

**MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**TOGETHER WITH**  
**INDEPENDENT AUDITORS' REPORT**  
**FOR THE PERIOD ENDED AT 31 DECEMBER 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi

### A) Independent Auditors' Report On The Consolidated Financial Statements

#### 1- Opinion

We have audited the accompanying consolidated financial statements of Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

#### 2- Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



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PKF Aday Bağımsız Denetim A.Ş., PKF International Limited ağına üyesi olup hukuken bağımsız bir tüzel kişiliğe sahiptir ve bu ağı diğer üyelerinin faaliyetleri nedeniyle herhangi bir sorumluluk ya da yükümlülük kabul etmemektedir.

PKF Aday Bağımsız Denetim A.Ş. is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

### 3- Key Audit Matters

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

#### *Application of TAS 29, "Financial Reporting in Hyperinflationary Economies"*

| Key Audit Matter   | How to Perform of Matter in Audit   |
|--|---|
| <p><b><i>Application of TAS 29, "Financial Reporting in Hyperinflationary Economies"</i></b></p> <p>The Group applied TAS 29 "Financial reporting in hyperinflationary economies" ("TAS 29") in its consolidated financial statements as of and for the year ending 31 December 2023.</p> <p>According to TAS 29, the consolidated financial statements as of 31 December 2023 should be restated in accordance with 31 December 2023 purchasing power.</p> <p>Applying TAS 29 results in significant changes to financial statement items included in the Group's consolidated financial statements as of and for the year ending 31 December 2023, which have been restated for comparative purposes. The application of TAS 29 has a pervasive and material impact on the consolidated financial statements. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.</p> <p>The Group's accounting policies and related explanations regarding the application of TAS 29 are disclosed in Note 2.</p> | <p>We performed the following audit procedures in relation to the application of TAS 29:</p> <ul style="list-style-type: none"> <li>- Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by management,</li> <li>- Verifying whether management's determination of monetary and non-monetary items is in compliance with TAS 29,</li> <li>- Obtaining detailed lists of non-monetary items and testing original entry dates and amounts on a sample basis,</li> <li>- Verifying the general price index rates used in calculations correspond with the coefficients in the "Consumer Price Index in Turkey" published by the Turkish Statistical Institute,</li> <li>- Testing the mathematical accuracy of non-monetary items, income statement, and cash flow statement adjusted for inflation effects,</li> <li>- Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS.</li> </ul> |



### Revenue Recognition

For the accounting policies related to recognition of revenue and the details of significant accounting estimates and assumptions used, see Note 2.f Revenue.

| Key Audit Matter   | How to Perform of Matter in Audit  |
|--|--|
| <p>The main revenue gained by the Group consists of home textiles and farm products sales.</p> <p>Revenue is recognized in the financial statements on an accrual basis over the fair value of the consideration received or receivable as a result of the delivery, the amount of revenue can be reliably measured and it is probable that the economic benefits related to the transaction will flow to the Group. Net sales are presented by subtracted returns, discounts and commissions from sales of goods from sales of goods.</p> <p>Recognition of revenue and profit for the accounting period in which the product is sold depends on an appropriate assessment of whether it relates to the product sales contract. Due to the nature of the operations of the Group, the production is completed and the customer is invoiced but the obligation related to the commercial delivery scheme has not been provided yet, there may be cases where the risk and return are not due to the customer. It is also necessary to make evaluations on the correct turn of the revenue of the products in this situation in accordance with the principle of sales revolutions. Because of the complexity of the commercial contracts, accounting for each case is selected and the recognition of revenue as the key consideration is defined as the recognition of revenue to the financial statements in the right period requires significant considerations.</p> | <p>Our audit procedures for this item include the following:</p> <p>Evaluation of the effectiveness of key internal controls of revenue in the consolidated financial statements:</p> <p>Examination of the risk and return transfers through the sampling method and sales documents obtained for the selected sales transactions to evaluate the appropriateness of the revenue to the accounting policies and the receipt of the financial statements in the appropriate financial reporting period.</p> <p>By examining the provisions of the contracts with the customers regarding the terms of trade and delivery; evaluation of timing of receipt of financial statements for different shipment arrangements.</p> <p>Sending confirmation for selected trade receivables via sampling method and checking compliance with financial statements.</p> <p>Performing analytical observations to determine the existence of unusual operations.</p> |

**Recoverability of Trade Receivables**

Accounting policies related to trade receivables and details of important accounting estimates and assumptions used are included in Note 2.f and Note 7 Trade Receivables.

| Key Audit Matter  | How to Perform of Matter in Audit   |
|---|---|
| <p>Recoverability of Trade Receivables</p> <p>As of 31 December 2023, trade receivables constitute a significant portion of the consolidated assets of the Group. Furthermore, the assessment of the recoverability of these assets involves significant level of management estimates. Such estimation includes considering the following for each customer-the amount of guarantees/colleteral held, past collection performance, creditworthiness and aging of receivables. The outcome of such esitmates is very sensitive to changes in market conditions. Therefore recoverability of trade receivables is a key matter for our audit.</p> <p>Please refer to Notes 2.f, and Notes 7 to the consolidated financial statements for the Group's disclosures on trade receivables, including the related accounting policy and risk management policy.</p> | <p>We performed the following procedures in relation to the recoverability of trade receivables;</p> <p>Understanding the process of collection of trade receivables of the Group from non-related parties, evaluating the operational efficiency of internal controls within the process,</p> <p>Evaluating, understanding internal controls related to financial reporting towards credit risk, and testing the efficiency of internal controls,</p> <p>Understanding and evaluating the customer- debt follow-up process managed by the Finance Department,</p> <p>Comparison of collection turnover rate with previous year,</p> <p>Inquiries with management in relation to any disputes with customers or distributors and written inquiries with the Group's legal counsels on outstanding litigation in relation to trade receivables,</p> <p>Testing of trade receivable balances from non-related parties by sending confirmation letters via sample,</p> <p>Testing of collections made in the following period via sample,</p> <p>As a result of these studies regarding the reusability of non-trade receivables from related parties, there are not any significant findings.</p> |



#### 4- Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### 5- Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The responsibilities of us independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with IAS (of Turkey) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with IAS (of Turkey), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control,
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**B) Report on Other Legal and Regulatory Requirements**

- 1- Auditors report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 20 May 2024.
- 2- In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting
- 3- In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Abdülkadir Şahin is the person who carries out this independent audit.

Istanbul 20 May 2024

PKF Aday Bağımsız Denetim A.Ş.  
(A Member Firm of PKF International)



Abdülkadir Şahin  
Partner



**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ****CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

|   |                   | <i>Audited</i>        | <i>Audited</i>        |
|---|-------------------|-----------------------|-----------------------|
|   | <b>Footnote</b>   | <b>Current Period</b> | <b>Prior Period</b>   |
| <b>ASSETS</b>                                   | <b>References</b> | <b>31.12.2023</b>     | <b>31.12.2022</b>     |
| <b>Current Assets</b>                           |                   | <b>3.811.728.383</b>  | <b>4.565.610.275</b>  |
| Cash and Cash Equivalents                       | 4                 | 437.865.297           | 193.804.086           |
| Financial Investments                           | 5                 | 50.172                | 6.827.239             |
| Trade Receivables                               |                   | 1.000.900.629         | 1.005.757.481         |
| <i>Trade Receivables from Related Parties</i>   | 6-7               | 634.030.152           | 628.802.944           |
| <i>Trade Receivables from Unrelated Parties</i> | 7                 | 366.870.477           | 376.954.537           |
| Other Receivables                               |                   | 5.136.272             | 15.658.754            |
| <i>Other Receivables from Related Parties</i>   | 6-9               | 5.761                 | 539.018               |
| <i>Other Receivables from Unrelated Parties</i> | 9                 | 5.130.511             | 15.119.736            |
| Inventories                                     | 11                | 2.290.699.027         | 3.101.263.555         |
| Biological Assets                               | 12                | 31.070.882            | 52.044.317            |
| Prepaid Expenses                                | 13                | 37.576.368            | 31.909.520            |
| Current Tax Assets                              | 14                | 1.801.930             | 4.578.952             |
| Other Current Assets                            | 23                | 6.627.806             | 153.766.371           |
| <b>Non-Current Assets</b>                       |                   | <b>8.339.593.417</b>  | <b>7.885.484.456</b>  |
| Financial Investments                           | 5                 | 2.789.318             | -                     |
| Other Receivables                               | 9                 | 159.340               | 252.780               |
| Investments Valued by Equity Pick-up Method     | 15                | 474.280.431           | 395.153.182           |
| Investment Properties                           | 16                | 406.670.000           | 343.758.988           |
| Tangible Assets                                 | 17                | 7.061.956.498         | 6.885.488.028         |
| Intangible Assets                               | 19                | 127.799.358           | 95.199.651            |
| Prepaid Expenses                                | 13                | 82.681.814            | 83.110.656            |
| Deferred Tax Assets                             | 30                | 183.256.658           | 82.521.171            |
| <b>TOTAL ASSETS</b>                             |                   | <b>12.151.321.800</b> | <b>12.451.094.731</b> |

