DURAN DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2024 TOGETHER WITH AUDITOR’S REVIEW REPORT

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

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2024

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

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Duran Doğan Basım Ve Ambalaj Sanayi Anonim Şirketi (the "Company" or "Duran Doğan") and its subsidiaries (the "Group") as at 30 June 2024, the condensed consolidated statement of profit or loss, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of 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 condensed 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

The Group management is responsible for the information including the EBITDA calculation and presented in the Annex-1 in the notes to the interim condensed consolidated financial statements. The information presented is not form an integral part of these interim condensed consolidated financial statements. Our conclusion on the interim condensed consolidated financial statements does not include the information presented in the Annex-1 and we do not provide assurance regarding this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the condensed consolidated financial position of Duran Doğan Basım Ve Ambalaj Sanayi Anonim Şirketi (the "Company" or "Duran Doğan") and its subsidiaries (the "Group") as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the six-month period then ended in accordance with TAS 34.

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

Birgül Demir
Partner
İstanbul, 30 September 2024

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 AND 31 DECEMBER 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2024, unless otherwise indicated.)

	Notes	*Reviewed current period* 30.06.2024	*Audited prior period* 31.12.2023
ASSETS			
Current Assets			
Cash and Cash Equivalents	21	53.973.646	32.726.212
Financial Investments		--	1.356.148
Trade Receivables		440.699.303	553.594.113
Third Parties	5	*440.699.303*	*553.594.113*
Other Receivables		19.657.967	8.210.508
Third Parties		*19.657.967*	*8.210.508*
Inventories	6	304.545.206	392.823.834
Prepaid Expenses		37.400.201	47.161.766
Current Income Tax Assets		407.413	--
Other Current Assets		19.318	984.786
TOTAL CURRENT ASSETS		**856.703.054**	**1.036.857.367**
Non-Current Assets			
Other Receivables		1.541.584	1.772.527
Third Parties		*1.541.584*	*1.772.527*
Prepaid Expenses		135.314	364.599
Property, Plant and Equipment	7	558.524.711	473.934.646
Right of Use Assets	7	631.123.999	658.172.186
Intangible Assets		9.004.436	9.221.526
Other Intangible Assets	8	*9.004.436*	*9.221.526*
Deferred Tax Assets	17	23.237.151	93.524.152
TOTAL NON-CURRENT ASSETS		**1.223.567.195**	**1.236.989.636**
TOTAL ASSETS		**2.080.270.249**	**2.273.847.003**

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

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024 AND 31 DECEMBER 2023
(Amounts on tables expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2024, unless otherwise indicated.)

	Notes	***Reviewed current period*** **30.06.2024**	***Audited prior period*** **31.12.2023**
LIABILITIES			
Current Liabilities			
Short-Term Borrowings	19	171.257.926	96.922.576
Short-Term Portion of Long-Term Borrowings	19	151.334.200	142.389.121
Lease Liabilities	19	26.559.029	43.520.648
Trade Payables		306.593.487	274.551.202
Related Parties	*4*	*11.711.631*	*11.678.604*
Third Parties	*5*	*294.881.856*	*262.872.598*
Employee Benefits		29.176.895	14.788.593
Other Payables		53.738.309	112.850.851
Related Parties		*25.506.300*	*50.880.174*
Third Parties		*28.232.009*	*61.970.677*
Deferred Income		47.163.734	52.971.254
Third Parties		*47.163.734*	*52.971.254*
Current Income Tax Liabilities	17	--	20.830.030
Short-Term Provisions		9.173.346	17.332.586
Short-Term Provisions for Employee Benefits		*8.896.798*	*17.169.132*
Other Short-Term Provisions		*276.548*	*163.454*
Other Current Liabilities		15.468.823	21.438.992
TOTAL CURRENT LIABILITIES		**810.465.749**	**797.595.853**
Non-Current Liabilities			
Long-Term Borrowings	19	29.974.876	61.734.578
Lease Liabilities	19	--	11.298.978
Deferred Income		--	807.492
Third Parties		--	*807.492*
Long-Term Provisions		34.773.617	46.911.540
Long-Term Provisions for Employee Benefits		*34.773.617*	*46.911.540*
TOTAL NON-CURRENT LIABILITIES		**64.748.493**	**120.752.588**
EQUITY			
Equity Holders of the Parent			
Paid-in Share Capital	10	100.000.000	100.000.000
Adjustment to Share Capital	10	486.257.345	486.257.345
Treasury Shares (-)		(5.185.173)	(5.185.173)
Share Premium		74.665	74.665
Other Comprehensive Income or Expenses not to be reclassified to Profit or Loss		240.704.250	234.119.152
Gains/(losses) on revaluation and remeasurement		*264.604.917*	*265.577.370*
Gains/(losses) on remeasurements of defined benefit plans		*(23.900.667)*	*(31.458.218)*
Other Comprehensive Income or Expenses to be reclassified to Profit or Loss		(46.436.357)	(43.281.189)
Currency Translation Differences		*(46.436.357)*	(43.281.189)
Restricted Reserves		31.131.873	24.045.165
Retained Earnings		553.359.598	413.884.820
Profit for the Period	18	(154.840.205)	145.589.033
TOTAL EQUITY HOLDERS OF THE PARENT		**1.205.065.996**	**1.355.503.818**
Non-Controlling Interests		(9.989)	(5.256)
TOTAL LIABILITIES AND EQUITY		**1.205.056.007**	**1.355.498.562**
TOTAL EQUITY		**2.080.270.249**	**2.273.847.003**

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

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023
(Amounts on tables expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2024, unless otherwise indicated.)

	Notes	*Reviewed current period* 01.01.- 30.06.2024	*Reviewed prior period* 01.01.- 30.06.2023	*Unreviewed current period* 01.04.- 30.06.2024	*Unreviewed prior period* 01.04.- 30.06.2023
PROFIT OR LOSS					
Revenue	11	865.407.962	943.954.030	392.471.194	436.320.676
Cost of Sales (-)	11	(784.880.233)	(784.047.675)	(362.044.560)	(273.574.628)
GROSS PROFIT		**80.527.729**	**159.906.355**	**30.426.634**	**162.746.048**
Marketing Expenses (-)	12	(75.373.824)	(74.759.163)	(37.904.770)	(34.301.771)
General Administrative Expenses (-)	12	(97.638.085)	(84.419.362)	(50.018.352)	(39.356.407)
Other Operating Income	14	67.139.898	420.167.732	11.944.257	317.645.597
Other Operating Expenses (-)	14	(27.194.124)	(307.748.584)	(2.201.283)	(224.728.114)
OPERATING PROFIT		**(52.538.406)**	**113.146.978**	**(47.753.514)**	**182.005.353**
Gains from Investment Activities	15	1.249.413	11.094.896	1.249.413	9.130.938
Losses from Investment Activities (-)	15	(67.557)	(2.920.659)	--	(2.744.374)
Operating profit before financial income/(expense)		**(51.356.550)**	**121.321.215**	**(46.504.101)**	**188.391.917**
Financial Income	16	6.645.619	2.165.606	3.891.031	1.166.672
Financial Expenses (-)	16	(58.039.832)	(178.006.008)	(19.305.595)	(137.838.968)
Net Monetary Position Gains / (Losses)		15.673.608	(17.402.538)	3.266.345	(30.682.300)
PROFIT BEFORE TAX		**(87.077.155)**	**(71.921.725)**	**(58.652.320)**	**21.037.321**
Tax income/(expense)		**(67.767.808)**	**(3.656.943)**	**(26.455.973)**	**(25.473.305)**
- Current period tax expense	17	--	(2.775.388)	--	(2.690.814)
- Deferred income tax	17	(67.767.808)	(881.555)	(26.455.973)	(22.782.491)
PROFIT FOR THE PERIOD		**(154.844.963)**	**(75.578.668)**	**(85.108.293)**	**(4.435.984)**
OTHER COMPREHENSIVE INCOME					
Items not to be reclassified to profit or loss		**7.557.576**	**(10.690.385)**	**6.536.650**	**(4.763.630)**
Gains/(losses) on remeasurements of defined benefit plans		*10.076.769*	(14.253.845)	8.715.534	(6.845.402)
Taxes relating to other comprehensive income		*(2.519.193)*	3.563.460	(2.178.884)	2.081.772
Items to be reclassified to profit or loss		**(3.155.168)**	**(15.851.292)**	**(2.745.522)**	**(12.020.034)**
Currency Translation Differences		*(3.155.168)*	(15.851.292)	(2.745.522)	(12.020.034)
Other comprehensive income/(expenses)		**4.402.408**	**(26.541.677)**	**3.791.128**	**(16.783.664)**
Total comprehensive income		**(150.442.555)**	**(102.120.345)**	**(81.317.165)**	**(21.219.648)**
Attributable to					
Non-Controlling Interests		(4.758)	(7.490)	(4.762)	(3.927)
Equity Holders of the Parent		(154.840.205)	(75.571.178)	(85.103.531)	(4.432.057)
Other comprehensive income					
Attributable to					
Non-Controlling Interests		(4.733)	(7.530)	(4.756)	(3.986)
Equity Holders of the Parent		(150.437.822)	(102.112.815)	(81.312.409)	(21.215.662)
Earnings per share		**(0.0155)**	**(0.0216)**	**(0.8511)**	**(0.1267)**
Earnings per share from continuing operations (TL)		**(0.0155)**	**(0.0216)**	**(0.8511)**	**(0.1267)**

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

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2024, unless otherwise indicated.)

					Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss		Retained earnings				
Reviewed prior period	**Paid-in Share Capital**	**Adjustment to Share Capital**	**Share premium**	**Treasury shares (-)**	**Gains/(losses) on remeasurements of defined benefit plans**	**Gains/(losses) on revaluation and remeasurements**	**Currency translation differences**	**Restricted reserves**	**Prior years' income**	**Profit for the period**	**Equity holders of the parent**	**Non-controlling interests**	**Total equity**
Balances at 1 January 2023 (Beginning of the Period)	**35.000.000**	**462.108.745**	**74.665**	**--**	**(27.023.072)**	**218.763.327**	**(42.536.174)**	**11.416.544**	**(14.434.880)**	**621.621.566**	**1.264.990.721**	**121**	**1.264.990.842**
Transfers	--	--	--	--	--	(2.279.554)	--	5.185.174	618.715.946	(621.621.566)	--	--	**--**
Gains/(losses) on treasury shares	--	--	--	(5.185.174)	--	--	--	--	--	--	(5.185.174)	--	**(5.185.174)**
Total Comprehensive Income	**--**	**--**	**--**	**--**	**(10.690.345)**	**--**	**(15.851.292)**	**--**	**--**	**(75.571.178)**	**(102.112.815)**	**(7.530)**	**(102.120.345)**
Gains/(losses) on remeasurements of defined benefit plans	--	--	--	--	*(10.690.345)*	--	--	--	--	--	*(10.690.345)*	*(40)*	***(10.690.385)***
Currency translation differences	--	--	--	--	--	--	*(15.851.292)*	--	--	--	*(15.851.292)*	--	***(15.851.292)***
Profit for the period	--	--	--	--	--	--	--	--	--	*(75.571.178)*	*(75.571.178)*	*(7.490)*	***(75.578.668)***
Balances at 30 June 2023 (End of the Period)	**35.000.000**	**462.108.745**	**74.665**	**(5.185.174)**	**(37.713.417)**	**216.483.773**	**(58.387.466)**	**16.601.718**	**604.281.066**	**(75.571.178)**	**1.157.692.732**	**(7.409)**	**1.157.685.323**
Reviewed current period													
Balances at 1 January 2024 (Beginning of the Period)	**100.000.000**	**486.257.345**	**74.665**	**(5.185.173)**	**(31.458.218)**	**265.577.370**	**(43.281.189)**	**24.045.165**	**413.884.820**	**145.589.033**	**1.355.503.818**	**(5.256)**	**1.355.498.562**
Transfers	--	--	--	--	--	(972.453)	--	7.086.708	139.474.778	(145.589.033)	**--**	--	**--**
Total Comprehensive Income	**--**	**--**	**--**	**--**	**7.557.551**	**--**	**(3.155.168)**	**--**	**--**	**(154.840.205)**	**(150.437.822)**	**(4.733)**	**(150.442.555)**
Gains/(losses) on remeasurements of defined benefit plans	--	--	--	--	*7.557.551*	--	--	--	--	--	*7.557.551*	*25*	***7.557.576***
Currency translation differences	--	--	--	--	--	--	*(3.155.168)*	--	--	--	*(3.155.168)*	--	***(3.155.168)***
Profit for the period	--	--	--	--	--	--	--	--	--	*(154.840.205)*	*(154.840.205)*	(4.758)	***(154.844.963)***
Balances at 30 June 2024 (End of the Period)	**100.000.000**	**486.257.345**	**74.665**	**(5.185.173)**	**(23.900.667)**	**264.604.917**	**(46.436.357)**	**31.131.873**	**553.359.598**	**(154.840.205)**	**1.205.065.996**	**(9.989)**	**1.205.056.007**

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

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 June 2024, unless otherwise indicated.)

	Notes	Reviewed current period 01.01.-30.06.2024	Reviewed prior period 01.01.-30.06.2023
A) CASH FLOWS FROM OPERATING ACTIVITIES		**108.704.815**	**199.211.637**
Profit for the Period		(154.844.963)	(75.578.668)
Adjustments to reconcile profit for the period to cash generated from operating activities		**111.314.852**	**130.483.377**
-Depreciation and amortisation	7-8	76.240.360	70.933.952
-Adjustments for impairment on inventories (reversal)	6	--	14.232.711
-Adjustments for tax income/expenses	17	67.767.808	3.656.943
-Adjustments for unrealized currency translation differences		22.263.754	106.028.532
-Adjustments for provisions			
- Employment termination benefits		10.235.886	(2.120.268)
- Doubtful receivables	5	--	(1.650.351)
- Unused vacation	17	(8.272.334)	1.846.883
- Other provisions		113.094	75.024
-Adjustments for interest income and expenses			
- Interest income	16	(6.645.619)	(2.165.606)
- Interest expenses	16	28.946.471	58.920.579
Net monetary position gains /losses		(15.673.608)	17.402.538
-Adjustments for non-cash items		(63.660.960)	(136.677.560)
Changes in Working Capital		**182.437.125**	**229.911.713**
-Changes in inventories	6	87.574.882	174.525.575
-Changes in trade receivables	5	113.063.262	(15.063.498)
-Changes in other receivables		(11.216.516)	3.869.790
-Changes in trade payables	5	32.042.285	32.926.658
-Changes in other payables		(59.112.542)	3.044.508
-Changes in prepaid expenses		9.990.850	(6.483.321)
-Changes in other current/non-current assets		965.466	(4.427)
-Changes in financial investments		1.356.148	(2.630.047)
-Changes in deferred income	17	(6.615.012)	25.963.185
-Changes in due to employee benefits		14.388.302	13.763.290
Cash flows from Operating Activities		**138.907.014**	**284.816.422**
Income Taxes Refund/Paid		(27.207.612)	(58.802.929)
Employment termination benefits		(2.994.587)	(26.801.856)
B) CASH FLOWS FROM INVESTING ACTIVITIES		**(133.594.838)**	**(61.493.641)**
-Cash inflows from sale of property, plant and equipment and intangible assets	7-8	768.036	377.541
-Cash outflows from purchase of property, plant and equipment and intangible assets	7-8	(134.362.874)	(61.871.182)
C) CASH FLOWS FROM FINANCING ACTIVITES		**49.292.625**	**(161.459.242)**
Cash outflows from treasury shares or capital reduction		--	(5.185.174)
Cash inflows from borrowings		211.979.267	349.236.201
Cash outflows from repayments of borrowings		(107.016.905)	(382.415.090)
Cash outflows from lease liabilities		(43.450.250)	(99.701.397)
Interest received	16	6.645.619	2.165.606
Interest paid	16	(18.865.106)	(25.559.388)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**24.402.602**	**(23.741.246)**
D) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(3.155.168)**	**(15.851.292)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**21.247.434**	**(39.592.538)**
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**32.726.212**	**106.839.111**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**53.973.646**	**67.246.573**

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

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 1 – GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi (the "Company" or "Duran Doğan") and its subsidiaries together collectively referred as the "Group" with Duran Doğan Dış Ticaret Anonim Şirketi., Duran Doğan Europe B.V., Avantgarde Sürdürülebilir Kağıtçılık Sanayi ve Ticaret Anonim Şirketi and Dudo UK Ltd. and Atlas Ofset Matbaacılık Ambalaj Sanayi ve Ticaret Anonim Şirketi (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 Group has subsidiaries registered and incorporated in Türkiye, United Kingdom and the Netherlands.

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 the interim period and average number of personnel employed by Duran Doğan is 370 (31 December 2023: 353).

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 (7.29%).

As of 30 June 2024 and 31 December 2023, the subsidiaries ("Subsidiaries") included in the scope of consolidation of Duran Doğan, their direct and indirect ownership interests and nature of business are as follows:

	30.06.2024		31.12.2023		
Subsidiaries	**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 (%)**	**Nature of business**
Duran Doğan Dış Ticaret 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
Atlas Ofset Matbaacılık Ambalaj Sanayi ve Ticaret A.Ş.	100.00	100.00	100.00	100.00	Manufacturing, purchase, sale, marketing, storage, distribution, import and export of optical bleaching substances and other chemical substances detected on all kinds of fibres needed by industries such as printing, printing and cutting of packaging boxes, publishing works, paper and detergent textile

Approval of the interim condensed consolidated financial statements

These condensed consolidated financial statements as of and for the interim period ended 30 June 2024 have been approved for issue by the Board of Directors ("BOD") on 30 September 2024. 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 accompanying interim 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.

The accompanying interim condensed consolidated financial statements are presented in accordance with the "Announcement regarding to TAS Taxonomy" which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB. TAS Taxonomy - 2016 was updated in April 2019 and published as the TFRS Taxonomy – 2022 in the current reporting period on 4 October 2022.

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.

Restatements of the interim condensed financial statements in hyperinflationary periods

Financial reporting in hyperinflationary economies

In accordance with the CMB's resolution number 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

Entities applying TFRSs have started to apply inflation accounting under TAS 29 "Financial Reporting in Hyperinflation Economies" as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its interim condensed consolidated financial statements as of and for the interim period ended 30 June 2024 and as of and for the year ended 31 December 2023, 2022 and 2021, on the purchasing power basis on 30 June 2024.

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

Accordingly, the financial statements and relevant amounts for prior periods have been restated for changes in the general purchasing power of the functional currency. Thus, those financial statements and relevant amounts are expressed in the measuring unit effective at the end of the reporting period in accordance with TAS 29.

In accordance with TAS 29 "Financial Reporting in Hyperinflation Economies" which 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. In a hyperinflation economy, it is not meaningful and useful to report operating results and financial position in the local currency without adjustment. Money loses its purchasing power in such a proportion that comparing the amounts of transactions or other events that occurred at different times is misleading, even in the same accounting period. Hyperinflation is determined by a country's economic characteristics, including, but not limited to considering the cumulative inflation rate over three years approaches, or exceeds, 100%.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute ("TURKSTAT"). As of 30 June 2024, the indices and adjustment factors used in the restatement of the financial statements are as follows:

Year	**30.06.2024**	**31.12.2023**	**30.06.2023**
Index	2.319,29	1.859,38	1.351,59
Adjustment coefficient	1.00000	1.24735	1.71597
Three-year cumulative inflation rates	324%	268%	190%

The main components of the Group's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.

- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.

- Non-current assets, subsidiaries and similar assets are indexed to their acquisition costs, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Group.

- All items in the statement of profit or loss, except for the effects of non-monetary items in the statement of financial position and in the statement of profit or loss, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the consolidated financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and profit or loss accounts. This gain or loss on the net monetary position is included in net profit.

• The material influence of inflation on the Group's net monetary asset position in the current period is recognized under net monetary gain/(loss) account in the consolidated statement of profit or loss.

• All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Relevant figures for the prior reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

Basis of presentation of consolidated financial statements and financial reporting standards

Duran Doğan Basım ve Ambalaj Sanayi Anonim Şirketi and its subsidiaries incorporated in Türkiye 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.

