

**MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND AUDITORS' REVIEW REPORT**  
**FOR THE INTERIM PERIOD ENDED AT 30 SEPTEMBER 2021**

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**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2021**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

<b>ASSETS</b>	<b>Footnote References</b>	<i>Unreviewed</i> <b>Current Period</b> <b>30.09.2021</b>	<i>Audited</i> <b>Prior Period</b> <b>31.12.2020</b>
<b>Current Assets</b>		<b>1,281,371,406</b>	<b>1,073,919,767</b>
Cash and Cash Equivalents	4	57,143,581	47,437,939
Trade Receivables		304,661,513	290,476,101
<i>Trade Receivables from Related Parties</i>	5-6	107,241,294	146,771,852
<i>Trade Receivables from Third Parties</i>	6	197,420,219	143,704,249
Other Receivables		140,102,316	139,217,882
<i>Other Receivables from Related Parties</i>	5-8	129,782,648	128,646,738
<i>Other Receivables from Third Parties</i>	8	10,319,668	10,571,144
Derivative Financial Instruments	9	231,904	173,048
Inventories	10	663,607,266	501,630,684
Biological Assets	11	12,195,386	6,361,162
Prepaid Expenses	12	15,225,583	6,035,201
Current Tax Assets	13	1,843,031	1,143,958
Other Current Assets	22	86,360,826	81,443,792
<b>Non-Current Assets</b>		<b>1,631,923,192</b>	<b>1,601,241,044</b>
Other Receivables	8	125,303	120,830
Investments Valued by Equity Pick-up Method	14	53,260,405	52,953,647
Investment Properties	15	79,365,000	79,365,000
Tangible Assets	16	1,416,060,872	1,391,238,278
Right of Use Assets	17	20,174	201,736
Intangible Assets	18	15,319,067	13,562,482
Prepaid Expenses	12	1,290,758	1,019,458
Deferred Tax Assets	29	66,481,613	62,779,613
<b>TOTAL ASSETS</b>		<b>2,913,294,598</b>	<b>2,675,160,811</b>

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2021**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

		<i>Unreviewed</i>	<i>Audited</i>
	<b>Footnote</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>LIABILITIES</b>	<b>References</b>	<b>30.09.2021</b>	<b>31.12.2020</b>
<b>Current Liabilities</b>		<b>1,321,257,717</b>	<b>972,374,129</b>
Financial Borrowings	7	443,717,205	356,144,492
Current Installments of Long Term Financial Borrowings	7	490,015,968	313,847,115
Trade Payables		318,206,285	232,073,338
<i>Trade Payables to Related Parties</i>	5-6	592,527	121,754
<i>Trade Payables to Third Parties</i>	6	317,613,758	231,951,584
Employee Benefit Liabilities	21	24,588,172	25,729,497
Other Payables		17,417,984	11,424,477
<i>Other Payables to Related Parties</i>	5-8	12,987,400	5,274,970
<i>Other Payables to Third Parties</i>	8	4,430,584	6,149,507
Derivative Financial Instruments	9	-	94,875
Deferred Income	12	14,729,780	22,238,148
Current Tax Liabilities of Period Profit	29	1,518,575	1,646,995
Current Provisions		11,063,748	9,175,192
<i>Provision for employee benefits</i>	20	6,821,964	6,213,323
<i>Other current provisions</i>	20	4,241,784	2,961,869
<b>Non-Current Liabilities</b>		<b>785,857,200</b>	<b>982,184,537</b>
Long Term Borrowings	7	574,802,069	779,971,910
Long Term Provisions		65,760,604	57,822,309
<i>Long Term Provisions for Employee Benefits</i>	20	65,760,604	57,822,309
Deferred Tax Liabilities	29	145,294,527	144,390,318
<b>Equity</b>		<b>806,179,681</b>	<b>720,602,145</b>
<b>Parent Company's Equity</b>		<b>789,238,265</b>	<b>704,571,173</b>
Paid in Capital	23.1	250,000,000	250,000,000
Inflation Adjustments of Capital	23.2	860,487	485,133
Effect of mergers involving undertakings or businesses subject to common control	23.3	-	(70,487,372)
Accumulated Other Comprehensive Income or Expenses not to be Reclassified on Profit or Loss			
<i>Gains / losses on revaluation and remeasurement</i>			
<i>-Increase / Decrease on Revaluation of Tangible Assets</i>	23.4	721,039,934	638,436,962
<i>-Defined Benefit Plans Re-Measurement Gains / (Losses)</i>	23.4	4,913,704	5,377,107
Accumulated Other Comprehensive Income or Expenses to be Reclassified on Profit or Loss			
<i>Share of other comprehensive income of investments accounted for using the equity method that will not be reclassified to profit or loss</i>	23.5	42,649,562	42,649,562
Restricted Reserves		10,340,261	10,147,245
<i>Legal Reserves</i>	23.6	10,340,261	10,147,245
Retained Earnings / Losses	23.7	(243,093,206)	(77,913,133)
Net Profit / (Loss) for the Period	30	2,527,523	(94,124,331)
<b>Minority Interests</b>	23.8	<b>16,941,416</b>	<b>16,030,972</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,913,294,598</b>	<b>2,675,160,811</b>

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE**  
**INCOME STATEMENT FOR THE PERIOD OF 1 JANUARY-30 SEPTEMBER 2021**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise)

		<i>Unrewieved</i>	<i>Unrewieved</i>	<i>Unrewieved</i>	<i>Unrewieved</i>
	<b>Footnote</b>	<b>Current Period</b>	<b>Prior Period</b>	<b>Prior Period</b>	<b>Prior Period</b>
	<b>References</b>	<b>01.01- 30.09.2021</b>	<b>01.01- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Revenue	24.1	1,477,986,841	1,252,621,975	634,638,347	629,703,124
Cost of Sales (-)	24.2	(1,222,681,824)	(1,028,509,861)	(531,913,167)	(491,597,587)
<b>Gross Profit / (Loss)</b>		<b>255,305,017</b>	<b>224,112,114</b>	<b>102,725,180</b>	<b>138,105,537</b>
General Administrative Expenses (-)	25.3	(28,947,796)	(25,991,379)	(9,553,584)	(9,737,479)
Marketing Expenses (-)	25.2	(40,816,536)	(36,974,561)	(16,898,575)	(18,954,611)
Research and Development Expenses (-)	25.1	(6,561,145)	(3,179,468)	-	(2,227,357)
Other Operating Income	26.1	70,742,503	53,222,263	11,423,399	28,997,990
Other Operating Expenses (-)	26.2	(41,385,922)	(31,437,347)	(5,243,759)	(6,248,125)
<b>Operating Profit / (Loss)</b>		<b>208,336,121</b>	<b>179,751,622</b>	<b>82,452,661</b>	<b>129,935,955</b>
Income from Investment Activities	27.1	2,838,394	621,831	5,000	613,631
Expenses from Investment Activities (-)	27.2	(40,219)	-	(39,402)	-
Shares of Profit/(Loss) from Investments					
Valued by Equity Pick-up Method	27.3	306,758	10,563,221	93,302	5,885,046
<b>Operating Activity Profit/(Loss) Before Financial Expense</b>		<b>211,441,054</b>	<b>190,936,674</b>	<b>82,511,561</b>	<b>136,434,632</b>
Financial Income	28.1	35,805,993	16,081,902	8,310,193	8,161,989
Financial Expenses (-)	28.2	(252,389,318)	(428,799,183)	(18,996,506)	(232,840,404)
<b>Operating Activity Profit/(Loss) Before Taxation</b>		<b>(5,142,271)</b>	<b>(221,780,607)</b>	<b>71,825,248</b>	<b>(88,243,783)</b>
<b>Operating Activity Tax Income/(Expense)</b>					
Current Tax Income/(Expense)	29	(1,518,575)	(764,866)	243,603	194,312
Deferred Tax Income/(Expense)	29	9,919,833	20,449,252	(18,923,006)	6,489,450
<b>Current Period Operating Activity Profit / (Loss)</b>		<b>3,258,987</b>	<b>(202,096,221)</b>	<b>53,145,845</b>	<b>(81,560,021)</b>
<b>Profit/(Loss) for the Period</b>		<b>3,258,987</b>	<b>(202,096,221)</b>	<b>53,145,845</b>	<b>(81,560,021)</b>
<b>Distribution of the Period Income/(Loss)</b>					
Minority Interests	23.8	731,464	(21,049,589)	(475,265)	(12,585,455)
Parent Company's Shares	30	2,527,523	(181,046,632)	53,621,110	(68,974,566)
<b>Earnings Per Share</b>	<b>30</b>	<b>0.0101</b>	<b>(0.7242)</b>	<b>0.2145</b>	<b>(0.2759)</b>
<b>Other Comprehensive Income: Income (Expenses) not to be Reclassified on Profit or (Loss)</b>					
- Increases (Decreases) in Revaluation of Tangible Assets	23.4	90,023,358	-	-	-
- Defined Benefit Plans Re-Measurement Gains (Losses)	20	(582,767)	2,874,294	1,139,631	402,502
- Deferred Tax Income / (Expense)	29	(7,122,042)	(574,858)	(227,925)	(80,500)
<b>Other Comprehensive Income</b>		<b>82,318,549</b>	<b>2,299,436</b>	<b>911,706</b>	<b>322,002</b>
<b>Total Comprehensive Income/(Expense)</b>		<b>85,577,536</b>	<b>(199,796,785)</b>	<b>54,057,551</b>	<b>(81,238,019)</b>
<b>Distribution of Total Comprehensive Income</b>					
Minority Interests	23.8	910,444	(21,037,725)	(469,638)	(12,578,285)
Parent Company's Shares	30	84,667,092	(178,759,060)	54,527,189	(68,659,734)

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

# MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

## STATEMENT OF CONSOLIDATED CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS OF 1 JANUARY – 30 SEPTEMBER 2021

(Currency – Turkish Lira “TRY” unless expressed otherwise.)

					Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss		Accumulated Other Comprehensive Income and Expenses that will be Reclassified to Profit or Loss		Accumulated profits				
	Footnote	Paid in Capital	Inflation Adjustments of Capital	Effect of Mergers Involving Undertakings or Businesses Subject to Common Control	Increase / (Decrease) on Revaluation of Tangible Assets	Defined Benefit Plans Re-Measurement Gains (Losses)	Share Of Other Comprehensive Income Of Investments Accounted For Using Equity Method That Will Not Be Reclassified To Profit or Loss	Restricted Reserves	Retained Earnings / Losses	Net Profit/Loss For The Period	Parent Company's Equity	Minority Interests	Total Equity
<b>Balances at 01.01.2020</b>		<b>250,000,000</b>	<b>485,133</b>	<b>(25,567,435)</b>	-	<b>(28,816)</b>	-	<b>10,460,462</b>	<b>(25,858,051)</b>	<b>(13,364,984)</b>	<b>196,126,309</b>	<b>(15,063,956)</b>	<b>181,062,353</b>
Transfers	23	-	-	-	-	-	-	-	(13,364,984)	13,364,984	-	-	-
<b>Total Comprehensive Income/(Loss)</b>		-	-	-	-	<b>2,287,572</b>	-	-	-	<b>(181,046,632)</b>	<b>(178,759,060)</b>	<b>(21,037,725)</b>	<b>(199,796,785)</b>
- Profit/(Loss) for the Period	23	-	-	-	-	-	-	-	-	(181,046,632)	(181,046,632)	(21,049,589)	(202,096,221)
- Other Comprehensive Income/(Expense)	23	-	-	-	-	2,287,572	-	-	-	-	2,287,572	11,864	2,299,436
<b>Balances at 30.09.2020</b>	<b>23</b>	<b>250,000,000</b>	<b>485,133</b>	<b>(25,567,435)</b>	-	<b>2,258,756</b>	-	<b>10,460,462</b>	<b>(39,223,035)</b>	<b>(181,046,632)</b>	<b>17,367,249</b>	<b>(36,101,681)</b>	<b>(18,734,432)</b>
<b>Balances at 01.01.2021</b>	<b>23</b>	<b>250,000,000</b>	<b>485,133</b>	<b>(70,487,372)</b>	<b>638,436,962</b>	<b>5,377,107</b>	<b>42,649,562</b>	<b>10,147,245</b>	<b>(77,913,133)</b>	<b>(94,124,331)</b>	<b>704,571,173</b>	<b>16,030,972</b>	<b>720,602,145</b>
Transfers	23	-	375,354	70,487,372	-	-	-	193,016	(165,180,073)	94,124,331	-	-	-
<b>Total Comprehensive Income/(Loss)</b>		-	-	-	<b>82,602,972</b>	<b>(463,403)</b>	-	-	-	<b>2,527,523</b>	<b>84,667,092</b>	<b>910,444</b>	<b>85,577,536</b>
- Profit/(Loss) for the Period	23	-	-	-	-	-	-	-	-	2,527,523	2,527,523	731,464	3,258,987
- Other Comprehensive Income/(Expense)	23	-	-	-	82,602,972	(463,403)	-	-	-	-	82,139,569	178,980	82,318,549
<b>Balances at 30.09.2021</b>	<b>23</b>	<b>250,000,000</b>	<b>860,487</b>	-	<b>721,039,934</b>	<b>4,913,704</b>	<b>42,649,562</b>	<b>10,340,261</b>	<b>(243,093,206)</b>	<b>2,527,523</b>	<b>789,238,265</b>	<b>16,941,416</b>	<b>806,179,681</b>

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIODS OF 30 SEPTEMBER 2021**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise)

	Footnote References	Unreviewed Current Period 01.01- 30.09.2021	Unreviewed Prior Period 01.01- 30.09.2020
<b>CASH FLOWS FROM THE OPERATING ACTIVITIES</b>		<b>124,411,896</b>	<b>(162,346,882)</b>
<b>Period Profit (Loss)</b>			
<b>Current Period Operating Activity Profit / (Loss)</b>		<b>3,258,987</b>	<b>(202,096,221)</b>
<b>Adjustments Related with Net Profit/Loss for The Period</b>		<b>233,017,096</b>	<b>298,258,751</b>
Adjustments for depreciation, amortisation expenses	16-17-18	82,553,606	29,759,292
Adjustments to Impairment (Cancellation)			
- Adjustments to Impairment (Cancellation) in Receivables	6	(1,757,205)	(16,949)
Adjustments related to the provisions			
- Adjustments for employee termination benefits	20-25.2-25.3	7,472,082	8,266,639
- Adjustment for provision for expenses and lawsuits	20	1,279,915	-
- Adjustment for other provisions or reversals	20	608,641	(219,700)
Adjustments for interest income and expenses			
- Adjustments for interest expenses	7-28	2,574,989	8,303,532
- Unearned income from futures sale	26.1	4,791,688	3,208,105
- Deferred financial expense arise from forward purchasing	26.2	(5,784,869)	(4,938,514)
Adjustments for fair value income or loss			
- Adjustments for financial instruments fair value losses /(profits)	28	(153,731)	-
Adjustment for unrealized currency translation differences	7	151,775,125	284,333,961
Adjustments for retained earnings of investments subject to equity pick-up method			
- Adjustment for retained earnings of subsidiaries	27.3	(306,758)	(10,563,221)
Tax payments/returns	29	(10,036,387)	(19,874,394)
<b>Changes in the Company Capital</b>		<b>(111,735,767)</b>	<b>(259,274,278)</b>
Adjustments for increase/decrease in trade receivables			
- Adjustments for increase/decrease in trade receivables from related parties	5-6	39,530,558	(53,617,999)
- Adjustments for increase/decrease in trade receivables from third parties	6	(56,750,453)	(193,956,622)
Adjustments for increase/decrease in other receivables related to the operations			
- Adjustments for increase/decrease in other receivables from related parties related to the operations	5-8	(1,135,910)	(13,092,277)
- Adjustments for increase/decrease in other receivables from third parties related to the operations	8	(5,369,104)	(11,449,469)
Adjustments for increase/decrease in inventories	10	(161,976,582)	(60,773,646)
Adjustments related to the increase/decrease in biological assets	11	(5,834,224)	(4,484,916)
Adjustments for increase/decrease in prepaid expenses	12	(9,461,682)	29,187,185
Adjustments for increase/decrease in trade payables			
- Adjustments for increase/decrease in trade payables to related parties	5-6	470,773	5,299
- Adjustments for increase/decrease in trade payables to third parties	6	91,447,043	22,593,805
Increase/decrease in employee benefits liabilities	21	(1,141,325)	5,096,130
Adjustments for increase/decrease in other payables related to the operations			
- Adjustments for increase/decrease in other payables from related parties related to the operations	5-8	7,712,430	649,547
- Adjustments for increase/decrease in other payables from third parties related to the operations	8	(1,718,923)	17,577,903
Increase/decrease in deferred tax	12	(7,508,368)	2,990,782
<b>Cash Flow from Operating Activities</b>		<b>124,540,316</b>	<b>(163,111,748)</b>
Tax payments/returns	29	(128,420)	764,866

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIODS OF 30 SEPTEMBER 2021**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise)

	<b>Footnote References</b>	<i>Unreviewed Current Period 01.01- 30.09.2021</i>	<i>Unreviewed Prior Period 01.01- 30.09.2020</i>
<b>NET CASH FLOW PROVIDED BY INVESTMENT ACTIVITIES</b>		<b>(18,927,865)</b>	<b>(144,351,020)</b>
Proceeds from sale of property, plant, equipment and intangible assets			
- Proceeds from sale of tangible assets	16	780,254	185,596
Proceeds from purchase of property, plant, equipment and intangible assets			
- Proceeds from purchase of tangible assets	16	(19,538,355)	(142,620,873)
- Proceeds from purchase of intangible assets	18	(169,764)	(1,845,743)
Cash outflows from purchase of investment property	15	-	(70,000)
<b>CASH FLOW PROVIDED BY FINANCIAL ACTIVITIES</b>		<b>(95,778,389)</b>	<b>305,670,142</b>
Cash inflows from financial liabilities			
- Cash inflows from bank loans	7	554,210,107	988,890,732
Cash outflows from financial liabilities			
- Cash outflows for bank loans	7	(643,339,204)	(681,921,813)
- Cash outflows from other financial liabilities	7	(198,312)	(453,464)
Cash outflows from finance leases	7	(6,450,980)	(845,313)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN EXCHANGE CURRENCY DIFFERENCES (A+B+C)</b>		<b>9,705,642</b>	<b>(1,027,760)</b>
<b>CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE</b>		<b>9,705,642</b>	<b>(1,027,760)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD</b>	<b>4</b>	<b>47,437,939</b>	<b>30,933,504</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>57,143,581</b>	<b>29,905,744</b>

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



**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**30 EYLÜL 2021 TARİHİNDE SONA EREN ARA DÖNEME AİT**  
**KONSOLİDE FİNANSAL TABLOLARA İLİŞKİN AÇIKLAYICI DİPNOTLAR**  
(Tutarlar, aksi belirtilmedikçe Türk Lirası (“TL”) olarak ifade edilmiştir.)