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

# MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2023

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

|   |            | <i>Audited</i>        | <i>Audited</i>        |
|---|------------|-----------------------|-----------------------|
|   | Footnote   | Current Period        | Prior Period          |
| LIABILITIES   | References | 31.12.2023            | 31.12.2022            |
| <b>Current Liabilities</b>  |            | <b>2.336.257.028</b>  | <b>3.462.586.524</b>  |
| Short Term Borrowings   | 8          | 1.161.829.527         | 1.858.048.755         |
| Short-term portion of long-term borrowings  | 8          | 322.969.073           | 514.339.934           |
| Trade Payables  |            | 659.637.193           | 860.965.458           |
| <i>Trade Payables to Related Parties</i>  | 6-7        | 48.227                | -                     |
| <i>Trade Payables to Unrelated Parties</i>  | 7          | 659.588.966           | 860.965.458           |
| Employee Benefit Liabilities  | 22         | 91.767.822            | 109.360.132           |
| Other Payables  | 9          | 12.549.955            | 20.645.129            |
| Deferred Income   | 13         | 54.488.243            | 64.377.318            |
| Current Tax Liabilities of Period Profit  | 30         | 850.257               | 597.300               |
| Current Provisions  |            | 32.164.958            | 34.252.498            |
| <i>Provision For Employee Benefits</i>  | 21         | 25.283.011            | 27.887.780            |
| <i>Other Current Provisions</i>   | 21         | 6.881.947             | 6.364.718             |
| <b>Non-Current Liabilities</b>  |            | <b>1.868.804.567</b>  | <b>2.424.814.121</b>  |
| Long Term Borrowings  | 8          | 1.019.830.218         | 1.404.227.978         |
| Deferred Income   | 13         | 15.942.250            | 36.146.838            |
| Long Term Provisions  |            | 158.785.756           | 195.559.489           |
| <i>Long Term Provisions for Employee Benefits</i>   | 21         | 158.785.756           | 195.559.489           |
| Deferred Tax Liabilities  | 30         | 674.246.343           | 788.879.816           |
| <b>Equity</b>   |            | <b>7.946.260.205</b>  | <b>6.563.694.086</b>  |
| <b>Parent Company's Equity</b>  |            | <b>7.869.199.921</b>  | <b>6.490.533.652</b>  |
| Issued Capital  | 24.1       | 277.292.576           | 250.000.000           |
| Inflation Adjustments of Capital  | 24.2       | 3.175.762.937         | 3.173.046.007         |
| Share Premium (Discount)  | 24.3       | 256.516.859           | -                     |
| 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       | 1.807.312.630         | 1.829.541.598         |
| <i>-Defined Benefit Plans Re-Measurement Gains / (Losses)</i>   | 24.4       | 4.800.204             | (904.554)             |
| Accumulated Other Comprehensive Income or Expenses to be Reclassified on Profit or Loss               |            |                       |                       |
| <i>- Gains/(Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income</i> | 24.5       | (158.011)             | -                     |
| Restricted Reserves   |            | 122.565.937           | 122.565.937           |
| <i>Legal Reserves</i>   | 24.6       | 122.565.937           | 122.565.937           |
| Retained Earnings / Losses  | 24.7       | 1.116.284.664         | (802.956.632)         |
| Net Profit / (Loss) for the Period  | 31         | 1.108.822.125         | 1.919.241.296         |
| <b>Non-controlling interests</b>  | 24.8       | <b>77.060.284</b>     | <b>73.160.434</b>     |
| <b>TOTAL LIABILITIES AND EQUITY</b>   |            | <b>12.151.321.800</b> | <b>12.451.094.731</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-31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

|   |                        | <i>Audited</i>                         | <i>Audited</i>                       |
|---|------------------------|--|--------------------------------------|
|   | Footnote<br>References | Current Period<br>01.01-<br>31.12.2023 | Prior Period<br>01.01-<br>31.12.2022 |
| Revenue   | 25.1                   | 6.340.948.673                          | 7.994.262.391                        |
| Cost of Sales (-)   | 25.2                   | (5.652.115.394)                        | (6.243.454.853)                      |
| <b>Gross Profit / (Loss)</b>  |                        | <b>688.833.279</b>                     | <b>1.750.807.538</b>                 |
| General Administrative Expenses (-)   | 26.3                   | (300.651.842)                          | (211.023.115)                        |
| Marketing Expenses (-)  | 26.2                   | (152.901.413)                          | (209.897.703)                        |
| Research and Development Expenses (-)                                       | 26.1                   | (43.123.394)                           | (29.459.875)                         |
| Other Operating Income  | 27.1                   | 649.745.600                            | 589.861.764                          |
| Other Operating Expenses (-)  | 27.2                   | (259.178.781)                          | (356.509.619)                        |
| <b>Operating Profit / (Loss)</b>  |                        | <b>582.723.449</b>                     | <b>1.533.778.990</b>                 |
| Income from Investment Activities   | 28.1                   | 65.445.555                             | 40.567.350                           |
| Expenses from Investment Activities (-)                                     | 28.2                   | (147.820)                              | (536.845.107)                        |
| Shares of Profit/(Loss) from Investments Valued<br>by Equity Pick-up Method | 28.3                   | 80.263.565                             | 170.370.337                          |
| <b>Operating Activity Profit/(Loss) Before Financial<br/>Expense</b>        |                        | <b>728.284.749</b>                     | <b>1.207.871.570</b>                 |
| Financial Income  | 29.1                   | 182.572.104                            | 147.076.487                          |
| Financial Expenses (-)  | 29.2                   | (1.228.860.495)                        | (1.430.747.306)                      |
| Net Monetary Position Gains/(Losses)  |                        | 1.192.081.067                          | 1.527.503.231                        |
| <b>Operating Activity Profit/(Loss) Before Taxation</b>                     |                        | <b>874.077.425</b>                     | <b>1.451.703.982</b>                 |
| <b>Operating Activity Tax Income/(Expense)</b>                              |                        |  |                                      |
| Current Tax Income/(Expense)  | 30                     | (850.257)                              | (597.300)                            |
| Deferred Tax Income/(Expense)   | 30                     | 240.485.256                            | 479.752.724                          |
| <b>Current Period Operating Activity Profit / (Loss)</b>                    |                        | <b>1.113.712.424</b>                   | <b>1.930.859.406</b>                 |
| <b>Profit/(Loss) for the Period</b>   |                        | <b>1.113.712.424</b>                   | <b>1.930.859.406</b>                 |
| <b>Distribution of the Period Income/(Loss)</b>                             |                        |  |                                      |
| Minority Interests  | 24.8                   | 4.890.299                              | 11.618.110                           |
| Parent Company's Shares   | 31                     | 1.108.822.125                          | 1.919.241.296                        |
| <b>Earnings Per Share</b>   | <b>31</b>              | <b>3,9987</b>                          | <b>7,6770</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-31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

|   |                                | <i>Audited</i>               | <i>Audited</i>               |
|---|--------------------------------|------------------------------|------------------------------|
|   |                                | <b>Current Period</b>        | <b>Prior Period</b>          |
|   | <b>Footnote<br/>References</b> | <b>01.01-<br/>31.12.2023</b> | <b>01.01-<br/>31.12.2022</b> |
| <b>Profit/(Loss) for the Period</b>   |                                | <b>1.113.712.424</b>         | <b>1.930.859.406</b>         |
| <b>Other Comprehensive Income:</b>  |                                |                              |                              |
| <b>Income (Expenses) not to be Reclassified on Profit or (Loss)</b>                               |                                |                              |                              |
| - Increases (Decreases) in Revaluation of Tangible Assets   | 24.4                           | -                            | 2.328.722.076                |
| - Defined Benefit Plans Re-Measurement Gains (Losses)   | 21                             | 7.654.308                    | (1.173.888)                  |
| <b>Accumulated Other Comprehensive Income Taxes not to be Reclassified to Profit or (Loss)</b>    |                                |                              |                              |
| - Deferred Tax Income / (Expense)   | 30                             | (25.168.967)                 | (476.474.536)                |
| <b>Income or Expenses that will be Reclassified on Profit or (Loss)</b>                           |                                |                              |                              |
| - Gains/(Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income    |                                | (210.682)                    | -                            |
| <b>Accumulated Other Comprehensive Income Taxes that will be Reclassified to Profit or (Loss)</b> |                                |                              |                              |
| - Deferred Tax Income / (Expense)   |                                | 52.671                       | -                            |
| <b>Other Comprehensive Income</b>   |                                | <b>(17.672.670)</b>          | <b>1.851.073.652</b>         |
| <b>Total Comprehensive Income/(Expense)</b>   |                                | <b>1.096.039.754</b>         | <b>3.781.933.058</b>         |
| <b>Distribution of Total Comprehensive Income</b>   |                                |                              |                              |
| Minority Interests  | 24.8                           | 3.899.850                    | 34.054.718                   |
| Parent Company's Shares   | 31                             | 1.092.139.904                | 3.747.878.340                |