The accompanying 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.

Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with TAS 12 Income Taxes and TAS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree, or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 Share-based Payment at the acquisition date,

- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 are measured in accordance with TFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized in profit or loss as a gain on bargain purchase.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.
When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e., the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets, or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.
The assets and liabilities that were not previously recognized as identifiable assets and liabilities assumed in the acquiree's financial statements are recognized.

As of the acquisition date, the identifiable assets, identifiable liabilities and minority interests of the acquired entity are carried at their fair values. Relevant calculations are realised based on the relevant assumptions and evaluations.

Basis of consolidation

Consolidated financial statements include subsidiaries are the entities controlled directly and indirectly by Duran Duğan and its subsidiaries

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. Income and expenses of the subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition until the date of disposal.

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.

The necessary adjustments have been realised to the accounting policies in the financial statements of subsidiaries to ensure conformity with the Group.

Intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between the Group companies are eliminated during consolidation.

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 expected to have a material influence on the results of the end of the interim reporting 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. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods.

2.4 New and Revised Turkish Financial Reporting Standards

The new standards, amendments, and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements for the interim period ended 30 June 2024 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 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 1 January 2024 are as follows:

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and October 2022, the POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in October 2022 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, October 2022 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In September 2022, the POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued in May 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments did not have a significant material influence on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

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.

Amendments to TFRS 10 and TAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, the POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will assess the effects of the amendments after the new standards have been finalized.

TFRS 17 - The new Standard for insurance contracts

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. The mandatory effective date of the Standard postponed to accounting periods beginning on or after 1 January 2025 with the announcement made by the POA. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

Amendments to TAS 21 - Lack of exchangeability

In May 2024, the POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, the POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

Amendments published by the International Accounting Standards Authority ("IASB") but not by the POA;

The amendments to IFRS 9 and IFRS 7 mentioned below, as well as IFRS 18 and IFRS 19 Standards, have been published by the IASB, but have not yet been adapted to TFRS by the POA. Therefore, these standards do not form an integral part of TFRS. The Group will make the necessary amendments in its consolidated financial statements and notes after these standards and the amendments effective in TFRS.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, the Board issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. IFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 will be applied retrospectively. The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

2.5 Summary of significant accounting policies

Revenue

In accordance with "TFRS 15 Revenue from Contracts with Customers" is that 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.

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.

If the 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. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

Interest income

Interest income is accrued in the relevant period in accordance with effective interest method, which determines the remaining principal balance and the estimated cash inflows to be obtained from the relevant financial asset over its estimated useful life to the net book value of the relevant asset.

Inventories

Inventories are evaluated at the lower of cost or net realizable value, restated at equivalent purchasing power on 30 June 2024. Cost of inventories includes all purchasing costs, covering costs and other costs incurred to make the inventories ready to sell. The covering costs of inventories include costs which are directly related to production such as direct labor expense. 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 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. In cases where the inventories to be reduced to net realizable value or an increase in net realizable value is determined due to changing economic conditions, the provision is reversed. The amount is limited to reversal of the impairment.

Related parties

Related parties are individuals or entities that are related to the entity that is preparing its consolidated 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 for administrative purposes and production are carried at their amounts subject to revaluation. The amount is determined less the accumulated depreciation and impairment in subsequent periods from the fair value determined on the revaluation date.

The relevant revaluations are realised at regularly so that the fair value determined at the balance sheet date does not differ significantly from the book value.

The increase resulting from the revaluation of the land and buildings is recognised in the revaluation fund in equity. The increase resulting from revaluation is initially recognised in the statement of profit or loss in proportion to the impairment, in case there is an impairment on the property, plant and equipment previously presented in the statement of profit or loss. The decrease in the book value resulting from the revaluation of the machinery, equipment is recognised in the statement of profit or loss if it exceeds the balance in the revaluation fund related to the previous revaluation of the property, plant and equipment.
Property, plant and equipment considered as construction in progress for administrative purposes or other purposes not yet determined are carried at cost in the equivalent purchasing power of TL on 30 June 2024, less any impairment losses. Legal fees are also included in the relevant cost. In the case of property, plant and equipment that require significant time to be ready for use and sale, borrowing costs are capitalized. When the construction of the property, plant and equipment is completed and they are ready for use, they are classified into the relevant property, plant and equipment item. Such property, plant and equipment are depreciated when they are ready for use, as is the depreciation method used for other property, plant and equipment.

Depreciation of buildings subject to revaluation is included in the statement of profit or loss. When land and buildings subject to revaluation are sold or disposed, the remaining balance in the revaluation fund is transferred directly to retained earnings.

Land is not depreciated as it is deemed to have an indefinite useful life. Property, plant and equipment other than buildings are carried at cost, expressed in the equivalent purchasing power of TL, less accumulated depreciation and impairment on 30 June 2024.

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset and accounted prospectively.

Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives except for land and constructions in progress. Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset and accounted prospectively.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/(losses) from investing activities" in the current period. Repairs and maintenance expenses are charged to the statement of profit or loss during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use.

Intangible assets

Acquired intangible assets

Intangible assets with definite useful lives are initially recognized at the purchasing power on 30 June 2024 less accumulated depreciation and impairment. These assets are amortized using the 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, with the effect of any changes in estimate being recognized for on a prospective basis.

Computer software

Acquired computer software is capitalized based on the costs incurred during its acquisition and the period from purchase until it is ready for use. Depreciation is provided according to their economic useful lives.

Internally generated intangible assets– research and development expenses

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) 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 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 charged to profit or loss in the period in which it is incurred.

After initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets 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 the 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.

Intangible assets and impairment on intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment 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 in order 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.
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 recognized in the statement of profit or loss in which period they incurred.

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

Financial assets at fair value through profit or loss

Financial assets 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.

Financial assets at amortized cost

"Financial assets 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 in the statement of profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets 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 measured 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 Under Management Fund" 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 recognised in the period profit/loss.

Recognition and derecognition of financial assets and liabilities

The Group reflects the financial assets or liabilities in the statement of financial position when it becomes a party to the related financial instrument contracts. The Group writes-off a financial asset or a portion of its financial asset only when it loses its control over the rights arising from the contract. The Group derecognizes a financial liability only if the obligation defined in the contract is eliminated, cancelled or expired.

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

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

Trade receivables

Trade receivables arising as a result of providing products or services to the buyer are recognized at amortized cost of the amounts to be obtained in subsequent periods, recognised at the original invoice, using the effective interest method. Short-term receivables with no imputed interest rate are carried at the invoice amount unless the effect of the original effective interest rate is immaterial.

Trade receivables carried at amortized cost in the consolidated financial statements and do not contain a significant financing component (less than 1 year as short term) value within the scope of trade receivables impairment calculations applied "simplified approach". In cases where trade receivables are not impaired due to

certain reasons (except for realized impairment losses), provisions for losses related to trade receivables "is measured from an equal amount of lifetime expected credit losses".
In case of collecting all or part of the receivable amount that is impaired following the provision for impairment, the collected amount is deducted from the other operating income by offset the amount deducted from the provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held in banks with maturities of 3 months or less, government bonds/treasury bills classified as available for sale financial assets with original maturities of 3 months or less, other short-term liquid investments and blocked deposits. Cash and cash equivalents include cash on hand, deposits at banks and highly liquid short-term investments, credit card slips with maturity periods of less than three months, which has insignificant risk of change in fair value.

Financial liabilities

Financial liabilities are initially recognized with their fair values free from transaction costs. Financial liabilities are recognized over their amortized costs using the effective interest method and with interest costs calculated over effective interest rate in subsequent periods. The effective interest method is the calculation of the amortized costs of the financial liabilities and the distribution of the related interest expenses to related periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net present value of the financial liability.

Earnings per share

Earnings per share disclosed in the statement of profit or loss 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 Türkiye, 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.

Foreign currency translation

Foreign currency transactions and balances

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TL, which is Duran Doğan's functional and presentation currency.

During the preparation of the financial statements of each entity, foreign currency transactions are translated into Turkish Lira (currencies other than TL) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency as Turkish Lira using the exchange rates as at the dates of

the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.
Currency translation differences are accounted for the period in profit or loss in which they are incurred except for the following cases:

- Currency translation differences which relate 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 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.

The financial statements of the subsidiaries operating in foreign countries

Assets and liabilities of the subsidiaries operating in foreign countries are translated into TL at the exchange rates prevailing at the balance sheet dates. Comprehensive income items of those subsidiaries are translated into TL using average exchange rates for the period (if the average exchange rates for the period do not reasonably reflect the exchange rate fluctuations, transactions are translated using the exchange rates prevailing at the date of the transaction). Exchange differences arising from using average and balance sheet date rates are included in "currency translation differences" under the equity.

Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue.

The Group adjusts the amounts recognised in its consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet 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 allocated 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 recognised in consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense (or income) is the sum of the current 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 recognised in the statement of profit or loss 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.

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.

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 taxes included in the consolidated financial statements include current period tax and the change in deferred taxes. The Group calculates current and deferred tax on the results for the period.

Employee benefits/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) recognised in the accompanying consolidated financial statements. Actuarial gains and losses recognized under consolidated statement of other comprehensive income.

Dividend and bonus payments

The Group recognises dividends and bonuses calculated based on a method that considering the profit of the shareholders after adjustments, as liabilities and expenses. The Group recognizes provisions where there is a contractual obligation incurred.

Statement of cash flows

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

Capital and dividends

Common shares are classified under equity. Dividends from common shares recognised in the period which they approved and declared less retained earnings.

2.6 Significant accounting estimates and assumptions

The significant accounting estimates and assumptions applied by the Group are as follows:

In the process of applying the accounting policies disclosed in Note 2.5, the Group management realised the following estimates and assumptions that had significant material influence on the amounts recognized in the consolidated financial statements:

Economic useful lives of property, plant and equipment

The Group provides depreciation on property, plant and equipment, considering the useful lives disclosed in Note 7 and 8.