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**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi (“The Company” or “Menderes Tekstil”), its Subsidiaries and Equity participations are referred as “Group” in the accompanying consolidated financial statements.

The entities mentioned below are applied “Full Consolidation Method”:

- Menderes Tekstil Sanayi ve Ticaret A.Ş.
- Smyrna Seracılık Ticaret A.Ş.

The entities mentioned below are applied by “Equity Pick up Method”:

- Aktur İzmir Gayrimenkul A.Ş.

**Menderes Tekstil Sanayi ve Ticaret A.Ş.**

The Company produces cotton press, electric energy, yarn, fabric, valances, dust ruffles, ruffled and tailored shams, comforter shells, printed towels and linens in integrated cotton and synthetic textile establishment.

The Company address registered on the Trade Registry Gazette is Adalet Mahallesi, Manas Bulvarı, No:47/A 42. Kat Bayraklı, İzmir.

As of 30 September 2021, 3,497 personnel are employed by the Company and average number of personnel is 3,626 for the period of 01.01-30.09.2021.

Company shares are traded in the Borsa Istanbul since 2000.

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and Tan Elektrik Üretim A.Ş. which are owned in all by Menderes Tekstil, merged within Menderes Tekstil with the "Simplified Merger Procedure" method and registered by İzmir Trade Registry Office on 31.03.2021 and published in the Turkish Trade Registry Gazette dated 07.04.2021 and numbered 10304

**Production Capacity (Textile)**

According to the capacity report from Denizli Industrial Chamber dated 20 April 2020, numbered 174 and valid until 20 April 2022, the Company annual production capacity is as follows: (Companies production capacity has been calculated with daily 8 hours, yearly 300 days. Company works for 3 shifts in a day):

<b>Products</b>	<b>Unit</b>	<b>Quantity</b>
Cotton yarn (is used in its production)	Kg	5,438,718
Raw fabric woven (is used in its production))	m2	59,151,060
Knitted fabric (is used in its production))	Kg	1,004,400
Linens	Kg	19,477,500
Pillow case	Kg	5,670,000
Sheet	Kg	7,218,750
Fabric painting (is used in its production)	Kg	3,744,000
Fabric printing (is used in its production)	Kg	14,121,000
Digital fabric printing (is used in its production)	Kg	1,573,719

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**Production Capacity (Energy)**

According to the capacity report from Denizli Industrial Chamber dated 09 June 2021, numbered 334 and valid until 21 June 2023, the Company annual production capacity is as follows:

	Unit	Quantity
Electricity energy	Kilowatt hour	161,827,000
Steam (is used in its production)	Joule	617,569,920,000
Hot water (is used in its production)	Joule	238,360,320,000

Information about the Group's power plants in operation, together with its current installed powers, is presented in the table below:

Power plants	Company	Location	Type	Electricity Production Capacity (kW)
<i>Geothermal</i>				
Baklacı	Menderes	Manisa	<i>Geothermal</i>	155,200,000
Tosunlar	Menderes	Denizli	<i>Geothermal</i>	30,456,000
<i>Wind</i>				
Aliğa	Menderes	İzmir	Wind	57,254,400
Bergama	Menderes	İzmir	Wind	75,816,000
<i>Solar</i>				
Sarayköy	Menderes	Denizli	Solar	9,292,834

**Smyrna Seracılık Ticaret A.Ş.**

Smyrna Seracılık Ticaret A.Ş. was established in 2007 in İzmir. It is engaged in agricultural production. In the Trade Registry Gazette numbered 7296 and dated 21 April 2009, the Company name has been changed from Smyrna Organik Tarım Sanayi ve Ticaret A.Ş. to Smyrna Seracılık Ticaret A.Ş. The Company has been included to the complete consolidation in 2009.

Smyrna Seracılık Ticaret A.Ş. has operated on the existing area which is 197,000 m2.

***Capacity Report 1 (Sarayköy)***

According to the capacity report from Denizli Industrial Chamber dated 28 May 2021, numbered 293 and valid until 31 May 2023, The Company production capacity is as follows:

Product	Unit	Quantity
Tomato	Ton	6,480

The Company recorded address to the trade registry is Köyiçi Mevkii, Tosunlar Kasabası Sarayköy, Denizli.

As of 30 September 2021, 271 personnel are employed by the Company and the average number of personnel is 280 for the period of 01.01-30.09.2021.

**Aktur İzmir Gayrimenkul A.Ş.**

Aktur İzmir Gayrimenkul A.Ş. was established by spin-off of Aktur Araç Muayene İşletmeciliği A.Ş. with the resolution of the general assembly published in the Trade Registry Newspaper dated November 23, 2020 and numbered 10208. The company generates rental income from the properties it owns. Head office of the company is in İzmir.

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

### **2. a.Basis of Presentation**

#### **Compliance Statement**

The Group is predicate on Turkish Commercial Code ("TCC"), tax legislation of the Republic of Turkey and the Uniform Chart of Accounts issued by the Ministry of Finance while maintaining its legal accounting records and preparing statutory financial statements. Financial statements, except financial assets and liabilities which are signified by the fair value, on the basis of historical cost in Turkish Lira ("TRY") have been prepared. Financial statements prepared in accordance with the historical cost basis and in order to make fair presentation in accordance with IAS / IFRS, to the legal records required adjustments and reclassifications are reflected. Paid in capital, premiums on shares and restricted reserves in equity are reflected with their statutory accounting records.

#### **The Preparation of Financial Statements**

The accompanying consolidated financial statements and disclosures have been prepared in accordance with 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) (hereinafter will be referred to as "the CMB Reporting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676, also put into place by Public Oversight, Accounting and Auditing Standards Authority(POA). TAS; Turkish Accounting Standards, Turkish Financial Reporting Standards and related annexes and interpretations.

The accompanying financial statements of the Group are prepared in accordance with the CMB's announcement dated 07 June 2013 "Announcements on Financial Statements and Footnote Formats". In addition, The accompanying consolidated financial statements are prepared in accordance with resolution No 30 TAS taxonomy published by POAASA on 2 June 2016 and in accordance with the TAS taxonomy announced by POAASA as current "2019 TFRS including TFRS-15 Revenue from contracts with customers and TFRS-16 Leases on 15 April 2019.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the consolidated financial statements of the Group have been prepared accordingly.

#### **Approval of Financial Statements**

Consolidated financial statements are approved by the Board of Directors and granted authority to publish on 09 November 2021 Boards of Directors have authority to change financial statements.

#### **Currency Measurement and Reporting Currency**

As of 30 September 2021 and 31 December 2020, Group's functional and reporting currency unit is represented in TRY compared to previous periods.

#### **Rounding of amounts presented in financial statements**

The financial information given in TRY has been rounded to the nearest full TRY value.

#### **Offsetting**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

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**Going Concern**

The accompanying consolidated financial statements have been prepared assuming that the group will continue to generate benefit from its assets and fill its liabilities in the following year under the natural course of its activities based on the assumption of continuity of business.

The Covid-19 outbreak, declared as a pandemic by the World Health Organization (WHO) on 11 March 2020, and the measures taken against the pandemic continue to cause disruptions in operations and negatively affect economic conditions in all countries affected by the pandemic. As a result, asset prices, liquidity, exchange rates, interest rates and many other issues are affected and the future remains uncertain due to the effects of the pandemic. The Group management closely monitors all developments, makes detailed evaluations and takes the necessary measures in order to minimize the possible negative effects of the Covid-19 epidemic on activities, financial status, financial performance and cash flows.

**Basis of Consolidation**

The capital structure of subsidiaries and participations are as follows:

Subsidiaries	Consolidation Method	30 September 2021	31 December 2020
Smyrna Seracılık Ticaret A.Ş.	Full Consolidation	79.17%	79.17%
Tan Elektrik Üretim A.Ş. (*)	Full Consolidation	-	100.00%
Akça Enerji Üretim Otoprodüktör Grubu A.Ş. (*)	Full Consolidation	-	100.00%

  

Consolidation Method	Consolidation Method	30 September 2021	31 December 2020
Aktur İzmir Gayrimenkul A.Ş.	Equity Pick up	48.00%	48.00%

(\*) Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and Tan Elektrik Üretim A.Ş. which are owned in all by Menderes Tekstil, merged within Menderes Tekstil with the "Simplified Merger Procedure" method and registered by İzmir Trade Registry Office on 31.03.2021 and published in the Turkish Trade Registry Gazette dated 07.04.2021 and numbered 10304.

Investments in associates are accounted via using equity pick up method. These are entities in which the Group generally holds between 20% and 50% of the voting rights, or where the Group has significant influence, as well as not having control over the operations of the Group.

Subsidiaries are included in consolidation as of the date of transition to the controlling the Group and they are excluded from the scope of consolidation as of the date of completion of the control.

The share of minority shareholders in the net assets and operating results of the Subsidiaries are presented as minority interest in the consolidated balance sheet and income statement.

In the accompanying consolidated financial statements, results of operations and assets and liabilities of associates are accounted for using equity pick up method of accounting. According to equity pick up method, associates in the consolidated financial statements are shown on the basis of the amount obtained by subtracting the cost value from the net assets of the subsidiary after deducting any impairment in the associate. Losses that exceed the share of the Group in the associate are not recognized in the records. Additional loss is due to the fact that the Group has been exposed to legal or implied liability or has made payments on behalf of an affiliate or business partnership.

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As of 30 September 2021 and 31 December 2020, the capital structure of subsidiaries and participations are as follows:

**Menderes Tekstil Sanayi ve Ticaret A.Ş. (Parent Company)**

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Public Offered Shares	46.78	46.88
Akça Holding A.Ş.	50.83	50.73
Other	2.39	2.39
	<b>%100</b>	<b>%100</b>

**Akça Holding A.Ş.(Controlling Shareholder of Menderes Tekstil Sanayi ve Ticaret A.Ş.)**

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	53.57	53.57
Rıza Akça	21.67	21.67
Dilek Göksan	10.83	10.83
Ahmet Bilge Göksan	10.83	10.83
Menderes Tekstil Pazarlama A.Ş.	3.10	3.10
	<b>%100</b>	<b>%100</b>

**Smyrna Seracılık Ticaret A.Ş. (Subsidiary)**

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	79.17	79.17
Rıza Akça	10.31	10.31
Ahmet Bilge Göksan	5.16	5.16
Dilek Göksan	5.16	5.16
Other	0.20	0.20
	<b>%100</b>	<b>%100</b>

**Aktur İzmir Gayrimenkul A.Ş. (Participation)**

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Zeybekçi Holding A.Ş.	50.00	50.00
Menderes Tekstil Sanayi ve Ticaret A.Ş.	48.00	48.00
Akça Holding A.Ş.	2.00	2.00
	<b>%100</b>	<b>%100</b>

**2.b. Comparative Information and Previous Periods Adjustments**

For the purpose of conducting a comparison of financial position and performance trend, Group's current financial statements are prepared comparative with previous periods. Comparative information is reclassified to be compatible with the presentation of current financial statements, when necessary.

## **2.c. Changes in Accounting Estimates and Errors**

The accompanying financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by group management to be compatible with statements required by Capital Market Board. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements.

## **2.d. Changes in Accounting Policies**

A group only could change its accounting policy under following circumstances;

- If a standard or interpretation makes it necessary or
- If the change make effect of operations or incidents on financial position and performance or cash flows more appropriate and reliable.

Financial statements have to be comparable to see trends in financial position of companies, performance and cash flows for users of financial statements. Accordingly why, if the change is not granting one of above conditions, each interim and fiscal periods has to be applied same accounting policy.

The accounting policies implemented in the financial statements are same as those implemented in the financial statements as of 31 December 2020 and for the year ended on the same date, except as stated above

## **2.e. New and revised standards and interpretations**

*Standards, amendments and interpretations applicable as at 30 September 2021:*

**Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

**Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

**Amendments to TFRS 17 and TFRS 4, “Insurance contracts”, deferral of TFRS 9;** effective from annual periods beginning on or after 1 January 2021. These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial Instrument until 1 January 2023.

These amendments do not have a significant impact on the financial position and performance of the Group.

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*Standards, amendments and interpretations that are issued but not effective as at 30 September 2021:*

**IFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

**Amendments to IAS 1, ‘Presentation of financial statements’ on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.

**A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.

- Amendments to IFRS 3, ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the Accounting requirements for business combinations.
- Amendments to IAS 16, ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- Amendments to IAS 37, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

**Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

**Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences

These amendments do not have a significant impact on the financial position and performance of the Group.

## **2.f. Summary of Significant Accounting Policy**

### **Revenue Recognition**

Group recognises revenue based on the following five principles in accordance with the TFRS 15 - “Revenue from Contracts with Customers” standard effective from 1 January 2018.

- Identification of customer contracts
- Identification of performance obligations
- Determination of the transaction price in the contracts
- Allocation of transaction price to the performance obligations
- Recognition of revenue when the performance obligations are satisfied

Group evaluates each contracted obligation separately and respective obligations, which are committed to deliver the goods or perform services, are determined as separate performance obligations. Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation.

The goods or services are transferred when the control of the goods or services is delivered to the 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 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 using the effective interest method which brings the remaining principal amount and expected future cash flows to the net book value of the related deposit during the expected life of the deposit.

Interest and foreign exchange gains and losses arising from trading transactions are recognized in other operating income and expense.

Dividend income is recorded as income of the collection right transfer date. Dividends payable are recognized as an appropriation of profit in the period in which they are declared.



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**Inventories**

Inventories are valued at the lower of cost or net realizable value. Inventory costs include purchasing costs. The unit cost of inventories is determined average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses

**Biological Assets**

Group's biological assets consist of planted tomatoes. Uncultivated tomatoes are reflected in the consolidated financial statements after the provision for impairment is booked, if there is a decrease in cost due to the absence of an active market.

**Tangible Assets**

Lands, buildings, land improvements, machineries and equipment are reflected to the consolidated financial statements at fair values that are determined by an independent real estate appraisal company, which is accredited by CMB as of 31 December 2020.

The valuation company used the Market Value Method in determining the fair values of land, land and buildings. The "Cost Method" was used to determine the fair values of land improvements and machinery, plant and equipments.

The revaluation frequency depends on the differences at the fair values of tangible fixed assets.

If net book value of an asset increases as a result of the revaluation, this increase is recognized at statement of other comprehensive income and presented under the revaluation fund account in the equity. However a revaluation value increase can only be recognized in the profit or loss statement to the extent of impairment recorded in the previous periods for the same asset.

If net book value of an asset decreases during the revaluation, this decrease is recognized as expense. However this decrease can only be recognized as much as all kinds of credit balance about this asset in the revaluation surplus.

The subjected decrease recognized in other comprehensive income, decreases the amount accumulated in equity under revaluation surplus. In the case of sales of revalued building or land, revaluation surplus part of revalued asset is classified to accumulated profit/(loss).

The costs of Tangible fixed assets purchased before 1 January 2005 are restated for the effects of inflation in TRY unit current at 31 December 2005 less accumulated depreciation and impairment losses. The costs of tangible assets purchased after 1 January 2005 are carried at cost less accumulated depreciation and impairment losses.

Tangible fixed assets are carried at cost, less accumulated depreciation. Depreciation is provided on the acquired values of tangible fixed assets on a straight-line method starting from the acquisition date. Repair and maintenance costs are transferred to the related expense account on the date of the charge.

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Economic useful lives of assets approximately are as follows:

	Year
Land improvements	10-40
Buildings	30-50
Machinery, plant and equipments	5-15
Energy facilities	20-25
Motor vehicles	5-10
Fixtures and fittings	3-20

#### **Intangible Assets**

Intangible assets are reflected with adjusted cost value according to the inflationary accounting effective for the entries purchased before 01 January 2005 and acquired cost of entries purchased after 01 January 2005 by deducting the accumulated amortization.

Intangible assets comprise acquired usage rights, information systems, research and development expenses and other identified rights. They are recorded at acquisition cost and amortized on a straight-line based on pro-rata over their estimated useful lives for a period not exceeding between 10% and 20% for a year.

#### **Investment Properties**

Investment properties are the real estates which are held to earn rental income and/or for capital appreciation. Investment properties are presented in the financial statements at their fair value determined in the revaluation work. Revaluation work was performed by an independent appraisal company accredited by the Capital Market Board. Appreciation or devaluation in the mentioned properties is accounted in the consolidated profit or loss table.

If an owner-occupied property becomes an investment property that will be carried at fair value, an entity shall apply TAS 16 up to the date of change in use. The entity shall treat any difference at that date between the carrying amount of the property in accordance with TAS 16 and its fair value in the same way as a revaluation in accordance with TAS 16.

Investment properties are derecognized when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of profit or loss in the year of retirement or disposal. A gain or loss arising from a change in the fair value of investment property shall be recognized in profit or loss for the period in which it arises.

### **Impairment of Assets**

The carrying amounts of the Group's assets other than goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Group compares the carrying amount of the asset with its net realizable value which is the higher of value in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the comprehensive statement of income. The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognized impairment loss shall not exceed the carrying amount of the asset (net of amortisation amount) in case where the impairment loss was reflected in the consolidated financial statements in prior periods. Such a reversal is accounted for in the comprehensive statement of income.