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 – 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

|  |           |                    |   |                                    | Accumulated Other<br>Comprehensive Income and<br>Expenses that will not be<br>Reclassified to Profit or Loss | Accumulated Other<br>Comprehensive Income<br>and Expenses that will be<br>Reclassified to Profit or<br>Loss |  |                        | Accumulated profits        |   |                               |                       |                      |
|--|-----------|--------------------|---|------------------------------------|--|---|--|------------------------|----------------------------|---|-------------------------------|-----------------------|----------------------|
|  | Footnote  | Paid in<br>Capital | Adjustments<br>of<br>Shareholders<br>' Equity | Bonuses/<br>Discounts<br>on Shares | Increase /<br>(Decrease) on<br>Revaluation of<br>Tangible Assets   | Defined<br>Benefit Plans<br>Re-Measurement<br>Gains / (Losses)  | Gains/(Losses) on<br>Financial Assets<br>Measured at Fair Value<br>through Other<br>Comprehensive Income | Restricted<br>Reserves | Accumulated<br>Profit/Loss | Net<br>Profit/Loss<br>For The<br>Period | Parent<br>Company's<br>Equity | Minority<br>Interests | Total Equity         |
| <b>Balances at 01.01.2022</b>                |           | <b>250.000.000</b> | <b>3.173.046.007</b>                          | <b>-</b>                           | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>122.565.937</b>     | <b>1.513.440.349</b>       | <b>(2.316.396.981)</b>                  | <b>2.742.655.312</b>          | <b>39.105.716</b>     | <b>2.781.761.028</b> |
| Transfers                                    | 24        | -                  | -   | -                                  | -  | -   | -  | -                      | (2.316.396.981)            | 2.316.396.981                           | -                             | -                     | -                    |
| <b>Total Comprehensive<br/>Income/(Loss)</b> |           | <b>-</b>           | <b>-</b>                                      | <b>-</b>                           | <b>1.829.541.598</b>   | <b>(904.554)</b>  | <b>-</b>   | <b>-</b>               | <b>-</b>                   | <b>1.919.241.296</b>                    | <b>3.747.878.340</b>          | <b>34.054.718</b>     | <b>3.781.933.058</b> |
| - Profit/(Loss) for the Period               | 24        | -                  | -   | -                                  | -  | -   | -  | -                      | -                          | 1.919.241.296                           | 1.919.241.296                 | 11.618.110            | 1.930.859.406        |
| - Other Comprehensive<br>Income/(Expense)    | 24        | -                  | -   | -                                  | 1.829.541.598  | (904.554)   | -  | -                      | -                          | -                                       | 1.828.637.044                 | 22.436.608            | 1.851.073.652        |
| <b>Balances at 31.12.2022</b>                | <b>24</b> | <b>250.000.000</b> | <b>3.173.046.007</b>                          | <b>-</b>                           | <b>1.829.541.598</b>   | <b>(904.554)</b>  | <b>-</b>   | <b>122.565.937</b>     | <b>(802.956.632)</b>       | <b>1.919.241.296</b>                    | <b>6.490.533.652</b>          | <b>73.160.434</b>     | <b>6.563.694.086</b> |
| <b>Balances at 01.01.2023</b>                | <b>24</b> | <b>250.000.000</b> | <b>3.173.046.007</b>                          | <b>-</b>                           | <b>1.829.541.598</b>   | <b>(904.554)</b>  | <b>-</b>   | <b>122.565.937</b>     | <b>(802.956.632)</b>       | <b>1.919.241.296</b>                    | <b>6.490.533.652</b>          | <b>73.160.434</b>     | <b>6.563.694.086</b> |
| Increase of capital                          | 24        | 27.292.576         | 2.716.930                                     | 256.516.859                        | -  | -   | -  | -                      | -                          | -                                       | 286.526.365                   | -                     | 286.526.365          |
| Transfers                                    | 24        | -                  | -   | -                                  | -  | -   | -  | -                      | 1.919.241.296              | (1.919.241.296)                         | -                             | -                     | -                    |
| <b>Total Comprehensive<br/>Income/(Loss)</b> |           | <b>-</b>           | <b>-</b>                                      | <b>-</b>                           | <b>(22.228.968)</b>  | <b>5.704.758</b>  | <b>(158.011)</b>   | <b>-</b>               | <b>-</b>                   | <b>1.108.822.125</b>                    | <b>1.092.139.904</b>          | <b>3.899.850</b>      | <b>1.096.039.754</b> |
| - Profit/(Loss) for the Period               | 24        | -                  | -   | -                                  | -  | -   | -  | -                      | -                          | 1.108.822.125                           | 1.108.822.125                 | 4.890.299             | 1.113.712.424        |
| - Other Comprehensive<br>Income/(Expense)    | 24        | -                  | -   | -                                  | (22.228.968)   | 5.704.758   | (158.011)  | -                      | -                          | -                                       | (16.682.221)                  | (990.449)             | (17.672.670)         |
| <b>Balances at 31.12.2023</b>                | <b>24</b> | <b>277.292.576</b> | <b>3.175.762.937</b>                          | <b>256.516.859</b>                 | <b>1.807.312.630</b>   | <b>4.800.204</b>  | <b>(158.011)</b>   | <b>122.565.937</b>     | <b>1.116.284.664</b>       | <b>1.108.822.125</b>                    | <b>7.869.199.921</b>          | <b>77.060.284</b>     | <b>7.946.260.205</b> |

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE PERIODS OF 01 JANUARY-31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

|   | Footnote<br>Reference | Audited<br>Current<br>Period<br>01.01-<br>31.12.2023 | Audited<br>Prior<br>Period<br>01.01-<br>31.12.2022 |
|---|-----------------------|--|--|
| <b>CASH FLOWS FROM THE OPERATING ACTIVITIES</b>   |                       | <b>3.901.642.535</b>                                 | <b>5.857.770.167</b>                               |
| <b>Profit/(Loss) for the Period</b>   |                       |  |  |
| <b>Current Period Operating Activity Profit / (Loss)</b>  |                       | <b>1.113.712.424</b>                                 | <b>1.930.859.406</b>                               |
| <b>Adjustments Related with Net Profit/Loss for The Period</b>  |                       | <b>2.833.582.317</b>                                 | <b>5.654.439.025</b>                               |
| Adjustments for Depreciation, Amortisation Expenses   | 17-18-19              | 470.050.342  | 346.153.352  |
| Adjustments to Impairment (Cancellation)  |                       |  |  |
| - Adjustments to Impairment (Reverses) in Tangible Fixed Assets   | 17                    | -  | 496.249.779  |
| Adjustments Related to the Provisions   |                       |  |  |
| - Adjustments for Employee Termination Benefits   | 21-30                 | (31.017.585)   | (18.209.488)                                       |
| - Adjustment for Provision for Expenses and Lawsuits  | 21                    | 517.229  | (2.405.476)  |
| - Adjustment for Other Provisions or Reversals  | 21                    | (2.604.769)  | 1.636.033  |
| Adjustments for Interest Income and Expenses  |                       |  |  |
| - Unearned Income from Futures Sale   | 27.2                  | 17.467.896   | 14.364.302   |
| - Adjustments for Interest Expenses   | 27.1                  | (23.909.603)   | (8.469.417)  |
| Adjustments for Fair Value Profit or Loss   |                       |  |  |
| - Adjustments for Investment Properties Fair Value Losses /(Profits)                                      | 16                    | (62.911.012)   | 34.525.417   |
| Adjustments for unrealised foreign exchange losses (gains)  | 8                     | 430.401.421  | 297.231.558  |
| Adjustments for Retained Earnings of Investments Subject to Equity Pick-up Method                         |                       |  |  |
| - Adjustment for Retained Earnings of Subsidiaries  | 28.3                  | (80.421.576)   | (170.370.337)                                      |
| Tax Payments/Returns  | 30                    | (238.639.767)  | (479.987.503)                                      |
| Monetary profit/loss  |                       | 2.354.649.741  | 5.143.720.805                                      |
| <b>Changes In The Company Capital</b>   |                       | <b>(45.905.163)</b>                                  | <b>(1.723.448.520)</b>                             |
| Increase/Decrease in Financial Investments  | 5                     | 4.251.262  | (6.827.239)  |
| Adjustments for Increase/Decrease in Trade Receivables  |                       |  |  |
| - Adjustments for Increase/Decrease in Trade Receivables from Related Parties                             | 6-7                   | (252.412.257)  | (440.261.125)                                      |
| - Adjustments for Increase/Decrease in Trade Receivables from Unrelated Parties                           | 7                     | (155.566.230)  | (256.208.549)                                      |
| Adjustments for Increase/Decrease in Other Receivables Related to the Operations                          |                       |  |  |
| - Adjustments for Increase/Decrease in Other Receivables from Related Parties Related to the Operations   | 6-9                   | 321.367  | 151.523.279  |
| - Adjustments for Increase/Decrease in Other Receivables from Unrelated Parties Related to the Operations | 9                     | 153.955.252  | 72.290.926   |
| Adjustments for Increase/Decrease in Inventories  | 11                    | 810.564.528  | (828.474.400)                                      |
| Adjustments Related to the Increase/Decrease in Biological Assets   | 12                    | 20.973.435   | (22.023.116)                                       |
| Adjustments for Increase/Decrease in Prepaid Expenses   | 13                    | (5.238.006)  | 34.246.909   |
| Adjustments for Increase/Decrease in Trade Payables   |                       |  |  |
| - Adjustments for Increase/Decrease in Trade Payables to Related Parties                                  | 6-7                   | 48.227   | -  |
| - Adjustments for Increase/Decrease in Trade Payables to Unrelated Parties                                | 7                     | (515.915.986)  | (432.312.490)                                      |
| Increase/Decrease in Employee Benefits Liabilities  | 22                    | (60.582.232)   | (8.051.156)  |
| Adjustments for Increase/Decrease in Other Payables Related to the Operations                             |                       |  |  |
| - Adjustments for Increase/Decrease in Other Payables from Related Parties Related to the Operations      | 6-9                   | -  | (17.058.897)                                       |
| - Adjustments for Increase/Decrease in Other Payables from Unrelated Parties Related to the Operations    | 9                     | (16.210.860)   | 2.464.040  |
| Increase/Decrease in Deferred Tax   | 13                    | (30.093.663)   | 27.243.298   |
| <b>Cash Flow from Operating Activities</b>  |                       | <b>3.901.389.578</b>                                 | <b>5.861.849.911</b>                               |
| Tax Payments/Returns  | 30                    | 252.957  | (4.079.744)  |

