

**MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD ENDED AT**  
**30 SEPTEMBER 2023**

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**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2023**  
(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>ASSETS</b>	<b>References</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
<b>Current Assets</b>		<b>3.029.839.849</b>	<b>2.594.012.935</b>
Cash and Cash Equivalents	4	418.214.493	117.868.895
Financial Investments	5	3.823.620	3.893.423
Trade Receivables		961.866.635	612.777.609
<i>Trade Receivables from Related Parties</i>	6-7	394.315.655	381.617.895
<i>Trade Receivables from Third Parties</i>	7	567.550.980	231.159.714
Other Receivables		34.104.247	9.503.234
<i>Other Receivables from Related Parties</i>	6-9	563.127	327.128
<i>Other Receivables from Third Parties</i>	9	33.541.120	9.176.106
Derivative Instruments	10	188.331	-
Inventories	11	1.524.122.578	1.706.234.192
Biological Assets	12	54.866.878	29.361.062
Prepaid Expenses	13	23.192.952	18.275.397
Current Tax Assets	14	1.310.423	2.778.947
Other Current Assets	23	8.149.692	93.320.176
<b>Non-Current Assets</b>		<b>5.470.836.325</b>	<b>5.076.914.328</b>
Other Receivables	9	159.340	153.411
Investments Valued by Equity Pick-up Method	15	241.920.332	240.244.300
Investment Properties	16	208.625.903	208.625.903
Tangible Assets	17	4.477.173.364	4.166.634.853
Intangible Assets	19	34.079.989	33.744.515
Prepaid Expenses	13	11.887.432	37.182.490
Deferred Tax Assets	30	496.989.965	390.328.856
<b>TOTAL ASSETS</b>		<b>8.500.676.174</b>	<b>7.670.927.263</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 2023**  
(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>30.09.2023</b>	<b>31.12.2022</b>
<b>Current Liabilities</b>		<b>2.316.714.015</b>	<b>2.126.592.052</b>
Short Term Borrowings	8	982.338.228	1.127.642.073
Short-term portion of long-term borrowings	8	304.596.395	312.150.770
Trade Payables	7	830.279.790	536.253.306
Employee Benefit Liabilities	22	108.223.581	66.370.210
Other Payables	9	10.723.283	12.529.443
Deferred Income	13	46.920.501	50.496.052
Current Tax Liabilities of Period Profit	30	1.645.786	362.499
Current Provisions		31.986.451	20.787.699
<i>Provision For Employee Benefits</i>	21	25.604.504	16.924.978
<i>Other Current Provisions</i>	21	6.381.947	3.862.721
<b>Non-Current Liabilities</b>		<b>1.871.392.187</b>	<b>1.579.854.557</b>
Long Term Borrowings	8	1.037.898.635	852.220.128
Deferred Income	13	12.263.145	21.073.246
Long Term Provisions		143.617.668	118.684.242
<i>Long Term Provisions for Employee Benefits</i>	21	143.617.668	118.684.242
Deferred Tax Liabilities	30	677.612.739	587.876.941
<b>Equity</b>		<b>4.312.569.972</b>	<b>3.964.480.654</b>
<b>Parent Company’s Equity</b>		<b>4.264.024.728</b>	<b>3.920.088.804</b>
Paid in Capital	24.1	277.292.576	250.000.000
Inflation Adjustments of Capital	24.2	860.487	860.487
Share Premiums/Discounts	24.3	222.707.424	-
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>	24.4	2.997.901.174	3.078.940.524
<i>-Defined Benefit Plans Re-Measurement Gains / (Losses)</i>	24.4	7.490.399	10.837.864
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>	24.5	42.649.562	42.649.562
Restricted Reserves		10.340.261	10.340.261
<i>Legal Reserves</i>	24.6	10.340.261	10.340.261
Retained Earnings / Losses	24.7	526.460.106	(510.871.703)
Net Profit / (Loss) for the Period	31	178.322.739	1.037.331.809
<b>Non-controlling interests</b>	24.8	<b>48.545.244</b>	<b>44.391.850</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8.500.676.174</b>	<b>7.670.927.263</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 2023**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

		<i>Unreviewed</i>	<i>Unreviewed</i>	<i>Unreviewed</i>	<i>Unreviewed</i>
		<b>Current</b>	<b>Prior</b>	<b>Current</b>	<b>Prior</b>
		<b>Period</b>	<b>Period</b>	<b>Period</b>	<b>Period</b>
		<b>01.01-</b>	<b>01.01-</b>	<b>01.07-</b>	<b>01.07-</b>
	<b>Note</b>	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
Revenue	25.1	3.604.932.225	3.082.300.820	1.570.512.026	1.279.005.231
Cost of Sales (-)	25.2	(2.857.331.010)	(2.004.735.898)	(1.200.570.578)	(916.805.960)
<b>Gross Profit / (Loss)</b>		<b>747.601.215</b>	<b>1.077.564.922</b>	<b>369.941.448</b>	<b>362.199.271</b>
General Administrative Expenses (-)	26.3	(188.416.964)	(58.052.952)	(63.904.477)	(28.006.587)
Marketing Expenses (-)	26.2	(90.481.390)	(79.590.566)	(36.827.725)	(40.748.183)
Research and Development Expenses (-)	26.1	(27.160.381)	(9.583.129)	(6.269.535)	(4.721.107)
Other Operating Income	27.1	398.885.085	251.105.474	90.945.744	70.201.081
Other Operating Expenses (-)	27.2	(142.900.472)	(157.270.660)	(28.176.974)	(39.724.942)
<b>Operating Profit / (Loss)</b>		<b>697.527.093</b>	<b>1.024.173.089</b>	<b>325.708.481</b>	<b>319.199.533</b>
Income from Investment Activities	28.1	2.709.373	17.364.904	826.220	622.744
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	28.3	1.676.032	938.848	744.438	408.258
<b>Operating Activity Profit/(Loss) Before Financial Expense</b>		<b>701.912.498</b>	<b>1.042.476.841</b>	<b>327.279.139</b>	<b>320.230.535</b>
Financial Income	29.1	103.346.071	54.199.042	22.116.707	7.199.652
Financial Expenses (-)	29.2	(718.228.743)	(589.758.960)	(134.703.799)	(178.992.944)
<b>Operating Activity Profit/(Loss) Before Taxation</b>		<b>87.029.826</b>	<b>506.916.923</b>	<b>214.692.047</b>	<b>148.437.243</b>
<b>Operating Activity Tax Income/(Expense)</b>					
Current Tax Income/(Expense)	30	(1.645.786)	(1.364.272)	(483.312)	1.305.969
Deferred Tax Income/(Expense)	30	97.679.711	85.266.928	40.969.369	140.796.597
<b>Current Period Operating Activity Profit / (Loss)</b>		<b>183.063.751</b>	<b>590.819.579</b>	<b>255.178.104</b>	<b>290.539.809</b>
<b>Profit/(Loss) for the Period</b>		<b>183.063.751</b>	<b>590.819.579</b>	<b>255.178.104</b>	<b>290.539.809</b>
<b>Distribution of the Period Income/(Loss)</b>					
Minority Interests	24.8	4.741.012	5.936.921	790.251	(2.249.274)
Parent Company's Shares	31	178.322.739	584.882.658	254.387.853	292.789.083
<b>Earnings Per Share</b>	<b>31</b>	<b>0,6431</b>	<b>2,3395</b>	<b>1,0176</b>	<b>1,1712</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 2023**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

		<i>Unrewieved</i>	<i>Unrewieved</i>	<i>Unrewieved</i>	<i>Unrewieved</i>
		<b>Current</b>	<b>Prior</b>	<b>Current</b>	<b>Prior</b>
		<b>Period</b>	<b>Period</b>	<b>Period</b>	<b>Period</b>
		<b>01.01-</b>	<b>01.01-</b>	<b>01.07-</b>	<b>01.07-</b>
	<b>Note</b>	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
<b>Profit/(Loss) for the Period</b>		<b>183.063.751</b>	<b>590.819.579</b>	<b>255.178.104</b>	<b>290.539.809</b>
<b>Other Comprehensive Income:</b>					
<b>Income (Expenses) not to be Reclassified on Profit or (Loss)</b>					
- Defined Benefit Plans Re-Measurement Gains (Losses)	21	(4.220.033)	(4.881.205)	-	(1.518.513)
				-	-
- Deferred Tax Income / (Expense)	30	(80.754.400)	675.591	-	3.052
<b>Other Comprehensive Income</b>		<b>(84.974.433)</b>	<b>(4.205.614)</b>	<b>-</b>	<b>(1.515.461)</b>
<b>Total Comprehensive Income/(Expense)</b>		<b>98.089.318</b>	<b>586.613.965</b>	<b>255.178.104</b>	<b>289.024.348</b>
<b>Distribution of Total Comprehensive Income</b>					
Minority Interests	24.8	4.153.394	5.893.421	790.251	(2.210.988)
Parent Company's Shares	31	93.935.924	580.720.544	254.387.853	291.235.336

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 2023**  
(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					
	Note	Paid in Capital	Adjustments of Shareholders' Equity	Share Premiums/ Discounts	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	Accumulated Profit/Loss	Net Profit/Loss For The Period	Parent Company's Equity	Minority Interests	Total Equity
Balances at 01.01.2022													
		250.000.000	860.487	-	1.203.535.433	11.386.834	42.649.562	10.340.261	(243.093.206)	(267.778.497)	1.007.900.874	14.205.204	1.022.106.078
Transfers	24	-	-	-	-	-	-	SS-	(267.778.497)	267.778.497	-	-	-
Total Comprehensive Income/(Loss)		-	-	-	-	(4.162.114)	-	-	-	584.882.658	580.720.544	5.893.421	586.613.965
- Profit/(Loss) for the Period	24	-	-	-	-	-	-	-	-	584.882.658	584.882.658	5.936.921	590.819.579
- Other Comprehensive Income/(Expense)	24	-	-	-	-	(4.162.114)	-	-	-	-	(4.162.114)	(43.500)	(4.205.614)
Balances at 30.09.2022	24	250.000.000	860.487	-	1.203.535.433	7.224.720	42.649.562	10.340.261	(510.871.703)	584.882.658	1.588.621.418	20.098.625	1.608.720.043
Balances at 01.01.2023													
	24	250.000.000	860.487	-	3.078.940.524	10.837.864	42.649.562	10.340.261	(510.871.703)	1.037.331.809	3.920.088.804	44.391.850	3.964.480.654
Capital increase		27.292.576	-	222.707.424	-	-	-	-	-	-	250.000.000	-	250.000.000
Transfers	24	-	-	-	-	-	-	-	1.037.331.809	(1.037.331.809)	-	-	-
Total Comprehensive Income/(Loss)		-	-	-	(81.039.350)	(3.347.465)	-	-	-	178.322.739	93.935.924	4.153.394	98.089.318
- Profit/(Loss) for the Period	24	-	-	-	-	-	-	-	-	178.322.739	178.322.739	4.741.012	183.063.751
- Other Comprehensive Income/(Expense)	24	-	-	-	(81.039.350)	(3.347.465)	-	-	-	-	(84.386.815)	(587.618)	(84.974.433)
Balances at 30.09.2023	24	277.292.576	860.487	222.707.424	2.997.901.174	7.490.399	42.649.562	10.340.261	526.460.106	178.322.739	4.264.024.728	48.545.244	4.312.569.972

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 01 JANUARY-30 SEPTEMBER2023**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