### **Right-of-Use Assets**

The Group recognises right-of-use assets at the commencement of the lease(i.e, the date of underlying asset is available for use)Right-of-use assets are measured at cost,less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- (a) the amount of lease liabilities recognised,
- (b) lease payments made at or before the commencement date less any lease incentives received.
- (c) initial direct costs incurred.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term,the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.Right-of-use assets are subject to impairment.

### **Lease Liabilities**

At the commencement date of the lease,the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

At the commencement date of the lease,the measurement of the lease liabilities include:

- (a) Fixed payments,
- (b) The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs,
- (c) The amounts expected to be paid by the Group under residual value guarantees.
- (d) The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and
- (e) The payments of penalties for terminating a lease,if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the Group measures the amount of lease liabilities as follows :

- (a) The amount of lease liabilities is increased to reflect the accretion of interest and
- (b) Reduces for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**Short – term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (ie, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term lease and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Borrowing costs**

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the statement of income over the period of the borrowings.

In case of foreign exchange income in the financing activities, the related income is deducted from the total of capitalized financial expenses.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the income statement in the period in which they are incurred.

Foreign exchange differences relating to borrowings, to the extent that they are regarded as an adjustment to interest costs, are also capitalized. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

## **Financial Assets**

### ***Classification***

Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial assets are not reclassified after initial recognition except when the Group's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

### ***Recognition and Measurement***

"Financial assets measured at amortized 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. Group's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables" and "financial investments". Financial assets carried at amortized 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 amortized cost are accounted for under the consolidated.

"Financial assets measured at fair value through other comprehensive income", are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings.

Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under consolidated statement of income.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

### ***Derecognition***

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Group was recognized as a separate asset or liability.

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***Impairment***

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets.

Provision for loss measured as below;

- 12 Month ECL: results from default events that are possible within 12 months after reporting date.
- Lifetime ECL: results from all possible default events over the expected life of financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12 month ECL measurement if it has not.

The group may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

**Trade Receivables**

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

Group has preferred to apply "simplified approach" defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 1 year). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Unearned finance income/expense due to commercial transactions are accounted for under "Other Operating Income/Expenses" in the consolidated statement of income or loss.

The Group collects some of its receivables through factoring. The receivables that are subject to the factoring transaction are deducted from their respective receivables accounts, if the collection risk is undertaken by the Factoring Group. The amounts at Group's collection risk continue to be transferred to the Consolidated Financial Statements and advances received from the factoring companies are presented as debts from factoring transactions under the "Borrowings" account in the Consolidated Financial Statements.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank deposits with original maturities of more than three months and shorter than 1 year are classified under short-term financial investments.

### **Financial liabilities**

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value.

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as equity instruments and other financial liabilities.

### ***Equity instruments***

Financial liabilities related to non-controlling share put options are reflected in the financial statements in conformity with their discounted value of them own redemption plan. The discounted value of the financial liability which is the subject of the put option is estimated to be the fair value of the financial asset.

### ***Other financial liabilities***

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

### **Trade payables**

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **The Effects of Exchange Rates**

Foreign currency transactions are entered in the accounts with current rates in transaction date. Foreign currency assets and liabilities in the balance sheet are converted to the TRY as the rates in the balance sheet date. Foreign exchange and losses are reflected to the financial statements.

### **Effects of Change in Currency Rate**

Assets and liabilities in foreign currency and purchase and sale commitments create exchange risk. Foreign exchange risk stemming from depreciation or appreciation of Turkish Lira managed by top management by following the currency position of the Group and taking position according to approved limits.

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**Earnings per Share / (Loss)**

The amount of gain / loss per share is calculated by dividing the period gain/ loss of the Group with weighted average share unit in the period.

In Turkey, companies can increase their share capital by making distribution of “bonus shares” to existing shareholders from Inflation adjustment difference in shareholder’s equity. For the purpose of the earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of “bonus shares” issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.

**Investments Subject to Equity Pick-up Method**

Equities valued with equity pick-up method are carried at their initial acquisition cost. This amount is accounted by equity pick-up method by restating subject to Group accounting policies calculating the share of Group from the net assets.

**Employee Benefits / Severance Pay**

**Provision for severance pay**

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies. As of 30 September 2021, such payments are calculated on the basis of 30 days’ pay limited to a maximum of TRY 8,285 (31 December 2020: TRY 7,117) per year of employment at the rate of pay applicable at the date of retirement.

Group used “Projection Method” to calculate the termination benefits and the duration to be completed based on the past experience and discounted with rate of Treasury bond at balance sheet date. The calculated profits and losses are reflected in income statements.

The ratios of the basic assumptions used on the balance sheet date are as follows:

	30.09.2021	31.12.2020
Interest rate	%17.86	%17.25
Inflation rate	%12.59	%12.10
Discount rate	%4.68	%4.59

**Social Insurance Premium**

Group, pays social security contribution to social security organization compulsorily. So long as the Group pays these premiums, it has no liability. These premiums are reflected as personnel expenses in the period in which they are paid.

An obligation is recorded regarding to vacation payments earned by the employees as a result of their past services. In case of termination of employment, the Group is obliged to pay an amount equal to the amount found by multiplying the daily gross wage on the date of termination of the employment contract and the sum of other contractual benefits with the number of earned but unused vacation days. In this context, the Group records the provision for unused vacation as a long-term benefit obligation provided to employees.

Vacation provision is a short-term employee benefit obligation, measured without discount and expensed in profit or loss as the related service is performed.



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**Taxes**

Taxes on income for the period comprise current tax and the change in the deferred taxes. The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates enacted by the balance sheet date. Deferred tax is accounted for using the “liability” method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable (statutory) profit. Deferred tax is accounted by temporary differences between the values of assets and liabilities in financial statements using “liability method” and the values of financial statements for the legal purpose. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit. Net deferred tax assets created from term differences deducted in proportion as tax allowances in conditions of there is no certain information for the coming periods.

**Provisions, Conditional Liabilities and Conditional Assets**

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Conditional liabilities and conditional assets

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non occurrence of certain future events, unless the expected performance is not very likely. Accordingly, contingent losses are recognized in the financial statements of Group if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

**Derivative Financial Instruments and Instruments to Protect from Risk**

The Group’s derivative financial instruments include foreign currency forward contracts and interest rate swap transactions.

At the end of valuation, the derived financial instruments which are appreciated with the reasonable value and associated with income statement will be reflected as a result of valuation to the income sheet.

It has been calculated with comparison of the revalued gains and losses in the forward purchase and sale agreements of foreign currency with the foreign exchange spot rate as of balance sheet date and the revalued original amount calculated with linear method with valid foreign exchange spot rate as of starting date of agreements. Amounts related with income statement have been classified as income/ expense accruals under other receivables and other payables in the balance sheet.

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### **Statement of Cash Flow**

The Group prepares statements of cash flows as an integral part of its of financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, working capital, investing activities and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group’s activities. The Group has preferred to present the cash inflows and outflows from operating activities in the financial statements in indirect way.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

### **Subsequent Events**

Although subsequent events arise after the explanation of the financial information to the public or any announcement related to profitability, it encloses all the events with balance sheet date and authorization date for the diffusion of the balance sheet. Group adjusts the amounts in the financial statements if there exists any events necessitates adjustment.

### **Related Parties**

In the presence of one of the following criteria, parties are considered as related to the Group,

- (a) Directly, or indirectly through one or more intermediaries, the party,
  - (i) Controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);
  - (ii) Has an interest in Group that gives it significant influence over the Group; or
  - (iii) Has joint control over the Group;
- (b) The party is an associate of the Group,
- (c) The party is a joint venture, in which the Group is a venture,
- (d) The party is member of the key management personnel of the Group or its parent,
- (e) The party is a close member of the family of any individual referred to in (a) or (d),
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e),
- (g) The party has a defined benefit plan for the employees of the Group or a related party of the Group

Transactions with related parties are transfer of resources or obligations between related parties, regardless of whether a price is charged. Group interacts with its related parties within the frame of ordinary business activities (Note 5).

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**Details of related parties are as follows:**

*Akça Holding A.Ş. "Akça Holding"*

Akça Holding A.Ş. was established in 1994 in İzmir. It is engaged in providing financial support to the group firms.

*Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş. "Osman Akça Tarım Ürünleri"*

Osman Akça Tarım Ürünleri İthalat ve İhracat San. ve Tic. A.Ş. was established on 25 July 1985. Head quarter of The Company is in İzmir. Main activity is established to process the fruit and agricultural products.

*Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti. "Akçasaraylı Tekstil"*

Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti. was established in 1990 in İzmir. It is engaged of the sale of textile products.

A trademark lease contract was made between Menderes Tekstil San. and Tic. A.Ş. and Akça Saraylı Tekstil San. ve Tic. Ltd. Şti. Regarding to this signed contract, Akça Saraylı Tekstil San. ve Tic. Ltd.Şti. is obliged to pay 2% of its annual net sales to Menderes Tekstil San. ve Tic. A.Ş. as a leasing fee. Consequently, Akça Saraylı Tekstil San. ve Tic. Ltd. Şti. leased the trademarks of Mendereshome Store-Menderesstore-Menderestore.

*Ak-San Sigorta ve Aracılık Hizmetleri Ltd. Şti. "Aksan Sigorta"*

Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti. was established on 13 March 1997. Head quarter of the Company is in İzmir. Main activity is insurance intermediary services.

Related parties that do not have any significant activity with the Group are as follows:

Akçamen Tekstil Sanayi ve Ticaret A.Ş.

Selin Tekstil Sanayi ve Ticaret A.Ş.

Menderes Tekstil Pazarlama A.Ş.

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Aktur İzmir Gayrimenkul A.Ş.

**Government Grants and Incentives**

Government incentives, including non-monetary grants at fair value are included in the consolidated financial statements only if there is reasonable assurance that the Group will fulfill all required conditions and acquire the incentive. A forgivable loan from government is treated as a government grant when it is probable that the entity will meet the terms for forgiveness of the loan.

The Group has an income from insurance premium employer share incentive based on the Labor Law numbered 4857 and Social Insurance and General Health Insurance Law numbered 5510 This incentive granted by government is not collected in cash but deducted from the accrued insurance premiums by treasury. The mentioned incentive income was off set against cost of goods sold in the financial statements.

## **2.g. Significant Accounting Estimates and Assumptions**

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. The Group makes estimates and assumptions concerning the future. The accounting estimates and assumptions, by definition, may not be equal to the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

### ***Deferred Tax***

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax bases and statutory tax financial statements. Such differences usually arise from the fact that certain income and expense items are included in the tax base amounts and financial statements prepared in accordance with TAS at different periods. The Group has unused tax losses that can be deducted from future profits and deferred tax assets consisting of other deductible temporary differences. The recoverable amount of deferred tax assets partially or fully is estimated under current conditions. During the assessment, future profit projections, losses incurred in the current period, unused losses and other taxable assets are taken into consideration and tax planning strategies that can be used when necessary are taken into account.

As of 30 September 2021, deferred tax asset is recognized for temporary losses on taxable temporary differences amounting to TRY 7,993,583 TRY and for transferer R&D deductions amounting from tax deductions and can be utilized in the period in which the tax deduction period can be utilized.

### ***Provision for severance pay***

The present value of the retirement pay liability is determined on an actuarial basis using certain assumptions. These assumptions are used in determining the net expense of the termination compensation liabilities and include the rate of reduction. Any change in the underlying assumptions affect the recorded value of the termination indemnity obligation. Actuarial losses and gains are recognized in the statement of comprehensive income in the period in which they are incurred.

The group determines the appropriate reduction rate at the end of each year. This rate is used to calculate the present value of estimated future cash outflows necessary to meet the retirement benefit obligations.

### ***Deferred financing income / expense:***

The calculation of the amortized cost of trade receivables and payables by using the effective interest method is based on the expected collection and payment dates of the receivables and payables.

### ***Useful lives:***

Tangible and intangible assets are amortised and depreciated on useful lives.

### ***Provisions for litigation:***

When setting aside the provision for legal claims the probability of losing the related case and the results to expect to be suffered in the event that the legal counsel of the Group and management of the Group make their best estimates to calculate the provision.

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***Investment property impairment:***

The Group makes a comparison with the valuation report issued by the licensed real estate valuation company at Capital Market Board when evaluating as to whether any indication that there is a decrease in the value of the investment properties.

***Distinction of tangible assets and Investment properties:***

The Group has classified the properties which it owns and rented as investment properties

***Fair value measurements of land and buildings***

Lands and buildings are revaluated to their fair values in accordance with TAS 16, Property, Plant and Equipment by Rota Taşınmaz Değerleme ve Danışmanlık A.Ş. and Aden Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi, an organization accredited to the CMB. (Note 16)

***Fair value measurements of property, plant and equipment***

Machinery, plant and equipments are revaluated to their fair values in accordance with TAS 16, Property, Plant and Equipment by LAL Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi and Aden Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi, an organization accredited to the CMB. (Note 16)

The estimates used are shown in the relevant accounting policies or footnotes.

## **2.h. Segment Reporting**

The Group has three business segments determined by the management based on information available for the evaluation of performances and the allocation of resources. These divisions are; textile (Menderes Tekstil), agriculture sector (Menderes Tekstil and Smyrna) and energy sector (Akça Enerji and Tan Elektrik) . These segments are managed separately because they are affected by the economic conditions and geographical positions in terms of risks and returns. When evaluating the segments’ performance, Group Management is utilizing the financial statements prepared in accordance with TFRS (Note 3).

Operating segments are reported in a manner consistent with the reporting provided to the Group’s chief operating decision-maker. The Group’s chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

For an operating segment to be identified as a reportable segment, its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments; the absolute amount of its profit or loss is 10% or more of the combined profit or loss or its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

## **2.i. Accounting of Business Mergers under Common Control**

At the meeting of the Board of Directors dated 28.12.2020, The Company purchased the share that a total nominal value of TRY 12,008,000 with a price of TRY 3.87 per share in other partners of Tan Elektrik Üretim A.Ş. (Tan Elektrik); one of the subsidiaries of Company. The Company purchased the share that a total nominal value of TRY 9,599,990 with a price of TRY 2.09 per share in other partners of Akça Enerji Üretim Otoprodüktör Grubu A.Ş. ("Akça Enerji"); one of the other subsidiaries of Company. The per share prices is stated in Valuation Report prepared by DRT Kurumsal Finans Danışmanlık Hizmetleri A.Ş. an authorized institution within the framework of Capital Markets Board (CMB) regulations.

A total of TRY 46,473,376 was paid for the shares of Tan Elektrik with a nominal value of TRY 12,008,000 in other partners and a total of TRY 20,054,551 was paid for shares with a nominal value of TRY 9,599,990 in other shareholders of Akça Enerji. In this way, total purchase price of TRY 66,527,927 has been paid. With this transaction, the direct share of the Group in Tan Elektrik and Akça Enerji increased to 100%.

Group evaluate the purchasing transaction by method "combination of rights" within the frame of "Accounting of Business Combinations Under Common Control" oriented resolution (2013-2) Applying the Turkish Accounting Standards published by Public Oversight Accounting and Auditing Standards Authority. Group reorganize consolidate financial statements as if actualize purchasing transaction as start of reporting period that occurred common control and Group rendered consolidate financial statements as comparative dating from start of reporting period. Goodwill or negative goodwill is not calculated as a result of these transactions. The difference arising in the elimination of the carrying value of the investment held and share capital of the acquired Group is directly accounted under shareholder's equity as effect of combinations including business subject to common control.

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and Tan Elektrik Üretim A.Ş. which are owned in all by Menderes Tekstil, merged within Menderes Tekstil with the "Simplified Merger Procedure" method and registered by İzmir Trade Registry Office on 31.03.2021 and published in the Turkish Trade Registry Gazette dated 07.04.2021 and numbered 10304.

Regarding the Accounting of Business Combinations Under Common Control, according to Article 11 of the Public Oversight, Accounting and Auditing Standards Authority's (KGK) Principle Decision No. 2018/1 on the Implementation of Turkish Financial Reporting Standards;

In the event that the acquired entity ceases to exist as a result of a business combination under common control or is incorporated into the acquirer, or in the event that such a situation arises later or the subsidiary is subsequently dissolved, the amounts in the "Effect of Mergers Involving Joint Control Enterprises or Businesses" are the amounts in which the event occurred. It is closed by transferring to the "Previous Years Profits/Losses" account in equal installments within a maximum of 5 accounting periods starting from the accounting period.

Based on the relevant decision, the Group Management, Akça Enerji Üretim Otoprodüktör Grubu A.Ş., which was accounted for in the "Effect of Mergers Including Joint Control Enterprises or Businesses" and was dissolved as of 2021. and Tan Elektrik Üretim A.Ş. decided to reclassify the total amount of TRY (70,487,372) TRY belonging to the "Retained Earnings / Losses" account in 2021.