Inventory impairment

The Group has determined inventories with lower of acquisition cost or net realizable value. Accordingly, the Group allocated provision for impairment on inventories amounting to TL 5.001.871 (31 December 2023: TL 3.548.934).

Provision for doubtful receivables

The "simplified approach" is applied within the scope of impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not contain a significant financing component (with a maturity less than 1 year). With this approach, in cases where trade receivables are not impaired for certain reasons (except for the impairment losses incurred), the provisions for losses related to trade receivables are measured at an amount equal to "lifetime expected credit losses". As of 30 June 2024, the Group allocated provision for doubtful trade receivables amounting to TL 681.040 (31 December 2023: TL 849.492).

Revaluation of land and buildings

The land and building leased by the Group in Hadımköy under finance leases are carried at cost in the accompanying consolidated financial statements less accumulated depreciation and impairment. The land and buildings acquired through finance leases have been subject to revaluation by independent appraisal firm Arz Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi on 25 December 2023. Arz Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi 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.

NOTE 3 – OPERATING SEGMENTS

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

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

The revenue arising from the reportable segments mainly include sales to Türkiye, Europe, United States, Middle East and Africa and Asia Pacific geographical areas. The amounts reported considering the reportable segments of the Group in the accompanying consolidated financial statements for the interim periods ended 30 June 2024 and 2023 are as follows:

01.01.2024 - 30.06.2024

Türkiye	Europe	United States	Middle East and Africa	Asia Pacific	Other	Total
533.927.154	256.225.622	43.359.784	31.486.507	--	408.894	865.407.962

01.01.2023 - 30.06.2023

Türkiye	Europe	United States	Middle East and Africa	Asia Pacific	Other	Total
526.076.383	353.330.647	27.959.126	34.440.476	449.921	1.697.477	943.954.030

01.04.2024 - 30.06.2024

Türkiye	Europe	United States	Middle East and Africa	Asia Pacific	Other	Total
275.654.410	70.814.883	22.051.481	23.946.366	--	4.054	392.471.194

01.04.2023 - 30.06.2023

Türkiye	Europe	United States	Middle East and Africa	Asia Pacific	Other	Total
234.848.769	161.318.119	19.042.319	20.768.339	--	343.130	436.320.676

NOTE 4– RELATED PARTY DISCLOSURES

a) Related party balances are as follows:

	30.06.2024	31.12.2023
Short-term trade payables due to related parties		
LGR International Societe Anonyme (*)	11.711.631	10.291.472
Koenig Bauer Duran Amb.Kar.Tek.San. (*)	--	1.387.132
	11.711.631	**11.678.604**

	30.06.2024	31.12.2023
Other payables due to related parties		
LGR International Societe Anonyme (*)	25.506.300	50.880.174
	25.506.300	**50.880.174**

(*) Represents entities managed and controlled by the shareholders

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

b) Related party transactions are as follows:

	01.01.-30.06.2024	01.01.-30.06.2023	01.04.-30.06.2024	01.04.-30.06.2023
Sales				
Koenig Bauer Duran Amb.Kar.Tek.San. A.Ş.	16.883	1.480	16.883	--
	16.883	**1.480**	**16.883**	**--**

	01.01.-30.06.2024	01.01.-30.06.2023	01.04.-30.06.2024	01.04.-30.06.2023
Purchases				
LGR International Societe Anonyme (*)	3.824.903	--	3.585.544	--
Koenig Bauer Duran Amb.Kar.Tek.San. A.Ş.	3.534.994	1.932.676	2.023.262	1.353.538
	7.359.897	**1.932.676**	**5.608.806**	**1.353.538**

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 and General Manager.

Key management compensation	01.01.-30.06.2024	01.01.-30.06.2023	01.04.-30.06.2024	01.04.-30.06.2023
Performance premium	7.177.035	11.847.870	--	--
Wages and salaries	12.154.597	13.613.918	4.844.330	6.589.665
Bonuses	1.946.709	2.268.986	811.287	1.098.277
Allowances	674.067	609.686	320.412	268.251
Other	1.054.437	1.201.975	--	1.196.265
	23.006.845	**29.542.435**	**5.976.029**	**9.152.458**

NOTE 5– TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

As of 30 June 2024 and 31 December 2023, the functional breakdown and details of trade receivables are as follows:

	30.06.2024	31.12.2023
Short-term trade receivables		
Trade receivables (current account balances)	449.638.695	495.871.539
Notes and cheques receivables	8.454.724	60.140.651
Doubtful trade receivables	681.040	849.492
	458.774.459	**556.861.682**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

Deferred financial expenses (-)	(17.394.116)	(2.418.077)
Provision for doubtful trade receivables (-)	(681.040)	(849.492)
Trade receivables due from third parties, net	**440.699.303**	**553.594.113**

The details of trade receivables are as follows:

The average maturity of trade receivables from domestic and foreign customers is 90 and 120 days, respectively (31 December 2023: 90 and 120 days, respectively). As of 30 June 2024, provision for doubtful trade receivables amounting to TL 681.040 (31 December 2023: TL 849.492) has been allocated in the accompanying consolidated financial statements.

The Group allocated provision for doubtful receivables considered as uncollectible. The provision has been determined considering the past payment performances of the customers. The Group assesses whether there has been a change in the credit quality of the receivables from the date of initial recognition to the reporting date while deciding trade receivables.

The Group management estimated that there is no provision required to be allocated exceeding the provision for doubtful receivables included in the accompanying consolidated financial statements.

The movement of provision for doubtful trade receivables is as follows:

	01.01. - 30.06.2024	**01.01. - 30.06.2023**
Beginning of the period – 1 January	**849.492**	**2.418.205**
Provisions no longer required	--	(1.650.351)
Monetary gains/(losses)	(168.452)	(399.233)
End of the period – 30 June	**681.040**	**368.621**

The detailed analysis of guarantees and collaterals obtained against trade receivables is as follows:

	30.06.2024	**31.12.2023**
Credit insurance	58.642.816	73.303.794
	58.642.816	**73.303.794**

NOTE 5– TRADE RECEIVABLES AND PAYABLES (continued)

b) Trade payables

As of 30 June 2024 and 31 December 2023, the functional breakdown of trade payables is as follows:

	30.06.2024	**31.12.2023**
Short-term trade payables		
Trade payables (current account balances)	314.054.363	262.351.292
Notes payable	--	4.503.365
Expense accruals	8.342	30.987

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

Deferred financial income (-)	(19.180.849)	(4.013.046)
Trade receivables due to third parties, net	**294.881.856**	**262.872.598**

Due to related parties (Note 4)	11.711.631	11.678.604
Short-term trade payables, net	**306.593.487**	**274.551.202**

The average maturity of the purchase of the raw materials and supplies is 64 days (31 December 2023: 100 days).

NOTE 6 - 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.

	30.06.2024	**31.12.2023**
Raw materials and supplies	156.408.952	162.007.424
Semi-finished goods	41.388.120	52.605.017
Goods	111.734.832	178.609.148
Merchandise	15.113	103.112
Other inventories	60	3.048.067
Provision for impairment (-)	(5.001.871)	(3.548.934)
	304.545.206	**392.823.834**

Total insurance coverage on inventories is amounting to EUR 6.715.000 equivalent of TL 235.887.206) (31 December 2023: EUR 7.700.000 equivalent of TL 312.858.086).

As of 30 June 2024 and 2023, the movement of provision for impairment on inventories is as follows:

	01.01. - 30.06.2024	**01.01. - 30.06.2023**
Beginning of the period – 1 January	(3.548.934)	(25.670.657)
Carried at cost	--	14.232.711
Increases during the period	(2.156.683)	--
Monetary gains/(losses)	703.746	4.238.083
End of the period – 30 June	**(5.001.871)**	**(7.199.863)**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

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

a) Property, plant and equipment

As of 30 June 2024 and 2023, the movements for property, plant and equipment, and related depreciation are as follows:

	Opening balance – 1 January 2024	Additions	Disposals	Transfers	Closing balance – 30 June 2024
Cost					
Land improvements	264.250	--	--	--	264.250
Plant, machinery and equipment	1.373.477.315	92.996.193	(630.967)	19.543.867	1.485.386.408
Motor vehicles	10.544.663	6.183.613	(1.637.276)	--	15.091.000
Furniture and fixtures	222.141.786	16.734.482	(333.014)	--	238.543.254
Leasehold improvements	80.689.652	2.458.171	--	--	83.147.823
Constructions in progress	19.592.815	17.433.466	(48.951)	(19.543.867)	17.433.463
	1.706.710.481	**135.805.925**	**(2.650.208)**	**--**	**1.839.866.198**
Accumulated depreciation (-)					
Land improvements	184.976	13.212	--	--	198.188
Plant, machinery and equipment	999.510.524	34.049.331	(21.032)	--	1.033.538.823
Motor vehicles	2.603.201	1.099.522	(1.528.126)	--	2.174.597
Furniture and fixtures	174.636.520	10.437.231	(333.014)	--	184.740.737
Leasehold improvements	55.840.614	4.848.528	--	--	60.689.142
	1.232.775.835	**50.447.824**	**(1.882.172)**	**--**	**1.281.341.487**
Net book value	**473.934.646**				**558.524.711**

	Opening balance – 1 January 2023	Additions	Disposals	Transfers	Closing balance – 30 June 2023
Cost					
Plant, machinery and equipment	934.672.947	10.991.809	(19.181.657)	45.842.589	972.325.688
Motor vehicles	570.300	--	--	--	570.300
Furniture and fixtures	194.776.728	5.213.832	(372.735)	542.837	200.160.662
Leasehold improvements	55.551.281	55.893	(156.896)	--	55.450.278
Constructions in progress	9.875.967	1.202.460	--	(2.501.434)	8.576.993
	1.195.447.223	**17.463.994**	**(19.711.288)**	**43.883.992**	**1.237.083.921**
Accumulated depreciation (-)					
Plant, machinery and equipment	594.267.183	34.841.526	(19.181.657)	16.886.807	626.813.859
Motor vehicles	570.303	--	--	--	570.303
Furniture and fixtures	145.386.844	7.079.337	(228.775)	--	152.237.406
Leasehold improvements	41.984.781	3.731.191	(156.896)	--	45.559.076
	782.209.111	**45.652.054**	**(19.567.328)**	**16.886.807**	**825.180.644**
Net book value	**413.238.112**				**411.903.277**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

Total insurance coverage on property, plant and equipment is amounting to EUR 56.517.135 equivalent of TL 1.985.356.525 (31 December 2023: EUR 47.774.468 equivalent of TL 1.802.957.391).