	Footnote Reference	Unreviewed Current Period 01.01- 30.09.2023	Unreviewed Prior Period 01.01- 30.09.2022
<b>CASH FLOWS FROM THE OPERATING ACTIVITIES</b>		<b>827.532.490</b>	<b>(55.317.621)</b>
<b>Profit/(Loss) for the Period</b>			
<b>Current Period Operating Activity Profit / (Loss)</b>		<b>183.063.751</b>	<b>590.819.579</b>
<b>Adjustments Related with Net Profit/Loss for The Period</b>		<b>435.211.022</b>	<b>359.606.650</b>
Adjustments for Depreciation and Amortisation Expenses	17-18-19	196.110.360	66.316.825
Adjustments to Impairment (Cancellation)			
- Adjustments to Impairment (Cancellation) in Receivables	7	(1.727.604)	(308.102)
Adjustments Related to the Provisions			
- Adjustments for Employee Termination Benefits	21-30	21.557.399	37.562.656
- Adjustment for Provision for Expenses and Lawsuits	21	2.519.226	(306.063)
- Adjustment for Other Provisions or Reversals	21	8.679.526	9.204.807
Adjustments for Interest Income and Expenses			
- Adjustments for Interest Expenses	8-29	(47.246.945)	31.211.273
- Unearned Income from Futures Sale	27.1	18.195.539	10.376.313
- Deferred Financial Expense Arise from Forward Purchasing	27.2	(12.758.178)	(7.054.172)
Adjustments for Fair Value Profit or Loss			
- Adjustments for Financial Instruments Fair Value Losses /(Profits)	10	(188.331)	(4.762.115)
Adjustments for unrealised foreign exchange losses (gains)	8	350.269.779	304.246.595
Adjustments for Retained Earnings of Investments Subject to Equity Pick-up Method			
- Adjustment for Retained Earnings of Subsidiaries	28.3	(1.676.032)	(938.848)
Tax payments/returns	30	(98.523.717)	(85.942.519)
<b>Changes In The Company Capital</b>		<b>207.974.430</b>	<b>(1.005.380.183)</b>
Increase/Decrease in Financial Investments	5	69.803	(1.855.070)
Adjustments for Increase/Decrease in Trade Receivables			
- Adjustments for Increase/Decrease in Trade Receivables from Related Parties	6-7	(12.697.760)	(198.325.622)
- Adjustments for Increase/Decrease in Trade Receivables from Third Parties	7	(352.859.201)	(242.312.753)
Adjustments for Increase/Decrease in Other Receivables Related to the Operations			
- Adjustments for Increase/Decrease in Other Receivables from Related Parties	6-9	(235.999)	25.755.592
Related to the Operations			
- Adjustments for Increase/Decrease in Other Receivables from Third Parties	9	62.268.065	(21.712.565)
Related to the Operations			
Adjustments for Increase/Decrease in Inventories	11	182.111.614	(943.133.216)
Adjustments Related to the Increase/Decrease in Biological Assets	12	(25.505.816)	(26.238.134)
Adjustments for Increase/Decrease in Prepaid Expenses	13	20.377.503	(39.114.332)
Adjustments for Increase/Decrease in Trade Payables			
- Adjustments for Increase/Decrease in Trade Payables to Third Parties	7	306.784.662	418.551.778
Increase/Decrease in Employee Benefits Liabilities	22	41.853.371	12.075.550
Adjustments for Increase/Decrease in Other Payables Related to the Operations			
- Adjustments for Increase/Decrease in Other Payables from Related Parties	6-9	-	(3.826.468)
Related to the Operations			
- Adjustments for Increase/Decrease in Other Payables from Third Parties	9	(1.806.160)	289.793
Related to the Operations			
Increase/Decrease in Deferred Tax	13	(12.385.652)	14.465.264
<b>Cash Flow from Operating Activities</b>		<b>826.249.203</b>	<b>(54.953.954)</b>
Tax Payments/Returns	30	1.283.287	(363.667)

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 01 JANUARY-30 SEPTEMBER2023**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

	Footnote Reference	<i>Unreviewed</i> Current Period <b>01.01- 30.09.2023</b>	<i>Unreviewed</i> Prior Period <b>01.01- 30.09.2022</b>
<b>NET CASH FLOW PROVIDED BY INVESTMENT ACTIVITIES</b>		<b>(506.984.345)</b>	<b>(66.878.435)</b>
Proceeds from Sale of Property, Plant, Equipment and Intangible Assets			
- Proceeds from Sale of Tangible Assets	17	113.743	22.969.650
Proceeds from Purchase of Property, Plant, Equipment and Intangible Assets			
- Proceeds from Purchase of Tangible Assets	17	(504.955.814)	(85.874.512)
- Proceeds from Purchase of Intangible Assets	19	(2.142.274)	(3.973.573)
<b>CASH FLOW PROVIDED BY FINANCIAL ACTIVITIES</b>		<b>(20.202.547)</b>	<b>28.314.737</b>
Cash Inflows from Issuance of Shares and Other Equity Instruments			
- Cash Inflows from Share Issuance		250.000.000	-
Cash Inflows from Financial Liabilities			
- Cash Inflows from Bank Loans	8	571.957.345	1.522.795.427
Cash Outflows from Financial Liabilities			
- Cash Outflows for Bank Loans	8	(838.291.544)	(1.489.985.008)
Cash Outflows from Finance Leases	8	(3.868.348)	(4.495.682)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN EXCHANGE CURRENCY DIFFERENCES (A+B+C)</b>		<b>300.345.598</b>	<b>(93.881.319)</b>
<b>D. THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE</b>		<b>300.345.598</b>	<b>(93.881.319)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD</b>	<b>4</b>	<b>117.868.895</b>	<b>118.035.517</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>418.214.493</b>	<b>24.154.198</b>

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
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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 2023, 2.346 personnel are employed by the Company and average number of personnel is 2.588 for the period of 01.01.-30.09.2023.

Company shares are traded in the Borsa Istanbul since 2000.

**Production Capacity (Textile)**

According to the capacity report from Denizli Industrial Chamber dated 26 April 2023, numbered 247 and valid until 26 April 2025, 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
Pillowcase	Kg	5.670.000
Sheet	Kg	7.218.750
Quilt	Quantity	180.000
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 05 November 2021, numbered 622 and valid until 05 November 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 (kWh)
<i>Geothermal</i>				
Baklacı	Menderes	Manisa	Geothermal	155.200.000
Tosunlar	Menderes	Denizli	Geothermal	30.456.000
<i>Wind</i>				
Aliaga	Menderes	İzmir	Wind	57.254.400
Bergama	Menderes	İzmir	Wind	75.816.000
<i>Solar</i>				
Sarayköy	Menderes	Denizli	Solar	9.287.600

**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 (Sarayköy)***

According to the capacity report from Denizli Industrial Chamber dated 8 May 2023, numbered 263 and valid until 11 May 2025, The Company production capacity is as follows:

Product	Unit	Quantity
Tomato	Ton	6.499

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

As of 30 September 2023, 286 personnel are employed by the Company and the average number of personnel is 288 for the period of 01.01.- 30.09.2023.

**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.

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**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 are prepared in accordance with the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“IFRIC”) issued by Public Oversight Accounting and Auditing Standards Authority (“POA”) Turkish Accounting Standards Boards. The consolidated financial statements of the Group are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations

**Restatement of financial statements during periods of high inflation**

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 30 September 2023 in accordance with TAS 29. In this context, TAS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of September 30, 2023.

**Approval of Financial Statements**

Consolidated financial statements are approved by the Board of Directors and granted authority to publish on 6 November 2023 Boards of Directors have authority to change financial statements

**Currency Measurement and Reporting Currency**

As of 30 September 2023 and 31 December 2022, 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.

**Basis of Consolidation**

The capital structure of subsidiaries and participations are as follows:

Subsidiaries	Consolidation Method	30 September 2023	31 December 2022
Smyrna Seracılık Ticaret A.Ş.	Full Consolidation	79,17%	79,17%

Participations	Consolidation Method	30 September 2023	31 December 2022
Aktur İzmir Gayrimenkul A.Ş.	Equity Pick up	48,00%	48,00%

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 2023 and 31 December 2022, the capital structure of subsidiaries and participations are as follows

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

	<b>30.09.2023</b>	<b>31.12.2022</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Public Offered Shares	49,79	56,26
Akça Holding A.Ş.	48,06	41,35
Other	2,16	2,39
	<b>100%</b>	<b>100%</b>

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

	<b>30.09.2023</b>	<b>31.12.2022</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	56,67	56,67
Rıza Akça	21,67	21,67
Dilek Göksan	10,83	10,83
Ahmet Bilge Göksan	10,83	10,83
	<b>100%</b>	<b>100%</b>

Smyrna Seracılık Ticaret A.Ş. (Subsidiary)

	<b>30.09.2023</b>	<b>31.12.2022</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
Diğer	0,20	0,20
	<b>100%</b>	<b>100%</b>

Aktur İzmir Gayrimenkul A.Ş. (Subsidiary)

	<b>30.09.2023</b>	<b>31.12.2022</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.

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**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 2022 and for the year ended on the same date, except as stated above.

**2.e. The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the condensed financial statements as of 30 September 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TAS”)/TFRS and IFRIC interpretation effective as of 01 January 2023. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

***Standards, amendments, and interpretations applicable as of 30 September 2023***

**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;** effective 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.

**Amendment to IAS 12 - International tax reform - pillar two model rules;** The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after January 1, 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development’s (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

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*Standards, amendments, and interpretations that are issued but not effective as of 30 September 2023:*

**Amendment to IAS 1 - Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

**Amendment to IFRS 16 - Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

**Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after January 1, 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.

**IAS 21 Lack of convertibility;** effective from annual periods beginning on or after January 1, 2025. An entity is affected when it has a transaction or activity in a foreign currency that is not convertible into another currency at a particular measurement date for a particular purpose. A currency can be exchanged when the ability to obtain another currency is available (with a normal administrative delay) and the transaction occurs through a market or clearing mechanism that creates enforceable rights and obligations.

**IFRS S1, ‘General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after January 1, 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain.

**IFRS S2, ‘Climate-related disclosures’;** effective from annual periods beginning on or after January 1, 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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

**Revenue Recognition**

Group recognizes 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 recognized 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 recognized 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 2022.

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

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).

Tangible fixed assets are presented at cost adjusted for the effects of inflation for tangible fixed assets purchased before 01 January 2005, and for items purchased after 01 January 2005, their acquisition cost minus accumulated depreciation and permanent impairment.

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 equipment	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.

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**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 amortization 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 recognizes 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 recognized,
- (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 recognized 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 recognizes 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 recognized 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 recognized 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 recognized 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.

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**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” for the recognition of impairment losses on trade receivables, carried at amortized 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.

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**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 2023, such payments are calculated on the basis of 30 days’ pay limited to a maximum of TRY 23.490 (31 December 2022: TRY 15.371) 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:

	30.09.2023	31.12.2022
Discount rate	3,92%	3,65%

**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 6).

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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. The Company's field of activity is to provide financial support to group companies.

*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. The Company's field of activity is agricultural products and dried fruit processing.

*Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti. “Akçasaraylı Tekstil”*

Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti. was established in 1990 in İzmir The Company's field of activity is the wholesale and retail sale of textile products.

A trademark lease contract was made between Menderes Tekstil San. ve Tic. A.Ş. and Akçasaraylı Tekstil San. ve Tic. Ltd. Şti. Regarding to this signed contract, Akçasaraylı 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. The Company's field of activity is insurance brokerage services.

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

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 the 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.

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**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.

***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 amortized 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***

While the fair values of land and buildings have been determined within the scope of TAS 16, real estate valuation reports prepared by Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş. accredited by the Capital Markets Board were used (Note 17).

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

While the fair values of machinery, plant and equipments have been determined within the scope of TAS 16, real estate valuation reports prepared by Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş. accredited by the Capital Markets Board were used (Note 17).

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 (Menderes Tekstil). 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.