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**NOTE 3 – SEGMENT REPORTING**

<b>30 September 2021</b>	<b>Textile Sector</b>	<b>Agricultural Sector</b>	<b>Energy Sector</b>	<b>Elimination</b>	<b>Total</b>
Revenue	975,426,260	361,926,220	141,037,880	(403,519)	1,477,986,841
Cost of Sales (-)	(809,253,035)	(348,358,413)	(65,444,223)	373,847	(1,222,681,824)
<b>GROSS PROFIT/LOSS</b>	<b>166,173,225</b>	<b>13,567,807</b>	<b>75,593,657</b>	<b>(29,672)</b>	<b>255,305,017</b>
General Administrative Expenses (-)	(25,915,113)	(1,122,061)	(2,061,911)	151,289	(28,947,796)
Marketing Expenses (-)	(40,005,954)	(810,582)	-	-	(40,816,536)
Research and Development Expenses (-)	(6,561,145)	-	-	-	(6,561,145)
Other Operating Income	42,267,779	28,492,815	103,761	(121,852)	70,742,503
Other Operating Expenses (-)	(30,237,550)	(10,586,795)	(305,998)	235	(41,130,108)
<b>OPERATING PROFIT/LOSS</b>	<b>105,721,242</b>	<b>29,541,184</b>	<b>73,329,509</b>	<b>-</b>	<b>208,591,935</b>
Income from Investing Activities	2,838,394	-	-	-	2,838,394
Expenses from Investment Activities (-)	(36,702)	(3,517)	-	-	(40,219)
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	306,758	-	-	-	306,758
<b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>	<b>108,829,692</b>	<b>29,537,667</b>	<b>73,329,509</b>	<b>-</b>	<b>211,696,868</b>
Financial Income (+)	31,822,208	1,108,479	4,038,312	(947,406)	36,021,593
Financial Expenses (-)	(154,014,925)	(385,644)	(99,407,569)	947,406	(252,860,732)
<b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>	<b>(13,363,025)</b>	<b>30,260,502</b>	<b>(22,039,748)</b>	<b>-</b>	<b>(5,142,271)</b>
<b>Operating Activity Tax Income / (Expense)</b>					
- Income/Expense Tax for the period	-	(1,518,575)	-	-	(1,518,575)
- Deferred Tax Income/Expense	9,022,897	896,936	-	-	9,919,833
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(4,340,128)</b>	<b>29,638,863</b>	<b>(22,039,748)</b>	<b>-</b>	<b>3,258,987</b>

<b>30 September 2020</b>	<b>Textile Sector</b>	<b>Agricultural Sector</b>	<b>Energy Sector</b>	<b>Elimination</b>	<b>Total</b>
Revenue	895,606,014	253,866,425	103,503,899	(354,363)	1,252,621,975
Cost of Sales (-)	(747,058,935)	(236,403,279)	(45,472,370)	424,723	(1,028,509,861)
<b>GROSS PROFIT/LOSS</b>	<b>148,547,079</b>	<b>17,463,146</b>	<b>58,031,529</b>	<b>70,360</b>	<b>224,112,114</b>
General Administrative Expenses (-)	(24,518,012)	(809,923)	(858,764)	195,320	(25,991,379)
Marketing Expenses (-)	(36,066,429)	(908,132)	-	-	(36,974,561)
Research and Development Expenses (-)	(3,179,468)	-	-	-	(3,179,468)
Other Operating Income	34,152,942	17,777,525	1,561,246	(269,450)	53,222,263
Other Operating Expenses (-)	(30,582,189)	(505,067)	(353,861)	3,770	(31,437,347)
<b>OPERATING PROFIT/LOSS</b>	<b>88,353,923</b>	<b>33,017,549</b>	<b>58,380,150</b>	<b>-</b>	<b>179,751,622</b>
Income from Investing Activities	621,831	-	-	-	621,831
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	10,563,221	-	-	-	10,563,221
<b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>	<b>99,538,975</b>	<b>33,017,549</b>	<b>58,380,150</b>	<b>-</b>	<b>190,936,674</b>
Financial Income (+)	17,842,845	83,373	1,660,876	(3,505,192)	16,081,902
Financial Expenses (-)	(268,578,709)	(1,233,142)	(162,492,524)	3,505,192	(428,799,183)
<b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>	<b>(151,196,889)</b>	<b>31,867,780</b>	<b>(102,451,498)</b>	<b>-</b>	<b>(221,780,607)</b>
<b>Operating Activity Tax Income / (Expense)</b>					
- Income/Expense Tax for the period	-	(764,866)	-	-	(764,866)
- Deferred Tax Income/Expense	10,145,452	82,538	10,221,262	-	20,449,252
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(141,051,437)</b>	<b>31,185,452</b>	<b>(92,230,236)</b>	<b>-</b>	<b>(202,096,221)</b>

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(Tutarlar, aksi belirtilmedikçe Türk Lirası (“TL”) olarak ifade edilmiştir.)

30 September 2021	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Total Assets	1,999,704,310	366,845,034	620,841,527	(74,096,273)	2,913,294,598
Total Liabilities	1,691,833,620	259,398,400	158,547,849	(2,664,952)	2,107,114,917
<b>Assets by Segments</b>					
Investment Property	79,365,000	-	-	-	79,365,000
Total Tangible Assets (Net Book Value)	709,882,358	85,365,276	620,813,238	-	1,416,060,872
Right of Use Assets (Net Book Value)	20,174	-	-	-	20,174
Total Intangible Assets (Net Book Value)	15,277,265	13,513	28,289	-	15,319,067
Purchases of Tangible and Intangible Assets	15,365,689	3,988,936	353,494	-	19,708,119
Depreciation Expenses	51,297,991	5,178,924	26,076,691	-	82,553,606
Detail of the Group's foreign currency assets and liabilities by segments					
Total Assets	298,026,495	379,602	-	-	298,406,097
Total Liabilities	1,356,428,989	-	158,547,849	-	1,514,976,838
Net Asset / (Liability) Position of Foreign Currency Derivative Instruments Out of the Statement of Financial Position	-	-	-	-	-
Net Foreign Currency Asset/ Liabilities	(1,058,402,494)	379,602	(158,547,849)	-	(1,216,570,741)
Detail of the Group's financial liabilities by division in currency					
<b>Financial Payables</b>	<b>1,336,587,393</b>	<b>13,400,000</b>	<b>158,547,849</b>	<b>-</b>	<b>1,508,535,242</b>
- USD	375,452,522	-	40,660,776	-	416,113,298
- EUR	853,300,283	-	117,887,073	-	971,187,356
- TRY	107,834,588	13,400,000	-	-	121,234,588
Export	803,577,915	36,882,104	-	-	840,460,019
İmport	418,326,000	1,106,697	-	-	419,432,697
Total Debt	1,691,833,620	259,398,400	158,547,849	(2,664,952)	2,107,114,917
Cash Equivalents	(56,789,023)	(354,558)	-	-	(57,143,581)
Net Debt	1,635,044,597	259,043,842	158,547,849	(2,664,952)	2,049,971,336
Total Equity	770,164,368	107,446,634	-	(71,431,321)	806,179,681
Total Capital	2,405,208,965	366,490,476	158,547,849	(74,096,273)	2,856,151,017
Net Debt/Total Capital Ratio	67.98%	70.68%			71.77%



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<b>31 December 2020</b>	<b>Textile Sector</b>	<b>Agricultural Sector</b>	<b>Energy Sector</b>	<b>Elimination</b>	<b>Total</b>
Total Assets	2,077,351,292	409,281,549	652,771,125	(464,243,155)	2,675,160,811
Total Liabilities	1,332,687,606	297,054,191	609,628,703	(284,811,834)	1,954,558,666
<b>Assets by Segments</b>					
Investment Property	79,365,000	-	-	-	79,365,000
Total Tangible Assets (Net Book Value)	739,880,307	85,825,217	565,532,754	-	1,391,238,278
Right of Use Assets (Net Book Value)	201,736	-	-	-	201,736
Total Intangible Assets (Net Book Value)	13,503,076	18,970	40,436	-	13,562,482
Purchases of Tangible and Intangible Assets	67,547,084	2,149,952	109,893,454	-	179,590,490
Purchases of Investment Property	83,200	-	-	-	83,200
Depreciation Expenses	20,944,399	2,425,106	17,735,370	-	41,104,875
Detail of the Group's foreign currency assets and liabilities by segments					
Total Assets	258,741,473	6,428,390	5,329,333	-	270,499,196
Total Liabilities	856,167,039	182,065	515,633,216	-	1,371,982,320
Net Asset / (Liability) Position of Foreign Currency Derivative Instruments Out of the Statement of Financial Position	2,008,173	-	-	-	2,008,173
Net Foreign Currency Asset/ Liabilities	(595,417,393)	6,246,325	(510,303,883)	-	(1,099,474,951)
Detail of the Group's financial liabilities by division in currency					
<b>Financial Payables</b>	<b>922,511,187</b>	<b>12,360,030</b>	<b>515,092,300</b>	<b>-</b>	<b>1,449,963,517</b>
- USD	96,505,996	-	111,697,426	-	208,203,422
- EUR	660,353,507	-	403,394,874	-	1,063,748,381
- TRY	165,651,684	12,360,030	-	-	178,011,714
Export	1,142,107,357	34,121,719	-	-	1,176,229,076
Import	366,090,751	2,573,401	79,350,532	-	448,014,684
Total Debt	1,332,687,606	297,054,191	609,628,703	(284,811,834)	1,954,558,666
Cash Equivalents	(41,750,588)	(297,527)	(5,389,824)	-	(47,437,939)
Net Debt	1,290,937,018	296,756,664	604,238,879	(284,811,834)	1,907,120,727
Total Equity	744,663,686	112,227,358	43,142,422	(179,431,321)	720,602,145
Total Capital	2,035,600,704	408,984,022	647,381,301	(464,243,155)	2,627,722,872
Net Debt/Total Capital Ratio	63.42%	72.56%	93.34%		72.58%

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**Information On The Geographical Region**

On a country basis distribution of revenue obtained from the Group's textile sector export activities are as follows:

<b>Region</b>	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>
Germany	39%	47%
U.S.A.	22%	23%
Italy	10%	7%
Netherlands	7%	7%
England	7%	3%
France	3%	3%
Poland	2%	2%
Russia	2%	2%
Switzerland	1%	1%
Spain	1%	1%
Other	6%	4%
	<b>100%</b>	<b>100%</b>

**Information About Major Clients**

The sales activities of the Group are determined according to fluctuations in the domestic and overseas markets and competition conditions. It is taken care of to not to concentrate on a specific sector, country, person and Group in terms of dissolving risks. Even so, as of 30 September 2021, the share of the largest buyer in the revenue from textile sector operations is 31.46% (30 September 2020: 45.13%). The customer mentioned is a major international supplier and the commercial relation between the customer and the Group has been maintained for many years.

The share of the largest buyers in the revenue from agriculture sector operations is 90.03%. (30 September 2020: 90.49%) Domestic sales of dried fruits (grape, fig and apricot) produced by Menderes as subcontractors are made in accordance with the "Sales Agreement" signed between Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş., the related party of the Group and Osman Akça exports these products to different customers abroad.

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**NOTE 4 – CASH AND CASH EQUIVALENTS**

As of 30 September 2021 and 31 December 2020 the details of cash and cash equivalents are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Cash	187,900	118,977
<b>Banks</b>	<b>56,955,681</b>	<b>47,318,962</b>
<i>Demand deposits</i>	23,701,465	38,959,439
<i>Time deposits</i>	33,254,216	8,359,523
	<b>57,143,581</b>	<b>47,437,939</b>

As of 30 September 2021 and 31 December 2020 maturity schedule of time deposits in the cash and cash equivalents are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Within 1 month	33,254,216	8,359,523
	<b>33,254,216</b>	<b>8,359,523</b>

As of 30 September 2021, effective interest rates of time deposits in TRY 20.02% and for USD 0.10% and for GBP 0.05% (31 December 2020: TRY 19.38 %)

As of 30 September 2021, there is no deposit pledge on the Group's bank deposits. (31 December 2020 : None.)

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**NOTE 5 – RELATED PARTY TRANSACTIONS**

**i) Due from / to related parties:**

**a) Trade receivables from related parties (Note 6):**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	107,263,308	147,033,353
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	1,257,408	1,660,298
Akçamen Tekstil A.Ş.	-	4,716
Selin Tekstil Sanayi ve Ticaret A.Ş.	-	3,539
Unearned Interests	(1,279,422)	(1,930,054)
	<b>107,241,294</b>	<b>146,771,852</b>

**b) Trade payables to related parties (Note 6):**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Menderes Tekstil Pazarlama A.Ş.	707	122,761
Aktur Araç Muayene İstasyonları İşlet. A.Ş.	-	3,007
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	598,541	-
Unearned Interests	(6,721)	(4,014)
	<b>592,527</b>	<b>121,754</b>

**c) Other receivables from related parties (Note 8):**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. (*)	128,646,738	128,646,738
Akça Holding A.Ş.	1,135,910	-
	<b>129,782,648</b>	<b>128,646,738</b>

(\*)It consists of the receivable with a due date of 31 December 2021 after the transfer of the shares of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

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**d) Other payables to related parties (Note 8):**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Rıza Akça	125,085	85,050
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	-	325,324
Selin Tekstil Sanayi ve Ticaret A.Ş.	3,626,138	3,738,573
Akça Holding A.Ş.	-	889,051
Ahmet Bilge Göksan	40,828	-
Ali Atlamaz	35,924	-
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	9,159,425	236,972
	<b>12,987,400</b>	<b>5,274,970</b>

**ii) Major sales to related parties and major purchases from related parties:**

**a) Sales to related parties:**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07.- 30.09.2021</b>	<b>01.07.- 30.09.2020</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	326,848,737	230,487,119	120,509,807	93,033,771
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	3,507,266	2,306,872	1,800,910	807,170
Aktur Araç Muayene İstasyonları İşlet. A.Ş.	71,774	130	71,774	-
	<b>330,427,777</b>	<b>232,794,121</b>	<b>122,382,491</b>	<b>93,840,941</b>

**b) Purchases from related parties**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07.- 30.09.2021</b>	<b>01.07.- 30.09.2020</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	49,124,656	38,714,115	17,436,409	15,763,878
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	17,449	10,371	176	10,253
Aktur Araç Muayene İstasyonları İşlet. A.Ş.	4,759	4,712	1,288	1,190
Menderes Tekstil Pazarlama A.Ş.	2,542	-	-	-
	<b>49,149,406</b>	<b>38,729,198</b>	<b>17,437,873</b>	<b>15,775,321</b>

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**iii) Other income and expenses resulting from transactions with related parties:**

**a) Benefits provided to senior management (Member of the board of directors, general manager and deputy general manager), gross:**

	01.01.- 30.09.2021	01.01.- 30.09.2020	01.07- 30.09.2021	01.07- 30.09.2020
Benefits provided to senior management	1,315,516	886,007	525,203	310,427
	<b>1,315,516</b>	<b>886,007</b>	<b>525,203</b>	<b>310,427</b>

**b) Service expenses paid to related parties:**

	01.01.- 30.09.2021	01.01.- 30.09.2020	01.07- 30.09.2021	01.07- 30.09.2020
Akça Holding A.Ş.	634,836	793,216	165,604	317,226
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	459,585	310,554	128,054	97,158
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	62,319	24,313	56,119	900
	<b>1,156,740</b>	<b>1,128,083</b>	<b>349,777</b>	<b>415,284</b>

**c) Rent income from related parties:**

	01.01.- 30.09.2021	01.01.- 30.09.2020	01.07- 30.09.2021	01.07- 30.09.2020
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	144,774	131,400	48,258	43,800
Akça Holding A.Ş.	122,274	108,900	40,758	36,300
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	110,142	98,100	36,714	32,700
Menderes Tekstil Pazarlama A.Ş.	5,049	4,500	1,683	1,500
Akçamen Tekstil Sanayi Ticaret A.Ş.	5,049	4,500	1,683	1,500
Akça Solar Enerji Üretim Sanayi ve Ticaret A.Ş.	-	3,000	-	-
	<b>387,288</b>	<b>350,400</b>	<b>129,096</b>	<b>115,800</b>

**d) Service income from related parties:**

	01.01.- 30.09.2021	01.01.- 30.09.2020	01.07- 30.09.2021	01.07- 30.09.2020
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	210,996	144,284	94,326	57,741
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	30,619	231,400	10,816	11,737
Aktur Araç Muayene İstasyonları İşlet. A.Ş.	-	58,750	-	-
Menderes Tekstil Pazarlama A.Ş.	-	1,134	-	0
	<b>241,615</b>	<b>435,568</b>	<b>105,142</b>	<b>69,478</b>

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**e) Foreign exchange income from related parties (Note 26.1):**

	01.01.- 30.09.2021	01.01.- 30.09.2020	01.07- 30.09.2021	01.07- 30.09.2020
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	15,625,355	11,467,033	1,284,169	2,383,924
	<b>15,625,355</b>	<b>11,467,033</b>	<b>1,284,169</b>	<b>2,383,924</b>

**f) Maturity difference received from related parties(Not 26.1):**

	01.01.- 30.09.2021	01.01.- 30.09.2020	01.07- 30.09.2021	01.07- 30.09.2020
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	906,264	-	57,320	-
	<b>906,264</b>	<b>-</b>	<b>57,320</b>	<b>-</b>

**g) Interest income from related parties (Note 28.1):**

	01.01.- 30.09.2021	01.01.- 30.09.2020	01.07- 30.09.2021	01.07- 30.09.2020
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	10,708,220	79,070	3,609,684	74,509
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	24,388	91,582	24,388	91,582
Akça Holding A.Ş.	80,677	99,495	33,045	-
	<b>10,813,285</b>	<b>270,147</b>	<b>3,667,117</b>	<b>166,091</b>

**h) Foreign exchange paid to related parties (Note 26.2):**

	01.01.- 30.09.2021	01.01.- 30.09.2020	01.07- 30.09.2021	01.07- 30.09.2020
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	8,126,138	267,454	755,888	267,454
	<b>8,126,138</b>	<b>267,454</b>	<b>755,888</b>	<b>267,454</b>

**i) Interest expences paid to related parties(Note.28.2):**

	01.01.- 30.09.2021	01.01.- 30.09.2020	01.07- 30.09.2021	01.07- 30.09.2020
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	463,118	803,507	191,155	26,284
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	42,736	-	-	-
Aktur Araç Muayene İstasyonları İşlet. A.Ş.	-	2,548	-	2,548
Akça Holding A.Ş.	17,214	9,498	-	8,798
	<b>523,068</b>	<b>815,553</b>	<b>191,155</b>	<b>37,630</b>

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**NOTE 6 – TRADE RECEIVABLES AND TRADE PAYABLES**

**Short Term Trade Receivables**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Trade receivables	179,733,785	124,720,747
Cheques and notes	1,510,197	2,260,644
Unearned interest on trade receivables	(999,400)	(985,119)
Doubtful trade receivables	425,842	425,842
Provision for doubtful receivables (-)	(425,842)	(425,842)
Income accruals	17,175,637	17,707,977
<b>Trade Receivables From Third Parties</b>	<b>197,420,219</b>	<b>143,704,249</b>
Trade receivables from related parties (Note 5)	108,349,688	148,612,837
Income accruals from related parties (Note 5)	171,028	89,069
Unearned interests on related party receivables (Note 5)	(1,279,422)	(1,930,054)
<b>Trade Receivables From Related Parties</b>	<b>107,241,294</b>	<b>146,771,852</b>
<b>Total Short-Term Trade Receivables</b>	<b>304,661,513</b>	<b>290,476,101</b>

As of 30 September 2021, the average maturity of trade receivables are 54 days. (31 December 2020: 41 days).