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-31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

|  | <b>Footnote<br/>References</b> | <b>Audited<br/>Current<br/>Period<br/>01.01-<br/>31.12.2023</b> | <b>Audited<br/>Prior<br/>Period<br/>01.01-<br/>31.12.2022</b> |
|--|--------------------------------|---|---|
| <b>NET CASH FLOW PROVIDED BY INVESTMENT ACTIVITIES</b>   |                                | <b>(680.929.532)</b>  | <b>(78.510.758)</b>   |
| Cash outflows from the purchase of shares or debt instruments of other businesses or funds   |                                | (2.947.329)   | -   |
| Proceeds from Sale of Property, Plant, Equipment and Intangible Assets   |                                |   |   |
| - Proceeds from Sale of Tangible Assets  | 17                             | 1.559.280   | 55.098.696  |
| Proceeds from Purchase of Property, Plant, Equipment and Intangible Assets   |                                |   |   |
| - Proceeds from Purchase of Tangible Assets  | 17                             | (659.823.716)   | (95.731.134)  |
| - Proceeds from Purchase of Intangible Assets  | 19                             | (20.854.083)  | (37.878.320)  |
| Dividends Received   | 28.3                           | 1.136.316   | -   |
| <b>CASH FLOW PROVIDED BY FINANCIAL ACTIVITIES</b>  |                                | <b>(2.900.466.601)</b>  | <b>(5.703.490.840)</b>  |
| Cash Inflows from Issuance of Shares and Other Equity Instruments  |                                |   |   |
| - Cash Inflows from Share Issuance   |                                | 286.526.365   | -   |
| Cash Inflows from Financial Liabilities  |                                |   |   |
| - Cash Inflows from Bank Loans   | 8                              | 1.873.899.308   | 2.391.279.641   |
| Cash Outflows from Financial Liabilities   |                                |   |   |
| - Cash Outflows for Bank Loans   | 8                              | (5.034.055.186)   | (8.023.623.246)   |
| Cash Outflows from Finance Leases  | 8                              | (26.837.088)  | (71.147.235)  |
| <b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS<br/>BEFORE THE EFFECT OF FOREIGN EXCHANGE CURRENCY<br/>DIFFERENCES (A+B+C)</b> |                                | <b>320.246.402</b>  | <b>75.768.569</b>   |
| <b>EFFECTS OF INFLATION ON CASH AND CASH EQUIVALENTS</b>   |                                | <b>(76.185.191)</b>   | <b>(201.453.354)</b>  |
| <b>D. THE EFFECT OF FOREIGN CURRENCY DIFFERENCES ON CASH AND<br/>CASH EQUIVALENTS</b>  |                                | <b>-</b>  | <b>-</b>  |
| <b>CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE</b>   |                                | <b>244.061.211</b>  | <b>(125.684.785)</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD</b>   | <b>4</b>                       | <b>193.804.086</b>  | <b>319.488.871</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>  | <b>4</b>                       | <b>437.865.297</b>  | <b>193.804.086</b>  |

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED AT 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

**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 31 December 2023, 2.312 personnel are employed by the Company and the average number of personnel is 2.526 for the period of 01.01-31.12.2023.

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      |
| Pillow case   | 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       |

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED AT 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

**Production Capacity (Energy)**

According to the capacity report from Denizli Industrial Chamber dated 17 November 2023, numbered 611 and valid until 21 November 2025, 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<br>Production Capacity<br>(kWh) |
|-------------------|----------|----------|------------|---|
| <i>Geothermal</i> |          |          |            |   |
| Baklacı           | Menderes | Manisa   | Geothermal | 155.200.000                                 |
| Tosunlar          | Menderes | Denizli  | Geothermal | 30.456.000                                  |
| <i>Wind</i>       |          |          |            |   |
| Aliğa             | Menderes | İzmir    | Wind       | 57.254.400                                  |
| Bergama           | Menderes | İzmir    | Wind       | 75.816.000                                  |
| <i>Solar</i>      |          |          |            |   |
| Sarayköy          | Menderes | Denizli  | Solar      | 9.287.600                                   |

**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 258.700 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 31 December 2023, 330 personnel are employed by the Company and the average number of personnel is 296 for the period of 01.01-31.12.2023.

**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.



**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED AT 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2023, unless otherwise indicated.)

**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.

**Financial reporting in hyperinflationary economy**

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

Pursuant to the decision of the Capital Markets Board ("CMB") dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") of Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 December 2023, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

| Date       | Index    | Adjustment coefficient | Three-Year Compound Inflation Rate |
|------------|----------|------------------------|------------------------------------|
| 31.12.2023 | 1.859,38 | 1,0000                 | %268                               |
| 31.12.2022 | 1.128,45 | 1,6477                 | %156                               |
| 31.12.2021 | 686,95   | 2,7067                 | %74                                |

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**Approval of Financial Statements**

Consolidated financial statements are approved by the Board of Directors and granted authority to publish on 20 May 2024 Boards of Directors have authority to change financial statements.

**Currency Measurement and Reporting Currency**

As of 31 December 2023 and 2022, the 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.

**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 | 31 December 2023 | 31 December 2022 |
|-------------------------------|----------------------|------------------|------------------|
| Smyrna Seracılık Ticaret A.Ş. | Full Consolidation   | 79,17%           | 79,17%           |

| Participations               | Consolidation Method | 31 December 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 31 December 2023 and 2022, the capital structure of subsidiaries and participations are as follows:

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

|                       | <b>31.12.2023</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>31.12.2023</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>31.12.2023</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              |
| Other                                   | 0,20              | 0,20              |
|   | <b>100%</b>       | <b>100%</b>       |

Aktur İzmir Gayrimenkul A.Ş. (Subsidiary)

|   | <b>31.12.2023</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, the 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 2023 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 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/IFRS 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 31 December 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.

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**Amendment to TAS 12 - International tax reform -Pillar Two Model Rules,**

Temporary exception is effective for yearends ending on or after 31 December 2023. The disclosure requirements are effective for annual periods beginning on or after 1 January 2023, with early application permitted. This amendment clarifies the application of IAS 12 to income taxes arising from tax laws enacted or substantively enacted to implement the OECD's Pillar Two Model Rules. The amendment also introduces specific disclosure requirements for entities affected by such tax laws. The exception to not recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, along with the disclosure requirement that the exception has been applied, is effective upon issuance of the amendment. However, the specific disclosure requirements introduced by the amendment are not required to be applied for interim periods ending before 31 December 2023.

***Standards, amendments and interpretations that are issued but not effective as of 31 December 2023:***

**TFRS 17, 'Insurance Contracts',**

Effective from annual periods beginning on or after 1 January 2025. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

**Amendment to TAS 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 TFRS 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 TAS 7 and TFRS 7 on Supplier finance arrangements,**

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

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

Effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.



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**TFRS S2, 'Climate-related disclosures',**

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

However, in the Board Decision of the KGK published in the Official Gazette dated 29 December 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of 1 January 2024. Businesses that fall within the scope of sustainability practice are counted for the purpose of determining businesses that will be subject to sustainability reporting within the scope of the "Board Decision Regarding the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" dated 5 January 2024.

**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.

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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 payables are recognized as an appropriation of profit in the period in which they are declared.

**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**

The 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 2023.

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.

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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).

Property, plant and equipment are carried at indexed cost less indexed accumulated depreciation. Historical costs include the costs directly related to the acquisition of property plant and equipment. Costs incurred after the acquisition can be added to the net book value of the assets or can be booked as another asset if and only if it is probable that the future economic benefits will flow to the Group and cost of the asset can be measured reliably. All other repair and maintenance costs are expensed in the consolidated statement of comprehensive income for the period. Depreciation is provided using the straight line method based on the estimated useful lives of gross book value of assets.

Economic useful lives of assets approximately are as follows:

|                                | Years |
|--------------------------------|-------|
| 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 carried at restated acquisition cost less 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.

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

**Impairment of Assets**

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

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**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.

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.



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

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

## **Financial Assets**

### ***Classification***

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

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

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

"Financial assets measured at amortized cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables" and "financial investments". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the consolidated.

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

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

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

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***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.

***Impairment***

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

Provision for loss measured as below;

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

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

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

**Trade Receivables**

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

Group has preferred to apply "simplified approach" defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at 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.

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**Cash and Cash Equivalents**

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

**Financial Liabilities**

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

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

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

***Equity instruments***

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

***Other financial liabilities***

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

**Trade Payables**

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

**The Effects of Exchange Rates**

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

**Effects of Change in Currency Rate**

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

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**Earnings per Share / (Loss)**

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

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

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

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

**Employee Benefits / Severance Pay**

**Provision for Severance Pay**

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies. As of 31 December 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:

|               | 31.12.2023 | 31.12.2022 |
|---------------|------------|------------|
| Discount rate | 3,20%      | 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.

*Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti. "Akça Saraylı Tekstil"*

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

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

Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti. was established on 13 March 1997. Head quarter of the Company is in İzmir. 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**

| <b>31 December 2023</b>  | <b>Textile Sector</b> | <b>Agricultural Sector</b> | <b>Energy Sector</b> | <b>Elimination</b> | <b>Total</b>         |
|--|-----------------------|----------------------------|----------------------|--------------------|----------------------|
| Revenue  | 3.301.652.702         | 2.299.745.097              | 739.550.874          | -                  | 6.340.948.673        |
| Cost of Sales (-)  | (2.912.482.920)       | (2.371.708.522)            | (372.128.321)        | 4.204.369          | (5.652.115.394)      |
| <b>GROSS PROFIT/LOSS</b>   | <b>389.169.782</b>    | <b>(71.963.425)</b>        | <b>367.422.553</b>   | <b>4.204.369</b>   | <b>688.833.279</b>   |
| General Administrative Expenses (-)                                      | (278.056.418)         | (13.000.030)               | (9.623.436)          | 28.042             | (300.651.842)        |
| Marketing Expenses (-)   | (145.174.430)         | (7.726.983)                | -                    | -                  | (152.901.413)        |
| Research and Development Expenses (-)                                    | (43.123.394)          | -                          | -                    | -                  | (43.123.394)         |
| Other Operating Income   | 286.369.412           | 353.509.042                | 14.099.557           | (4.232.411)        | 649.745.600          |
| Other Operating Expenses (-)   | (242.193.852)         | (16.924.588)               | (60.341)             | -                  | (259.178.781)        |
| <b>OPERATING PROFIT/LOSS</b>   | <b>(33.008.900)</b>   | <b>243.894.016</b>         | <b>371.838.333</b>   | <b>-</b>           | <b>582.723.449</b>   |
| Income from Investing Activities   | 64.258.650            | 1.186.905                  | -                    | -                  | 65.445.555           |
| Expense from Investing Activities (-)                                    | (147.820)             | -                          | -                    | -                  | (147.820)            |
| Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method | 80.263.565            | -                          | -                    | -                  | 80.263.565           |
| <b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>                   | <b>111.365.495</b>    | <b>245.080.921</b>         | <b>371.838.333</b>   | <b>-</b>           | <b>728.284.749</b>   |
| Financial Income (+)   | 176.441.348           | 12.941.184                 | -                    | (6.810.428)        | 182.572.104          |
| Financial Expenses (-)   | (555.936.851)         | (9.171.426)                | (670.562.646)        | 6.810.428          | (1.228.860.495)      |
| Gains /(Losses) on Net Monetary Position                                 | (198.679.353)         | 65.683.977                 | 1.325.076.443        | -                  | 1.192.081.067        |
| <b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>                  | <b>(466.809.361)</b>  | <b>314.534.656</b>         | <b>1.026.352.130</b> | <b>-</b>           | <b>874.077.425</b>   |
| <b>Operating Activity Tax Income / (Expense)</b>                         |                       |                            |                      |                    |                      |
| - Income/Expense Tax for the period                                      | -                     | (850.257)                  | -                    | -                  | (850.257)            |
| - Deferred Tax Income/Expense  | 237.986.487           | 2.498.769                  | -                    | -                  | 240.485.256          |
| <b>PROFIT/(LOSS) FOR THE PERIOD</b>                                      | <b>(228.822.874)</b>  | <b>316.183.168</b>         | <b>1.026.352.130</b> | <b>-</b>           | <b>1.113.712.424</b> |

| <b>31 December 2022</b>  | <b>Textile Sector</b> | <b>Agricultural Sector</b> | <b>Energy Sector</b> | <b>Elimination</b> | <b>Total</b>         |
|--|-----------------------|----------------------------|----------------------|--------------------|----------------------|
| Revenue  | 5.268.331.894         | 1.897.886.363              | 828.044.134          | -                  | 7.994.262.391        |
| Cost of Sales (-)  | (4.235.861.955)       | (1.654.840.890)            | (357.397.323)        | 4.645.315          | (6.243.454.853)      |
| <b>GROSS PROFIT/LOSS</b>   | <b>1.032.469.939</b>  | <b>243.045.473</b>         | <b>470.646.811</b>   | <b>4.645.315</b>   | <b>1.750.807.538</b> |
| General Administrative Expenses (-)                                      | (178.274.189)         | (7.606.091)                | (25.217.279)         | 74.444             | (211.023.115)        |
| Marketing Expenses (-)   | (204.804.275)         | (5.093.428)                | -                    | -                  | (209.897.703)        |
| Research and Development Expenses (-)                                    | (29.459.875)          | -                          | -                    | -                  | (29.459.875)         |
| Other Operating Income   | 268.527.124           | 303.489.764                | 22.564.635           | (4.719.759)        | 589.861.764          |
| Other Operating Expenses (-)   | (285.699.512)         | (75.362.928)               | (74.118)             | 4.626.939          | (356.509.619)        |
| <b>OPERATING PROFIT/LOSS</b>   | <b>602.759.212</b>    | <b>458.472.790</b>         | <b>467.920.049</b>   | <b>4.626.939</b>   | <b>1.533.778.990</b> |
| Income from Investing Activities   | 40.566.271            | 1.079                      | -                    | -                  | 40.567.350           |
| Expense from Investing Activities (-)                                    | (357.625.142)         | (366.382)                  | (178.853.583)        | -                  | (536.845.107)        |
| Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method | 170.370.337           | -                          | -                    | -                  | 170.370.337          |
| <b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>                   | <b>456.070.678</b>    | <b>458.107.487</b>         | <b>289.066.466</b>   | <b>4.626.939</b>   | <b>1.207.871.570</b> |
| Financial Income (+)   | 115.798.270           | 39.478.868                 | 595                  | (8.201.246)        | 147.076.487          |
| Financial Expenses (-)   | (883.100.792)         | (7.368.564)                | (543.852.257)        | 3.574.307          | (1.430.747.306)      |
| Gains /(Losses) on Net Monetary Position                                 | 879.010.670           | 80.839.647                 | 567.652.914          | -                  | 1.527.503.231        |
| <b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>                  | <b>567.778.826</b>    | <b>571.057.438</b>         | <b>312.867.718</b>   | <b>-</b>           | <b>1.451.703.982</b> |
| <b>Operating Activity Tax Income / (Expense)</b>                         |                       |                            |                      |                    |                      |
| - Income/Expense Tax for the period                                      | -                     | (597.300)                  | -                    | -                  | (597.300)            |
| - Deferred Tax Income/Expense  | 467.316.668           | 12.436.056                 | -                    | -                  | 479.752.724          |
| <b>PROFIT/(LOSS) FOR THE PERIOD</b>                                      | <b>1.035.095.494</b>  | <b>582.896.194</b>         | <b>312.867.718</b>   | <b>-</b>           | <b>1.930.859.406</b> |



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| <b>31 December 2023</b>   | <b>Textile Sector</b> | <b>Agricultural Sector</b> | <b>Energy Sector</b> | <b>Elimination</b> | <b>Total</b>         |
|---|-----------------------|----------------------------|----------------------|--------------------|----------------------|
| Total Assets  | 7.820.216.347         | 1.670.200.293              | 2.804.017.227        | (143.112.067)      | 12.151.321.800       |
| Total Liabilities   | 2.858.635.099         | 252.981.732                | 1.127.548.656        | (34.103.892)       | 4.205.061.595        |
| <b>Assets by Segments</b>   |                       |                            |                      |                    |                      |
| Investment Property   | 406.670.000           | -                          | -                    | -                  | 406.670.000          |
| Total Tangible Assets (Net Book Value)                                    | 3.864.929.723         | 393.346.244                | 2.803.680.531        | -                  | 7.061.956.498        |
| Total Intangible Assets (Net Book Value)                                  | 127.419.565           | 43.097                     | 336.696              | -                  | 127.799.358          |
| Purchases of Tangible and Intangible Assets                               | 67.715.461            | 133.906.433                | 479.055.905          | -                  | 680.677.799          |
| Depreciation Expenses   | 257.651.238           | 19.752.618                 | 192.646.486          | -                  | 470.050.342          |
| Detail of the Group's foreign currency assets and liabilities by segments |                       |                            |                      |                    |                      |
| Total Assets  | 1.178.364.480         | 51.089.541                 | -                    | -                  | 1.229.454.021        |
| Total Liabilities   | 459.423.218           | 8.506.320                  | 1.127.548.656        | -                  | 1.595.478.194        |
| Net Foreign Currency Asset/ Liabilities                                   | 718.941.262           | 42.583.221                 | (1.127.548.656)      | -                  | (366.024.173)        |
| Detail of the Group's financial liabilities by division in currency       |                       |                            |                      |                    |                      |
| <b>Financial Payables</b>   | <b>1.308.193.690</b>  | <b>68.886.472</b>          | <b>1.127.548.656</b> | <b>-</b>           | <b>2.504.628.818</b> |
| - USD   | 46.545.555            | -                          | 191.613.952          | -                  | 238.159.507          |
| - EUR   | 35.997.486            | -                          | 935.934.704          | -                  | 971.932.190          |
| - TRY   | 1.225.650.649         | 68.886.472                 | -                    | -                  | 1.294.537.121        |
| Export  | 2.307.860.603         | 331.506.949                | -                    | -                  | 2.639.367.552        |
| Import  | 849.455.450           | 2.703.566                  | -                    | -                  | 852.159.016          |
| Total Debt  | 2.858.635.099         | 252.981.732                | 1.127.548.656        | (34.103.892)       | 4.205.061.595        |
| Cash Equivalents  | (433.154.951)         | (4.760.518)                | -                    | -                  | (437.915.469)        |
| Net Debt  | 2.425.480.148         | 248.221.214                | 1.127.548.656        | (34.103.892)       | 3.767.146.126        |
| Total Equity  | 7.415.659.840         | 639.608.540                | --                   | (109.008.175)      | 7.946.260.205        |
| Total Capital   | 9.841.139.988         | 887.829.754                | 1.127.548.656        | (143.112.067)      | 11.713.406.331       |
| Net Debt/Total Capital Ratio  | 24,65%                | 27,96%                     | 100,00%              |                    | 32,16%               |

