,188,628
Trade Receivables	-	279,529,032	-	279,529,032
Other Receivables	-	1,220,254	-	1,220,254
Financial Investments	14,566,494	-	-	14,566,494
Financial Liabilities				
Borrowings	-	-	347,752,852	347,752,852
Trade Payables	-	-	178,142,562	178,142,562
Other Payables	-	-	58,461,121	58,461,121

31 December 2022

	Financial assets at fair value through profit or loss	Loans and receivables (including cash and cash equivalents	Financial liabilities at amortized cost	Carrying Value
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

NOTE 21 - SUPPLEMENTARY CASH FLOW INFORMATION

Account Name	30 June 2023	31 December 2022
Cash in hand	65,559	52,307
Banks	39,270,216	52,011,461
<i>Demand deposits</i>	28,510,976	49,411,461
<i>Time deposits (up to 3 months)</i>	10,759,240	2,600,000
Expected credit losses	(164,431)	(81,224)
Other	17,284	-
	<u>39,188,628</u>	<u>51,982,544</u>

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NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

In accordance with “Letter of Intent (LOI) within the Scope of the Business Combination” published on the Public Disclosure Platform on 7 June 2023, a letter of intent has been signed between Duran Doğan and the shareholders of Atlas Ofset Matbaacılık ve Ambalaj Sanayi ve Ticaret Anonim Şirketi (the “Acquiree”) for the acquisition of the shares representing the capital of Atlas Ofset (“Expected acquisition transaction”). Accordingly, negotiations regarding the expected acquisition transaction will be initiated between the parties during the period. In addition, necessary financial, legal and technical process and procedures will also be implemented in accordance with the relevant acquisition process.

APPEX – 1 SUPPLEMENTARY INFORMATION

EBITDA

	1 January- 30 June 2023	1 January- 30 June 2022
Domestic Sales	288,769,747	235,500,129
Foreign Sales	249,908,449	347,249,600
Sales Returns (-)	(4,841,114)	(4,220,044)
Sales Discounts (-)	(657,997)	(466,238)
NET SALES	533,179,085	578,063,447
Cost of Sales (-)	(408,276,757)	(352,984,305)
GROSS PROFIT	124,902,328	225,079,142
General Administrative Expenses	(38,283,922)	(26,083,972)
Marketing Expenses	(44,245,256)	(81,120,704)
Other Operating Income	188,707,230	63,415,650
Other Operating Expenses (-)	(108,845,819)	(39,942,041)
OPERATING PROFIT	122,234,561	141,348,075
Depreciation and Amortisation Charges	19,289,145	11,789,939
EBITDA, net	141,523,706	153,138,014