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**NOTE 3 – SEGMENT REPORTING**

30 September 2023	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Revenue	2.071.858.016	1.115.237.506	417.836.703	-	3.604.932.225
Cost of Sales (-)	(1.539.958.296)	(1.131.324.254)	(188.696.458)	2.647.998	(2.857.331.010)
<b>GROSS PROFIT/LOSS</b>	<b>531.899.720</b>	<b>(16.086.748)</b>	<b>229.140.245</b>	<b>2.647.998</b>	<b>747.601.215</b>
General Administrative Expenses (-)	(175.760.859)	(6.741.194)	(5.936.384)	21.473	(188.416.964)
Marketing Expenses (-)	(86.138.232)	(4.343.158)	-	-	(90.481.390)
Research and Development Expenses (-)	(27.160.381)	-	-	-	(27.160.381)
Other Operating Income	169.285.498	219.438.541	12.830.517	(2.669.471)	398.885.085
Other Operating Expenses (-)	(135.707.965)	(7.160.981)	(31.526)	-	(142.900.472)
<b>OPERATING PROFIT/LOSS</b>	<b>276.417.781</b>	<b>185.106.460</b>	<b>236.002.852</b>	<b>-</b>	<b>697.527.093</b>
Income from Investing Activities	1.049.560	1.659.813	-	-	2.709.373
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	1.676.032	-	-	-	1.676.032
<b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>	<b>279.143.373</b>	<b>186.766.273</b>	<b>236.002.852</b>	<b>-</b>	<b>701.912.498</b>
Financial Income (+)	99.669.534	6.326.127	-	(2.649.590)	103.346.071
Financial Expenses (-)	(328.486.790)	(4.214.526)	(388.177.017)	2.649.590	(718.228.743)
<b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>	<b>50.326.117</b>	<b>188.877.874</b>	<b>(152.174.165)</b>	<b>-</b>	<b>87.029.826</b>
<b>Operating Activity Tax Income / (Expense)</b>					
- Income/Expense Tax for the period	-	(1.645.786)	-	-	(1.645.786)
- Deferred Tax Income/Expense	92.449.189	5.230.522	-	-	97.679.711
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>142.775.306</b>	<b>192.462.610</b>	<b>(152.174.165)</b>	<b>-</b>	<b>183.063.751</b>

30 September 2022	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Revenue	2.098.454.118	675.788.328	308.058.374	-	3.082.300.820
Cost of Sales (-)	(1.401.763.544)	(499.296.411)	(105.369.516)	1.693.573	(2.004.735.898)
<b>GROSS PROFIT/LOSS</b>	<b>696.690.574</b>	<b>176.491.917</b>	<b>202.688.858</b>	<b>1.693.573</b>	<b>1.077.564.922</b>
General Administrative Expenses (-)	(43.193.012)	(3.106.794)	(11.781.824)	28.678	(58.052.952)
Marketing Expenses (-)	(77.480.766)	(2.109.800)	-	-	(79.590.566)
Research and Development Expenses (-)	(9.583.129)	-	-	-	(9.583.129)
Other Operating Income	111.047.470	131.673.449	10.106.805	(1.722.250)	251.105.474
Other Operating Expenses (-)	(122.204.231)	(37.015.877)	(26.877)	1.976.325	(157.270.660)
<b>OPERATING PROFIT/LOSS</b>	<b>555.276.906</b>	<b>265.932.895</b>	<b>200.986.962</b>	<b>1.976.326</b>	<b>1.024.173.089</b>
Income from Investing Activities	17.364.904	-	-	-	17.364.904
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	938.848	-	-	-	938.848
<b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>	<b>573.580.658</b>	<b>265.932.895</b>	<b>200.986.962</b>	<b>1.976.326</b>	<b>1.042.476.841</b>
Financial Income (+)	53.125.181	3.209.980	-	(2.136.119)	54.199.042
Financial Expenses (-)	(398.716.844)	(1.446.611)	(189.755.298)	159.793	(589.758.960)
<b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>	<b>227.988.995</b>	<b>267.696.264</b>	<b>11.231.664</b>	<b>-</b>	<b>506.916.923</b>
<b>Operating Activity Tax Income / (Expense)</b>					
- Income/Expense Tax for the period	-	(1.364.272)	-	-	(1.364.272)
- Deferred Tax Income/Expense	76.858.207	8.408.721	-	-	85.266.928
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>304.847.202</b>	<b>274.740.713</b>	<b>11.231.664</b>	<b>-</b>	<b>590.819.579</b>

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30 September 2023	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Total Assets	5,728,384.107	1,017,221.960	1,833,201.500	(78.131.393)	8,500,676.174
Total Liabilities	2,512,658.092	614,499.033	1,067,649.149	(6,700.072)	4,188,106.202
<b>Assets by Segments</b>					
Investment Property	208,625.903	-	-	-	208,625.903
Total Tangible Assets (Net Book Value)	2,395,655.647	248,567.351	1,832,950.366	-	4,477,173.364
Total Intangible Assets (Net Book Value)	33,828.855	-	251.134	-	34,079.989
Purchases of Tangible and Intangible Assets	29,564.279	88,060.126	389,473.683	-	507,098.088
Depreciation Expenses	105,113.703	7,573.205	83,423.452	-	196,110.360
Detail of the Group's foreign currency assets and liabilities by segments					
Total Assets	1,246,270.265	44,043	-	-	1,246,314.308
Total Liabilities	514,950.332	214,416	1,067,649.149	-	1,582,813.897
Net Foreign Currency Asset/ Liabilities	731,319.933	(170,373)	(1,067,649.149)	-	(336,499.589)
Detail of the Group's financial liabilities by division in currency					
<b>Financial Payables</b>	<b>1,187,863.029</b>	<b>69,321.080</b>	<b>1,067,649.149</b>	<b>-</b>	<b>2,324,833.258</b>
- USD	31,546.582	-	203,267.753	-	234,814.335
- EUR	81,763.275	-	864,381.396	-	946,144.671
- TRY	1,074,553.172	69,321.080	-	-	1,143,874.252
Export	1,523,715.259	176,197.554	-	-	1,699,912.813
Import	592,599.705	1,900.547	-	-	594,500.252
Total Debt	2,512,658.092	614,499.033	1,067,649.149	(6,700.072)	4,188,106.202
Cash Equivalents	(418,110.056)	(3,928.057)	-	-	(422,038.113)
Net Debt	2,094,548.036	610,570.976	1,067,649.149	(6,700.072)	3,766,068.089
Total Equity	3,046,790.600	402,722.927	934,487.766	(71,431.321)	4,312,569.972
Total Capital	5,141,338.636	1,013,293.903	2,002,136.915	(78,131.393)	8,078,638.061
Net Debt/Total Capital Ratio	40,74%	60,26%	53,33%	-	46,62%

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31 December 2022	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Total Assets	5.332.533.405	895.766.306	1.527.151.269	(84.523.717)	7.670.927.263
Total Liabilities	2.470.365.412	363.572.812	885.600.781	(13.092.396)	3.706.446.609
<b>Assets by Segments</b>					
Investment Property	208.625.903	-	-	-	208.625.903
Total Tangible Assets (Net Book Value)	2.471.418.139	168.075.715	1.527.140.999	-	4.166.634.853
Total Intangible Assets (Net Book Value)	33.729.530	4.715	10.270	-	33.744.515
Purchases of Tangible and Intangible Assets	100.108.684	939.121	172.508	-	101.220.313
Depreciation Expenses	46.981.191	2.623.652	39.251.700	-	88.856.543
Detail of the Group's foreign currency assets and liabilities by segments					
Total Assets in Foreign Currency	571.916.623	25.634.923	-	-	597.551.546
Total Liabilities in Foreign Currency	947.987.306	76.746	885.600.781	-	1.833.664.833
Net Asset / (Liability) Position of Foreign Currency	(376.070.683)	25.558.177	(885.600.781)	-	(1.236.113.287)
Detail of the Group's financial liabilities by division in currency					
<b>Financial Payables</b>	<b>1.368.489.063</b>	<b>37.923.127</b>	<b>885.600.781</b>	<b>-</b>	<b>2.292.012.971</b>
- USD	355.152.239	-	198.702.080	-	553.854.319
- EUR	297.419.513	-	686.898.701	-	984.318.214
- TRY	715.917.311	37.923.127	-	-	753.840.438
Export	2.004.349.121	118.916.255	-	-	2.123.265.376
Import	1.315.617.424	4.062.104	-	-	1.319.679.528
Total Debt	2.470.365.412	363.572.812	885.600.781	(13.092.396)	3.706.446.609
Cash Equivalents	(114.209.706)	(7.552.612)	-	-	(121.762.318)
Net Debt	2.356.155.706	356.020.200	885.600.781	(13.092.396)	3.584.684.291
Total Equity	2.569.230.715	532.193.494	934.487.766	(71.431.321)	3.964.480.654
Total Capital	4.925.386.421	888.213.694	1.820.088.547	(84.523.717)	7.549.164.945
Net Debt/Total Capital Ratio	47,84%	40,08%	48,66%		47,48%

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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.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>
Germany	36%	39%
U.S.A.	32%	26%
Italy	15%	18%
Netherland	6%	7%
France	2%	1%
Switzerland	1%	1%
Jordan	1%	0%
U.A.E.	1%	1%
Poland	1%	2%
Other	5%	5%
	<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 2023, the share of the largest buyer in the revenue from textile sector operations is 30,60% (30 September 2022: 40,67%). 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 78,64% (30 September 2022: 86,28%). The sales of dried fruits (raisin, fig and apricot) from Group to Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş. are made in accordance with the "Sales Agreement" signed between the Group and Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş. is the exporter and sub contractor of Group for dried fruits.

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**NOTE 4 – CASH AND CASH EQUIVALENTS**

As of 30 September 2023 and 31 December 2022 the details of cash and cash equivalents are as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Cash	231.334	70.599
<b>Banks</b>	<b>94.863.766</b>	<b>117.798.296</b>
<i>Demand deposits</i>	50.216.047	68.166.658
<i>Time deposits</i>	44.647.719	49.631.638
Other liquid assets (liquid funds)	323.119.393	-
	<b>418.214.493</b>	<b>117.868.895</b>

As of 30 September 2023 and 31 December 2022 maturity schedule of time deposits in the cash and cash equivalents are as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Within 1 month	44.647.719	49.631.638
	<b>44.647.719</b>	<b>49.631.638</b>

As of 30 September 2023, effective interest rates of time deposits in TRY 39,75% (31 December 2022: TRY 18,66%).

As of 30 September 2023, there is no deposit pledge on the Group's bank deposits. (31 December 2022: None.)