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| <b>31 December 2022</b>   | <b>Textile Sector</b> | <b>Agricultural Sector</b> | <b>Energy Sector</b> | <b>Elimination</b> | <b>Total</b>         |
|---|-----------------------|----------------------------|----------------------|--------------------|----------------------|
| Total Assets  | 8.559.775.455         | 1.504.292.367              | 2.517.607.808        | (130.580.899)      | 12.451.094.731       |
| Total Liabilities   | 4.250.588.687         | 199.154.427                | 1.459.230.254        | (21.572.723)       | 5.887.400.645        |
| <b>Assets by Segments</b>   |                       |                            |                      |                    |                      |
| Investment Property   | 343.758.988           | -                          | -                    | -                  | 343.758.988          |
| Total Tangible Assets (Net Book Value)                                    | 4.088.703.002         | 279.217.769                | 2.517.567.257        | -                  | 6.885.488.028        |
| Total Intangible Assets (Net Book Value)                                  | 95.141.344            | 17.756                     | 40.551               | -                  | 95.199.651           |
| Purchases of Tangible and Intangible Assets                               | 133.503.339           | 106.115                    | -                    | -                  | 133.609.454          |
| Depreciation Expenses   | 187.671.803           | 8.786.638                  | 149.694.911          | -                  | 346.153.352          |
| Detail of the Group's foreign currency assets and liabilities by segments |                       |                            |                      |                    |                      |
| Total Assets  | 942.363.712           | 42.239.411                 | -                    | -                  | 984.603.123          |
| Total Liabilities   | 1.562.026.352         | 126.457                    | 1.459.230.254        | -                  | 3.021.383.063        |
|   | -                     | -                          | -                    | -                  | -                    |
| Net Asset / (Liability) Position of Foreign Currency                      | (619.662.640)         | 42.112.954                 | (1.459.230.254)      | -                  | (2.036.779.940)      |
| Detail of the Group's financial liabilities by division in currency       |                       |                            |                      |                    |                      |
| <b>Financial Payables</b>   | <b>2.254.899.369</b>  | <b>62.487.044</b>          | <b>1.459.230.254</b> | <b>-</b>           | <b>3.776.616.667</b> |
| - USD   | 585.194.709           | -                          | 327.407.217          | -                  | 912.601.926          |
| - EUR   | 490.066.812           | -                          | 1.131.823.037        | -                  | 1.621.889.849        |
| - TRY   | 1.179.637.848         | 62.487.044                 | -                    | -                  | 1.242.124.892        |
| Export  | 3.962.921.018         | 233.270.496                | -                    | -                  | 4.196.191.514        |
| Import  | 2.587.452.087         | 7.695.133                  | -                    | -                  | 2.595.147.220        |
| Total Debt  | 4.250.588.687         | 199.154.427                | 1.459.230.254        | (21.572.723)       | 5.887.400.645        |
| Cash Equivalents  | (188.186.666)         | (12.444.659)               | -                    | -                  | (200.631.325)        |
| Net Debt  | 4.062.402.021         | 186.709.768                | 1.459.230.254        | (21.572.723)       | 5.686.769.320        |
| Total Equity  | 5.795.721.020         | 876.981.241                | --                   | (109.008.175)      | 6.563.694.086        |
| Total Capital   | 9.858.123.041         | 1.063.691.009              | 1.459.230.254        | (130.580.898)      | 12.250.463.406       |
| Net Debt/Total Capital Ratio  | 41,21%                | 17,55%                     |                      |                    | 46,42%               |

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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.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---------------|-------------------------------|-------------------------------|
| Germany       | 40%                           | 41%                           |
| U.S.A.        | 28%                           | 23%                           |
| Italy         | 15%                           | 18%                           |
| Netherland    | 6%                            | 7%                            |
| France        | 2%                            | 2%                            |
| Poland        | 2%                            | 2%                            |
| Switzerland   | 1%                            | 1%                            |
| U.A.E.        | 1%                            | 1%                            |
| Jordan        | 1%                            | 0%                            |
| Other         | 4%                            | 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 31 December 2023, the share of the largest buyer in the revenue from textile sector operations is 32,18% (31 December 2022: 41,37%). 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 82,82%.(31 December 2022: 86,73%) 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 31 December 2023 and 2022 the details of cash and cash equivalents are as follows:

|                        | <b>31.12.2023</b>  | <b>31.12.2022</b>  |
|------------------------|--------------------|--------------------|
| Cash                   | 183.142            | 116.328            |
| <b>Banks</b>           | <b>181.339.095</b> | <b>193.687.758</b> |
| <i>Demand deposits</i> | <i>160.490.862</i> | <i>111.908.260</i> |
| <i>Time deposits</i>   | <i>20.848.233</i>  | <i>81.779.498</i>  |
| Other liquid assets    | 256.343.060        | -                  |
|                        | <b>437.865.297</b> | <b>193.804.086</b> |

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

|                | <b>31.12.2023</b> | <b>31.12.2022</b> |
|----------------|-------------------|-------------------|
| Within 1 month | 20.848.233        | 81.779.498        |
|                | <b>20.848.233</b> | <b>81.779.498</b> |

As of 31 December 2023, effective interest rates of time deposits in TRY 52,63% (31 December 2022: TRY 18,66%).

As of 31 December 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>31.12.2023</b> | <b>31.12.2022</b> |
|----------------------------|-------------------|-------------------|
| Currency-protected deposit | -                 | 6.415.307         |
| Investment fund            | 50.172            | 411.932           |
|                            | <b>50.172</b>     | <b>6.827.239</b>  |

**Long Term Financial Investments**

|  | <b>31.12.2023</b> | <b>31.12.2022</b> |
|--|-------------------|-------------------|
| Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.  |                   |                   |
| Maxis Ventures Venture Capital Investment Fund | 1.382.757         | -                 |
| Ünlü Portföy Yönetimi Anonim Şirketi           |                   |                   |
| AR-GE Venture Capital Investment Fund          | 1.406.561         | -                 |
|  | <b>2.789.318</b>  | <b>-</b>          |

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**NOTE 6 – RELATED PARTY TRANSACTIONS**

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

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

|   | <b>31.12.2023</b>  | <b>31.12.2022</b>  |
|---|--------------------|--------------------|
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | 584.161.151        | 601.095.960        |
| Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.  | 51.627.766         | 33.103.643         |
| Rediscount  | (1.758.765)        | (5.396.659)        |
|   | <b>634.030.152</b> | <b>628.802.944</b> |

**b) Trade payables to related parties (Note 9):**

|   | <b>31.12.2023</b> | <b>31.12.2022</b> |
|---|-------------------|-------------------|
| Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.      | 19.950            | -                 |
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | 32.305            | -                 |
| Rediscount  | (4.028)           | -                 |
|   | <b>48.227</b>     | <b>-</b>          |

**c) Non-trade receivables from related parties (Note 9):**

|   | <b>31.12.2023</b> | <b>31.12.2022</b> |
|---|-------------------|-------------------|
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | 5.761             | 539.018           |
|   | <b>5.761</b>      | <b>539.018</b>    |

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

**a) Sales to related parties:**

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | 1.890.391.947                 | 1.720.098.885                 |
| Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.  | 60.269.914                    | 47.430.824                    |
|   | <b>1.950.661.861</b>          | <b>1.767.529.709</b>          |

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**b) Purchases from related parties:**

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.  | 406.774.488                   | 266.528.512                   |
| Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.   | 23.076                        | 45.141                        |
| Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. | -                             | 16.502                        |
|  | <b>406.797.564</b>            | <b>266.590.155</b>            |

**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.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Benefits provided to senior management | 8.129.787                     | 6.100.787                     |
|  | <b>8.129.787</b>              | <b>6.100.787</b>              |

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

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Akça Holding A.Ş.                                 | 1.864.221                     | 1.180.868                     |
| Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.      | 17.322.181                    | 12.102.968                    |
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | -                             | 215.638                       |
| Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.  | 42.723                        | 4.493                         |
|   | <b>19.229.125</b>             | <b>13.503.967</b>             |

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

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | 472.583                       | 428.591                       |
| Akça Holding A.Ş.                                 | 429.121                       | 380.050                       |
| Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.  | 386.564                       | 342.367                       |
| Menderes Tekstil Pazarlama A.Ş.                   | -                             | 7.327                         |
| Akçamen Tekstil Sanayi Ticaret A.Ş.               | -                             | 7.327                         |
|   | <b>1.288.268</b>              | <b>1.165.662</b>              |

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

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.  | 1.187.861                     | 3.204.575                     |
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | 632.301                       | 91.111                        |
| Akça Holding A.Ş.                                 | 77.681                        | 5.012                         |
|   | <b>1.897.843</b>              | <b>3.300.698</b>              |

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

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | 260.934.281                   | 247.668.707                   |
|   | <b>260.934.281</b>            | <b>247.668.707</b>            |

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

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | 18.505.242                    | 14.189.774                    |
| Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.  | 3.862.688                     | 372.105                       |
|   | <b>22.367.930</b>             | <b>14.561.879</b>             |

