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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Arrakis Tanıtım Organizasyon Pazarlama Sanayi Ticaret Anonim Şirketi ('the Company'), which comprise the Statement of Financial Position as at 31 March 2022, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements present fairly, in all material respects of the financial position of the Company as at 31 March 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

Basis for Opinion

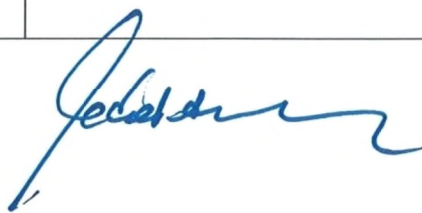
3. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') together with the other ethical requirements that are relevant to our audit of the financial statements in Turkey and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The company generates revenue from providing publishing and agency services for gaming industry.</p> <p>Revenue, being one of the main performance indicators, comprises management judgments that may lead to the risk of being recognized in the wrong period. Additionally, it includes a number of key judgments in the application of accounting standards for the recognition of revenue.</p> <p>The revenue is recognized under situations when significant risk and returns regarding ownership have been transferred to customer.</p> <p>By nature of Company's activities, there are services which have not been delivered although they have been produced and invoiced to the customer. Ownership rights and risks of products may be transferred to the customer depending on assessment of delivery conditions to customer.</p> <p>Besides, sales income of services of which significant ownership risk and incomes have not been transferred to the customer although they have been produced and invoiced to the customer, is recorded as deferred income.</p> <p>According to the above-mentioned explanations, revenue recognition for these services is recorded in the correct accounting period is a key matter for our audit.</p>	<p>We performed the following procedures in relation to the revenue recognition:</p> <p>The appropriateness of the Company's accounting policy for the revenue has been evaluated.</p> <p>The design and implementation of the controls on the revenue process of the management have been evaluated. The Company's sales and delivery procedures have been analyzed.</p> <p>Terms of trade and delivery with respect to contracts made with customers have been examined and the timing of revenue recognition in the financial statements for the different shipment arrangements has been assessed.</p> <p>For substantive procedures, it has been evaluated whether the rights and obligations related to the invoiced services have been transferred to the customer. The existence of trade receivables and the accuracy of the balances have been tested with external confirmations directly supplied from the customers that we have determined with the sample selection.</p> <p>Substantive testing of sales returns in the subsequent period to ensure revenue recognized in the proper accounting period.</p>



Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability of trade receivables</p> <p>Trade receivables from third parties TRY 634.799 constitute a significant portion of the assets of the Company.</p> <p>Furthermore, the assessment of the recoverability of these assets involves significant level of management estimates. Such estimation includes considering the following for each customer – the amount of guarantees/collateral held, past collection performance, creditworthiness and aging of receivables. The outcome of such estimates is very sensitive to changes in market conditions. Therefore, recoverability of trade receivables is a key matter for our audit.</p>	<p>We performed the following procedures in relation to the recoverability of trade receivables:</p> <p>Understanding the process for collections from third party customers, evaluating the adequacy of these processes.</p> <p>Investigating whether there is any dispute or litigation related to the trade receivables balance and inquiring about the follow-up of claims proceedings of legal counsel.</p> <p>Review of the aging list for trade receivables for possible delinquent receivables and review of the aging model.</p> <p>The model and assumptions used in the calculation of the provision for doubtful trade receivables has been evaluated on an individual basis within the framework of the payments and commercial practices received in the following subsequent period.</p> <p>Testing of trade receivables from third parties by obtaining confirmation letters.</p> <p>Sampling of the collections made in the subsequent period.</p> <p>Assessment of the adequacy of disclosures in the notes to the financial statements for the recoverability of trade receivables from third parties.</p>



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

5. Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.}

Restriction on distribution or use

13. These financial statements have been prepared by the management in accordance with special purpose framework, solely for the assisting the listed holding company in preparation of consolidated financial information. This report is issued solely for the aforementioned purpose and accordingly, this report may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care or for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Eren Bağımsız Denetim A.Ş.
Member Firm of Grant Thornton International



Sedat Atkin
Partner

İstanbul, 9 May 2022

Standalone balance sheet		
Particulars	As at 31 March 2022	As at 22 September 2021
Assets		
(1) Non-current assets		
(a) Property, plant and equipment, net carrying value	355.968	835.873
(b) Right-of-use of assets	1.533.089	1.085.086
(c) Investment property	-	-
(d) Intangible assets, net carrying value	50.152	65.430
(e) Intangible assets under development	-	-
(f) Financial assets	38.750	68.750
(i) Investments	-	-
(ii) Loans	-	-
(iii) Other financial assets	38.750	68.750
(g) Deferred tax assets, net	53.073	69.109
(h) Other non-current assets	2.484.412	3.698.513
	<u>4.515.444</u>	<u>5.822.761</u>
(2) Current assets		
(a) Inventories	-	-
(b) Financial assets	1.699.224	5.345.640
(i) Investments	-	-
(ii) Trade receivables	634.799	3.912.336
(iii) Cash and cash equivalents	1.044.032	1.104.878
(iv) Other bank balances	-	-
(v) Loans	-	-
(vi) Other financial assets	20.393	328.426
(c) Other current assets	159.884	460.100
	<u>1.859.108</u>	<u>5.805.740</u>
Total Assets	<u>6.374.552</u>	<u>11.628.501</u>
Equity and liabilities		
Equity		
(a) Equity share capital	1.500.000	1.500.000
(b) Other equity	2.310.782	2.644.231
	<u>3.810.782</u>	<u>4.144.231</u>
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities	1.387.701	993.054
(i) Lease liabilities	1.387.701	993.054
(ii) Other financial liabilities	-	-
(b) Provisions	7.803	12.586
(c) Deferred tax liabilities, net	-	-
(d) Other non-current liabilities	-	-
	<u>1.395.504</u>	<u>1.005.640</u>
(2) Current liabilities		
(a) Financial liabilities	848.538	5.955.338
(i) Borrowings	-	-
(ii) Trade payables	848.538	5.955.338
Total outstanding dues to micro, small and medium enterprises	-	-
Total outstanding dues to other than micro, small and medium ent	366.430	3.026.076
(iii) Lease liabilities	426.000	265.057
(iv) Other financial liabilities	56.108	2.664.205
(b) Other current liabilities	240.129	336.474
(c) Provisions	38.370	26.605
(d) Liabilities for income taxes (net)	41.229	160.213
	<u>1.168.266</u>	<u>6.478.630</u>
Total equity and liabilities	<u>6.374.552</u>	<u>11.628.501</u>