**NOTE 5 - FINANCIAL INVESTMENTS**

**Short Term Financial Investments**

**Financial assets at fair value through profit or loss**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Currency-protected deposit	3.657.400	3.893.423
Investment fund	166.220	-
	<b>3.823.620</b>	<b>3.893.423</b>

As of 30 September 2023, the annual interest rates of currency protected deposits 15.%

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**NOTE 6 – RELATED PARTY TRANSACTIONS**

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

**a) Trade receivables from related parties (Note 7):**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	377.394.281	364.802.642
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	17.415.563	20.090.463
Rediscount	(494.189)	(3.275.210)
	<b>394.315.655</b>	<b>381.617.895</b>

**a) Other receivables from related parties (Note 9):**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	563.127	327.128
	<b>563.127</b>	<b>327.128</b>

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

**a) Sales to related parties:**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	887.479.074	588.743.587	351.941.714	191.167.919
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	20.799.775	11.871.082	5.520.152	3.948.162
	<b>908.278.849</b>	<b>600.614.669</b>	<b>357.461.866</b>	<b>195.116.081</b>

**b) Purchases from related parties:**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	239.897.730	86.483.118	85.807.730	31.903.548
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	944	23.816	-	-
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	-	6.439	-	2.265
	<b>239.898.674</b>	<b>86.513.373</b>	<b>85.807.730</b>	<b>31.905.813</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:**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Benefits provided to senior management	4.563.223	2.234.180	1.837.237	1.209.523
	<b>4.424.473</b>	<b>2.234.180</b>	<b>1.837.237</b>	<b>1.209.523</b>

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

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Akça Holding A.Ş.	961.497	466.650	379.384	157.597
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	4.839.178	1.163.328	3.905.344	441.186
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	28.450	2.425	-	897
	<b>5.829.125</b>	<b>1.632.403</b>	<b>4.284.728</b>	<b>599.680</b>

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

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	279.691	136.238	91.794	56.245
Akça Holding A.Ş.	251.983	146.235	83.994	48.745
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	226.993	131.736	75.664	43.912
Menderes Tekstil Pazarlama A.Ş.	-	3.356	-	-
Akçamen Tekstil Sanayi Ticaret A.Ş.	-	3.356	-	-
	<b>758.667</b>	<b>420.921</b>	<b>251.452</b>	<b>148.902</b>

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

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	190.464	392.854	61.864	163.451
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	339.740	60.117	17.891	11.887
Akça Holding A.Ş.	43.563	-	4.268	-
	<b>573.767</b>	<b>452.971</b>	<b>84.023</b>	<b>175.338</b>

**e) Foreign exchange income from related parties:**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	185.916.556	94.502.971	158.096.469	21.575.302
	<b>185.916.556</b>	<b>94.502.971</b>	<b>158.096.469</b>	<b>21.575.302</b>

**f) Maturity difference received from related parties:**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	12.467.475	4.953.871	5.780.194	1.798.086
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	1.182.079	107.993	375.785	72.500
	<b>13.649.554</b>	<b>5.061.864</b>	<b>6.155.979</b>	<b>1.870.586</b>

**g) Interest income from related parties**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	419.014	15.043.192	136.165	617.054
Akça Holding A.Ş.	-	4.431	-	-
	<b>419.014</b>	<b>15.047.623</b>	<b>136.165</b>	<b>617.054</b>

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**h) Interest expenses paid to related parties**

	<b>01.01.-</b> <b>30.09.2023</b>	<b>01.01.-</b> <b>30.09.2022</b>	<b>01.07.-</b> <b>30.09.2023</b>	<b>01.07.-</b> <b>30.09.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	390.868	677.491	67.146	69.118
Selin Tekstil Sanayi ve Ticaret A.Ş.	-	244.456	-	-
	<b>390.868</b>	<b>921.947</b>	<b>67.146</b>	<b>69.118</b>

**i) Rent expenses paid to related parties:**

	<b>01.01.-</b> <b>30.09.2023</b>	<b>01.01.-</b> <b>30.09.2022</b>	<b>01.07.-</b> <b>30.09.2023</b>	<b>01.07.-</b> <b>30.09.2022</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	865.441	-	379.467	-
	<b>865.441</b>	<b>-</b>	<b>379.467</b>	<b>-</b>

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**NOTE 7 – TRADE RECEIVABLES AND TRADE PAYABLES**

**Short Term Trade Receivables**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Trade receivables	517.999.257	169.835.998
Cheques and notes	6.838.700	10.182.815
Unearned interest on trade receivables	(10.179.370)	(1.313.077)
Doubtful trade receivables	486.010	486.010
Provision for doubtful receivables (-)	(486.010)	(486.010)
Income accruals	52.892.393	52.453.978
<b>Trade Receivables From Third Parties</b>	<b>567.550.980</b>	<b>231.159.714</b>
Trade receivables from related parties	394.809.844	384.893.105
Unearned interests on related party receivables	(494.189)	(3.275.210)
<b>Trade Receivables From Related Parties</b>	<b>394.315.655</b>	<b>381.617.895</b>
<b>Total Short-Term Trade Receivables</b>	<b>961.866.635</b>	<b>612.777.609</b>

As of 30 September 2023, the average maturity of trade receivables are 59 days (31 December 2022: 43 days).

Maturity schedule of notes receivables as of 30 September 2023 and 31 December 2022 are as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
1-30 days	-	417.000
31-60 days	-	2.255.893
61-90 days	885.462	3.404.236
91-120 days	4.563.238	-
121-150 days	1.390.000	4.105.686
	<b>6.838.700</b>	<b>10.182.815</b>

As of 30 September 2023 and 31 December 2022 provision for doubtful receivables movement schedule is as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Opening balance	486.010	494.770
Collections made during the period	-	(9.160)
Provisions made during the period	-	400
<b>Closing Balance</b>	<b>486.010</b>	<b>486.010</b>

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**Short Term Trade Payables**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Trade payables	720.774.647	418.094.801
Notes payables	36.987.517	18.296.181
Unearned interests on payables	(13.607.252)	(2.084.619)
Expense accruals	86.124.878	101.946.943
<b>Total Short Term Trade Payables</b>	<b>830.279.790</b>	<b>536.253.306</b>

As of 30 September 2023, the average maturity of trade payables are 65 days (31 December 2022: 54 days).

As of 30 September 2023, there is no the surety bond were given for trade payables of the Group by bank. In addition, there is letter of credit balance amounting to USD 4.223.680 (TRY 115.838.648) in trade payables (Note 20).

As of 30 September 2023 and 31 December 2022 maturity breakdown of notes payables are as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
1 – 30 days	21.460.474	11.774.421
31 – 60 days	7.020.882	6.113.031
61 – 90 days	3.195.320	160.560
91 – 120 days	1.910.841	248.169
121 – 150 days	1.700.000	-
151 – 180 days	1.700.000	-
	<b>36.987.517</b>	<b>18.296.181</b>

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**NOTE 8 – FINANCIAL BORROWINGS**

	<b>30.09.2023</b>	<b>31.12.2022</b>
<b>Short Term Borrowings:</b>		
TRY borrowings	957.502.170	691.602.502
USD borrowings	-	312.118.679
EUR borrowings	21.541.610	121.794.234
Direct debit system and credit card liabilities (TRY)	3.294.448	2.126.658
<b>Short Term Financial Borrowings</b>	<b>982.338.228</b>	<b>1.127.642.073</b>
<b>Lease Payables:</b>		
TRY lease payables, net	5.909.708	5.273.660
<b>Bank Borrowings:</b>		
TRY borrowings	61.217.620	14.231.317
USD borrowings	73.540.625	84.639.927
EUR borrowings	163.928.442	208.005.866
<b>Current Installments of Long-Term Borrowings</b>	<b>304.596.395</b>	<b>312.150.770</b>
<b>Long Term Lease Payables:</b>		
TRY lease payables, net	6.882.610	11.387.006
<b>Long Term Bank Borrowings:</b>		
TRY borrowings	109.067.696	29.219.295
USD borrowings	161.273.710	157.095.713
EUR borrowings	760.674.619	654.518.114
<b>Long Term Financial Borrowings</b>	<b>1.037.898.635</b>	<b>852.220.128</b>
<b>Total Financial Liabilities</b>	<b>2.324.833.258</b>	<b>2.292.012.971</b>

As of 30 September 2023 and 31 December 2022 maturity analysis of borrowings and other financial borrowings are as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Within 3 months	370.938.973	218.884.152
Between 3 - 12 months	910.085.942	1.215.635.031
Between 1 - 5 years	820.292.344	656.328.745
More than 5 years	210.723.681	184.504.377
	<b>2.312.040.940</b>	<b>2.275.352.305</b>

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As of 30 September 2023 and 31 December 2022 maturity schedule of long term bank borrowings are as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Between 1-2 years	316.697.952	251.186.684
Between 2-3 years	219.649.016	176.206.182
Between 3-4 years	173.320.588	126.744.209
Between 4-5 years	110.624.758	102.191.665
Between 5-6 years	50.824.932	60.449.067
Between 6-7 years	45.088.897	31.090.042
Between 7-8 years	36.021.404	29.985.677
Between 8-9 years	27.489.295	18.946.258
Between 9-10 years	26.601.223	18.339.725
Between 10-11 years	24.697.960	17.741.500
Between 11-12 years	-	7.952.113
	<b>1.031.016.025</b>	<b>840.833.122</b>

As of 30 September 2023, effective interest rates for TRY, USD and EUR bank loans are 14,32 %, 6,48 % and 3,42% (31 December 2022: TRY 11,38% USD 5,91% and EUR 4,06%).

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

Total amount of mortgage on lands and buildings of the Group given to financial institutions are USD 134.950.000 (TRY 3.701.138.700), EUR 25.000.000 (TRY 727.070.000) and TRY 362.310.000.

As of 30 September 2023 and 31 December 2022 the details of financial leasing borrowings of Group are as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Short term lease payables	7.495.694	7.506.998
Cost of deferred lease payables (-)	(1.585.986)	(2.233.338)
	<b>5.909.708</b>	<b>5.273.660</b>
	<b>30.09.2023</b>	<b>31.12.2022</b>
Long term lease payables	7.479.089	13.088.384
Cost of deferred lease payables (-)	(596.479)	(1.701.378)
	<b>6.882.610</b>	<b>11.387.006</b>

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As of 30 September 2023, 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	7.495.694	(1.585.986)	5.909.708
Between 1 – 2 years	7.479.059	(596.449)	6.882.610
Between 2 – 3 years	30	(30)	-
	<b>14.974.783</b>	<b>(2.182.465)</b>	<b>12.792.318</b>

As of 31 December 2022, 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	7.506.998	(2.233.338)	5.273.660
Between 1 – 2 years	7.479.059	(1.352.854)	6.126.205
Between 2 – 3 years	5.609.305	(348.504)	5.260.801
Between 3 – 4 years	20	(20)	-
	<b>20.595.382</b>	<b>(3.934.716)</b>	<b>16.660.666</b>

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**NOTE 9 – OTHER RECEIVABLES AND PAYABLES**

**Other Current Receivables**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Deposit and guarantees given	624.068	360.661
VAT return receivables	32.913.416	8.341.907
Other receivables	3.636	473.538
<b>Other Receivables from Third Parties</b>	<b>33.541.120</b>	<b>9.176.106</b>
Receivables from shareholders	563.127	327.128
<b>Other Receivables From Related Parties</b>	<b>563.127</b>	<b>327.128</b>
<b>Total Other Current Receivables</b>	<b>34.104.247</b>	<b>9.503.234</b>

**Other Non-Current Receivables**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Deposits and guarantees given	159.340	153.411
	<b>159.340</b>	<b>153.411</b>

**Other Current Payables**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Deposit and guarantees received	454.897	90.535
Taxes and funds payable	10.268.386	12.426.455
Other various debts	-	12.453
<b>Total Other Current Payables</b>	<b>10.723.283</b>	<b>12.529.443</b>

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**NOTE 10 – DERIVATIVE INSTRUMENTS**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Income accrual from forward exchange	188.331	-
	<b>188.331</b>	<b>-</b>

**NOTE 11 – INVENTORIES**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Raw materials	534.197.520	604.441.280
Semi-finished products	111.792.489	108.424.507
Finished goods	612.575.439	747.288.781
Goods in transit	-	13.736.945
Dried agricultural products (Figs, Apricot and Raisin)	265.557.130	232.342.679
	<b>1.524.122.578</b>	<b>1.706.234.192</b>

All inventories of the Group are under insurance coverage.