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

b) Right of use assets

As of 30 June 2024 and 2023, the movements for right of use assets, and related depreciation are as follows:

	Opening balance – 1 January 2024	Additions	Disposals	Transfers	Closing balance – 30 June 2024
Cost					
Land	340.889.653	--	--	--	340.889.653
Buildings	375.394.130	--	(53.347.849)	--	322.046.281
Motor vehicles	8.887.571	--	(8.190.598)	--	696.973
Machinery and equipment	124.667.392	(2.517.837)	--	--	122.149.555
	849.838.746	**(2.517.837)**	**(61.538.447)**	**--**	**785.782.462**
Accumulated depreciation (-)					
Buildings	132.348.447	17.964.155	(53.347.849)	--	96.964.753
Motor vehicles	7.842.921	1.020.383	(8.190.598)	--	672.706
Machinery and equipment	51.475.193	5.545.811	--	--	57.021.004
	191.666.561	**24.530.349**	**(61.538.447)**	**--**	**154.658.463**
Net book value	**658.172.185**				**631.123.999**

	Opening balance – 1 January 2023	Additions	Disposals	Transfers	Closing balance – 30 June 2023
Cost					
Land	337.015.888	--	--	--	337.015.888
Buildings	291.886.284	40.906.104	(190.969)	--	332.601.419
Motor vehicles	24.812.017	74.835	(15.999.282)	--	8.887.570
Machinery and equipment	167.843.058	3.411.607	--	(43.883.992)	127.370.673
	821.557.247	**44.392.546**	**(16.190.251)**	**(43.883.992)**	**805.875.550**
Accumulated depreciation (-)					
Buildings	100.847.458	15.807.998	(113.417)	--	116.542.039
Motor vehicles	19.925.464	2.273.209	(15.843.251)	--	6.355.422
Machinery and equipment	59.433.004	5.816.138	--	(16.886.807)	48.362.335
	180.205.926	**23.897.345**	**(15.956.668)**	**(16.886.807)**	**171.259.796**

Net book value	**641.351.321**	**634.615.754**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

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

b) Right of use assets (continued)

The fair value measurement of land and buildings

The land and building leased by the Group in Hadımköy under finance leases are carried at cost in the accompanying consolidated financial statements less accumulated depreciation and impairment. The land and buildings acquired through finance leases have been subject to revaluation by independent appraisal firm Arz Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi on 25 December 2023. Arz Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi 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 Market Approach ("MA") which is a property appraisal method that compares one property to comparable or other recently sold properties in the area with similar characteristics. The fair value of the building has been determined in accordance with Cost Approach ("CA"). The cost approach assumes that the fair value would not exceed what it would cost a market participant to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

As of 30 June 2024 and 2023, the detailed analysis and the measurement of fair value hierarchy categories of the land and building are as follows:

	30.06.2024	**Level 1**	**Level 2**	**Level 3**
Land	340.889.653	--	340.889.653	--
Building	225.081.528	--	225.081.528	--
	565.971.181	**--**	**565.971.181**	**--**

	30.06.2023	**Level 1**	**Level 2**	**Level 3**
Land	337.015.888	--	337.015.888	--
Building	216.059.380	--	216.059.380	--
	553.075.268	**--**	**553.075.268**	**--**

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

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 8 – INTANGIBLE ASSETS

As of 30 June 2024 and 2023, the movements for intangible assets, and related depreciation are as follows:

	Opening balance – 1 January 2024	Additions	Currency translation differences	Closing balance – 30 June 2024
Cost				
Rights	69.745.199	1.074.788	--	70.819.987
Capitalised development costs	7.989.576	--	(29.691)	7.959.885
	77.734.774	**1.074.789**	**(29.691)**	**78.779.872**
Accumulated depreciation (-)				
Rights	62.098.322	1.049.002	--	63.147.324
Capitalised development costs	6.414.927	213.185	--	6.628.112
	68.513.249	**1.262.187**	**--**	**69.775.436**
Net book value	**9.221.526**	**(187.399)**	**(29.691)**	**9.004.436**

	Opening balance – 1 January 2023	Additions	Currency translation differences	Closing balance – 30 June 2023
Cost				
Rights	64.591.661	14.644	--	64.606.305
Capitalised development costs	7.986.863	--	56.802	8.043.665
	72.578.524	**14.644**	**56.802**	**72.649.970**
Accumulated depreciation (-)				
Rights	56.022.933	917.647	--	56.940.580
Capitalised development costs	5.644.952	466.906	--	6.111.858
	61.667.885	**1.384.553**	**--**	**63.052.438**
Net book value	**10.910.639**	**(1.369.909)**	**56.802**	**9.597.532**

Depreciation and amortisation charges amounting to TL 59.155.361, TL 947.207 and TL 16.137.792 have been included in cost of sales, marketing and sales expenses and general administrative expenses, respectively (30 June 2023: TL 60.664.761, TL 601.611 and TL 9.667.580, 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

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 9 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Guarantees and collaterals given

Collaterals/pledges/mortgages ("CPM") position of the Group as of 30 June 2024 and 31 December 2023 are as follows:

30.06.2024	TL equivalent	TL	EUR
A. Total amount of CPM's given in the name of its own legal personality			
-Collaterals	151.620.684	3.121.204	4.227.334
-Pledges	323.181.280	--	9.200.000
-Mortgages	--	--	--
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	--	--	--
	474.801.964	**3.121.204**	**13.427.334**
Other CPM's to Group's equity	**0%**	**0%**	**0%**

30.06.2024	Issued to institution/Organization/Entity	Currency	Original currency amount	TL equivalent
Type				
Pledges	Banks	EUR	9.200.000	323.181.280
Letter of guarantee	Government offices	TL	3.121.204	3.121.204
Letter of guarantee	Banks	EUR	4.227.334	148.499.480
Total				**474.801.964**

31.12.2023	TL equivalent	TL	EUR
A. Total amount of CPM's given in the name of its own legal personality			
-Collaterals	170.001.713	3.357.569	4.101.412
-Pledges	373.804.466	--	9.200.000
-Mortgages	--	--	--
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	--	--	--
	543.806.179	**3.357.569**	**13.301.412**
Other CPM's to Group's equity	**0%**	**0%**	**0%**

31.12.2023	Issued to institution/Organization/Entity	Currency	Original currency amount	TL equivalent
Type				
Pledges	Banks	EUR	9.200.000	373.804.466
Letter of guarantee	Government offices	TL	3.357.570	3.357.569
Letter of guarantee	Banks	EUR	4.101.412	166.644.144
Total				**543.806.179**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 9 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

Guarantees and collaterals given (continued)

As of 30 June 2024, the ratio of collaterals, pledges and mortgages to equity given by the Group is 0% (31 December 2023: 0%).

As of 30 June 2024, the Group has guarantees given for its bank borrowings amounting to TL 474.801.964 which includes letter of guarantees amounting to TL 151.620.684 and the remaining guarantees were pledges given to European Bank for Reconstruction and Development ("EBRD") and Sudwestbank AG amounting to TL 323.181.280 (31 December 2023: letter of guarantee amounting to TL 170.001.713 and pledges amounting to TL 373.804.466).

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 the interim reporting period as of 30 June 2024 (31 December 2023: EUR 4.500.000).

NOTE 10 - EQUITY

a) Share capital

As of 30 June 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Duran Doğan are as follows:

		30.06.2024		31.12.2023
	Share (%)	Amount	Share (%)	Amount
LGR International Societe Anonyme	30.00	30.000.003	30.00	30.000.003
Dikran Mihran Acemyan	9.28	9.277.538	9.28	9.277.538
Oktay Duran	8.04	8.039.803	8.04	8.039.803
İbrahim Okan Duran	7.95	7.952.433	7.95	7.952.433
Dikran Acemyan	7.29	7.289.006	7.29	7.289.006
Other	37.44	37.441.217	37.44	37.441.217
	100	**100.000.000**	**100**	**100.000.000**
Adjustment to share capital		486.257.345		486.257.345
Total share capital		**586.257.345**		**586.257.345**

The current issued paid-in share capital consists of 10.000.000.000 (2023: 3.500.000.000) outstanding shares each with a nominal value of TL 0.01 (2023: TL 0.01).

b) Restricted reserves

Restricted reserves	30.06.2024	31.12.2023
Legal reserves	25.946.700	18.859.992
Treasury reserves	5.185.173	5.185.173
	31.131.873	**24.045.165**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

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 11 – REVENUE AND COST OF SALES

As of 30 June 2024 and 2023, the functional breakdown of revenue and cost of sales is as follows:

Revenue	**01.01. - 30.06.2024**	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Domestic sales	536.242.834	470.836.643	267.424.906	212.517.143
Foreign sales	331.441.578	427.703.689	123.490.725	211.297.948
Other sales	3.696.430	55.239.741	3.437.157	18.902.395
Gross sales	**871.380.842**	**953.780.073**	**394.352.788**	**442.717.486**
Sales returns (-)	(5.933.650)	(8.696.937)	(1.850.102)	(5.827.692)
Sales discounts (-)	(39.230)	(1.129.106)	(31.492)	(569.118)
Net sales	**865.407.962**	**943.954.030**	**392.471.194**	**436.320.676**

As of 30 June 2024, gross sales realised as amounting to TL 533.927.154, TL 256.225.622, TL 43.359.784, TL 31.486.507, TL 0 and TL 408.895 to Türkiye, Europe, United States, Middle East and Africa, Asia Pacific and other regions, respectively (30 June 2023: TL 526.076.383, TL 353.330.647, TL 27.959.126, TL 34.440.476, TL 449.921 and TL 1.697.477, respectively).