Particulars	Period ended 31 March 2022	Period ended 22 September 2021
Income		
Revenue from operations (gross)	31.497.079	26.034.803
Other income	1.763.650	487.472
Total Income	33.260.729	26.522.275
Expenses		
Content, event and web server	(17.316.488)	(15.209.196)
Advertising and promotion	-	-
Commision	-	-
Employee benefits	(6.772.491)	(4.902.710)
Depreciation and amortisation	(856.651)	(534.276)
Finance costs	(721.686)	(542.013)
Impairment losses	-	-
Other expenses	(6.491.317)	(3.990.274)
Total expenses	(32.158.633)	(25.178.469)
Profit before tax	1.102.096	1.343.806
Tax expense	(844.660)	(752.921)
Current tax	(1.100.567)	(1.024.864)
Deferred tax charge	255.907	271.943
Profit for the year	257.436	590.885
Other comprehensive income		
(i) Items that will not be reclassified to statement of profit or loss	-	-
(ii) Income tax relating to above items	-	-
Net other comprehensive income/(loss)	-	-
Total comprehensive income for the year	257.436	590.885

A) Equity share capital

Particulars	Number of shares	Amount
<u>Issued, subscribed and paid up:</u>		
As at 22 September 2021	15.000	1.500.000
Changes in equity share capital	-	-
As at 31 March 2022	15.000	1.500.000

B) Other equity

Particulars	Reserves and surplus			Total
	General reserve	Capital redemption reserve	Retained earnings	
As at 22 September 2021	-	-	2.644.231	2.644.231
Net profit for the year	-	-	(333.449)	(333.449)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(333.449)	(333.449)
Amount transfer from retained earnings	-	-	-	-
Amount transfer to general reserve	-	-	-	-
Equity dividend including taxes thereon	-	-	-	-
As at 31 December 2021	-	-	2.310.782	2.310.782

Particulars	Period ended 22 September-31 March 2022
A) Cash flow from operating activities	
Profit before tax	(333.449)
Adjustment for:	
Tax expense	91.739
Gratuity	(10.818)
Compensated absences	(9.846)
Deferment of revenue	-
Fair value adjustments relating to	-
Derivative contracts	-
Financial assets at FVTPL	-
Financial assets at amortised cost	-
Financial liabilities at amortised cost*	-
Provision for expected credit loss on trade receivables	-
Actuarial gain /(loss)	-
Depreciation and amortisation expense	322.375
Bad debts written off	-
Provision for doubtful debts	-
Interest on lease liability	105.364
Interest on banks	44.862
Rediscount expense	25.992
Gold trading (gain)/loss, net	-
Fixed asset sales profit adjustment	(650.475)
Interest income	-
Provision for doubtful deposit	-
Loss due to fire	-
Assets and Inventory written off / discarded	-
Items considered separately:	
Finance cost	-
Interest received on government securities	-
Dividend income	-
Loss / (Profit) on sale of property, plant & equipment	-
Surplus on sale of investments	-
Interest received from banks and others	-
Rental income	-
Exchange loss /(gain) on revaluation of foreign currency monetary item	-
Operating profit before working capital changes	(414.256)
Adjustments for changes in working capital	
(Increase)/ decrease in inventories	-
(Increase)/ decrease in trade receivables	3.277.537
(Increase)/ decrease in loans and other receivables	1.852.350
Increase/(decrease) in trade payables	(2.659.646)
Increase/(decrease) in liabilities and provisions	(149.033)
Cash (used in)/generated from operating activities	1.906.952
Income tax paid	-
Net cash (used in)/generated from operating activities	1.906.952
B. Cash flow from investing activities	
Acquisition of property, plant and equipment (including capital work in progress and capital advances)	(11.694)
Purchase of investments	-
Proceeds from sale of property, plant and equipment	1.049.505
Proceeds from sale of investments	-
Interest received on government securities	-
Dividend income	-
Interest received from banks and others	-
Rental income	-
Investment in fixed deposits	-
Gold trading (gain)/loss, net	-
Net cash (used in) / generated from investing activities	1.037.811
C. Cash flow from financing activities	
Interest income	-
Finance cost	(150.226)
Finance lease obligation	(247.286)
Proceeds from current borrowings	-
Repayment of current borrowings	(2.608.097)
Dividend paid	-
Dividend distribution tax	-
Net cash generated from financing activities	(3.005.609)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	
Cash and cash equivalents at the beginning of the year	1.104.878
Cash and cash equivalents at the end of the year [Refer note 14]	1.044.032