**NOTE 12 – BIOLOGICAL ASSETS**

**Current Biological Assets**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Biological assets (Tomato)	54.866.878	29.361.062
	<b>54.866.878</b>	<b>29.361.062</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 13 – PREPAID EXPENSES AND DEFERRED INCOME**

**Short Term Prepaid Expenses**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Order advances given	15.912.746	8.424.589
Prepaid expenses	7.141.619	9.752.515
Advances given for business purposes	138.587	98.293
	<b>23.192.952</b>	<b>18.275.397</b>

**Long Term Prepaid Expenses**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Advances given for purchases of tangible assets	11.362.041	36.637.116
Prepaid expenses	525.391	545.374
	<b>11.887.432</b>	<b>37.182.490</b>

**Short Term Deferred Income**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Advances received	35.141.427	38.627.150
Deferred income	11.779.074	11.868.902
	<b>46.920.501</b>	<b>50.496.052</b>

**Long Term Deferred Income**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Deferred income	12.263.145	21.073.246
	<b>12.263.145</b>	<b>21.073.246</b>

**NOTE 14 – ASSETS RELATED TO CURRENT PERIOD TAX**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Prepaid taxes and funds	1.310.423	2.778.947
	<b>1.310.423</b>	<b>2.778.947</b>

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**NOTE 15 – INVESTMENTS VALUED BY EQUITY PICK-UP METHOD**

As of 30 September 2023 and 31 December 2022 the companies accounted by equity pick up method are as follows:

	<b>30.09.2023</b>	<b>Pay (%)</b>	<b>31.12.2022</b>	<b>Pay (%)</b>
Aktur İzmir Gayrimenkul A.Ş.	241.920.332	48%	240.244.300	48%
	<b>241.920.332</b>		<b>240.244.300</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 2023 and 31 December 2022 are as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Current assets	9.110.913	5.111.601
Non-current assets	550.022.330	549.870.435
<b>Total Assets</b>	<b>559.133.243</b>	<b>554.982.036</b>
Current liabilities	2.300.356	1.702.588
Non-current liabilities	52.832.195	52.770.490
Parent company’s equity	504.000.692	500.508.958
<b>Total Liabilities</b>	<b>559.133.243</b>	<b>554.982.036</b>
Sales, net	5.629.814	4.280.089
Net profit / (loss)	3.491.734	326.412.420

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**NOTE 16 – INVESTMENT PROPERTIES**

<b>Cost Value</b>	<b>Lands</b>	<b>Total</b>
01 January 2022 opening balance	139.757.592	139.757.592
Fair value	68.868.311	68.868.311
31 December 2022 closing balance	208.625.903	208.625.903
Additions	-	-
30 September 2023 closing balance	208.625.903	208.625.903
<b>31.12.2022, Net Book Value</b>	<b>208.625.903</b>	<b>208.625.903</b>
<b>30.09.2023, Net Book Value</b>	<b>208.625.903</b>	<b>208.625.903</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 2022</b>	4.230.000	135.527.592
Value Decrease/increase	1.570.000	67.298.311
<b>As of 31 December 2022</b>	<b>5.800.000</b>	<b>202.825.903</b>
Additions	-	-
<b>As of 30 September 2023</b>	<b>5.800.000</b>	<b>202.825.903</b>

The lands that are shown as investment property are revaluated by Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş. The fair values determined in the valuation studies carried out on 31 December 2022 are reflected in the accompanying consolidated financial statements.

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**NOTE 17 – 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>Total</b>
01 January 2022 opening balance	107.180.000	115.430.000	366.345.000	1.351.855.000	9.747.188	20.979.657	13.537.755	1.985.074.600
Additions	-	-	23.000.000	3.335.788	2.685.363	123.104	67.444.485	96.588.740
Disposals	-	-	(23.000.000)	(25.866)	-	(46.934)	-	(23.072.800)
Transfer	-	-	-	44.081.458	-	-	(60.295.573)	(16.214.115)
Gain on revaluation of property	289.220.000	260.770.000	583.045.000	1.010.950.620	-	-	-	2.143.985.620
31 December 2022 closing balance	396.400.000	376.200.000	949.390.000	2.410.197.000	12.432.551	21.055.827	20.686.667	4.186.362.045
Additions	-	-	105.000	4.004.628	12.252.969	428.550	488.164.667	504.955.814
Disposals	-	-	-	(50.365)	(191.591)	(39.495)	-	(281.451)
Transfer	-	-	-	391.418.544	-	-	(396.526.727)	(5.108.183)
30 September 2023 closing balance	396.400.000	376.200.000	949.495.000	2.805.569.807	24.493.929	21.444.882	112.324.607	4.685.928.225
<b>Accumulated Depreciation</b>								
01 January 2022 opening balance	-	-	-	-	1.572.565	14.948.417	-	16.520.982
Additions	-	4.635.974	12.275.753	64.187.323	1.413.888	1.839.256	-	84.352.194
Disposals	-	-	(38.333)	(17.883)	-	(46.934)	-	(103.150)
Gain on revaluation of property	-	(4.635.974)	(12.237.420)	(64.169.440)	-	-	-	(81.042.834)
31 December 2022 closing balance	-	-	-	-	2.986.453	16.740.739	-	19.727.192
Additions	-	26.659.125	24.731.583	134.543.641	2.149.817	1.111.211	-	189.195.377
Disposals	-	-	-	(50.365)	(79.823)	(37.520)	-	(167.708)
30 September 2023 closing balance	-	26.659.125	24.731.583	134.493.276	5.056.447	17.814.430	-	208.754.861
<b>31.12.2022, Net Book Value</b>	<b>396.400.000</b>	<b>376.200.000</b>	<b>949.390.000</b>	<b>2.410.197.000</b>	<b>9.446.098</b>	<b>4.315.088</b>	<b>20.686.667</b>	<b>4.166.634.853</b>
<b>30.09.2023, Net Book Value</b>	<b>396.400.000</b>	<b>349.540.875</b>	<b>924.763.417</b>	<b>2.671.076.531</b>	<b>19.437.482</b>	<b>3.630.452</b>	<b>112.324.607</b>	<b>4.477.173.364</b>

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As of 30 September 2023, the depreciation expense of tangible assets for the period is TRY 189.195.377 (31 December 2022: TRY 84.352.194)

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

As of 30 September 2023, fixed assets are insured by TRY 105.119.970, EUR 20.159.375 (TRY 585.236.736), USD 331.753.447 (TRY 9.082.314.592). (31 December 2022: TRY 55.084.327, EUR 35.351.000 (TRY 704.718.650), USD 169.590.727 (TRY 3.171.058.291).

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions are USD 134.950.000 (TRY 3.701.138.700), EUR 25.000.000 (TRY 727.070.000) and TRY 362.310.000

As of 30 September 2023, net book value of leasing machines is TRY 53.305.000 (31.12.2022: TRY 55.490.000)

As of 30 September 2023 and 31 December 2022, the Group has no borrowing costs.

The structures in the production facility located in Denizli Sarayköy, which is accounted for with the revaluation model in TAS 16 Property, Plant and Equipment, currently have a closed area of 172.168,67 m2. The parcels subject to valuation in the production facility are in common use and 78.289,67 m2 of them have building use permit certificates; 49.450 m2 of them have building registration certificates and the remaining 44.429 m2 of them have not yet been licensed. If the legal processes of the 49.450 m2 of buildings with building registration certificates are completed, 127.739,67 m2 of the buildings in the production facility will be licensed, leaving 44.429 m2 of buildings that need to be licensed. As of December 31, 2022, the structures, the fair value of which is determined by an independent valuation firm accredited by the Capital Markets Board ("CMB") as TRY 804.400.000 according to the current situation (TRY 370.700.000 according to the legal situation), have been carried in the accompanying consolidated financial statements with the revaluation model.

**NOTE 18- RIGHT OF USE ASSETS**

None.

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**NOTE 19 – 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 2022 opening balance	1.186.858	21.241.440	1.053.553	23.481.851
Additions	4.631.573	-	-	4.631.573
Transfers	7.016.655	9.197.460	-	16.214.115
31 December 2022 closing balance	12.835.086	30.438.900	1.053.553	44.327.539
Additions	2.142.274	-	-	2.142.274
Transfers	1.311.075	3.797.108	-	5.108.183
30 September 2023 closing balance	16.288.435	34.236.008	1.053.553	51.577.996
<b>Accumulated Depreciation</b>				
01 January 2022 opening balance	738.731	4.391.030	948.914	6.078.675
Additions	1.794.696	2.697.223	12.430	4.504.349
31 December 2022 closing balance	2.533.427	7.088.253	961.344	10.583.024
Additions	3.466.414	3.441.948	6.621	6.914.983
30 September 2023 closing balance	5.999.841	10.530.201	967.965	17.498.007
<b>31.12.2022, Net Book Value</b>	<b>10.301.659</b>	<b>23.350.647</b>	<b>92.209</b>	<b>33.744.515</b>
<b>30.09.2023, Net Book Value</b>	<b>10.288.594</b>	<b>23.705.807</b>	<b>85.588</b>	<b>34.079.989</b>

As of 30 September 2023, the amortization expense of intangible assets for the period is TRY 6.914.983 (31 December 2022: TRY 4.504.349).

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**NOTE 20 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

As of 30 September 2023 and 31 December 2022, the Group's guarantee / security / mortgage (“GSM”) position are as follows:

<b>Guarantees, security and mortgage “(GSM)” given by the Group</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
A. Total Amount of GSM given on behalf of Group’s own legal entity	5.577.817.355	3.772.901.834
B. Total Amount of GSM given for partnerships which included in full consolidation	None	None
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. Total Amount of GSM given for the Parent Group	None	None
ii. Total Amount of GSM Given for Other Group Companies not Included in B and C Clauses	None	None
iii. Total Amount of GSM Given for Third Parties not Included in C Clause	None	None
<b>Total</b>	<b>5.577.817.355</b>	<b>3.772.901.834</b>

As of 30 September 2023, 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	27,4260	3.701.138.700
Türkiye Vakıflar Bankası T.A.O.	EUR	25.000.000	29,0828	727.070.000
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	TRY	265.000.000	1,0000	265.000.000
				<b>4.790.518.700</b>

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As of 30 September 2023, 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	21.187.846	1,0000	21.187.846
Energy Market Regulatory Authority	TRY	36.342.239	1,0000	36.342.239
Customs Administration	TRY	29.770.582	1,0000	29.770.582
Credit Guarantee	USD	1.278.000	27,4260	35.050.428
Credit Guarantee	EUR	2.626.200	29,0828	76.377.249
Credit Guarantee	TRY	381.087.000	1,0000	381.087.000
Other	USD	85.000	27,4260	2.331.210
Public Institutions	TRY	15.152.100	1,0000	15.152.100
				<b>597.298.655</b>

As of 30 September 2023, bank details of the guarantee letters given are as follows:

Details of Guarantee Letters Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O.	TRY	238.495.996	1,0000	238.495.996
Türkiye Vakıflar Bankası T.A.O.	EUR	2.626.200	29,0828	76.377.249
Türkiye Vakıflar Bankası T.A.O.	USD	1.363.000	27,4260	37.381.638
Halk Bank A.Ş.	TRY	244.987.000	1,0000	244.987.000
Ziraat Bankası A.Ş.	TRY	56.772	1,0000	56.772
				<b>597.298.655</b>

As of 30 September 2023, avals and letter of credits 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	976.634	27,4260	26.785.164
İşbankası A.Ş	USD	2.471.266	27,4260	67.776.941
Ziraat Bankası A.Ş.	USD	775.780	27,4260	21.276.542
				<b>115.838.648</b>

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As of 30 September 2023, bank details of the general borrowing contracts are as follows:

General Borrowing Contracts:	FX Currency	FX Amount	FX Rate	TRY Equivalent
Denizbank A.Ş.	USD	9.000.000	27,4260	246.834.000
Eximbank A.Ş.	USD	45.000.000	27,4260	1.234.170.000
Halk Bankası A.Ş.	TRY	500.000.000	1,0000	500.000.000
Halk Bankası A.Ş.	USD	40.000.000	27,4260	1.097.040.000
İşbankası A.Ş.	USD	9.500.000	27,4260	260.547.000
Şekerbank A.Ş.	EUR	500.000	29,0828	14.541.400
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	TRY	125.000.000	1,0000	125.000.000
Vakıfbank A.Ş.	USD	65.000.000	27,4260	1.782.690.000
Vakıfbank A.Ş.	USD	25.000.000	27,4260	685.650.000
Arap Türk Bankası A.Ş.	USD	2.000.000	27,4260	54.852.000
				<b>6.001.324.400</b>

As of 30 September 2023, bank details of the bonds are as follows:

Bond	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Cumhuriyeti Merkez Bankası	TRY	190.000.000	1,0000	190.000.000
				<b>190.000.000</b>

There is no guarantee given by the Group for the loans in favor of related parties. For credit contracts of the Group USD 195.500.000 (TRY 5.361.783.000), EUR 500.000 (TRY 14.541.400) and TRY 625.000.000 guarantee are provided by related parties (Akça Holding and Osman Akça) (31 December 2022: USD 185.500.000 (TRY 3.437.786.000), EUR 500.000 (TRY 9.985.400) and TRY 625.000.000).