Maturity schedule of notes receivables as of 30 September 2021 and 31 December 2020 are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
1-30 days	-	83,813
31-60 days	119,135	478,000
61-90 days	45,352	257,245
91-120 days	194,041	542,250
121-150 days	691,817	491,503
151-180 days	459,852	370,555
181-210 days	-	25,000
211-240 days	-	12,278
	<b>1,510,197</b>	<b>2,260,644</b>

As of 30 September 2021 and 31 December 2020 provision for doubtful receivables movement schedule is as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Opening balance	425,842	65,554
Collections made during the period	-	360,288
<b>Closing Balance</b>	<b>425,842</b>	<b>425,842</b>



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**Short Term Trade Payables**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Trade payables	227,970,302	177,821,420
Notes payables	64,379,577	30,719,504
Unearned interests on payables	(1,869,794)	(3,502,033)
Expense accruals	27,133,673	26,912,693
<b>Trade Payables To Third Parties</b>	<b>317,613,758</b>	<b>231,951,584</b>
Payables to related parties (Note 5)	599,248	125,768
Unearned interests on notes payables to related parties (Note 5)	(6,721)	(4,014)
<b>Trade Payables to Related Parties</b>	<b>592,527</b>	<b>121,754</b>
<b>Total Short Term Trade Payables</b>	<b>318,206,285</b>	<b>232,073,338</b>

As of 30.09.2021 ,the average maturity of trade payables are 61 days. (31 December 2020: 61 days).

As of 30 September 2021, the surety bond amounting to USD 11,794,960 (TRY 104,306,371) and EUR 597,276 (TRY 6,160,001) were given for trade payables of the Group by bank. (31.12.2020: USD 8,700,032 (63,862,584TRY) and EUR 186,504(1,680,008 TRY)) (Note 19)

As of 30 September 2021 and 31 December 2020 maturity breakdown of notes payables are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
1 – 30 days	51,126,722	16,922,884
31 – 60 days	9,209,948	7,995,011
61 – 90 days	3,638,578	5,645,399
91 – 120 days	404,329	156,210
	<b>64,379,577</b>	<b>30,719,504</b>

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**NOTE 7 – FINANCIAL BORROWINGS**

	<b>30.09.2021</b>	<b>31.12.2020</b>
<b>Short Term Borrowings:</b>		
TRY borrowings	30,485,635	53,188,675
USD borrowings	183,619,146	29,464,772
EUR borrowings	229,500,792	273,405,266
Credit card liabilities (TRY)	111,632	85,779
<b>Short Term Financial Borrowings</b>	<b>443,717,205</b>	<b>356,144,492</b>
<b>Lease Payables:</b>		
TRY lease payables, net	4,350,148	3,909,971
EUR lease payables, net	1,768,055	4,654,414
<b>Operating lease payable:</b>		
Operating lease payables, net	22,996	221,308
<b>Bank Borrowings:</b>		
TRY borrowings	45,702,751	53,005,368
USD borrowings	139,026,937	28,916,315
EUR borrowings	299,145,081	223,139,739
<b>Current Installments of Long-Term Borrowings</b>	<b>490,015,968</b>	<b>313,847,115</b>
<b>Long Term Lease Payables:</b>		
TRY lease payables, net	17,821,876	21,124,853
EUR lease payables, net	-	701,821
<b>Long Term Bank Borrowings:</b>		
TRY borrowings	22,739,550	46,475,760
USD borrowings	93,467,215	149,822,335
EUR borrowings	440,773,428	561,847,141
<b>Long Term Financial Borrowings</b>	<b>574,802,069</b>	<b>779,971,910</b>
<b>Total Financial Liabilities</b>	<b>1,508,535,242</b>	<b>1,449,963,517</b>

As of 30 September 2021 and 31 December 2020 maturity analysis of borrowings and other financial borrowings are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Within 3 months	357,004,248	146,647,191
Between 3 - 12 months	570,587,726	514,558,723
Between 1 - 5 years	392,406,465	587,685,697
More than 5 years	164,573,728	170,459,539
	<b>1,484,572,167</b>	<b>1,419,351,150</b>

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As of 30 September 2021 and 31 December 2020 maturity schedule of long term bank borrowings are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Between 1-2 years	140,323,068	327,776,978
Between 2-3 years	108,924,078	110,570,721
Between 3-4 years	80,997,641	83,185,798
Between 4-5 years	62,161,677	66,152,197
Between 5-6 years	70,297,476	48,294,844
Between 6-7 years	21,397,358	40,802,788
Between 7-8 years	16,073,181	25,362,409
Between 8-9 years	15,593,555	13,668,123
Between 9-10 years	12,592,934	13,258,053
Between 10-11 years	9,770,384	8,557,023
Between 11-12 years	9,538,655	8,355,731
Between 12-13 years	9,310,186	8,155,783
Between 13-14 years	-	4,004,788
	<b>556,980,193</b>	<b>758,145,236</b>

As of 30 September 2021, effective interest rates for TRY, USD and EUR bank loans are 11.12%, 2.68 % and 2.72% (31 December 2020: TRY 8.91% USD 4.81% and EUR 2.71%).

The Group has guarantee by its shareholders and related companies in lending

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions is USD 134,950,000 (TRY 1,193,403,335), 25,000,000 EUR (TRY 257,837,500) and 132,310,000 TRY.

As of 30 September 2021 and 31 December 2020 the details of financial leasing borrowings of Group are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Short term lease payables	9,306,390	12,347,806
Cost of deferred lease payables (-)	(3,188,187)	(3,783,421)
	<b>6,118,203</b>	<b>8,564,385</b>
	<b>30.09.2021</b>	<b>31.12.2020</b>
Long term lease payables	22,437,208	28,759,407
Cost of deferred lease payables (-)	(4,615,332)	(6,932,733)
	<b>17,821,876</b>	<b>21,826,674</b>

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As of 30 September 2021, the repayment schedule of lease payables are as follows:

	<b>Lease payables</b>	<b>Cost of deferred lease payables</b>	<b>Total liabilities</b>
Between 0 – 1 years	9,306,390	(3,188,187)	6,118,203
Between 1 – 2 years	7,479,060	(2,432,867)	5,046,193
Between 2 – 3 years	7,479,060	(1,585,986)	5,893,074
Between 3 – 4 years	7,479,088	(596,479)	6,882,609
	<b>31,743,598</b>	<b>(7,803,519)</b>	<b>23,940,079</b>

As of 31 December 2020, the repayment schedule of lease payables are as follows:

	<b>Lease payables</b>	<b>Cost of deferred lease payables</b>	<b>Total liabilities</b>
Between 0 – 1 years	12,347,806	(3,783,421)	8,564,385
Between 1 – 2 years	8,191,962	(2,998,017)	5,193,945
Between 2 – 3 years	7,479,060	(2,233,338)	5,245,722
Between 3 – 4 years	7,479,060	(1,352,854)	6,126,206
Between 4 – 5 years	5,609,325	(348,524)	5,260,801
	<b>41,107,213</b>	<b>(10,716,154)</b>	<b>30,391,059</b>

As of 30 September 2021 , details of operating lease payables are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Operating lease payables	22,996	221,308
	<b>22,996</b>	<b>221,308</b>

As of 30 September 2021 and 31 December 2020, the repayment schedule of operating lease payables are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Between 0 – 1 years	22,996	221,308
	<b>22,996</b>	<b>221,308</b>

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**NOTE 8 – OTHER RECEIVABLES AND PAYABLES**

**Other Current Receivables**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Deposit and guarantees given	2,123,466	783,651
VAT return receivables	7,961,686	9,761,503
Other receivables	234,516	25,990
<b>Other Receivables from Third Parties</b>	<b>10,319,668</b>	<b>10,571,144</b>
Receivables from shareholders (Note 5)	129,782,648	128,646,738
<b>Other Receivables From Related Parties</b>	<b>129,782,648</b>	<b>128,646,738</b>
<b>Total Other Current Receivables</b>	<b>140,102,316</b>	<b>139,217,882</b>

**Other Non-Current Receivables**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Deposits and guarantees given	125,303	120,830
	<b>125,303</b>	<b>120,830</b>

**Other Current Payables**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Deposit and guarantees received	34,400	22,400
Taxes and funds payable	4,254,227	6,078,340
Other various debts	141,957	48,767
<b>Other Payables to Third Parties</b>	<b>4,430,584</b>	<b>6,149,507</b>
Payables to shareholders (Note 5)	9,361,262	1,211,073
Payables to related parties (Note 5 )	3,626,138	4,063,897
<b>Other Payables to Related Parties</b>	<b>12,987,400</b>	<b>5,274,970</b>
<b>Total Other Current Payables</b>	<b>17,417,984</b>	<b>11,424,477</b>

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**NOTE 9 –DERIVATIVE INSTRUMENTS**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Income accrual from forward Exchange	231,904	173,048
	<b>231,904</b>	<b>173,048</b>
	<b>30.09.2021</b>	<b>31.12.2020</b>
Expense accruals of forward exchange	-	94,875
	<b>-</b>	<b>94,875</b>

**NOTE 10 – INVENTORIES**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Raw materials	229,623,537	136,109,419
Semi-finished products	199,624,355	149,816,954
Finished goods	92,497,840	52,946,862
Trade goods	738,399	762,416
Other inventories	-	13,275,090
Agricultural products (Figs, Apricot and Grape)	141,123,135	148,719,943
	<b>663,607,266</b>	<b>501,630,684</b>

All inventories of the Group are covered by insurance coverage.

**NOTE 11 – BIOLOGICAL ASSETS**

**Current Biological Assets**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Biological assets (Tomato)	12,195,386	6,361,162
	<b>12,195,386</b>	<b>6,361,162</b>

The Group’s biological assets consist of tomatoes. Tomatoes in growing process have been shown in the consolidated financial statements with their cost and after impairment provisions (if any) since they do not have any active markets.

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**NOTE 12 – PREPAID EXPENSES AND DEFERRED INCOME**

**Short Term Prepaid Expenses**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Order advances given	12,742,995	2,117,570
Prepaid expenses	2,481,994	3,905,720
Advances given for business purposes	594	11,911
	<b>15,225,583</b>	<b>6,035,201</b>

**Long Term Prepaid Expenses**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Advances given for purchases of tangible assets	800,207	614,078
Prepaid expenses	490,551	405,380
	<b>1,290,758</b>	<b>1,019,458</b>

**Short Term Deferred Income**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Advances received	11,072,438	7,748,434
Deferred income	3,657,342	14,489,714
	<b>14,729,780</b>	<b>22,238,148</b>

**NOTE 13 – ASSETS RELATED TO CURRENT PERIOD TAX**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Prepaid taxes and funds	1,843,031	1,143,958
	<b>1,843,031</b>	<b>1,143,958</b>

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**NOTE 14 – INVESTMENTS VALUED BY EQUITY PICK-UP METHOD**

As of 30 September 2021 and 31 December 2020 the companies accounted by equity pick up method are as follows:

	<b>30.09.2021</b>	<b>Share (%)</b>	<b>31.12.2020</b>	<b>Share (%)</b>
Aktur İzmir Gayrimenkul A.Ş.	53,260,405	48%	52,953,647	48%
	<b>53,260,405</b>		<b>52,953,647</b>	

The total assets, liabilities and owner’s equity of the investments which are evaluated by equity pick up method with their summary of income statement related to the periods ended 30 September 2021 and 31 December 2020 are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Current assets	954,922	387
Non-current assets	120,231,695	120,206,237
<b>Total Assets</b>	<b>121,186,617</b>	<b>120,206,624</b>
Current liabilities	301,762	3,595
Non-current liabilities	9,925,678	9,882,932
Parent company’s equity	110,959,177	110,320,097
<b>Total Liabilities</b>	<b>121,186,617</b>	<b>120,206,624</b>
Sales, net	1,179,663	-
Net profit / (loss)	639,081	(13,556)



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**NOTE 15 – INVESTMENT PROPERTIES**

<b>Cost Value</b>	<b>Land</b>	<b>Total</b>
01 January 2020 opening balance	66,075,000	66,075,000
Additions	83,200	83,200
Fair value	12,786,667	12,786,667
Transfers	420,133	420,133
31 December 2020 closing balance	79,365,000	79,365,000
Additions	-	-
30 September 2021 closing balance	79,365,000	79,365,000
<b>31.12.2020, Net Book Value</b>	<b>79,365,000</b>	<b>79,365,000</b>
<b>30.09.2021, Net Book Value</b>	<b>79,365,000</b>	<b>79,365,000</b>

The Group’s investment properties consist of lands with zoning permits. The details of the properties are as follows;

	<b>Manisa</b>	<b>İzmir</b>
<b>As of 01 January 2020</b>	2,600,000	63,475,000
Transfers	-	420,133
Additions	-	83,200
Value Decrease/increase	400,000	12,386,667
<b>As of 31 December</b>	<b>3,000,000</b>	<b>76,365,000</b>
Additions	-	-
<b>As of 30 September 2021</b>	<b>3,000,000</b>	<b>76,365,000</b>

As of 30 September 2021, the lands that are shown as investment property are revaluated by Rota Gayrimenkul Değerleme ve Danışmanlık A.Ş. The fair values determined in the valuation studies carried out on 31 December 2020 are reflected in the accompanying consolidated financial statements.

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**30 EYLÜL 2021 TARİHİNDE SONA EREN ARA DÖNEME AİT**  
**KONSOLİDE FİNANSAL TABLOLARA İLİŞKİN AÇIKLAYICI DİPNOTLAR**  
(Tutarlar, aksi belirtilmedikçe Türk Lirası (“TL”) olarak ifade edilmiştir.)

**NOTE 16 – TANGIBLE ASSETS**

<b>Cost Value</b>	<b>Land</b>	<b>Land Improvements</b>	<b>Buildings</b>	<b>Property, plant and equipment</b>	<b>Vehicles</b>	<b>Fixtures and fittings</b>	<b>Construction in progress</b>	<b>Special costs</b>	<b>Total</b>
01 January 2020 opening balance	4,765,171	82,676,506	106,877,046	527,142,561	3,380,347	17,404,860	47,823,197	9,175	790,078,863
Additions	-	17,000	55,899	5,009,558	1,078,930	651,139	172,550,195	-	179,362,721
Disposals	-	-	-	(1,101,521)	(86,247)	(27,605)	-	-	(1,215,373)
Transfers	(403,653)	(13,892,482)	1,312,757	189,139,344	-	-	(181,303,963)	-	(5,147,997)
Impairment	-	-	(7,754,809)	-	-	-	-	-	(7,754,809)
Gain on revaluation of property	79,488,282	-	128,406,907	263,551,229	-	-	-	-	471,446,418
31 December 2020 closing balance	83,849,800	68,801,024	228,897,800	983,741,171	4,373,030	18,028,394	39,069,429	9,175	1,426,769,823
Additions	-	-	-	3,038,803	5,928,833	862,771	9,707,948	-	19,538,355
Disposals	-	-	-	(1,589,410)	(554,675)	(12,969)	(277,322)	(9,175)	(2,443,551)
Transfers	-	-	813,698	29,298,977	-	-	(33,230,188)	-	(3,117,513)
Gain on revaluation of property	-	84,912,814	-	(22,936,867)	-	-	-	-	61,975,947
30 September 2021 closing balance	83,849,800	153,713,838	229,711,498	991,552,674	9,747,188	18,878,196	15,269,867	-	1,502,723,061
<b>Accumulated Depreciation</b>									
01 January 2020 opening balance	-	29,777,343	23,342,898	236,641,372	1,347,938	11,577,509	-	2,752	302,689,812
Additions	-	3,767,999	2,187,460	31,330,131	72,344	1,784,767	-	1,835	39,144,536
Disposals	-	-	-	(739,541)	(33,061)	(23,925)	-	-	(796,527)
Transfers	-	(12,743,956)	-	12,743,956	-	-	-	-	-
Gain on revaluation of property	-	-	(25,530,358)	(279,975,918)	-	-	-	-	(305,506,276)
31 December 2020 closing balance	-	20,801,386	-	-	1,387,221	13,338,351	-	4,587	35,531,545
Additions	-	4,607,369	5,582,969	69,048,669	435,368	1,165,906	-	1,071	80,841,352
Disposals	-	-	-	(1,168,832)	(480,703)	(8,104)	(5,658)	-	(1,663,297)
Gain on revaluation of property	-	(22,747,942)	-	(5,299,469)	-	-	-	-	(28,047,411)
30 September 2021 closing balance	-	2,660,813	5,582,969	62,580,368	1,341,886	14,496,153	(5,658)	5,658	86,662,189
<b>31.12.2020, Net Book Value</b>	<b>83,849,800</b>	<b>47,999,638</b>	<b>228,897,800</b>	<b>983,741,171</b>	<b>2,985,809</b>	<b>4,690,043</b>	<b>39,069,429</b>	<b>4,588</b>	<b>1,391,238,278</b>
<b>30.09.2021, Net Book Value</b>	<b>83,849,800</b>	<b>151,053,025</b>	<b>224,128,529</b>	<b>928,972,306</b>	<b>8,405,302</b>	<b>4,382,043</b>	<b>15,275,525</b>	<b>(5,658)</b>	<b>1,416,060,872</b>

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As of 30 September 2021, the depreciation expense of tangible assets for the period is TRY 80,841,352 (31 December 2020: TRY 39,144,536)

As of 30 September 2021, fixed assets are insured by TRY 28,619,743, EUR 37,958,700 (TRY 391,487,052), USD 170,778,010 (TRY 1,510,258,254). (31 December 2020: TRY 22,017,716, EUR 37,956,200 (TRY 341,905,654), USD 173,233,792 (TRY 1,271,622,650).

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions are USD 134,950,000 (TRY 1,193,403,335), EUR 25,000,000 (TRY 257,837,500) and TRY 132,310,000.

As of 30 September 2021, net book value of leasing machines is TRY 42,704,874 (31.12.2020: 15,184,269 TRY).