Cost of sales	**01.01. - 30.06.2024**	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Raw materials and supplies	346.239.398	378.261.586	152.173.347	199.423.469
Direct labor costs	88.610.554	54.843.784	40.822.943	21.199.651
General administrative expenses	166.486.945	152.441.424	57.874.795	70.849.468
Depreciation and amortisation charges	59.155.362	60.664.761	28.590.791	30.521.761
Cost of inventories, net	**660.492.259**	**646.211.555**	**279.461.876**	**321.994.349**
Changes in semi-finished goods				
- Beginning of the period	52.605.017	101.581.271	48.134.081	45.086.958
- End of the period (-)	(41.388.120)	(49.228.424)	(41.388.120)	(49.228.424)
Changes in goods				
- Beginning of the period	178.609.148	291.851.427	158.777.132	194.098.184
- End of the period (-)	(111.734.832)	(242.833.649)	(111.734.832)	(242.833.649)
Cost of goods sold, net	**738.583.472**	**747.582.180**	**333.250.137**	**269.117.418**
Changes in merchandise	103.112	39.634	4.791.111	35.224
Additions	40.438.151	1.202.251	21.973.991	929.180
- End of the period (-)	(15.113)	(65.996)	(15.113)	(65.996)

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

Cost of merchandise sold, net	**40.526.150**	**1.175.889**	**26.749.989**	**898.408**
Other cost of sales	5.770.611	35.289.606	2.044.434	3.558.802
Cost of sales, net	**784.880.233**	**784.047.675**	**362.044.560**	**273.574.628**

NOTE 12 – GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

As of 30 June 2024 and 2023, the functional breakdown of general administrative expenses and marketing expenses is as follows:

Marketing, sales and distribution expenses	**01.01. - 30.06.2024**	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Personnel expenses	9.047.817	5.361.521	4.448.464	5.361.521
Transportation costs	48.171.283	43.762.649	22.879.563	22.376.663
Export commissions	3.394.777	4.265.025	2.459.440	2.271.916
Royalty fees and charges	618.526	538.909	310.193	273.959
Travel and accommodation expenses	1.571.613	813.594	498.426	397.627
Communication and IT expenses	374.258	559.861	246.022	302.177
International marketing expenses	5.496.758	14.042.568	2.577.760	1.050.532
Representation and hospitality expenses and fair and exhibition costs	1.252.072	1.212.653	868.216	455.302
Depreciation and amortisation charges	947.207	601.611	663.571	281.020
Other	4.499.513	3.600.772	2.953.115	1.531.054
	75.373.824	**74.759.163**	**37.904.770**	**34.301.771**

General administrative expenses	**01.01. - 30.06.2024**	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Personnel expenses	60.334.572	49.817.585	27.859.583	23.391.386
Consultancy expenses	4.184.017	4.677.829	2.061.420	1.863.213
Travel and accommodation expenses	3.193.264	2.794.765	1.503.255	1.851.468
Stationery expenses	3.095.622	2.278.887	1.362.973	854.118
Insurance expenses	509.154	456.656	370.088	280.629
Maintenance and repair expenses	881.578	899.499	488.506	334.855
Communication and IT expenses	797.922	216.755	529.514	128.868
Litigation and notary costs, fees and charges	83.868	206.787	40.807	176.632
Taxes, duties and charges	365.037	6.497.578	121.679	2.440.770
Depreciation and amortisation charges	16.137.792	9.667.580	12.604.205	4.554.681
Other	8.055.259	6.905.441	3.076.322	3.479.787
	97.638.085	**84.419.362**	**50.018.352**	**39.356.407**

NOTE 13 – EXPENSES BY NATURE

Expenses by nature represents the total of cost of sales, marketing expenses and general administrative expenses.

As of 30 June 2024 and 2023, the details of expenses by nature are as follows:

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

Expenses by nature	**01.01. - 30.06.2024**	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Personnel expenses	69.382.389	55.179.106	32.308.047	23.391.385
Depreciation and amortisation charges	76.240.360	70.933.952	41.858.565	35.357.463
Raw materials and supplies	346.239.398	378.261.586	152.173.345	199.423.469
Direct labor costs	88.610.554	54.843.784	40.822.943	21.199.651
Consumable costs	30.599.881	28.018.350	10.637.242	13.021.954
Maintenance and repair expenses	29.735.999	27.319.642	10.518.985	12.614.017
Utility expenses	29.694.533	27.189.380	10.322.521	12.636.677
Distribution and storage expenses	50.511.768	45.905.681	23.693.170	23.372.670
Subcontractor labor costs	14.736.562	13.493.325	5.122.778	6.271.228
Export commissions	3.394.777	4.265.025	2.459.440	2.271.916
International marketing expenses	5.496.758	14.042.568	2.577.760	6.412.053
Consultancy expenses	5.596.148	5.970.827	2.552.310	2.464.154
Travel and accommodation expenses	5.472.756	4.256.519	2.247.756	2.550.338
Communication expenses	1.826.167	1.375.430	1.002.876	709.354
Stationery expenses	3.830.938	2.952.169	1.618.586	1.167.036
IT expenses	3.119.435	2.856.267	1.084.389	1.327.494
Security costs	4.575.575	4.189.561	1.590.578	1.947.163
Transportation costs	9.859.710	9.027.904	3.427.468	4.195.855
Representation and hospitality expenses and fair and exhibition costs	1.252.072	1.212.653	868.216	455.302
Insurance expenses	10.542.627	9.643.664	3.857.960	4.550.431
Changes in inventories	118.617.363	102.546.514	80.538.250	(51.978.523)
Other	48.556.372	79.742.293	18.684.497	23.871.719
	957.892.142	**943.226.200**	**449.967.682**	**347.232.806**

NOTE 14 – OTHER OPERATING INCOME/(EXPENSES)

As of 30 June 2024 and 2023, the breakdown of other operating income is as follows:

Other operating income	**01.01. - 30.06.2024**	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Foreign exchange gains	35.821.251	399.458.085	3.236.655	303.670.542
Insurance income	1.388.216	1.071.486	741.198	--
Deferred financial income	987.542	1.577.060	987.542	1.214.518
Provisions no longer required	--	69.408	(9.432)	47.877
Income from scrap sales	414.915	--	71.656	--
Rent income	254.899	32.020	242.836	14.207
Other	28.273.075	17.959.673	6.673.802	12.698.453
	67.139.898	**420.167.732**	**11.944.257**	**317.645.597**

As of 30 June 2024 and 2023, the breakdown of other operating expenses is as follows:

Other operating expenses	**01.01. - 30.06.2024**	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Foreign exchange losses	12.987.503	303.480.400	--	223.349.899
Provision for doubtful receivables	90.911	142.781	90.911	24.046
Non-accrued financial expenses	795.778	--	(5.533.055)	--
Other	13.319.932	4.125.403	7.643.427	1.354.169
	27.194.124	**307.748.584**	**2.201.283**	**224.728.114**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 15 - GAINS/ (LOSSES) FROM INVESTMENT ACTIVITES

As of 30 June 2024 and 2023, the detailed analysis of gains and losses from investment activities are as follows:

Gains from investment activities	01.01. - 30.06.2024	01.01. - 30.06.2023	01.04. - 30.06.2024	01.04. - 30.06.2023
Gain on sale of non-current assets	1.249.413	1.964.573	1.249.413	615
Gain on derivative transactions	--	9.130.323	--	9.130.323
	1.249.413	**11.094.896**	**1.249.413**	**9.130.938**

Losses from investment activities	01.01. - 30.06.2024	01.01. - 30.06.2023	01.04. - 30.06.2024	01.04. - 30.06.2023
Loss on sale of non-current assets	67.557	175.295	--	(990)
Loss on derivative transactions	--	2.745.364	--	2.745.364
	67.557	**2.920.659**	**--**	**2.744.374**

NOTE 16 - FINANCIAL INCOME/(EXPENSES)

As of 30 June 2024 and 2023, the detailed analysis and functional breakdown of financial income and expenses are as follows:

Financial income	01.01. - 30.06.2024	01.01. - 30.06.2023	01.04. - 30.06.2024	01.04. - 30.06.2023
Interest income	6.645.619	2.165.606	3.891.031	1.166.672
	6.645.619	**2.165.606**	**3.891.031**	**1.166.672**

Financial expenses	01.01. - 30.06.2024	01.01. - 30.06.2023	01.04. - 30.06.2024	01.04. - 30.06.2023
Foreign exchange losses	25.906.355	114.285.058	2.480.769	100.119.962
Interest expenses	23.002.885	42.297.321	11.985.507	29.072.317
Bank commissions, fees and charges	1.373.491	105.295	785.268	--
Interest expenses arising from finance leases	5.943.586	16.623.258	3.081.053	5.832.840
Other	1.813.515	4.695.076	972.998	2.813.849
	58.039.832	**178.006.008**	**19.305.595**	**137.838.968**

NOTE 17 – INCOME TAXES

Corporate tax

The Group operating in Türkiye, are subject to the tax legislation and practices in force in Türkiye. Therefore, provisions for taxes, as recognised 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 recognised in consolidated financial statements, have been calculated on a separate-entity basis.

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

Advance tax in Türkiye is calculated and accrued on a quarterly basis. Accordingly, the Group has been calculated tax in accordance with the 2024 corporate earnings in the first advance tax period, an advance tax of 25% was calculated on corporate earnings (30 June 2023: 25%).

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.

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.

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

NOTE 17 – INCOME TAXES (continued)

Deferred tax

Duran Doğan and its subsidiaries recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TFRS and the Turkish tax legislations. These differences usually due to the recognition of revenue and expenses in different reporting periods for the TFRS and tax purposes, the differences explained as below.

Turkish tax legislation does not permit a parent company to file a consolidated tax return. Therefore, tax liabilities, as recognised 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 rates used in the calculation of deferred tax assets and liabilities are 25% as of and for the interim period ended 30 June 2024 in the accompanying consolidated financial statements (31 December 2023: 25%).