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**NOTE 21 – PROVISIONS**

**Short Term Provisions**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Provision for the lawsuits	6.381.947	3.862.721
Provision for unused vacation	25.604.504	16.924.978
	<b>31.986.451</b>	<b>20.787.699</b>

	<b>30.09.2023</b>	<b>31.12.2022</b>
Unused vacation provisions at beginning of period	16.924.978	9.698.737
Provisions during the period/reversal	8.679.526	7.226.241
<b>Closing balance</b>	<b>25.604.504</b>	<b>16.924.978</b>

**Long Term Provisions for Employee Benefits**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Provision for severance pay	143.617.668	118.684.242
	<b>143.617.668</b>	<b>118.684.242</b>

For the period of 01 January – 30 September 2023, the average number of personnel, including subcontractors employed by the Group is 2.876 (01.01-31.12.2022:3.477). The rate of retirement probability used is 96% (01.01-31.12.2022: 96%).

For the period ended at 30 September 2023 and 31 December 2022 the movement schedule of severance pay provision is as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Balance of 01 January	118.684.242	78.630.230
Increase in the period	66.008.978	46.941.592
Interest cost	3.242.715	2.813.376
Payments during the period	(48.538.300)	(10.413.384)
Actuarial profit/(loss)	4.220.033	712.428
<b>Balance at the end of the period</b>	<b>143.617.668</b>	<b>118.684.242</b>

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**NOTE 22 – EMPLOYEE BENEFIT LIABILITIES**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Due to personnel	94.135.584	52.238.111
Social security deductions payable	14.087.997	14.132.099
	<b>108.223.581</b>	<b>66.370.210</b>

**NOTE 23 – OTHER CURRENT ASSETS AND LIABILITIES**

**Other Current Assets**

	<b>30.09.2023</b>	<b>31.12.2022</b>
VAT carried forward	8.149.692	93.320.176
	<b>8.149.692</b>	<b>93.320.176</b>

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**NOTE 24 – SHARE CAPITAL**

**24.1 Paid in Capital**

As of 30 September 2023 and 31 December 2022, the issued capital of the Company is TRY 277.292.576, divided into 27.729.257.642 shares each with a nominal value of 1 (one) KR.

As of 30 September 2023 and 31 December 2022, Group’s paid in capital is as follows:

<b>Shareholders:</b>	<b>30.09.2023</b>		<b>31.12.2022</b>	
	<b>Share (%)</b>	<b>TRY</b>	<b>Share (%)</b>	<b>TRY</b>
Public Offered Shares	49,79%	138.056.176	56,26%	140.643.646
Akça Holding A.Ş.	48,06%	133.255.845	41,35%	103.375.799
Other	2,16%	5.980.555	2,39%	5.980.555
<b>Total</b>	<b>100,00%</b>	<b>277.292.576</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).

TRY 27.292.576 nominal valued shares, issued by increasing the Company's issued capital from TRY 250.000.000 to TRY 277.292.576 were sold through private placement to Akça Holding A.Ş. at TRY 9,16 price per share on Borsa İstanbul A.Ş. equity market within the scope of wholesale transactions on 14.08.2023. Capital increase was registered in accordance with the Turkish Commercial Code on date 22.09.2023 and published in the Turkish Trade Registry Gazette dated 22.09.2023 and numbered 10920.

**24.2 Inflation Adjustments of Shareholders’ Equity**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Inflation adjustment of shareholders’ equity	860.487	860.487
	<b>860.487</b>	<b>860.487</b>

Adjustment of shareholders’ equity is the difference between the total amount of cash additions made to the capital, adjusted according to the TAS/TFRS’s published by the POA and the amounts before the adjustment. Capital adjustment differences have no use other than to be added to the capital.

**24.3 Share Premiums/Discounts**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Share Premiums/Discounts	222.707.424	-
	<b>222.707.424</b>	<b>-</b>

TRY 27.292.576 nominal valued shares, issued by increasing the Company's issued capital from TRY 250.000.000 to TRY 277.292.576 were sold through private placement to Akça Holding A.Ş. at TRY 9,16 price per share with total sales proceeds amounting TRY 250.000.000. The Company's shares consists of share premium amounting to TRY 222.707.424 resulting from the private placement.

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

**24.4.1 Gain on revaluation of properties**

	<b>30.09.2023</b>	<b>31.12.2022</b>
Gain on revaluation of properties	2.997.901.174	3.078.940.524
	<b>2.997.901.174</b>	<b>3.078.940.524</b>

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

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 31.12.2022</b>
1 January (Beginning of period)	3.078.940.524	1.203.535.433
Increase in value on fixed asset	-	2.225.028.454
Transfer to minority shares	559.056	(19.608.512)
Deferred tax effect	(81.598.406)	(330.014.851)
	<b>2.997.901.174</b>	<b>3.078.940.524</b>

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

The fair value increases TRY 2.997.901.174 (31 December 2022: TRY 3.078.940.524) 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 Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş., an organization accredited to the CMB. The group's valuation of machinery, plant and equipments was carried out by Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş., an organization accredited to the CMB.

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

	<b>30.09.2023</b>	<b>31.12.2022</b>
Defined Benefit Plans Re-Measurement Gains (Losses)	7.490.399	10.837.864
	<b>7.490.399</b>	<b>10.837.864</b>

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

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

	<b>30.09.2023</b>	<b>31.12.2022</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 TRY 42.649.562 after clarification.

**24.6 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>30.09.2023</b>	<b>31.12.2022</b>
Legal reserves	10.340.261	10.340.261
	<b>10.340.261</b>	<b>10.340.261</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.

**24.7 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>30.09.2023</b>	<b>31.12.2022</b>
Previous Years Profits/(Losses)	526.460.106	(510.871.703)
	<b>526.460.106</b>	<b>(510.871.703)</b>

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**24.8 Minority Interest**

The details of the minority interests as of 30 September 2023 are as follows:

<b>30 September 2023</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>
Smyrna	233.017.175	22.756.858	79,17%	20,83%	48.545.244	4.741.012	4.153.394
					<b>48.545.244</b>	<b>4.741.012</b>	<b>4.153.394</b>

The details of the minority interests as of 31 December 2022 are as follows:

<b>31 December 2022</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>
Smyrna	213.080.883	50.875.707	79,17%	20,83%	44.391.850	10.599.106	30.186.646
					<b>44.391.850</b>	<b>10.599.106</b>	<b>30.186.646</b>

As of 30 September 2023 and 31 December 2022, the details of non-controlling interests are as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Shares in capital	2.500.000	2.500.000
Revaluation fund	26.483.195	27.042.251
Actuarial loss / (gain)	26.008	54.570
Shares in accumulated profits / ( losses)	14.795.029	4.195.923
Share in profit / (loss) for the period	4.741.012	10.599.106
	<b>48.545.244</b>	<b>44.391.850</b>

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**NOT 25 – SALES AND COST OF SALES**

**25.1 Sales**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Domestic sales	1.988.936.610	1.461.866.699	723.328.719	570.329.632
Export sales	1.700.729.267	1.740.058.254	858.421.610	791.905.377
Other sales	6.395.175	11.253.476	1.448.206	5.730.236
	<b>3.696.061.052</b>	<b>3.213.178.429</b>	<b>1.583.198.535</b>	<b>1.367.965.245</b>
Sales returns	(2.474.292)	(1.254.832)	(1.330.982)	(702.158)
Other discounts	(88.654.535)	(129.622.777)	(11.355.527)	(88.257.856)
<b>Sales Income, (net)</b>	<b>3.604.932.225</b>	<b>3.082.300.820</b>	<b>1.570.512.026</b>	<b>1.279.005.231</b>

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**25.2 Cost of Sales**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Direct material expenses	629.555.411	1.285.472.046	185.268.611	389.005.158
Direct labor expenses	230.057.462	182.543.568	98.035.055	74.650.485
General production expenses	444.740.138	367.615.693	150.738.125	150.898.652
Depreciation expenses	100.355.833	32.005.308	33.875.081	10.705.564
<u>Change in semi-finished goods</u>				
1. Beginning semi-finished goods (+)	108.424.507	46.029.527	-	-
2. Ending semi-finished goods (-)	(111.792.489)	(167.868.376)	37.616.776	17.615.181
Cost of finished goods produced	1.401.340.862	1.745.797.766	505.533.648	642.875.040
<u>Changes in finished goods inventory</u>				
1. Beginning inventory (+)	750.247.573	330.386.688	-	-
2. Ending inventory (-)	(612.575.439)	(676.070.469)	168.968.281	50.682.036
Cost of finished goods sold	1.539.012.996	1.400.113.985	674.501.929	693.557.076
<u>Cost of merchandises</u>				
2. Purchases during the period (+)	1.179.056	3.790.146	7.315	509.812
3. Ending merchandise inventory (-)	-	-	-	317.018
Cost of merchandises sold	1.179.056	3.790.146	7.315	826.830
Cost of other service rendered	4.804.643	1.404.804	-	411.849
Cost of other sales	981.970.674	441.873.224	453.579.205	184.018.108
Cost of biological assets	134.093.978	50.215.766	2.269.621	(1.009.879)
Depreciation of biological assets	7.573.205	1.968.457	2.822.219	655.954
Energy costs	105.377.199	75.931.206	35.922.749	28.533.216
Energy depreciation	83.319.259	29.438.310	31.467.540	9.812.806
<b>Cost of sales, net</b>	<b>2.857.331.010</b>	<b>2.004.735.898</b>	<b>1.200.570.578</b>	<b>916.805.960</b>

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As of 01 January – 30 September 2023 and 2022, for each main production group, quantities of goods and services:

	<b>Birim</b>	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>
Yarn	Kg	4.666.595	6.924.287
Raw Clothing	Mt2	37.892.662	71.958.461
Finishing Cloth	Mt2	84.576.636	117.813.238
Lining	Mt2	13.268.764	13.080.695
Linens, Sheets, Curtains, Pillows.	Quantity	7.460.287	11.394.863
Electricity	Kwh	194.844.862	220.800.892
Cotton Waste	Kg	349.506	552.202
Piece of Cloth	Kg	1.443.109	1.727.262
Yarn Waste	Kg	187.153	407.305
Textile Trash Powder	Kg	125.837	170.271
Tomato	Kg	2.616.299	2.204.999
Dried Figs	Kg	4.558.547	4.147.474
Dried Apricot	Kg	308.460	541.228
Raisin	Kg	14.239.974	13.194.319
Dry Food by-Product	Kg	4.358.262	962.922

As of 01 January- 30 September 2023 and 2022, for each main sales group, quantities of goods and services:

	<b>Unit</b>	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>
Yarn	Kg	2.320	134.304
Finishing Cloth	Mt2	9.460.417	12.729.204
Lining	Mt2	13.656.394	14.178.103
Linens, Sheets, Curtains, Pillows	Quantity	7.580.358	11.280.689
Electricity	Kwh	177.554.147	194.861.260
Cotton Waste	Kg	71.720	75.100
Piece of Cloth	Kg	786.635	1.463.050
Yarn Waste	Kg	174.155	404.590
Textile Trash Powder	Kg	119.140	121.520
Pepper	Kg	-	79.139
Tomato	Kg	3.965.268	2.829.789
Dried Figs	Kg	4.558.547	4.147.474
Dried Apricot	Kg	308.460	541.228
Raisin	Kg	14.239.974	13.194.319
Dry Food by-Product	Kg	4.358.262	962.922