**g) Interest income from related parties:**

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. | 1.179.747                     | 34.632.015                    |
| Akça Holding A.Ş.                                 | -                             | 8.067                         |
|   | <b>1.179.747</b>              | <b>34.640.082</b>             |

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

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş. | 1.304.937                     | 1.598.404                     |
| Selin Tekstil Sanayi ve Ticaret A.Ş.                        | -                             | 484.503                       |
|   | <b>1.304.937</b>              | <b>2.082.907</b>              |

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

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş. | 1.735.134                     | 484.515                       |
|   | <b>1.735.134</b>              | <b>484.515</b>                |



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

**Short Term Trade Receivables**

|   | <b>31.12.2023</b>    | <b>31.12.2022</b>    |
|---|----------------------|----------------------|
| Trade receivables                               | 304.388.421          | 275.909.660          |
| Cheques and notes                               | 23.955.517           | 16.778.521           |
| Unearned interest on trade receivables          | (12.274.244)         | (2.163.595)          |
| Doubtful trade receivables                      | 486.010              | 800.813              |
| Provision for doubtful receivables (-)          | (486.010)            | (800.813)            |
| Income accruals                                 | 50.800.783           | 86.429.951           |
| <b>Trade Receivables from Unrelated Parties</b> | <b>366.870.477</b>   | <b>376.954.537</b>   |
| Trade receivables from related parties          | 635.788.917          | 634.199.603          |
| Unearned interests on related party receivables | (1.758.765)          | (5.396.659)          |
| <b>Trade Receivables from Related Parties</b>   | <b>634.030.152</b>   | <b>628.802.944</b>   |
| <b>Total Short-Term Trade Receivables</b>       | <b>1.000.900.629</b> | <b>1.005.757.481</b> |

As of 31 December 2023, the average maturity of trade receivables are 57 days (31 December 2022: 42 days).

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

|              | <b>31.12.2023</b> | <b>31.12.2022</b> |
|--------------|-------------------|-------------------|
| 1-30 days    | 6.535.000         | 687.103           |
| 31-60 days   | 4.597.274         | 3.717.100         |
| 61-90 days   | 5.638.863         | 5.609.259         |
| 91-120 days  | 6.535.774         | -                 |
| 121-150 days | 400.000           | 6.765.059         |
| 151-180 days | 248.606           | -                 |
|              | <b>23.955.517</b> | <b>16.778.521</b> |

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

|                                    | <b>31.12.2023</b> | <b>31.12.2022</b> |
|------------------------------------|-------------------|-------------------|
| Opening balance                    | 800.813           | 1.339.203         |
| Collections made during the period | -                 | (15.093)          |
| Provisions made during the period  | -                 | 659               |
| Monetary gain / (loss)             | (314.803)         | (523.956)         |
| <b>Closing Balance</b>             | <b>486.010</b>    | <b>800.813</b>    |

**Short Term Trade Payables**

|   | <b>31.12.2023</b>  | <b>31.12.2022</b>  |
|---|--------------------|--------------------|
| Trade payables                                    | 577.224.108        | 666.272.242        |
| Notes payables                                    | 28.949.784         | 30.147.151         |
| Unearned interests on payables                    | (16.345.321)       | (3.434.888)        |
| Expense accruals                                  | 69.760.395         | 167.980.953        |
| <b>Trade Payables from Unrelated Parties</b>      | <b>659.588.966</b> | <b>860.965.458</b> |
| Trade payables to related parties                 | 52.255             | -                  |
| Unearned interests on payables to related parties | (4.028)            | -                  |
| <b>Trade Payables to Related Parties</b>          | <b>48.227</b>      | <b>-</b>           |
| <b>Total Short Term Trade Payables</b>            | <b>659.637.193</b> | <b>860.965.458</b> |

As of 31 December 2023, the average maturity of trade payables are 48 days (31 December 2022: 48 days).

As of 31 December 2023, The Group has letter of credits amounting to USD 2.494.739 (TRY 73.573.089) in trade payables (Note 20).

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

|               | <b>31.12.2023</b> | <b>31.12.2022</b> |
|---------------|-------------------|-------------------|
| Past due      | 19.196            | -                 |
| 1 – 30 days   | 12.954.487        | 19.401.057        |
| 31 – 60 days  | 7.358.316         | 10.072.620        |
| 61 – 90 days  | 8.156.999         | 264.559           |
| 91 – 120 days | 460.786           | 408.915           |
|               | <b>28.949.784</b> | <b>30.147.151</b> |

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**NOTE 8 – FINANCIAL BORROWINGS**

|   | <b>31.12.2023</b>    | <b>31.12.2022</b>    |
|---|----------------------|----------------------|
| <b>Short Term Borrowings:</b>                         |                      |                      |
| TRY borrowings  | 1.159.385.063        | 1.139.573.628        |
| USD borrowings  | -                    | 514.287.057          |
| EUR borrowings  | 2.000.078            | 200.683.914          |
| Direct debit system and credit card liabilities (TRY) | 444.386              | 3.504.156            |
| <b>Short Term Financial Borrowings</b>                | <b>1.161.829.527</b> | <b>1.858.048.755</b> |
| <b>Lease Payables:</b>                                |                      |                      |
| TRY lease payables, net                               | 6.145.975            | 8.689.564            |
| <b>Bank Borrowings:</b>                               |                      |                      |
| TRY borrowings  | 66.728.406           | 23.449.356           |
| USD borrowings  | 55.606.019           | 139.463.678          |
| EUR borrowings  | 194.488.673          | 342.737.336          |
| <b>Current Installments of Long-Term Borrowings</b>   | <b>322.969.073</b>   | <b>514.339.934</b>   |
| <b>Long Term Lease Payables:</b>                      |                      |                      |
| TRY lease payables, net                               | 5.260.801            | 18.762.703           |
| <b>Long Term Bank Borrowings:</b>                     |                      |                      |
| TRY borrowings  | 56.572.490           | 48.145.485           |
| USD borrowings  | 182.553.488          | 258.851.191          |
| EUR borrowings  | 775.443.439          | 1.078.468.599        |
| <b>Long Term Financial Borrowings</b>                 | <b>1.019.830.218</b> | <b>1.404.227.978</b> |
| <b>Total Financial Liabilities</b>                    | <b>2.504.628.818</b> | <b>3.776.616.667</b> |

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

|                       | <b>31.12.2023</b>    | <b>31.12.2022</b>    |
|-----------------------|----------------------|----------------------|
| Within 3 months       | 207.504.064          | 360.661.805          |
| Between 3 - 12 months | 1.271.148.561        | 2.003.037.320        |
| Between 1 - 5 years   | 808.264.744          | 1.081.452.028        |
| More than 5 years     | 206.304.673          | 304.013.247          |
|                       | <b>2.493.222.042</b> | <b>3.749.164.400</b> |

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

|                     | <b>31.12.2023</b>    | <b>31.12.2022</b>    |
|---------------------|----------------------|----------------------|
| Between 1-2 years   | 315.798.505          | 413.887.630          |
| Between 2-3 years   | 217.199.545          | 290.340.069          |
| Between 3-4 years   | 173.248.345          | 208.840.132          |
| Between 4-5 years   | 102.018.330          | 168.384.189          |
| Between 5-6 years   | 51.752.628           | 99.603.692           |
| Between 6-7 years   | 49.913.487           | 51.227.970           |
| Between 7-8 years   | 31.478.613           | 49.408.275           |
| Between 8-9 years   | 30.470.853           | 31.218.302           |
| Between 9-10 years  | 29.476.897           | 30.218.900           |
| Between 10-11 years | 13.212.214           | 29.233.187           |
| Between 11-12 years | -                    | 13.102.929           |
|                     | <b>1.014.569.417</b> | <b>1.385.465.275</b> |

As of 31 December 2023, effective interest rates for TRY, USD and EUR bank loans are 22,01%, 6,97 % and 3,47% (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 for fixed assets of the Group given to financial institutions is USD 134.950.000 (TRY 3.979.850,935), EUR 25.000.000 (TRY 815.815.000) and TRY 362.310.000.

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

|                                     | <b>31.12.2023</b> | <b>31.12.2022</b> |
|-------------------------------------|-------------------|-------------------|
| Short term lease payables           | 7.498.829         | 12.369.500        |
| Cost of deferred lease payables (-) | (1.352.854)       | (3.679.936)       |
|                                     | <b>6.145.975</b>  | <b>8.689.564</b>  |
|                                     | <b>31.12.2023</b> | <b>31.12.2022</b> |
| Long term lease payables            | 5.609.325         | 21.566.113        |
| Cost of deferred lease payables (-) | (348.524)         | (2.803.410)       |
|                                     | <b>5.260.801</b>  | <b>18.762.703</b> |

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As of 31 December 2023, the repayment schedule of lease payables are as follows:

|                     | <b>Lease payables</b> | <b>Cost of deferred<br/>lease payables</b> | <b>Total liabilities</b> |
|---------------------|-----------------------|--|--------------------------|
| Between 0 – 1 years | 7.498.829             | (1.352.854)                                | 6.145.975                |
| Between 1 – 2 years | 5.609.325             | (348.524)                                  | 5.260.801                |
|                     | <b>13.108.154</b>     | <b>(1.701.378)</b>                         | <b>11.406.776</b>        |