As of 30 June 2024 and 2023, the breakdown of tax income/(expense) recognised in the consolidated statement of profit or loss is as follows:

	01.01. - 30.06.2024	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Current period corporate tax expense	--	(2.775.388)	--	(2.690.814)
Deferred income tax	(67.767.808)	(881.555)	(26.455.973)	(22.782.491)
	(67.767.808)	**(3.656.943)**	**(26.455.973)**	**(25.473.305)**

As of 30 June 2024 and 2023, the breakdown of tax assets/(liabilities) recognised in the consolidated statement of financial position is as follows:

	30.06.2024	**31.12.2023**
Current period corporate tax expense	--	31.253.635
Prepaid taxes (-)	(407.413)	(10.423.605)

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

Corporate tax expense, net	**(407.413)**	**20.830.030**
Deferred tax assets	(23.237.151)	(93.524.152)
Total tax income/(expense)	**(23.644.564)**	**(72.694.122)**

NOTE 17 – INCOME TAXES (continued)

Deferred tax (continued)

Temporary differences arising from the differences between the years in the income and expense items recognised for accounting and tax purposes. As of 30 June 2024 and 31 December 2023, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	30.06.2024	**31.12.2023**	**30.06.2024**	**31.12.2023**
Deferred tax assets				
Temporary differences arising from tax bases and carrying value of property, plant and equipment and intangible assets	401.858.128	680.887.372	96.443.816	170.221.843
Gain on fair value of property, plant and equipment	(416.511.307)	(400.428.442)	(86.763.652)	(82.742.934)
Provision for employment termination benefits	34.773.617	46.911.540	8.693.404	11.694.407
Provision for unused vacation	8.896.798	5.007.851	2.224.199	1.251.964
Adjustments for TFRS 9 – Expected credit losses	206.113	143.697	51.528	35.925
Adjustments for TFRS 15	--	252.180	--	63.045
Inventories (Adjustments for profit elimination and discharge)	37.902.536	21.829.712	9.475.634	5.457.428
Provision for inventory impairment	5.001.871	3.548.934	1.250.468	887.233
Provision for doubtful receivables	1.967.930	678.806	491.983	169.701
Cut-off	4.530.218	3.807.886	1.132.555	951.973
Adjustments for TAS 29	(37.412.389)	(29.530.219)	(9.353.098)	(7.382.555)
Adjustments for interest income on borrowings	1.658.981	1.172.919	414.745	293.230
Adjustments for currency translation differences	--	1.799.857	--	431.962
Deferred financial income and expenses (net)	(1.786.733)	(1.594.969)	(446.683)	(398.743)
Adjustments for TFRS 16	(4.464.544)	(10.736.706)	(1.116.136)	(2.684.176)
Other	2.953.551	(18.904.597)	738.388	(4.726.151)
Deferred tax assets, net	**39.574.770**	**304.845.821**	**23.237.151**	**93.524.152**

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

	01.01. - 30.06.2024	**01.01. - 30.06.2023**
Beginning of the period – 1 January	**93.524.152**	**69.797.958**
Deferred income tax during the period	(67.767.808)	(881.555)
Charge to equity	(2.519.193)	3.563.461
End of the period – 30 June	**23.237.151**	**72.479.864**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 18 – 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 year ended 30 June 2024 and 2023 is as follows:

	01.01. - 30.06.2024	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Profit for the period attributable to equity holders of the parent	(154.844.963)	(75.578.668)	(85.108.293)	(4.435.984)
Weighted average number of shares	10.000.000.000	3.500.000.000	10.000.000.000	3.500.000.000
Earnings per share	**(0.0155)**	**(0.0216)**	**(0.0085)**	**(0.0013)**

NOTE 19 – FINANCIAL INSTRUMENTS

Financial liabilities

As of 30 June 2024 and 31 December 2023, the details of financial liabilities are as follows:

Short-term borrowings	**30.06.2024**	**31.12.2023**
Bank borrowings	167.673.664	92.792.241
Lease liabilities	26.559.029	43.520.648
Credit card payables	3.584.262	4.130.335
	197.816.955	**140.443.224**

Short-term portion of long-term borrowings	**30.06.2024**	**31.12.2023**
Bank borrowings	151.334.200	142.389.121
	151.334.200	**142.389.121**

Long-term borrowings	**30.06.2024**	**31.12.2023**
Bank borrowings	29.974.876	61.734.578
Lease liabilities	--	11.298.978
	29.974.876	**73.033.556**

		30.06.2024
Currency	**Short-term**	**Long-term**
Lease liabilities		
TL	6.575.269	--
EUR	19.983.760	--
Credit card payables		
TL	3.584.262	--
Bank borrowings		
TL	21.184.046	--
EUR	297.550.749	8.480.804
USD	273.069	21.494.072

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

	349.151.155	**29.974.876**

NOTE 19 – FINANCIAL INSTRUMENTS (continued)

	31.12.2023	
Currency	**Short-term**	**Long-term**
Lease liabilities		
TL	16.084.328	--
EUR	23.176.772	11.298.978
USD	4.259.548	--
Credit card payables		
TL	4.130.335	--
Bank borrowings		
TL	17.680.086	--
EUR	215.899.634	37.689.304
USD	1.601.642	24.045.274
	282.832.345	**73.033.556**

As of 30 June 2024 and 31 December 2023, the repayment schedule of financial liabilities is as follows:

Maturity schedule	**30.06.2024**	**31.12.2023**
0 - 1 year	349.151.155	282.832.345
1 - 2 years	8.750.487	49.289.953
2 - 3 years	266.340	297.930
3 - 4 years	265.179	294.236
4 - 5 years	259.044	292.165
5 years and over	20.433.826	22.859.272
Total	**379.126.031**	**355.865.901**

As of 30 June 2024 and 31 December 2023, the detailed analysis of the annual effective interest rate of financial liabilities is as follows:

	30.06.2024	**31.13.2023**
TL	22.52% - 53.00%	12.54% - 25.38%
EUR	4.50% - 9.50%	2.07% - 10.27%
USD	1.25%	1.25%

NOTE 20 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation arising from debt instruments. The Group's credit risk arises from trade receivables. Trade receivables of the Group is trying to be managed as the credit risk by limiting the transactions with certain parties and continuously evaluating the reliability of the related parties with guarantees and collaterals received. Trade receivables are evaluated by taking into consideration the Group's accounting policies and procedures. Total credit risk of the Group is presented in the consolidated statement of financial position less provision for doubtful receivables. The credit risks incurred by financial instruments are as follows.

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 20 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

As of 30 June 2024 and 31 December 2023, the exposure of consolidated financial assets to credit risk is as follows:

Credit risk details

30.06.2024	**Trade Receivables Related Party**	**Other**	**Other**	**Bank Deposits**
Maximum exposure to credit risk as of reporting date (A+B+C+D) (1)	--	**440.699.303**	**21.199.551**	**53.988.271**
- Maximum risk secured with guarantees and collaterals	--	**3.000.000**	--	--
A. Net book value of neither past due nor impaired financial assets	--	337.652.854	21.199.551	53.988.271
B. Net book value of past due but not impaired financial assets (2)	--	103.046.449	--	--
- Maximum risk secured with guarantees and collaterals	--	--	--	--
C. Net book value of impaired assets				
- Past due (gross book value)	--	681.040	--	--
- Impairment (-)	--	(681.040)	--	--
D. Off-balance sheet expected credit losses (-) (3)	--	--	--	--

(1) The factors that increase credit reliability, such as guarantees and collaterals received, were not taken into considerations in determining the amounts.
(2) Past due but not impaired trade receivables include customer balances with which the Group has operating activities and has no experience regarding adverse effect of collection.

31.12.2023	**Trade Receivables Related Party**	**Other**	**Other**	**Bank Deposits**
Maximum exposure to credit risk as of reporting date (A+B+C+D) (1)	--	**553.594.113**	**9.983.035**	**32.756.562**
- Maximum risk secured with guarantees and collaterals	--	**3.742.038**	--	--
A. Net book value of neither past due nor impaired financial assets	--	424.150.052	9.983.035	32.756.562
B. Net book value of past due but not impaired financial assets (2)	--	129.444.061	--	--
- Maximum risk secured with guarantees and collaterals	--	--	--	--
C. Net book value of impaired assets				
- Past due (gross book value)	--	849.492	--	--
- Impairment (-)	--	(849.492)	--	--
D. Off-balance sheet expected credit losses (-) (3)	--	--	--	--

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 20 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Aging analysis of receivables

As of 30 June 2024 and 31 December 2023, the breakdown of the aging analysis of trade receivables is as follows:

	30.06.2024	
	Trade Receivables Other	**Other Receivables Other**
Aging analysis		
Not past due	337.652.854	21.199.551
Past due 1 – 30 days	52.391.550	--
Past due 1 – 3 months	10.777.139	--
Past due 3 – 12 months	39.877.760	--
	440.699.303	**21.199.551**

	31.12.2023	
	Trade Receivables Other	**Other Receivables Other**
Aging analysis		
Not past due	424.150.052	9.983.035
Past due 1 – 30 days	65.812.797	--
Past due 1 – 3 months	13.537.940	--
Past due 3 – 12 months	50.093.324	--
	553.594.113	**9.983.035**

Liquidity risk

Liquidity risk is the risk that a Group will be unable to meet its funding needs. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Group provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

The responsibility for liquidity risk management belongs to the Board of Directors. The Board of Directors has established a liquidity risk management for the short, medium and long-term funding and liquidity requirements of the Group management. Prudent liquidity risk management signifies maintaining sufficient cash, the utility of fund sources by sufficient credit transactions and the ability to close out market positions. The ability to fund existing and prospective debt requirements is managed by maintaining the availability of adequate and high-quality lenders.