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**NOTE 26 – RESEARCH AND DEVELOPMENT GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Research and development expenses	27.160.381	9.583.129	6.269.535	4.721.107
Marketing, sales and distribution expenses	90.481.390	79.590.566	36.827.725	40.748.183
General administrative expenses	188.416.964	58.052.952	63.904.477	28.006.587
	<b>306.058.735</b>	<b>147.226.647</b>	<b>107.001.737</b>	<b>73.475.877</b>

**26.1 Research and Development Expenses**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Personnel expenses	23.160.739	8.491.818	5.734.675	4.606.583
Direct material expenses	1.364.965	626.045	-	6.551
Other expenses	2.634.677	465.266	534.860	107.973
	<b>27.160.381</b>	<b>9.583.129</b>	<b>6.269.535</b>	<b>4.721.107</b>

**26.2 Marketing Expenses**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Personnel expenses	32.306.741	21.131.912	12.418.558	11.656.259
Export expenses	41.925.743	44.890.206	20.232.491	24.695.365
Domestic sales transportation expense	3.561.886	3.883.480	564.331	1.425.450
Depreciation expenses	505.680	528.684	170.057	176.841
Other expenses	8.267.314	5.812.874	3.040.322	2.201.897
Fair expenses	3.914.026	3.343.410	401.966	592.371
	<b>90.481.390</b>	<b>79.590.566</b>	<b>36.827.725</b>	<b>40.748.183</b>

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**26.3 General administrative expenses**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Personnel expenses	28.488.138	27.826.077	11.886.151	20.023.711
Insurance expenses	2.206.556	855.596	658.229	464.271
Education and consultancy expenses	6.199.761	11.077.579	1.994.272	8.062.420
Office expenses	1.072.295	620.872	357.349	240.505
Repair and maintenance expenses	1.647.295	338.617	686.512	102.903
Travelling expenses	1.747.463	772.208	650.682	504.735
Membership expenses	3.766.844	2.806.287	1.634.436	1.221.501
Tax and duty expenses	3.167.105	2.035.734	960.253	518.612
Shares in holding cost (*)	961.497	319.819	379.384	53.271
Provision for litigation expenses	3.657.345	294.271	73.911	(47.897)
Provision for severance pay expense	584.727	2.152.749	479.568	2.042.479
Provision for unused personnel leave	1.201.108	247.054	1.201.108	78.156
Depreciation expenses	4.356.383	2.376.066	1.634.389	794.779
Severance pay expenses	124.326.498	-	37.788.456	(8.911.967)
Other expenses	5.033.949	6.330.023	3.519.777	2.859.108
	<b>188.416.964</b>	<b>58.052.952</b>	<b>63.904.477</b>	<b>28.006.587</b>

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

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**NOT 27 – OTHER OPERATING INCOME/ (EXPENSES)**

**27.1 Other Income From Operating Activities**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Reversal of unnecessary provision	1.727.604	308.102	(11.549.718)	289.167
Carbon credit sales revenues	-	5.313.357	-	-
Incentive income	17.099.829	-	7.097.460	-
Foreign exchange gains related to commercial activities	314.998.632	216.321.145	62.224.041	62.210.736
Discount income / expenses on payables, net	18.195.539	10.376.313	8.242.550	1.133.675
Maturity difference income	13.649.554	5.061.864	6.155.979	1.870.586
Refund of wind power plant contribution	12.260.762	-	12.260.762	-
Rental income	2.543.397	1.389.940	905.928	443.288
Other income and profit	18.409.768	12.334.753	5.608.742	4.253.629
	<b>398.885.085</b>	<b>251.105.474</b>	<b>90.945.744</b>	<b>70.201.081</b>

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

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Foreign exchange expenses related to commercial activities	104.971.560	146.136.581	19.368.234	37.506.964
Discount income/expenses on receivables, net	12.758.178	7.054.172	3.508.769	839.225
Donation expenses	8.152.300	1.316.856	151.628	769.435
Additional corporate tax expense	10.308.991	-	2.422.675	-
Other expenses and losses	6.709.443	2.763.051	2.725.668	609.318
	<b>142.900.472</b>	<b>157.270.660</b>	<b>28.176.974</b>	<b>39.724.942</b>

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**NOT 28 – INVESTMENT ACTIVITIES INCOME / EXPENSE**

**28.1 Income from Investment Activities**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Currency protected deposit fair value income (*)	1.723.166	7.323.114	821.220	622.744
Profit on sale of fixed assets	986.207	10.041.790	5.000	-
	<b>2.709.373</b>	<b>17.364.904</b>	<b>826.220</b>	<b>622.744</b>

(\*) Pursuant to the "Announcement on the Accounting of Currency/Gold Conversion Currency/Price Protected TRY Deposit Accounts" announced by POA on March 1, 2022, the company has classified its currency protected deposits under financial investments and, as a result of the fair value calculation, interest income and future foreign exchange gains are accounted for under income from investment activities.

**28.2 Expense from Investment Activities**

None.

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

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Shares related with investment valued by equity pick-up method	1.676.032	938.848	744.438	408.258
	<b>1.676.032</b>	<b>938.848</b>	<b>744.438</b>	<b>408.258</b>

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**NOT 29 – FINANCIAL INCOME / EXPENSES**

**29.1 Financial Income**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Interest income	12.677.744	20.900.801	3.272.799	5.420.608
Foreign exchange income regarding financial activities	90.479.996	28.536.126	18.908.234	1.877.298
Foreign exchange income from forward contracts	188.331	4.762.115	(64.326)	(98.254)
	<b>103.346.071</b>	<b>54.199.042</b>	<b>22.116.707</b>	<b>7.199.652</b>

**29.2 Financial Expenses (-)**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>	<b>01.07.- 30.09.2023</b>	<b>01.07.- 30.09.2022</b>
Interest expenses	164.447.892	77.479.475	65.047.840	34.677.391
Foreign exchange losses regarding financial activities	534.573.251	493.487.612	61.302.799	137.209.043
Commission expenses of credit	19.025.291	17.711.552	8.170.851	6.026.189
Maturity difference expenses	182.309	1.080.321	182.309	1.080.321
	<b>718.228.743</b>	<b>589.758.960</b>	<b>134.703.799</b>	<b>178.992.944</b>

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**NOT 30 – TAX ASSETS AND LIABILITIES**

With the "Law on Amendments to the Decree Law No. 375" published in the official gazette of the Republic of Türkiye dated July 15, 2023, the corporate tax rate has been increased from 20% to 25%, and the corporate tax rate is applied with a 5-point discount on the earnings of exporting institutions derived exclusively from exports. This rate has come into force to be applied to corporate earnings for accounting periods starting from January 1, 2023 and declarations that must be submitted as of October 1, 2023. The corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances. The corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

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

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).

There is no absolute and certain confirmation procedure related to tax evaluation in Turkey. Losses may be carried forward for a maximum of 5 years to be deducted from taxable profits in future years. However, losses cannot be deducted retroactively from profits made in previous years. Companies prepare their tax returns between 1-25 April of the year following the accounting closing period of the relevant year. These declarations and the accounting records underlying them may be reviewed and changed by the Tax Office within 5 years.

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

*Taxable losses*

According to the Turkish tax legislation, financial losses on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However, financial losses can not be offsetted from last year's profits.

*The Real Estate and Subsidiary Share Sales Gain Exemption*

75% of the gains arising from the sale of participation shares, founders' shares, redeemed shares and preemptive rights held by corporations for at least two full years are exempt from corporate tax. However, according to the CTL (Corporate Tax Law) numbered 5520; 25% of the gains arising from the sale of properties (in assets before 15.07.2023) that have been in assets for at least two full years are exempt from corporate tax.

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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>30.09.2023</b>		<b>31.12.2022</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	10.673.559	2.134.712	4.588.287	917.657
Severance pay provision	143.617.668	28.723.534	118.684.242	23.736.848
Unused vacation provisions	25.604.504	5.120.901	16.924.978	3.384.996
Reversal of capitalized financial expenses (except land, buildings)	203.196.713	40.639.343	203.196.713	40.639.343
Reversal of capitalized financial expenses (land, buildings)	35.281.365	5.292.205	35.281.365	3.528.137
Expensing of Research and Development expenditures	35.528.777	7.105.755	12.920.436	2.584.087
Property, plant and equipment (except land, buildings and depreciation)	1.940.227.096	388.045.419	1.496.960.295	299.392.059
Adjustments to financial liabilities	649.837	129.967	3.137.455	627.491
Provisions of legal claims	6.381.947	1.276.389	3.270.759	654.152
Impairment of tangible fixed assets	7.754.809	1.163.221	7.754.809	775.481
Foreign exchange	1.045.502	209.100	2.575.353	515.071
Deferred income	22.217.277	4.443.455	30.358.642	6.071.728
Effect of other corrections	63.529.809	12.705.964	37.509.040	7.501.806
<b>Deferred tax assets</b>		<b>496.989.965</b>		<b>390.328.856</b>
<u>Deferred tax liabilities:</u>				
Difference in revaluation of land and buildings	1.631.968.126	244.795.217	1.631.968.126	163.196.811
Difference in revaluation of machinery, plant and equipment	2.046.514.324	409.302.864	2.046.514.324	409.302.864
Unearned interests on payables	13.607.252	2.721.450	2.084.619	416.928
Investment property increase in value	137.416.830	20.612.525	137.416.830	13.741.683
Effect of other corrections	903.396	180.683	6.093.271	1.218.655
<b>Deferred tax liabilities</b>		<b>677.612.739</b>		<b>587.876.941</b>
<b>Deferred tax assets / (liabilities), net</b>		<b>(180.622.774)</b>		<b>(197.548.085)</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 2023 and 31 December 2022 movements of deferred tax assets and liabilities are as follows:

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>
Current corporation tax	(1.645.786)	(1.364.272)
Deferred tax assets/(liabilities), net	97.679.711	85.266.928
	<b>96.033.925</b>	<b>83.902.656</b>

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

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 31.12.2022</b>
Opening balance	(197.548.085)	(114.514.140)
Deferred tax income / (expense)	97.679.711	246.838.420
Gain on revaluation of properties	(81.598.406)	(330.014.851)
Actuarial (gain) / loss effect prior periods	844.006	142.486
<b>Closing balance</b>	<b>(180.622.774)</b>	<b>(197.548.085)</b>

**NOT 31 – EARNINGS PER SHARE**

	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>
Net profit / (loss) for the period	178.322.739	584.882.658
Weighted-average number of shares outstanding (per share with TRY 1 value)	277.292.576	250.000.000
<b>Simple earnings and divided earnings per share (TRY)</b>	<b>0,6431</b>	<b>2,3395</b>

**NOT 32 – FINANCIAL INSTRUMENTS**

<b>Financial assets</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
Liquid assets	418.214.493	117.868.895
Trade receivables	961.866.635	612.777.609
Other receivables	34.263.587	9.656.645
Financial assets	3.823.620	3.893.423
<b>Financial liabilities</b>		
Financial borrowings	2.312.040.940	2.275.352.305
Lease payables	12.792.318	16.660.666
Other payables	10.723.283	12.529.443
Trade payables	830.279.790	536.253.306

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**NOT 33 – 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 2023 and 31 December 2022 maximum net credit risk is as follows:

	<b>Trade Receivables</b>		<b>Other Receivables</b>		<b>Bank</b>
	<b>Related</b>	<b>Third</b>	<b>Related</b>	<b>Third</b>	<b>Deposits</b>
<b>30 September 2023</b>	<b>Party</b>	<b>Party</b>	<b>Party</b>	<b>Party</b>	
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E))</b>	394.315.655	567.550.980	563.127	33.700.460	98.521.166
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	323.736.773	567.550.980	563.127	33.700.460	98.521.166
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	70.578.882	-	-	-	-
The part secured by collateral	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	486.010	-	-	-
Impairment (-)	-	(486.010)	-	-	-
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. The part of maximum risk under guarantee with collateral	-	-	-	-	-

  