As of 30 September 2021 and 31 December 2020, the Group has no borrowing costs.

**NOTE 17 – RIGHT OF USE ASSETS**

<b>Cost Value</b>	<b>Lands</b>	<b>Buildings</b>	<b>Plants</b>	<b>Vehicles</b>	<b>Total</b>
01 January 2020 opening balance	216,676	419,777	158,360	1,180,687	1,975,500
Disposals	(216,676)	-	-	-	(216,676)
31 December 2020 closing balance	-	419,777	158,360	1,180,687	1,758,824
Additions	-	-	-	-	-
30 September 2021 closing balance	-	419,777	158,360	1,180,687	1,758,824
<b>Accumulated Depreciation</b>					
01 January 2020 opening balance	43,335	226,034	127,568	631,200	1,028,137
Additions	-	193,743	30,792	347,751	572,286
Disposals	(43,335)	-	-	-	(43,335)
31 December 2020 closing balance	-	419,777	158,360	978,951	1,557,088
Additions	-	-	-	181,562	181,562
30 September 2021 closing balance	-	419,777	158,360	1,160,513	1,738,650
<b>31.12.2020, Net Book Value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201,736</b>	<b>201,736</b>
<b>30.09.2021, Net Book Value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,174</b>	<b>20,174</b>

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**NOTE 18 – INTANGIBLE ASSETS**

<b>Cost Value</b>	<b>Rights</b>	<b>Research and Development Expenses</b>	<b>Other Intangible Assets</b>	<b>Total</b>
01 January 2020 opening balance	703,167	10,833,888	1,036,698	12,573,753
Additions	227,769	-	-	227,769
Transfers	(3,755)	4,714,839	16,780	4,727,864
31 December 2020 closing balance	927,181	15,548,727	1,053,478	17,529,386
Additions	169,689	-	75	169,764
Transfers	-	3,117,513	-	3,117,513
30 September 2021 closing balance	1,096,870	18,666,240	1,053,553	20,816,663
<b>Accumulated Depreciation</b>				
01 January 2020 opening balance	401,778	1,358,073	819,000	2,578,851
Additions	123,316	1,170,462	94,275	1,388,053
Transfers	(15,543)	-	15,543	-
31 December 2020 closing balance	509,551	2,528,535	928,818	3,966,904
Additions	167,439	1,348,009	15,244	1,530,692
30 September 2021 closing balance	676,990	3,876,544	944,062	5,497,596
<b>31.12.2020, Net Book Value</b>	<b>417,630</b>	<b>13,020,192</b>	<b>124,660</b>	<b>13,562,482</b>
<b>30.09.2021, Net Book Value</b>	<b>419,880</b>	<b>14,789,696</b>	<b>109,491</b>	<b>15,319,067</b>

As of 30 September 2021, the amortization expense of intangible assets for the period is TRY 1,530,692 (31 December 2020: TRY 1,388,053).

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**NOTE 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

As of 30 September 2021 and 31 December 2020, the Group's guarantee / security / mortgage (“GSM”) position are as follows:

<b>Guarantees, security and mortgage “(GSM)” given by the Group</b>	<b>30.09.2021</b>	<b>31.12.2020</b>
A. Total Amount of GSM given on behalf of legal entity	3,636,085,996	3,068,291,966
B. Total Amount of GSM given for partnerships which included in full consolidation	None	224,752,894
C. Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade activities	None	None
D. Total Amount of other GSM given	None	None
<i>i. Total Amount of GSM given for the Parent Group</i>	None	None
<i>ii. Total Amount of GSM Given for Other Group Companies not Included in B and C Clauses</i>	None	None
<i>iii. Total Amount of GSM Given for Third Parties not Included in C Clause</i>	None	None
<b>Total</b>	<b>3,636,085,996</b>	<b>3,293,044,860</b>

As of 30 September 2021, details of mortgage on lands and buildings given to financial institutions are as follows:

	<b>FX Currency</b>	<b>FX Amount</b>	<b>FX Rate</b>	<b>TRY Equivalent</b>
Türkiye Vakıflar Bankası T.A.O	TRY	97,310,000	1.0000	97,310,000
Türkiye Vakıflar Bankası T.A.O	USD	134,950,000	8.8433	1,193,403,335
Türkiye Vakıflar Bankası T.A.O	EUR	25,000,000	10.3135	257,837,500
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	TRY	35,000,000	1.0000	35,000,000
				<b>1,583,550,835</b>

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As of 30 September 2021, details of the guarantee letters given are as follows:

Details of Guarantee Letters Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Electricity and Natural Gas Distribution Companies	TRY	8,323,522	1.0000	8,323,522
Energy Market Regulatory Authority	TRY	25,902	1.0000	25,902
Customs Administration	TRY	17,399,370	1.0000	17,399,370
Credit Guarantee	USD	22,243,250	8.8433	196,703,733
Credit Guarantee	EUR	36,125,760	10.3135	372,583,026
Food, Agriculture Livestock Directorate	TRY	625,669	1.0000	625,669
Public Institutions	TRY	3,825,372	1.0000	3,825,372
				<b>599,486,594</b>

As of 30 September 2021, bank details of the guarantee letters given are as follows:

Bank Details of Guarantee Letters Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O.	TRY	29,821,835	1.0000	29,821,835
Türkiye Vakıflar Bankası T.A.O.	EUR	11,825,760	10.3135	121,964,976
Türkiye Vakıflar Bankası T.A.O.	USD	12,978,750	8.8433	114,774,980
Türkiye Finans Katılım Bankası A.Ş.	TRY	58,000	1.0000	58,000
Halk Bank A.Ş.	USD	9,162,500	8.8433	81,026,736
Halk Bank A.Ş.	EUR	24,300,000	10.3135	250,618,050
Türkiye Finans Katılım Bankası A.Ş.	USD	102,000	8.8433	902,017
İşbankası A.Ş.	TRY	320,000	1.0000	320,000
				<b>599,486,594</b>

As of 30 September 2021, avals which are given to trade receivables by the Group are as follows:

	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O	USD	11,794,960	8.8433	104,306,371
Türkiye Vakıflar Bankası T.A.O	EUR	597,276	10.3135	6,160,001
				<b>110,466,372</b>

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As of 30 September 2021, bank details of the general borrowing contracts are as follows:

General Borrowing Contracts:	FX Currency	FX Amount	FX Rate	TRY Equivalent
Albarakaturk A.Ş.	TRY	15,000,000	1.0000	15,000,000
Denizbank A.Ş.	USD	9,000,000	8.8433	79,589,700
Eximbank A.Ş.	USD	25,000,000	8.8433	221,082,500
Finansbank A.Ş.	TRY	13,000,000	1.0000	13,000,000
Halk Bankası A.Ş.	TRY	10,000,000	1.0000	10,000,000
İşbankası A.Ş.	USD	9,500,000	8.8433	84,011,350
Odea Bank A.Ş.	TRY	33,000,000	1.0000	33,000,000
Şekerbank A.Ş.	USD	3,750,000	8.8433	33,162,375
Şekerbank A.Ş.	TRY	2,500,000	1.0000	2,500,000
Şekerbank A.Ş.	EUR	7,500,000	10.3135	77,351,250
Türkiye Finans katılım Bankası A.Ş.	TRY	30,000,000	1.0000	30,000,000
Akbank T.A.Ş.	TRY	4,000,000	1.0000	4,000,000
Vakıfbank A.Ş.	USD	65,000,000	8.8433	574,814,500
Turkland Bank A.Ş.	TRY	15,000,000	1.0000	15,000,000
Arap Türk Bankası A.Ş.	USD	2,000,000	8.8433	17,686,600
				<b>1,210,198,275</b>

As of 30 September 2021, details of the guarantee notes given are as follows:

Guarantee Notes Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Eximbank	USD	1,675,000	8.8433	14,812,527
Eximbank	EUR	3,305,125	10.3135	34,087,407
				<b>48,899,934</b>

As of 30 September 2021, bank details of the bonds are as follows:

Bond	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türk Eximbank	USD	3,465,867	8.8433	30,649,702
Türk Eximbank	EUR	5,549,088	10.3135	57,230,519
Türkiye Cumhuriyeti Merkez Bankası	USD	8,000,000	8.8433	70,746,400
Türkiye Cumhuriyeti Merkez Bankası	EUR	3,425,000	10.3135	35,323,737
				<b>193,950,358</b>

There is no guarantee given by the Group for the loans in favor of related parties. For credit contracts of the Group USD 114,250,000 (TRY 1,010,347,025), EUR 7,500,000 (TRY 77,351,250) and TRY 122,500,000 guarantee are provided by related parties (Akça Holding and Osman Akça) (31 December 2020: USD 114,250,000 (TRY 838,652,125), EUR 7,500,000 (TRY 67,559,250) and TRY 122,500,000).

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**NOTE 20 – PROVISIONS**

**Other Short Term Provisions**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Provision for the lawsuits	4,241,784	2,961,869
Provision for unused vacation	6,821,964	6,213,323
	<b>11,063,748</b>	<b>9,175,192</b>

	<b>30.09.2021</b>	<b>31.12.2020</b>
Unused vacation provisions at beginning of period	6,213,323	6,735,719
Provisions reversed during the period	-	(643,679)
Provisions during the period	608,641	121,283
<b>Closing balance</b>	<b>6,821,964</b>	<b>6,213,323</b>

**Long Term Provisions for Employee Benefits**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Provision for severance pay	65,760,604	57,822,309
	<b>65,760,604</b>	<b>57,822,309</b>

For the period of 01 January – 30 September 2021, the average personnel number including subcontractors employed by the Group is 3,906 (01.01-31.12.2020: 4,378). The rate of retirement probability used is 96%. (01.01-31.12.2020: % 96).

For the period ended at 30 September 2021 and 31 December 2020 the movement schedule of severance pay provision is as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Balance of 01 January	57,822,309	48,560,363
Increase in the period	10,742,949	22,938,676
Interest cost	1,941,910	2,933,283
Payments during the period	(5,329,331)	(9,815,940)
Actuarial profit/(loss)	582,767	(6,794,073)
<b>Balance at the end of the period</b>	<b>65,760,604</b>	<b>57,822,309</b>



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**NOTE 21 – EMPLOYEE BENEFIT LIABILITIES**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Due to personnel	19,258,821	21,037,453
Social security deductions payable	5,329,351	4,692,044
	<b>24,588,172</b>	<b>25,729,497</b>

**NOTE 22 – OTHER CURRENT ASSETS AND LIABILITIES**

**Other Current Assets**

	<b>30.09.2021</b>	<b>31.12.2020</b>
VAT carried forward	86,360,826	81,443,792
	<b>86,360,826</b>	<b>81,443,792</b>

**NOTE 23 – SHARE CAPITAL**

**23.1 Paid in Capital**

As of 30 September 2021 and 31 December 2020, Group’s paid in capital was divided into 250,000,000 shares as each valued at TRY 0.01 nominally 25,000,000,000 shares.

Ş As of 30 September 2021 and 31 December 2020, Group’s paid in capital is as follows:

	<b>30.09.2021</b>		<b>31.12.2020</b>	
<b>Shareholders:</b>	<b>Share (%)</b>	<b>TRY</b>	<b>Share (%)</b>	<b>TRY</b>
Public Offered Shares	46.78%	116,949,944	46.88%	117,189,944
Akça Holding A.Ş.	50.83%	127,069,501	50.73%	126,829,500
Other	2.39%	5,980,555	2.39%	5,980,556
<b>Total</b>	<b>100.00%</b>	<b>250,000,000</b>	<b>100.00%</b>	<b>250,000,000</b>

According to Group’s main article of association, more than half of the Members of Board required to be elected from the candidates which are pointed out from A Group shareholders (TRY 100,000).

**23.2 Inflation Adjustments of Shareholders’ Equity**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Inflation adjustment of shareholders’ equity	860,487	485,133
	<b>860,487</b>	<b>485,133</b>

Adjustment of shareholders’ equity is the difference between the total amount of cash additions made to the capital, adjusted according to the TAS/IFRS’s published by the POA and the amounts before the adjustment.

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**23.3 Impact of mergers involving jointly controlled enterprises or businesses**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Effect of mergers involving undertakings or businesses subject to common control	-	(70,487,372)
	-	<b>(70,487,372)</b>

**23.4 Accumulated Other Comprehensive Income/(Expenses) not to be reclassified on Profit or Loss**

**23.4.1 Gain on revaluation of properties**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Gain on revaluation of properties	721,039,934	638,436,962
	<b>721,039,934</b>	<b>638,436,962</b>

The movement schedule for gains/(losses) on revaluation and remeasurement is as follows:

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 31.12.2020</b>
1 January (Beginning of period)	638,436,962	-
Increase in value on fixed asset	90,023,358	782,652,561
Transfer to minority shares	(181,790)	(11,597,629)
Deferred tax effect	(7,238,596)	(132,617,970)
	<b>721,039,934</b>	<b>638,436,962</b>

The Group has revaluated all of the lands and buildings to their fair values in accordance with TAS 16, Property, Plant and Equipment as of 30 September 2021 and 31 December 2020 and included the revaluation increase amounting to TRY 1,388,003,660 (31 December 2020: TRY 1,296,488,771 TRY) in consolidated financial statements (Note 16).

The valuation company used the Market Value Method in determining the fair values of land, land and buildings. The "Cost Method" was used to determine the fair values of land improvements and machinery, plant and equipments.

The fair value increases TRY 721,039,934 (31 December 2020: TRY 638,436,962) from revaluation of tangible assets are recognized in gain on revaluation of properties account which is under equity, after the netting of the deferred tax effect.

Valuation studies of the land and buildings of Aktur İzmir Gayrimenkul A.Ş., which is consolidated by equity pick up method, were carried out by Rota Taşınmaz Değerleme ve Danışmanlık A.Ş., an organization accredited to the CMB. The group's valuation of machinery, plant and equipments was carried out by LAL Gayrimenkul Değerleme ve Müşavirlik A.Ş. and Aden Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi, an organization accredited to the CMB.

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**23.4.2 Defined Benefit Plans Re-Measurement Gains (Losses)**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Defined Benefit Plans Re-Measurement Gains (Losses)	4,913,704	5,377,107
	<b>4,913,704</b>	<b>5,377,107</b>

**23.5 Other Accumulated Comprehensive Income or Expenses to be Reclassified to Profit or Loss**

**23.5.1 Shares of Other Comprehensive Income of Investments Valued by Equity Pick Up Method Not to be Classified in Profit or Loss**

	<b>30.09.2021</b>	<b>31.12.2020</b>
Shares of Other Comprehensive Income of Investments Valued by Equity Pick Up Method Not to be Classified in Profit or Loss	42,649,562	42,649,562
	<b>42,649,562</b>	<b>42,649,562</b>

Increases resulting from the revaluation of the investment properties of Aktur İzmir Gayrimenkul A.Ş., the subsidiary of the Group, which is consolidated with equity pick up method, deferred tax effect on the revaluation increases (decreases) of the investments valued by equity pick up method included in the equity group in the balance sheet. It is recorded as 42,649,562 TRY after clarification.

**23.6 Restricted Reserves**

According to the Turkish Commercial Code, the general statutory reserves are allocated as 5% of the annual profit until 20% of the Group 's paid-up capital is reached. The other legal reserves are allocated at a rate of 10% of the total amount to be distributed to the shareholders after paying the shareholders a profit share of five percent. According to the Turkish Commercial Code, general legal reserves can only be used to cover losses, to keep operating at a time when things are not going well, or to take measures to prevent unemployment and mitigate its consequences, if it does not exceed the half of capital or capital removed.

	<b>30.09.2021</b>	<b>31.12.2020</b>
Legal reserves	10,340,261	10,147,245
	<b>10,340,261</b>	<b>10,147,245</b>

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5 %, until the total reserve reaches a maximum of 20 % of the Group’s share capital. The second legal reserve is appropriated at the rate of 10 % of all distributions in excess of 5 % of the Group’s share capital. The first and second legal reserves are not available for distribution unless they exceed 50 % of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted.

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**Profit Distribution**

Public companies distribute their profit shares according to the Communiqué No: II-19.1, which is effective from 1 February 2014 of the CMB.

The partnerships distribute their profits within the framework of the profit distribution policies to be determined by the general assemblies and in accordance with the provisions of the related legislation by the decision of the general assembly. Within the scope of the said communiqué, a minimum distribution ratio has not been determined. Companies pay dividends in the manner specified in their articles of incorporation or profit distribution policies. In addition, dividends may be paid in installments of equal or different consistency, and cash dividend advances may be distributed over the profit on the interim period financial statements.

Unless the dividends determined according to the TCC are reserved for the shareholders in the Articles of Association or in the profit distribution policy; the profit share determined for the shareholders cannot be distributed to the shareholders as long as the dividend determined for the shareholders is paid in cash, as it is not decided whether the other reserves will be allocated, the profit will be distributed to the beneficiaries, the members of the board of directors, partnership employees and persons other than the shareholders.

**23.7 Retained Earnings/ Losses**

The accumulated profits other than net period profit are shown in this item. Extraordinary reserves which are essentially accumulated profits and therefore unrestricted are also considered to be accumulated profits and are shown in this item.