Contractual cash flows of the consolidated financial liabilities in TL as of 30 June 2024 and 31 December 2023 are as follows:

30.06.2024	**Carrying value**	**Total contractual cash outflows**	**Demand or up to 3 months**	**3-12 months**	**1 – 5 years**	**5 years and over**
Contractual maturities						
Bank borrowings	348.982.740	365.988.806	66.538.528	267.226.805	10.352.232	21.871.241
Lease liabilities	26.559.029	26.905.042	3.221.255	23.683.787	--	--
Credit card payables	3.584.262	3.584.262	3.584.262	--	--	--
Trade payables	306.593.487	325.774.336	311.308.608	14.465.728	--	--
Other payables	53.738.309	53.738.309	28.232.009	25.506.300	--	--
Non-derivative consolidated financial liabilities, net	**739.457.827**	**775.990.755**	**412.884.662**	**330.882.620**	**10.352.232**	**21.871.241**

31.12.2023	**Carrying value**	**Total contractual cash outflows**	**Demand or up to 3 months**	**3-12 months**	**1 – 5 years**	**5 years and over**
Contractual maturities						
Bank borrowings	296.915.940	313.840.103	45.099.487	200.194.269	43.927.304	24.619.043
Lease liabilities	54.819.626	56.013.613	8.731.632	36.003.802	11.278.179	--
Credit card payables	4.130.335	4.130.335	4.130.335	--	--	--
Trade payables	274.551.202	278.564.249	266.194.844	12.369.405	--	--
Other payables	112.850.851	112.850.851	61.970.677	50.880.174	--	--
Non-derivative consolidated financial liabilities, net	**743.267.954**	**765.399.151**	**386.126.975**	**299.447.650**	**55.205.483**	**24.619.043**

Market risk

The Group is exposed to financial risks arising from the changes in foreign exchange rates and interest rates due to its operations.

Market risks at the Group level are measured on the basis of sensitivity analysis.

There has been no change incurred in the market risk that the Group is exposed to in the current period and prior period.

Foreign exchange risk

Foreign exchange risk arises from the fact that the Group has financial instruments denominated in USD, EUR and GBP exchange rates.

As of 30 June 2024 and 31 December 2023, the foreign exchange position of the Group is as follows.

30.06.2024	**TL equivalent**	**USD**	**EUR**	**GBP**
1. Trade Receivables	141.351.488	1.151.901	2.254.055	587.830
2a. Monetary Financial Assets (Cash on hand and banks included)	37.386.412	11.880	195.222	727.344
2b. Non-Monetary Financial Assets	--	--	--	--

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

3. Other	11.046.299	95.154	220.864	3.962
4. Total Current Assets (1+2+3)	**189.784.199**	**1.258.935**	**2.670.141**	**1.319.136**
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non- Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Total Non-Current Assets (5+6+7)	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**189.784.199**	**1.258.935**	**2.670.141**	**1.319.136**
10. Trade Payables	214.977.528	577.242	5.070.902	421.130
11. Financial Liabilities	317.807.580	8.304	9.022.994	--
12a. Other Monetary Liabilities	33.181.084	4.337	934.070	4.008
12b. Other Non- Monetary Liabilities	--	--	--	--
13. Total Current Liabilities (10+11+12)	**565.966.192**	**589.883**	**15.027.967**	**425.137**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	29.974.876	653.607	240.989	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non- Monetary Liabilities	--	--	--	--
17. Total Non-Current Liabilities (14+15+16)	**29.974.876**	**653.607**	**240.989**	**--**
18. Total Liabilities (13+17)	**595.941.068**	**1.243.490**	**15.268.956**	**425.137**
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	--	--	--	--
19a. Total Asset Amount of Hedged	--	--	--	--
19b. Total Liabilities Amount of Hedged	--	--	--	--
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**(406.156.869)**	**15.445**	**(12.598.815)**	**893.999**
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a) (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(417.203.168)**	**(79.709)**	**(12.819.679)**	**890.037**
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	--	--	--	--
23. Export	--	--	--	--
24. Import	--	--	--	--

NOTE 20 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk (continued)

31.12.2023	TL equivalent	USD	EUR	GBP
1. Trade Receivables	145.769.881	799.835	2.315.684	477.742
2a. Monetary Financial Assets (Cash on hand and banks included)	24.769.044	56.307	174.102	334.618
2b. Non-Monetary Financial Assets	--	--	--	--
3. Other	--	--	--	--
4. Total Current Assets (1+2+3)	**170.538.925**	**856.142**	**2.489.786**	**812.360**
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non- Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Total Non-Current Assets (5+6+7)	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**170.538.925**	**856.142**	**2.489.786**	**812.360**
10. Trade Payables	112.223.263	509.324	1.991.044	265.061
11. Financial Liabilities	244.887.602	159.333	5.872.288	--
12a. Other Monetary Liabilities	62.290.653	1.315	1.522.769	5.523
12b. Other Non- Monetary Liabilities	--	--	--	--
13. Total Current Liabilities (10+11+12)	**419.401.518**	**669.972**	**9.386.101**	**270.584**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	73.012.757	653.656	1.203.010	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non- Monetary Liabilities	--	--	--	--
17. Total Non-Current Liabilities (14+15+16)	**73.012.757**	**653.656**	**1.203.010**	**--**
18. Total Liabilities (13+17)	**492.414.275**	**1.323.628**	**10.589.111**	**270.584**
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	--	--	--	--
19a. Total Asset Amount of Hedged	--	--	--	--
19b. Total Liabilities Amount of Hedged	--	--	--	--
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**(321.875.350)**	**(467.486)**	**(8.099.325)**	**541.776**
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a) (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(321.875.350)**	**(467.486)**	**(8.099.325)**	**541.776**
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	**--**	**--**	**--**	**--**
23. Export	--	--	--	--
24. Import	--	--	--	--

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, EUR and GBP. The table presented below represents sensitivity analysis of 10% increase or decrease in USD, EUR and GBP 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 positive material influence on the Group's profit/loss and other equity items.

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 20 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis of foreign exchange risk (continued)

	30.06.2024		**31.12.2023**	
	Original currency amount	**TL equivalent**	**Original currency amount**	**TL equivalent**
USD Net Asset/Liability	15.445	433.504	(467.486)	(17.253.553)
EUR Net Asset/Liability	(12.598.815)	(443.542.714)	(8.099.325)	(329.858.359)
GBP Net Asset/Liability	893.999	36.952.341	541.776	25.236.562
CHF Net Asset/Liability	--	--	--	--
Short-term position	**(11.689.371)**	**(406.156.869)**	**(8.025.035)**	**(321.875.350)**
Appreciation of Foreign Currency				
Change in USD against TL by 10%	--	43.350	--	(1.725.355)
Change in EUR against TL by 10%	--	(44.354.271)	--	(32.985.836)
Change in GBP against TL by 10%	--	3.695.234	--	2.523.656
Change in CHF against TL by 10%		--	--	--
Profit/(loss), net	**--**	**(40.615.687)**	**--**	**(32.187.535)**
Depreciation of Foreign Currency				
Change in USD against TL by 10%	--	(43.350)	--	1.725.355
Change in EUR against TL by 10%	--	44.354.271	--	32.985.836
Change in GBP against TL by 10%	--	(3.695.234)	--	(2.523.656)
Change in CHF against TL by 10%	--	--	--	--
Profit/(loss), net	**--**	**40.615.687**	**--**	**32.187.535**

Capital risk

The Group, while trying to maintain the continuity of its operations in capital management on one hand, aims to increase its profitability by using the balance between debts and equity on the other hand. The capital structure of the Group consists of borrowings including the loans in Note 19, cash and cash equivalents in Note 21 and equity items containing respectively issued share capital, capital reserves, profit reserves and retained earnings in Note 10.

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 borrowings and finance leases as disclosed in the consolidated statement of financial position). Total capital is calculated as equity, as presented in the consolidated statement of financial position, plus net debt.

Consolidated net financial debt/invested capital ratio as of 30 June 2024 and 31 December 2023 is as follows:

	30.06.2024	**31.12.2023**
Total borrowings	379.126.031	355.865.901
Less: Cash and cash equivalents	(53.973.646)	(32.726.212)
Net financial debt	**325.152.385**	**323.139.689**
Equity	1.205.056.007	1.355.498.562
Invested capital	**1.530.208.392**	**1.678.638.251**
Net financial debt/invested capital ratio	**21%**	**19%**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 2024 unless otherwise indicated.)

NOTE 21 - SUPPLEMENTARY CASH FLOW INFORMATION

As of 30 June 2024 and 31 December 2023, the functional breakdown of cash and cash equivalents is as follows:

	30.06.2024	**31.12.2023**
Cash on hand	174.204	91.788
Banks		
-Demand deposits	53.549.248	32.703.627
-Time deposits	439.023	52.935
Expected credit losses	(206.113)	(143.697)
Other	17.284	21.559
	53.973.646	**32.726.212**

NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

The Group increased its current issued share capital from TL 100.000.000 to TL 500.000.000 by increasing at the rate of 400% through its internal funding and resources. The relevant increase was paid from adjustment to share capital amounting to TL 365.906.724,00 and the remaining amount of TL 34.093.276,00 was paid from retained earnings. The share capital increase was applied to the Capital Markets Board (the "CMB") on 27 September 2024.

NOTE 23 - SUPPLEMENTARY INFORMATION

EBITDA	**01.01. - 30.06.2024**	**01.01. - 30.06.2023**	**01.04. - 30.06.2024**	**01.04. - 30.06.2023**
Domestic sales	536.242.834	470.836.643	267.424.906	212.517.143
Foreign sales	331.441.578	427.703.689	123.490.725	211.297.948
Other sales	3.696.430	55.239.741	3.437.157	18.902.395
Sales returns (-)	(5.933.650)	(8.696.937)	(1.850.102)	(5.827.692)
Sales discounts (-)	(39.230)	(1.129.106)	(31.492)	(569.118)
Net sales	**865.407.962**	**943.954.030**	**392.471.194**	**436.320.676**
Cost of sales (-)	(784.880.233)	(784.047.675)	(362.044.560)	(273.574.628)
GROSS PROFIT	**80.527.729**	**159.906.355**	**30.426.634**	**162.746.048**
Marketing Expenses (-)	(75.373.824)	(74.759.163)	(37.904.770)	(34.301.771)
General Administrative Expenses (-)	(97.638.085)	(84.419.362)	(50.018.352)	(39.356.407)
Other Operating Income	67.139.898	420.167.732	11.944.257	317.645.597
Other Operating Expenses (-)	(27.194.124)	(307.748.584)	(2.201.283)	(224.728.114)
OPERATING PROFIT	**(52.538.406)**	**113.146.978**	**(47.753.514)**	**182.005.353**
Depreciation and Amortisation Charges	76.240.360	70.933.952	41.858.565	35.357.463
EBITDA, net	**23.701.954**	**184.080.930**	**(5.894.949)**	**217.362.816**