	<b>Trade Receivables</b>		<b>Other Receivables</b>		<b>Bank</b>
	<b>Related</b>	<b>Third</b>	<b>Related</b>	<b>Third</b>	<b>Deposits</b>
<b>31 December 2022</b>	<b>Party</b>	<b>Party</b>	<b>Party</b>	<b>Party</b>	
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>	381.617.895	231.159.714	327.128	9.329.517	121.691.719
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	268.623.346	231.159.714	327.128	9.329.517	121.691.719
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	112.994.549	-	-	-	-
The part secured by collateral	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	486.010	-	-	-
Impairment (-)	-	(486.010)	-	-	-
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. The part of maximum risk under guarantee with collateral	-	-	-	-	-

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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 2023, Group’s liquidity risk table is as follows:

30 September 2023						
Maturities according to agreement	Book Value	Contractual total cash outflow (=I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1- 5 Years (III)	More than 5 Years (IV)
<b>Financial Liabilities Non-Derivatives</b>	<b>3.333.358.721</b>	<b>3.562.409.118</b>	<b>1.043.318.475</b>	<b>1.199.360.009</b>	<b>1.078.662.591</b>	<b>241.068.043</b>
Financial borrowings	2.312.040.940	2.525.301.620	353.324.902	986.955.525	943.953.150	241.068.043
Financial leasing	12.792.318	14.974.783	1.886.398	5.609.295	7.479.090	-
Trade payables	830.394.953	844.002.205	682.603.390	46.431.609	114.967.206	-
- Related parties	-	-	-	-	-	-
- Other parties	830.394.953	844.002.205	682.603.390	46.431.609	114.967.206	-
Other liabilities	178.130.510	178.130.510	5.503.785	160.363.580	12.263.145	-
- Related parties	-	-	-	-	-	-
- Other parties	178.130.510	178.130.510	5.503.785	160.363.580	12.263.145	-
	<b>3.333.358.721</b>	<b>3.562.409.118</b>	<b>1.043.318.475</b>	<b>1.199.360.009</b>	<b>1.078.662.591</b>	<b>241.068.043</b>

As of 31 December 2022, Group’s liquidity risk table is as follows:

31 December 2022						
Maturities according to agreement	Book Value	Contractual total cash outflow (=I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1- 5 Years (III)	More than 5 Years (IV)
<b>Financial Liabilities Non-Derivatives</b>	<b>2.978.735.228</b>	<b>3.184.849.506</b>	<b>562.737.454</b>	<b>1.627.656.331</b>	<b>777.035.374</b>	<b>217.420.347</b>
Financial borrowings	2.275.352.305	2.475.381.057	221.236.309	1.293.850.657	742.873.744	217.420.347
Financial leasing	16.660.666	20.595.382	1.897.703	5.609.295	13.088.384	-
Trade payables	536.253.306	538.404.116	311.143.118	227.260.998	-	-
- Related parties	-	-	-	-	-	-
- Other parties	536.253.306	538.404.116	311.143.118	227.260.998	-	-
Other liabilities	150.468.951	150.468.951	28.460.324	100.935.381	21.073.246	-
- Related parties	-	-	-	-	-	-
- Other parties	150.468.951	150.468.951	28.460.324	100.935.381	21.073.246	-
	<b>2.978.735.228</b>	<b>3.184.849.506</b>	<b>562.737.454</b>	<b>1.627.656.331</b>	<b>777.035.374</b>	<b>217.420.347</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 2023, 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 33.649.959 more/less.

***Foreign currency risk sensitivity***

	Profit/ (Loss)		Shareholders' Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
In the case of increasing / losing value of TRY by 10% against USD				
1- USD net asset / liability	66.421.130	(66.421.130)	66.421.130	(66.421.130)
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	66.421.130	(66.421.130)	66.421.130	(66.421.130)
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(100.696.408)	100.696.408	(100.696.408)	100.696.408
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(100.696.408)	100.696.408	(100.696.408)	100.696.408
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	625.319	(625.319)	625.319	(625.319)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	625.319	(625.319)	625.319	(625.319)
<b>TOTAL (3+6+9)</b>	<b>(33.649.959)</b>	<b>33.649.959</b>	<b>(33.649.959)</b>	<b>33.649.959</b>

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As of 31 December 2022, 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 123.611.329 more/less.

*Foreign currency risk sensitivity*

	Profit/ (Loss)		Shareholders' Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
In the case of increasing / losing value of TRY by 10% against USD				
1- USD net asset / liability	(41.466.407)	41.466.407	(41.466.407)	41.466.407
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(41.466.407)	41.466.407	(41.466.407)	41.466.407
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(82.146.107)	82.146.107	(82.146.107)	82.146.107
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(82.146.107)	82.146.107	(82.146.107)	82.146.107
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	1.592	(1.592)	1.592	(1.592)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8))	1.592	(1.592)	1.592	(1.592)
<b>TOTAL (3+6+9)</b>	<b>(123.611.329)</b>	<b>123.611.329</b>	<b>(123.611.329)</b>	<b>123.611.329</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 2023, 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 9.991.268. (31 December 2022: TRY 15.013.945)

**Risk of intensification of sales**

During the reporting periods ending on 30 September 2023 and 2022, 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 2023, the share of the largest buyer in the revenue from textile sector operations is 30,60% (30 September 2022: 40,67%). 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 78,64% (30 September 2022 86,28%). Domestic sales of dried fruits (risen, fig and apricot) produced by Menderes on contract manufacturing basis are made in accordance with the "Sales Agreement" signed with Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş., who is 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.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>
A Company	30,60%	40,67%

Agriculture:

<b>Customer</b>	<b>01.01.- 30.09.2023</b>	<b>01.01.- 30.09.2022</b>
B Company	78,64%	86,28%

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As of 30 September 2023, amounts of assets and liabilities of the Group in foreign currency are as follows:

<b>30.09.2023</b>	<b>TRY equivalent functional currency</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>CHF</b>
1. Trade Receivables	875.104.648	27.357.594	4.141.440	176.692	-
2a. Monetary Financial Assets (including cash and banks)	371.074.088	11.059.090	2.341.518	10.073	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>1.246.178.736</b>	<b>38.416.684</b>	<b>6.482.958</b>	<b>186.765</b>	<b>-</b>
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	135.572	-	4.670	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>135.572</b>	<b>-</b>	<b>4.670</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>1.246.314.308</b>	<b>38.416.684</b>	<b>6.487.628</b>	<b>186.765</b>	<b>-</b>
10. Trade Payables	399.749.686	5.490.819	8.567.211	-	-
11. Financial Liabilities	259.010.685	2.681.420	6.377.311	-	-
12a. Other monetary financial liabilities	2.105.192	76.759	-	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>660.865.563</b>	<b>8.248.998</b>	<b>14.944.522</b>	<b>-</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	921.948.334	5.880.322	26.155.481	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>921.948.334</b>	<b>5.880.322</b>	<b>26.155.481</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>1.582.813.897</b>	<b>14.129.320</b>	<b>41.100.003</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>(336.499.589)</b>	<b>24.287.364</b>	<b>(34.612.375)</b>	<b>186.765</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>(336.499.589)</b>	<b>24.287.364</b>	<b>(34.612.375)</b>	<b>186.765</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>1.699.912.813</b>	<b>51.202.765</b>	<b>20.866.189</b>	<b>103.506</b>	<b>-</b>
<b>24. Imports</b>	<b>594.500.252</b>	<b>18.485.741</b>	<b>6.505.036</b>	<b>-</b>	<b>200</b>

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As of 31 December 2022, amounts of assets and liabilities of the Group in foreign currency are as follows:

<b>31.12.2022</b>	<b>TRY equivalent functional currency</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>CHF</b>
1. Trade Receivables	500.829.119	19.647.350	6.693.872	685	-
2a. Monetary Financial Assets (including cash and banks)	63.841.803	3.184.242	215.771	23	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>564.670.922</b>	<b>22.831.592</b>	<b>6.909.643</b>	<b>708</b>	<b>-</b>
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	32.880.624	-	1.649.400	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>32.880.624</b>	<b>-</b>	<b>1.649.400</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>597.551.546</b>	<b>22.831.592</b>	<b>8.559.043</b>	<b>708</b>	<b>-</b>
10. Trade Payables	293.481.926	15.287.170	356.450	-	200
11. Financial Liabilities	726.558.722	21.180.793	16.514.116	-	-
12a. Other monetary financial liabilities	2.010.367	72.733	32.444	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>1.022.051.015</b>	<b>36.540.696</b>	<b>16.903.010</b>	<b>-</b>	<b>200</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	811.613.818	8.386.489	32.773.755	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>811.613.818</b>	<b>8.386.489</b>	<b>32.773.755</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>1.833.664.833</b>	<b>44.927.185</b>	<b>49.676.765</b>	<b>-</b>	<b>200</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>(1.236.113.287)</b>	<b>(22.095.593)</b>	<b>(41.117.722)</b>	<b>708</b>	<b>(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>(1.236.113.287)</b>	<b>(22.095.593)</b>	<b>(41.117.722)</b>	<b>708</b>	<b>(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>2.123.265.376</b>	<b>94.014.814</b>	<b>30.825.236</b>	<b>474.981</b>	<b>-</b>
<b>24. Imports</b>	<b>1.319.679.528</b>	<b>77.597.397</b>	<b>3.296.793</b>	<b>4.616</b>	<b>600</b>

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**NOT 34 – 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 2023 and 31 December 2022, net debt / total equity ratio is as follows:

	<b>30.09.2023</b>	<b>31.12.2022</b>
Total debts	4.188.106.202	3.706.446.609
Liquid assets	(422.038.113)	(121.762.318)
Net debt	3.766.068.089	3.584.684.291
Total equity	4.312.569.972	3.964.480.654
Total capital	8.078.638.061	7.549.164.945
Net Debt/Total Capital	47%	47%

**Fair Value Estimate**

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>30.09.2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Lands	-	396.400.000	-	396.400.000
Underground and above ground layouts	-	349.540.875	-	349.540.875
Buildings	-	924.763.417	-	924.763.417
Machinery, plant and devices	-	2.671.076.531	-	2.671.076.531
Derivative instruments	-	188.331	-	188.331
<b>31.12.2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Lands	-	396.400.000	-	396.400.000
Underground and above ground layouts	-	376.200.000	-	376.200.000
Buildings	-	949.390.000	-	949.390.000
Machinery, plant and devices	-	2.410.197.000	-	2.410.197.000

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As of 30 September 2023, the classes and fair values of financial instruments are as follows;

30.09.2023	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	418.214.493	-	418.214.493	4
Financial investments	-	3.823.620	3.823.620	5
Trade receivables	961.866.635	-	961.866.635	7
Other receivables	34.263.587	-	34.263.587	9
<b>Financial Liabilities</b>				
Financial borrowings	2.324.833.258	-	2.324.833.258	8
Trade payables	830.279.790	-	830.279.790	7
Other payables	10.723.283	-	10.723.283	9

As of 31 December 2022, the classes and fair values of financial instruments are as follows;

31.12.2022	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	117.868.895	-	117.868.895	4
Financial investments	-	3.893.423	3.893.423	5
Trade receivables	612.777.609	-	612.777.609	7
Other receivables	9.656.645	-	9.656.645	9
<b>Financial Liabilities</b>				
Financial borrowings	2.292.012.971	-	2.292.012.971	8
Trade payables	536.825.897	-	536.825.897	7
Other payables	12.529.443	-	12.529.443	9

**NOT 35 – POST BALANCE SHEET EVENTS**

Group's subsidiary Smyrna Seracılık Ticaret A.Ş. built a new greenhouse in addition to the existing one. In the new greenhouse planting of seedlings has been completed and they are ready for the new season. Total production area reached to 260 thousand m2 with this investment.

The 761 kWp/660 kWe land type Solar Power Plant investment wich belongs to Smyrna Seracılık Ticaret A.Ş. was completed and put into operation.