	<b>30.09.2021</b>	<b>31.12.2020</b>
Previous Years Profits/(Losses)	(243,093,206)	(77,913,133)
	<b>(243,093,206)</b>	<b>(77,913,133)</b>

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**23.8 Minority Interest**

The details of the minority interests as of 30 September 2021 are as follows

<b>30 September 2021</b>	<b>Total Shareholders' Equity</b>	<b>Profit/(Loss) of the Period</b>	<b>Parent Group Share</b>	<b>Minority Interest</b>	<b>Minority part of Shareholders' Equity</b>	<b>Minority part of Profit/(Loss)</b>	<b>Minority Total comprehensive income / (loss)</b>
Smryna	81,318,799	3,511,028	79.17%	20.83%	16,941,416	731,464	910,444
					<b>16,941,416</b>	<b>731,464</b>	<b>910,444</b>

The details of the minority interests as of 31 December 2020 are as follows:

<b>31 December 2020</b>	<b>Total Shareholders' Equity</b>	<b>Profit/(Loss) of the Period</b>	<b>Parent Group Share</b>	<b>Minority Interest</b>	<b>Minority part of Shareholders' Equity</b>	<b>Minority part of Profit/(Loss)</b>	<b>Minority Total comprehensive income / (loss)</b>
Smryna	76,948,669	9,948,660	79.17%	20.83%	16,030,972	2,072,638	13,699,603
					<b>16,030,972</b>	<b>2,072,638</b>	<b>13,699,603</b>

As of 30 September 2021 and 31 December 2020, the details of non-controlling interests are as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Shares in capital	2,500,000	2,500,000
Revaluation fund	11,779,419	11,597,629
Actuarial loss / (gain)	23,424	26,234
Shares in accumulated profit / ( losses)	1,907,109	(165,529)
Share in profit / (loss) for the period	731,464	2,072,638
	<b>16,941,416</b>	<b>16,030,972</b>

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**NOTE 24 – SALES AND COST OF SALES**

**24.1 Sales**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Domestic sales	635,046,056	448,273,498	231,330,705	176,401,796
Export sales	840,460,019	805,922,535	403,421,675	454,495,131
Other sales	10,116,818	4,804,141	2,316,808	1,335,012
	<b>1,485,622,893</b>	<b>1,259,000,174</b>	<b>637,069,188</b>	<b>632,231,939</b>
Sales returns	(1,150,849)	(1,609,932)	(281,105)	(751,921)
Other discounts	(6,485,203)	(4,768,267)	(2,149,736)	(1,776,894)
<b>Sales Income, (net)</b>	<b>1,477,986,841</b>	<b>1,252,621,975</b>	<b>634,638,347</b>	<b>629,703,124</b>

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**24.2 Cost of Sales**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Direct material expenses	623,484,576	563,173,053	219,647,810	229,005,830
Direct labor expenses	143,134,537	134,674,205	51,676,639	39,569,564
General production expenses	76,397,144	64,705,459	28,110,147	30,061,290
Depreciation expenses	50,162,290	13,949,755	25,962,836	4,967,860
<u>Change in semi-finished goods</u>				
1. Beginning semi-finished goods(+)	149,816,954	174,959,398	-	-
2. Ending semi-finished goods (-)	(199,624,355)	(202,219,804)	13,649,826	26,152,120
Cost of finished goods produced	843,371,146	749,242,066	339,047,258	329,756,664
<u>Changes in finished goods inventory</u>				
1. Beginning inventory (+)	52,946,862	27,181,623	-	-
2. Ending inventory (-)	(92,497,840)	(38,992,074)	38,873,679	49,909,500
Cost of finished goods sold	803,820,168	737,431,615	377,920,937	379,666,164
<u>Cost of merchandises</u>				
1. Beginning merchandise inventory (+)	762,416	348,368	-	-
2. Purchases during the period (+)	4,839,489	4,899,935	2,528,421	898,005
3. Ending merchandise inventory (-)	(738,399)	(1,427,967)	(55,337)	584,392
Cost of merchandises sold	4,863,506	3,820,336	2,473,084	1,482,397
Cost of other service rendered	644,282	506,575	105,455	7,191
Cost of other sales	317,570,891	223,689,147	132,708,405	90,043,014
Cost of biological assets	25,159,830	15,773,017	1,100,814	1,046,995
Depreciation of biological assets	5,178,924	1,811,803	1,776,136	600,953
Energy costs	39,367,532	32,848,556	13,841,681	13,572,242
Energy depreciation	26,076,691	12,628,812	1,986,655	5,178,631
<b>Cost of sales, net</b>	<b>1,222,681,824</b>	<b>1,028,509,861</b>	<b>531,913,167</b>	<b>491,597,587</b>

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As of 01 January – 30 September 2021 and 2020, for each main production group, quantities of goods and services:

	Unit	01.01.- 30.09.2021	01.01.- 30.09.2020
Yarn	Kg	9,097,712	8,403,511
Raw Clothing	Mt2	88,936,119	83,279,981
Finishing Cloth	Mt2	110,798,015	137,171,758
Lining	Mt2	11,438,930	9,716,420
Linens, Sheets, Curtains, Pillows.	Quantity	13,422,657	15,075,549
Electricity	Kwh	234,368,096	193,816,340
Cotton Waste	Kg	137,216	204,232
Piece of Cloth	Kg	2,075,196	2,516,745
Yarn Waste	Kg	602,681	308,850
Textile Trash Powder	Kg	130,530	48,430
Tomato	Kg	2,302,102	4,237,989
Dried Figs	Kg	5,264,363	4,772,590
Dried Apricot	Kg	755,425	635,275
Dried Grape	Kg	12,382,133	10,423,610

As of 01 January- 30 September 2021 and 2020, for each main sales group, quantities of goods and services:

	Unit	01.01.- 30.09.2021	01.01.- 30.09.2020
Yarn	Kg	139,634	165,619
Raw Clothing	Mt2	1,585	333
Finishing Cloth	Mt2	12,513,686	14,750,231
Lining	Mt2	11,044,689	10,865,570
Linens, Sheets, Curtains, Pillows	Quantity	12,789,168	15,074,498
Electricity	Kwh	177,641,320	154,006,320
Cotton Waste	Kg	198,050	341,690
Piece of Cloth	Kg	2,137,040	2,580,945
Yarn Waste	Kg	477,230	308,850
Textile Trash Powder	Kg	124,030	48,430
Tomato	Kg	2,579,847	4,246,330
Dried Figs	Kg	5,264,363	4,772,590
Dried Apricot	Kg	755,425	635,275
Dried Grape	Kg	12,382,133	10,423,610



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**NOTE 25 – RESEARCH AND DEVELOPMENT GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Research and development expenses	6,561,145	3,179,468	-	2,227,357
Marketing, sales and distribution expenses	40,816,536	36,974,561	16,898,575	18,954,611
General administrative expenses	28,947,796	25,991,379	9,553,584	9,737,479
	<b>76,325,477</b>	<b>66,145,408</b>	<b>26,452,159</b>	<b>30,919,447</b>

**25.1 Research and Development Expenses**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Direct Material expenses	1,819,612	1,055,726	-	656,031
Personnel expenses	4,046,941	1,968,991	-	1,465,387
Other expenses	694,592	154,751	-	105,939
	<b>6,561,145</b>	<b>3,179,468</b>	<b>-</b>	<b>2,227,357</b>

**25.2 Marketing Expenses**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Personnel expenses	9,195,761	8,307,987	2,856,144	2,674,519
Export expenses	27,677,908	23,739,966	12,346,001	14,374,375
Domestic sales transportation expense	868,259	774,204	344,356	(771,079)
Depreciation expenses	101,676	260,878	55,054	52,034
Other expenses	2,972,932	2,874,336	1,297,020	1,625,125
Fair expense	-	1,017,190	-	999,637
	<b>40,816,536</b>	<b>36,974,561</b>	<b>16,898,575</b>	<b>18,954,611</b>

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**25.3 General Administrative Expenses**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07.- 30.09.2021</b>	<b>01.07.- 30.09.2020</b>
Personnel expenses	17,595,536	16,723,101	5,166,327	7,923,625
Insurance expenses	1,833,577	1,409,010	705,539	480,810
Vehicle and office rental expenses	326,471	63,637	326,471	63,637
Education and consultancy expenses	2,300,930	1,284,326	936,375	446,795
Office expenses	461,580	424,718	192,623	128,448
Capital market expenses	258,219	189,266	83,229	80,784
Repair and maintenance expenses	181,756	95,463	85,343	55,828
Travelling expenses	324,310	276,661	158,921	32,168
Membership expenses	334,877	159,754	44,585	39,673
Tax and duty expenses	1,725,678	1,271,253	508,760	77,045
Shares in holding cost (*)	825,644	933,228	241,477	340,606
Provision for litigation expenses	121,622	-	3,591	-
Provision for severance pay expense	56,339	204,785	12,313	(513,104)
Provision for unused personnel leave	110,062	695,319	45,793	86,873
Depreciation expenses	1,034,025	1,108,044	564,794	280,517
Other expenses	1,457,170	1,152,814	477,443	213,774
	<b>28,947,796</b>	<b>25,991,379</b>	<b>9,553,584</b>	<b>9,737,479</b>

(\*)Regarding expenses consists of personnel expenses reflected to the Group by Akça Holding.

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**NOTE 26 – OTHER OPERATING INCOME/ (EXPENSES)**

**26.1 Other Income From Operating Activities**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Reversal of unnecessary provision	1,757,205	16,949	1,612,720	-
Insurance compensation income	-	577,184	-	-
Foreign exchange gains related to commercial activities	43,951,538	33,734,747	9,511,604	24,346,732
Discount income / expenses on payables, net	4,791,688	3,208,105	(1,716,762)	158,402
Foreign exchange gains from related parties related to commercial activities (Note 5)	906,264	-	57,320	-
Turnover premium income	70,371	-	-	-
Foreign exchange gains from related parties related to commercial activities (Note 5)	15,625,355	11,467,033	1,284,169	2,383,924
Rental income	797,782	494,595	266,118	124,314
Other income and profit	2,842,300	3,723,650	408,230	1,984,618
	<b>70,742,503</b>	<b>53,222,263</b>	<b>11,423,399</b>	<b>28,997,990</b>

**26.2 Other Expenses From Operating Activities (-)**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Foreign exchange expenses from related parties related to commercial activities(Note 5)	8,126,138	267,454	755,888	267,454
Foreign exchange expenses related to commercial activities	22,626,089	24,399,052	3,138,570	5,038,374
Discount income/expenses on receivables,net	5,784,869	4,938,514	(239,514)	573,369
Other expenses and losses	3,507,984	613,216	494,015	302,552
Donation expenses	1,340,842	1,219,111	1,094,800	66,376
	<b>41,385,922</b>	<b>31,437,347</b>	<b>5,243,759</b>	<b>6,248,125</b>

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**NOTE 27 – INVESTMENT ACTIVITIES INCOME / EXPENSE**

**27.1 Income from Investment Activities**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Profit on sale of fixed assets	2,838,394	621,831	5,000	613,631
	<b>2,838,394</b>	<b>621,831</b>	<b>5,000</b>	<b>613,631</b>

**27.2 Expense from Investment Activities**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Expense on sale of fixed assets	40,219	-	39,402	-
	<b>40,219</b>	<b>-</b>	<b>39,402</b>	<b>-</b>

**27.3 Profit / Loss From Investments Evaluated by Equity Pick-up Method**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Shares related with investment valued by equity pick-up method	306,758	10,563,221	93,302	5,885,046
	<b>306,758</b>	<b>10,563,221</b>	<b>93,302</b>	<b>5,885,046</b>

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**NOTE 28 – FINANCIAL INCOME / EXPENSES**

**28.1 Financial Income**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Interest income	1,444,172	1,134,524	400,105	411,911
Interest income from related parties (Note 5)	10,813,285	270,147	3,667,117	166,091
Foreign exchange income regarding financial activities	22,826,475	14,037,881	4,059,901	7,583,987
Foreign exchange income from forward contracts	722,061	639,350	183,070	-
	<b>35,805,993</b>	<b>16,081,902</b>	<b>8,310,193</b>	<b>8,161,989</b>

**28.2 Financial Expenses (-)**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>	<b>01.07- 30.09.2021</b>	<b>01.07- 30.09.2020</b>
Interest expenses	40,404,642	37,931,018	12,926,836	15,498,533
Interest expenses from related parties (Note 5)	523,068	815,553	191,155	37,630
Foreign exchange losses regarding financial activities	202,669,521	379,211,605	3,337,833	213,688,425
Commission expenses of borrowings	5,968,831	8,377,813	2,223,311	2,821,741
Financial expenses from right of use assets	10,488	88,981	1,809	13,387
Maturity difference expenses	387,800	122	-	122
Foreign exchange losses arising from forward contracts	414,343	8,950	112,417	(27,525)
Other financial expenses	2,010,625	2,365,141	203,145	808,091
	<b>252,389,318</b>	<b>428,799,183</b>	<b>18,996,506</b>	<b>232,840,404</b>

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**NOTE 29 – TAX ASSETS AND LIABILITIES**

Group is liable to corporation tax valid in Turkey. The necessary provisions are made on the attached financial statements for expected tax liabilities related to the group’s current period activity results.

Corporation tax rate that will be accrued over corporation tax base is calculated over the tax base that remains after adding expenses recorded as expense in determination of commercial earnings that are non-deductible from tax base and subtracting tax-exempt profit, tax- free income and other deductions (if there are losses from previous years and used investment allowances if preferred).

In accordance with the regulation numbered 7316, published in Official Gazette on 22 April 2021, “Amendment of Law on Collection Procedure of Public Receivables and Other Certain Laws”, In the provisional tax return declarations to be submitted after July 1, 2021, corporate tax rate has increased from 20% to 25% and to %23 for the year 2022, it will be applied as 20% from 2023

The applied effective interest rate in the year of 2021 is 25% (2020: 22%)

Permanent tax is calculated and accrued quarterly in Turkey. As of temporary tax periods, the effective corporation tax rate is 25% in 2021 (2020: 22%).

There is no absolute and certain confirmation procedure related to tax evaluation in Turkey. Companies prepare their tax return between 1-25 Aprils coming after the related year’s balancing period (for the companies having special account period, between 1-25 of fourth month following the closing of period). These tax returns and related accounting records may be inspected and changed by tax department in five years.

There are some exceptions on Corporation Tax Law. These exceptions that Group will possibly utilize are explained as below;

*Taxable losses*

The Premium income provided by the disposing of stocks, formed whiles the establishments of Incorporated Companies or while increasing their capital, below their nominal values is an exemption from Corporation tax.

*Issue Premium Exemption*

The Premium income provided by the disposing of stocks, formed whiles the establishments of Incorporated Companies or while increasing their capital, below their nominal values is an exemption from Corporation tax.

*The Real Estate and Subsidiary Share Sales Gain Exemption*

The 75% of income of corporations composed of subsidiary shares, real estates, privilege, and promoter’s stock and perpetual bonds are exemptions of Corporation tax as of 31 December 2018 for two years. However, this rate has been decreased from 75% to 50% for the real estate’s regarding to new updates over the rule numbered 7061 and the rate shall be used as 50% for the tax declarations as of 2019.

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*Deferred Tax:*

The potential deferred tax assets/(liabilities) of the Group represents the tax effects of temporary differences, arising between the financial statements reported for Communiqué purposes and the statutory tax financial statements. Such differences arise due to the different treatment of certain items of income and expense included in the Communiqué financial statements compared to the local tax return, in accordance with applicable tax laws.

As of balance sheet date, accumulated temporary differences and deferred tax assets and liabilities prepared by using current applicable tax rate is as follows:

	<b>30.09.2021</b>		<b>31.12.2020</b>	
	<b>Cumulative temporary differences</b>	<b>Deferred tax / (liability))</b>	<b>Cumulative temporary differences</b>	<b>Deferred tax / (liability)</b>
<u>Deferred tax assets:</u>				
Unearned interests on receivables	2,278,822	524,129	2,915,173	583,035
Transferred R&D discount	7,993,583	1,598,717	-	-
Severance pay provision	65,760,604	13,152,121	57,822,309	11,564,461
Unused vacation provisions	6,821,964	1,569,051	6,213,323	1,242,664
Reversal of capitalized financial expenses (except land, buildings)	141,409,204	32,524,117	131,059,276	26,211,857
Reversal of capitalized financial expenses (land, buildings)	28,347,912	2,834,791	27,038,126	2,703,813
Deferred maturity difference income	3,607,282	829,675	14,311,500	2,862,300
Provisions of legal claims	3,060,767	703,976	2,961,869	592,373
Impairment of tangible fixed assets	7,754,809	775,481	7,754,810	775,481
Deductible retained losses	-	-	45,125,477	9,025,095
Foreign exchange	5,508,652	1,266,990	1,342,933	268,587
Effect of other corrections	46,532,885	10,702,565	34,749,724	6,949,947
<b>Deferred tax assets</b>		<b>66,481,613</b>		<b>62,779,613</b>
<u>Deferred tax liabilities:</u>				
Tangible assets (land, building, land improvements and depreciations), net	28,739,149	5,747,830	46,791,627	9,358,326
Difference in revaluation of land and buildings	341,086,303	34,108,631	233,425,547	23,342,554
Difference in revaluation of machinery, plant and equipments	514,475,508	102,895,101	543,527,147	108,705,429
Unearned interests on payables	1,876,515	431,599	3,506,047	701,210
Adjustments related to financial debts	-	-	1,851,045	370,209
Investment property increase in value	13,855,794	1,385,579	13,855,794	1,385,579
Effect of other corrections	3,155,593	725,787	2,635,041	527,011
<b>Deferred tax liabilities</b>		<b>145,294,527</b>		<b>144,390,318</b>
<b>Deferred tax assets / (liabilities), net</b>		<b>(78,812,914)</b>		<b>(81,610,705)</b>

The Group calculates deferred tax assets and liabilities considering the effect of temporary differences arising from the different evaluations between the statutory financial statements prepared in accordance with TAS / TFRS issued by the Group and its financial statements. These temporary differences usually result from the recognition of income and expenses in different reporting periods according to TAS / TFRS and Tax Code.

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For the period ended at 30 September 2021 and 2020 movements of deferred tax assets and liabilities are as follows:

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>
Current corporation tax	(1,518,575)	(764,866)
Deferred tax assets/(liabilities), net	9,919,833	20,449,252
	<b>8,401,258</b>	<b>19,684,386</b>

**Deferred Tax (Asset) / Liability Movements**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 31.12.2020</b>
Opening balance	(81,610,705)	32,480,154
Deferred tax income / (expense)	9,919,833	19,885,926
Gain on revaluation of properties	(7,238,596)	(132,617,970)
Actuarial (gain) / loss effect prior periods	116,554	(1,358,815)
<b>Closing balance</b>	<b>(78,812,914)</b>	<b>(81,610,705)</b>

**NOTE 30 – EARNINGS PER SHARE**

	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>
Net profit / (loss) for the period	2,527,523	(181,046,632)
Weighted-average number of shares outstanding (per share with TRY 1 value)	250,000,000	250,000,000
<b>Simple earnings and divided earnings per share (TRY)</b>	<b>0.0101</b>	<b>(0.7242)</b>

**NOTE 31 – FINANCIAL INSTRUMENTS**

<b>Financial assets</b>	<b>30.09.2021</b>	<b>31.12.2020</b>
Liquid assets	57,143,581	47,437,939
Trade receivables	304,661,513	290,476,101
Other receivables	140,227,619	139,338,712
<b>Financial liabilities</b>		
Financial borrowings	1,484,595,163	1,419,572,458
Lease payables	23,940,079	30,391,059
Other payables	17,417,984	11,424,477
Trade payables	318,206,285	232,073,338



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**NOTE 32 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**

**Financial Instruments**

**Credit Risk**

Group is subject to credit risk arising from trade receivables related to credit sales and deposits at banks. These risks are managed by limiting the aggregate risk from any individual counterparty and obtaining sufficient collateral where necessary and making only cash based sales to customer considered as having a higher risk. Collect ability of trade receivables are evaluated by management depending on their past experiences and current economic condition, and presented in the financial statements net of adequate doubtful provision.

As of 30 September 2021 and 31 December 2020, maximum net credit risk is as follows:

	Related Party	Third Party	Other Receivables Related Party	Related Party	Bank Depozit
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E))</b>	107,241,294	197,420,219	129,782,648	10,444,971	56,955,681
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	107,241,294	197,420,219	129,782,648	10,444,971	56,955,681
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-
Teminat vs ile güvence altına alınmış kısmı	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	425,842	-	-	-
Impairment (-)	-	(425,842)	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

	Trade Receivables Related Party	Third Party	Other Receivables Related Party	Related Party	Bank Depozit
<b>31 December 2020</b>					
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>	146,771,852	143,704,249	128,646,738	10,691,974	47,318,962
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	81,237,228	143,704,249	128,646,738	10,691,974	47,318,962
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	65,534,624	-	-	-	-
Teminat vs ile güvence altına alınmış kısmı	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	425,842	-	-	-
Impairment (-)	-	(425,842)	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

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**Liquidity risk**

Liquidity risk is the Group’s possibility of not fulfilling net funding liabilities. Occurrence of events like deteriorations in markets or decrease in credit score that causes decreases in fund resources, are reasons of liquidity risk.

As of 30 September 2021, Group’s liquidity risk table is as follows:

<b>Maturities according to agreement</b>	<b>Book Value</b>	<b>Contractual total cash outflow (=I+II+III+IV)</b>	<b>Less than 3 months (I)</b>	<b>3 – 12 months (II)</b>	<b>1- 5 Years (III)</b>	<b>More than 5 Years (IV)</b>
<b>Financial Liabilities Non Derivatives</b>	<b>1,883,454,467</b>	<b>1,991,049,934</b>	<b>615,704,446</b>	<b>707,496,955</b>	<b>466,688,057</b>	<b>201,160,476</b>
Financial borrowings	1,484,572,167	1,580,917,613	358,699,131	577,415,803	443,642,203	201,160,476
Financial leasing	23,940,079	31,743,598	32,091	9,274,298	22,437,209	-
Trade payables	318,206,285	320,082,800	216,991,577	102,482,578	608,645	-
- <i>Related parties</i>	592,527	599,248	599,248	-	-	-
- <i>Other parties</i>	317,613,758	319,483,552	216,392,329	102,482,578	608,645	-
Other liabilities	56,735,936	58,305,923	39,981,647	18,324,276	-	-
- <i>Related parties</i>	12,987,400	14,557,388	-	14,557,388	-	-
- <i>Other parties</i>	43,748,536	43,748,535	39,981,647	3,766,888	-	-
	<b>1,883,454,467</b>	<b>1,991,049,934</b>	<b>615,704,446</b>	<b>707,496,955</b>	<b>466,688,057</b>	<b>201,160,476</b>

As of 31 December 2020, Group’s liquidity risk table is as follows:

<b>Maturities according to agreement</b>	<b>Book Value</b>	<b>Contractual total cash outflow (=I+II+III+IV)</b>	<b>Less than 3 months (I)</b>	<b>3 – 12 months (II)</b>	<b>1- 5 Years (III)</b>	<b>More than 5 Years (IV)</b>
Financial borrowings	<b>1,741,207,669</b>	<b>1,869,470,545</b>	<b>318,256,114</b>	<b>661,782,924</b>	<b>675,282,643</b>	<b>214,148,864</b>
Financial leasing	1,419,351,150	1,533,391,826	120,171,340	552,548,386	646,523,236	214,148,864
Trade payables	30,391,059	41,107,213	3,359,456	8,988,350	28,759,407	-
- <i>Related parties</i>	232,073,338	235,579,384	161,172,260	74,407,124	-	-
- <i>Other parties</i>	121,754	125,768	125,768	-	-	-
Other liabilities	231,951,584	235,453,616	161,046,492	74,407,124	-	-
- <i>Related parties</i>	59,392,122	59,392,122	33,553,058	25,839,064	-	-
- <i>Other parties</i>	5,274,970	5,274,970	-	5,274,970	-	-
Financial borrowings	54,117,152	54,117,152	33,553,058	20,564,094	-	-
	<b>1,741,207,669</b>	<b>1,869,470,545</b>	<b>318,256,114</b>	<b>661,782,924</b>	<b>675,282,643</b>	<b>214,148,864</b>

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**Foreign currency risk**

The effects occurring from exchange rate fluctuation, in case of having foreign currency assets, liabilities, off-balance sheet liabilities, are foreign currency risk. Transactions in foreign currencies during the year have been translated at the exchange rate prevailing at dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the statement of profit/loss. Monetary liabilities of the Group exceed monetary assets of the Group; in case of exchange rate rise, the Group is exposed to foreign currency risk.

As of 30 September 2021, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 121,657,074 more/less. (%20 evaluation/devaluation : 243,314,148 TRY).

Foreign currency risk sensitivity

	Profit/ (Loss)		Shareholders' Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Yabancı paranın foreign currency against TRY	Yabancı paranın foreign currency against TRY
In the case of increasing / losing value of TRY by 10% against USD				
1- USD net asset / liability	(33,637,566)	33,637,566	(33,637,566)	33,637,566
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(33,637,566)	33,637,566	(33,637,566)	33,637,566
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(88,870,409)	88,870,409	(88,870,409)	88,870,409
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(88,870,409)	88,870,409	(88,870,409)	88,870,409
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	850,901	(850,901)	850,901	(850,901)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	850,901	(850,901)	850,901	(850,901)
<b>TOTAL (3+6+9+12)</b>	<b>(121,657,074)</b>	<b>121,657,074</b>	<b>(121,657,074)</b>	<b>121,657,074</b>

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As of 31 December 2020, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 109,947,496 more/less. (%20 evaluation/devaluation: 219,894,990 TRY).

*Foreign currency risk sensitivity*

	Profit/ (Loss)		Shareholders' Equity	
	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY
In the case of increasing / losing value of TRY by 10% against USD				
1- USD net asset / liability	(14,449,901)	14,449,901	(14,449,901)	14,449,901
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(14,449,901)	14,449,901	(14,449,901)	14,449,901
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(97,466,605)	97,466,605	(97,466,605)	97,466,605
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(97,466,605)	97,466,605	(97,466,605)	97,466,605
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	1,954,761	(1,954,761)	1,954,761	(1,954,761)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8))	1,954,761	(1,954,761)	1,954,761	(1,954,761)
In the case of increasing / losing value of TRY by 10% against CHF				
10- CHF net asset / liability	14,249	(14,249)	14,249	(14,249)
11- Part of hedged from CHF risk (-)	-	-	-	-
12- CHF net effect(10+11)	14,249	(14,249)	14,249	(14,249)
<b>TOTAL (3+6+9+12)</b>	<b>(109,947,496)</b>	<b>109,947,496</b>	<b>(109,947,496)</b>	<b>109,947,496</b>

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**Interest Rate Risk**

The Group's financial liabilities exposure the Group to interest rate risk. The Group's financial liabilities mainly consist of fixed rate borrowings. As of 30 September 2021, according to the current balance sheet position, in the case of 1% decrease / increase and keeping fixed all the variables the Group's net profit will increase / decrease TRY 2,810,367.

**Risk of intensification of sales**

During the reporting periods ending on 30 September 2021 and 2020, the risk of intensification of the Group's sales is due to sales from textile sector operations.

The sales activities of the Group are determined according to fluctuations in the domestic and overseas markets and competition conditions. It is taken care of to not to concentrate on a specific sector, country, person and Group in terms of dissolving risks. Even so, as of 30 September 2021, the share of the largest buyer in the revenue from textile sector operations is 31.46% (30 September 2020: 45.13%). The customer mentioned is a major international supplier and the commercial relation between the customer and the Group has been maintained for many years.

The share of the largest buyers in the revenue from agriculture sector operations is 90.03%. (30 September 2020 90.49%) Domestic sales of dried fruits (grape, fig and apricot) produced by Menderes as subcontractors are made in accordance with the "Sales Agreement" signed between Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş., the related party of the Group and Osman Akça exports these products to different customers abroad.

Percentage of total sales of two buyers with the largest share in total sales of the Group is given below:

Textile:

<b>Customer</b>	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>
A Company	31.46%	45.13%
	31.46%	45.13%

Agriculture:

<b>Customer</b>	<b>01.01.- 30.09.2021</b>	<b>01.01.- 30.09.2020</b>
B Company	90.03%	90.49%
	90.03%	90.49%

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As of 30 September 2021, amounts of assets and liabilities of the Group in foreign currency are as follows:

<b>30 September 2021</b>	<b>TRY equivalent functional currency</b>	<b>USD</b>	<b>EURO</b>	<b>GBP</b>	<b>CHF</b>
1. Trade Receivables	246,512,484	16,786,603	9,079,582	370,624	-
2a. Monetary Financial Assets (including cash and banks)	51,893,613	5,016,422	333,943	342,669	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>298,406,097</b>	<b>21,803,025</b>	<b>9,413,525</b>	<b>713,293</b>	<b>-</b>
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>298,406,097</b>	<b>21,803,025</b>	<b>9,413,525</b>	<b>713,293</b>	<b>-</b>
10. Trade Payables	127,414,489	12,786,296	1,390,550	-	-
11. Financial Liabilities	853,060,011	36,484,806	51,429,091	-	-
12a. Other monetary financial liabilities	261,695	-	25,374	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>980,736,195</b>	<b>49,271,102</b>	<b>52,845,015</b>	<b>-</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	534,240,643	10,569,269	42,737,521	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>534,240,643</b>	<b>10,569,269</b>	<b>42,737,521</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>1,514,976,838</b>	<b>59,840,371</b>	<b>95,582,536</b>	<b>-</b>	<b>-</b>
<b>19. Net asset/(liabilities) position of off-balance sheet derivative instruments(19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-
<b>20. Net foreign currency asset / liabilities (9-18+19)</b>	<b>(1,216,570,741)</b>	<b>(38,037,346)</b>	<b>(86,169,011)</b>	<b>713,293</b>	<b>-</b>
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1,216,570,741)</b>	<b>(38,037,346)</b>	<b>(86,169,011)</b>	<b>713,293</b>	<b>-</b>
<b>22. Fair value of derivative instruments used in foreign currency hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Exports(*)</b>	<b>840,460,019</b>	<b>30,709,958</b>	<b>31,288,860</b>	<b>4,857,062</b>	<b>-</b>
<b>24. Imports(**)</b>	<b>420,011,770</b>	<b>48,295,772</b>	<b>2,598,631</b>	<b>1,283</b>	<b>19,930</b>

(\*) The Group has TRY 216,374,620 export for the period of 01.01.-30.09.2021

(\*\*) Group has TRY 5,985 import for the period of 01.01.-30.09.2021.

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<b>31 December 2020</b>	<b>TRY equivalent functional currency</b>	<b>USD</b>	<b>EURO</b>	<b>GBP</b>	<b>CHF</b>
1. Trade Receivables	230,103,327	18,048,301	9,283,351	1,407,538	-
2a. Monetary Financial Assets (including cash and banks)	40,288,332	2,653,703	2,218,172	68,914	17,200
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>270,391,659</b>	<b>20,702,004</b>	<b>11,501,523</b>	<b>1,476,452</b>	<b>17,200</b>
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	107,538	14,650	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>107,538</b>	<b>14,650</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>270,499,197</b>	<b>20,716,654</b>	<b>11,501,523</b>	<b>1,476,452</b>	<b>17,200</b>
10. Trade Payables	99,809,138	11,613,522	1,604,619	10,643	-
11. Financial Liabilities	559,580,509	7,953,285	55,639,985	-	-
12a. Other monetary financial liabilities	221,379	20,896	7,548	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>659,611,026</b>	<b>19,587,703</b>	<b>57,252,152</b>	<b>10,643</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	712,371,294	20,410,372	62,450,622	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>712,371,294</b>	<b>20,410,372</b>	<b>62,450,622</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>1,371,982,320</b>	<b>39,998,075</b>	<b>119,702,774</b>	<b>10,643</b>	<b>-</b>
<b>19. Net asset/(liabilities) position of off-balance sheet derivative instruments(19a-19b)</b>	<b>2,008,173</b>	<b>(403,750)</b>	<b>-</b>	<b>500,000</b>	<b>-</b>
19a. Off-balance sheet foreign currency derivative assets	6,807,025	250,000	-	500,000	-
19b. Off-balance sheet foreign currency derivative liabilities	4,798,852	653,750	-	-	-
<b>20. Net foreign currency asset / liabilities (9-18+19)</b>	<b>(1,099,474,951)</b>	<b>(19,685,171)</b>	<b>(108,201,251)</b>	<b>1,965,809</b>	<b>17,200</b>
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1,101,483,123)</b>	<b>(19,281,421)</b>	<b>(108,201,251)</b>	<b>1,465,809</b>	<b>17,200</b>
<b>22. Fair value of derivative instruments used in foreign currency hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Exports(*)</b>	<b>1,176,229,076</b>	<b>31,647,736</b>	<b>37,763,624</b>	<b>3,920,867</b>	<b>-</b>
<b>24. Imports(**)</b>	<b>448,014,684</b>	<b>47,415,661</b>	<b>15,862,389</b>	<b>29,128</b>	<b>11,299</b>

(\*) The Group has TRY 596,090,248 export for the period of 01.01.-31.12.2020.

(\*\*) The Group has TRY 295,225 import for the period of 01.01.-31.12.2020.

**NOTE 33 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)**

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. The estimated fair values of financial instruments have been determined by the Group using available markets information in Turkey and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented here in are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are utilized for the current values of financial instruments which are predictable in practice;

Financial Assets

Monetary assets for which fair value approximates carrying value:

- Balances denominated in foreign currencies are converted at period exchange rates.
- The fair value of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate their respective carrying amounts in the financial statements.
- The carrying value of trade receivables, net of allowances for possible non-recovery of uncollectible are considered to approximate their fair values.

Financial Liabilities

Monetary liabilities for which fair value approximates carrying value:

- The fair value of short-term bank loans and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.
- The fair values of long-term bank borrowings, which are denominated in foreign currencies and converted at period exchange rates, are considered to approximate their carrying values.
- The carrying amount of accounts payable and accrued expenses reported in the financial statements for estimated third party payer set TRY amounts approximates its fair values.



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**Capital Risk Management**

In capital management, the Group aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations.

The Group follows capital by using debt to equity ratio. This rate is found by dividing net debt to total equity. Net debt is calculated by deducting cash and cash equivalents from total payable amount (as shown in balance sheet, trade and other payables and loans). Total capital, as shown in balance sheet, is calculated by adding up equity and net debt.

As of 30 September 2021 and 31 December 2020, net debt / total equity ratio is as follows:

	<b>30.09.2021</b>	<b>31.12.2020</b>
Total debts	2,107,114,917	1,954,558,666
Liquid assets	(57,143,581)	(47,437,939)
Net debt	2,049,971,336	1,907,120,727
Total equity	806,179,681	720,602,145
Total capital	2,856,151,017	2,627,722,872
Net Debt/Total Capital	72%	73%

**Fair Value Estimate**

The classification of the group's financial assets and liabilities measured at fair value is represented below:

Level 1: Market price valuation techniques for the determined assets and liabilities traded in markets (unadjusted);

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Inputs for the asset or liability that are not based on observable market (unobservable inputs).

The group's assets/(liabilities) measured at fair value are presented below:

<b>30.09.2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Land	-	83,849,800	-	83,849,800
Underground and above ground layouts	-	151,053,025	-	151,053,025
Buildings	-	224,128,529	-	224,128,529
Machinery, plant and devices	-	928,972,306	-	928,972,306
Derivative instruments	-	231,904	-	231,904

<b>31.12.2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Land	-	83,849,800	-	83,849,800
Buildings	-	228,897,800	-	228,897,800
Machinery, plant and devices	-	983,741,171	-	983,741,171
Derivative instruments	-	78,173	-	78,173

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As of 30 September 2021, the classes and fair values of financial instruments are as follows;

30.09.2021	Financial assets and liabilities shown at amortized value	Financial assets at fair value differences in income statement	Book Value	Note
<b>Financial Assets</b>				
Cash and cash equivalents	57,143,581	-	57,143,581	4
Commercial receivables	304,661,513	-	304,661,513	6
Other receivables	140,227,619	-	140,227,619	8
<b>Financial Liabilities</b>				
Financial borrowings	1,508,535,242	-	1,508,535,242	7
Trade payables	318,206,285	-	318,206,285	6
Other payables	17,417,984	-	17,417,984	8

As of 31 December 2020, the classes and fair values of financial instruments are as follows;

31.12.2020	Financial assets and liabilities shown at amortized value	Financial assets at fair value differences in income statement	Book Value	Note
<b>Financial Assets</b>				
Cash and cash equivalents	47,437,939	-	47,437,939	4
Commercial receivables	290,476,101	-	290,476,101	7
Other receivables	139,338,712	-	139,338,712	9
<b>Financial Liabilities</b>				
Financial borrowings	1,449,963,517	-	1,449,963,517	8
Trade payables	232,073,338	-	232,073,338	7
Other payables	11,424,477	-	11,424,477	9