As of 31 December 2022, the repayment schedule of lease payables are as follows:

|                     | <b>Lease payables</b> | <b>Cost of deferred<br/>lease payables</b> | <b>Total liabilities</b> |
|---------------------|-----------------------|--|--------------------------|
| Between 0 – 1 years | 12.369.500            | (3.679.936)                                | 8.689.564                |
| Between 1 – 2 years | 12.323.464            | (2.229.137)                                | 10.094.327               |
| Between 2 – 3 years | 9.242.616             | (574.240)                                  | 8.668.376                |
| Between 3 – 4 years | 33                    | (33)                                       | -                        |
|                     | <b>33.935.613</b>     | <b>(6.483.346)</b>                         | <b>27.452.267</b>        |

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**NOTE 9 – OTHER RECEIVABLES AND PAYABLES**

**Other Current Receivables**

|   | <b>31.12.2023</b> | <b>31.12.2022</b> |
|---|-------------------|-------------------|
| Deposit and guarantees given                    | 320.690           | 594.271           |
| VAT and corporate tax refund receivables        | 4.803.761         | 13.745.204        |
| Other receivables                               | 6.060             | 780.261           |
| <b>Other Receivables from Unrelated Parties</b> | <b>5.130.511</b>  | <b>15.119.736</b> |
| Receivables from shareholders                   | 5.761             | 539.018           |
| <b>Other Receivables from Related Parties</b>   | <b>5.761</b>      | <b>539.018</b>    |
| <b>Total Other Current Receivables</b>          | <b>5.136.272</b>  | <b>15.658.754</b> |

**Other Non-Current Receivables**

|                               | <b>31.12.2023</b> | <b>31.12.2022</b> |
|-------------------------------|-------------------|-------------------|
| Deposits and guarantees given | 159.340           | 252.780           |
|                               | <b>159.340</b>    | <b>252.780</b>    |

**Other Current Payables**

|                                 | <b>31.12.2023</b> | <b>31.12.2022</b> |
|---------------------------------|-------------------|-------------------|
| Deposit and guarantees received | 338.731           | 149.177           |
| Taxes and funds payable         | 12.211.131        | 20.475.433        |
| Other various debts             | 93                | 20.519            |
|                                 | <b>12.549.955</b> | <b>20.645.129</b> |

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**NOTE 10 – DERIVATIVE INSTRUMENTS**

As of 31 December 2023 and 2022, there are no derivative instruments.

**NOTE 11 – INVENTORIES**

|  | <b>31.12.2023</b>    | <b>31.12.2022</b>    |
|--|----------------------|----------------------|
| Raw materials  | 701.963.046          | 1.072.753.058        |
| Semi-finished products                                 | 101.204.427          | 185.102.295          |
| Finished goods   | 941.174.117          | 1.418.051.701        |
| Dried agricultural products (Figs, Apricot and Raisin) | 546.357.437          | 425.356.501          |
|  | <b>2.290.699.027</b> | <b>3.101.263.555</b> |

All inventories of the Group are covered by insurance coverage.

**NOTE 12 – BIOLOGICAL ASSETS**

**Current Biological Assets**

|                            | <b>31.12.2023</b> | <b>31.12.2022</b> |
|----------------------------|-------------------|-------------------|
| Biological assets (Tomato) | 31.070.882        | 52.044.317        |
|                            | <b>31.070.882</b> | <b>52.044.317</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>31.12.2023</b> | <b>31.12.2022</b> |
|--------------------------------------|-------------------|-------------------|
| Order advances given                 | 16.149.726        | 14.937.127        |
| Prepaid expenses                     | 21.423.465        | 16.810.433        |
| Advances given for business purposes | 3.177             | 161.960           |
|                                      | <b>37.576.368</b> | <b>31.909.520</b> |

**Long Term Prepaid Expenses**

|   | <b>31.12.2023</b> | <b>31.12.2022</b> |
|---|-------------------|-------------------|
| Advances given for purchases of tangible assets | 80.791.890        | 80.791.889        |
| Prepaid expenses                                | 1.889.924         | 2.318.767         |
|   | <b>82.681.814</b> | <b>83.110.656</b> |

**Short Term Deferred Income**

|                   | <b>31.12.2023</b> | <b>31.12.2022</b> |
|-------------------|-------------------|-------------------|
| Advances received | 34.155.006        | 44.018.647        |
| Deferred income   | 20.333.237        | 20.358.671        |
|                   | <b>54.488.243</b> | <b>64.377.318</b> |

**Long Term Deferred Income**

|                 | <b>31.12.2023</b> | <b>31.12.2022</b> |
|-----------------|-------------------|-------------------|
| Deferred income | 15.942.250        | 36.146.838        |
|                 | <b>15.942.250</b> | <b>36.146.838</b> |

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

|                         | <b>31.12.2023</b> | <b>31.12.2022</b> |
|-------------------------|-------------------|-------------------|
| Prepaid taxes and funds | 1.801.930         | 4.578.952         |
|                         | <b>1.801.930</b>  | <b>4.578.952</b>  |



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

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

|                              | <b>31.12.2023</b>  | <b>Share (%)</b> | <b>31.12.2022</b>  | <b>Share (%)</b> |
|------------------------------|--------------------|------------------|--------------------|------------------|
| Aktur İzmir Gayrimenkul A.Ş. | 474.280.431        | 48%              | 395.153.182        | 48%              |
|                              | <b>474.280.431</b> |                  | <b>395.153.182</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 31 December 2023 and 2022 are as follows:

|                          | <b>31.12.2023</b>    | <b>31.12.2022</b>  |
|--------------------------|----------------------|--------------------|
| Current assets           | 10.050.838           | 8.633.679          |
| Non-current assets       | 1.146.158.686        | 903.088.376        |
| <b>Total Assets</b>      | <b>1.156.209.524</b> | <b>911.722.055</b> |
| Current liabilities      | 5.082.701            | 2.865.139          |
| Non-current liabilities  | 163.042.592          | 85.621.121         |
| Parent company's equity  | 988.084.231          | 823.235.795        |
| <b>Total Liabilities</b> | <b>1.156.209.524</b> | <b>911.722.055</b> |
| Sales, net               | 9.658.641            | 8.125.284          |
| Net profit / (loss)      | 167.148.437          | 354.938.206        |

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**NOTE 16 – INVESTMENT PROPERTIES**

| <b>Cost Value</b>                 | <b>Lands</b>       | <b>Total</b>       |
|-----------------------------------|--------------------|--------------------|
| 01 January 2022 opening balance   | 378.284.404        | 378.284.404        |
| Fair value                        | (34.525.416)       | (34.525.416)       |
| 31 December 2022 closing balance  | 343.758.988        | 343.758.988        |
| Fair value                        | 62.911.012         | 62.911.012         |
| 31 December 2023 closing balance  | 406.670.000        | 406.670.000        |
| <b>31.12.2022, Net Book Value</b> | <b>343.758.988</b> | <b>343.758.988</b> |
| <b>31.12.2023, Net Book Value</b> | <b>406.670.000</b> | <b>406.670.000</b> |

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

|                               | <b>Manisa</b>     | <b>İzmir</b>       |
|-------------------------------|-------------------|--------------------|
| <b>As of 01 January 2022</b>  | 11.449.418        | 366.834.986        |
| Value Decrease/increase       | (1.892.589)       | (32.632.827)       |
| <b>As of 31 December 2022</b> | <b>9.556.829</b>  | <b>334.202.159</b> |
| Value Decrease/increase       | 1.243.171         | 61.667.841         |
| <b>As of 31 December 2023</b> | <b>10.800.000</b> | <b>395.870.000</b> |

The Group's 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 2023 are reflected in the accompanying consolidated financial statements.

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**NOTE 17 – TANGIBLE ASSETS**

| Cost Value                        | Land               | Land Improvements  | Buildings            | Property, plant and equipment | Vehicles          | Fixtures and fittings | Construction in progress | Total                |
|-----------------------------------|--------------------|--------------------|----------------------|-------------------------------|-------------------|-----------------------|--------------------------|----------------------|
| 01 January 2022 opening balance   | 290.106.048        | 312.436.469        | 991.592.642          | 3.659.090.398                 | 42.008.649        | 145.098.693           | 40.989.504               | 5.481.322.403        |
| Additions                         | -                  | -                  | 56.032.572           | -                             | 6.233.682         | 249.762               | 33.215.118               | 95.731.134           |
| Disposals                         | -                  | -                  | (56.032.572)         | -                             | -                 | (24.185)              | -                        | (56.056.757)         |
| Transfer                          | -                  | -                  | -                    | 39.478.390                    | -                 | -                     | (39.478.390)             | -                    |
| Provision for impairment          | (23.338)           | (4.285.673)        | (2.970.689)          | (488.970.079)                 | -                 | -                     | -                        | (496.249.779)        |
| Gain on revaluation of property   | 363.077.141        | 343.160.221        | 608.969.007          | 1.013.515.707                 | -                 | -                     | -                        | 2.328.722.076        |
| 31 December 2022 closing balance  | 653.159.851        | 651.311.017        | 1.597.590.960        | 4.223.114.416                 | 48.242.331        | 145.324.270           | 34.726.232               | 7.353.469.077        |
| Additions                         | -                  | 832.363            | 269.140              | 43.787.902                    | 16.540.199        | 637.784               | 597.756.328              | 659.823.716          |
| Disposals                         | -                  | -                  | -                    | (1.664.206)                   | (1.562.730)       | (289.335)             | -                        | (3.516.271)          |
| Transfer                          | -                  | -                  | -                    | 573.947.166                   | -                 | -                     | (606.619.488)            | (32.672.322)         |
| 31 December 2023 closing balance  | 653.159.851        | 652.143.380        | 1.597.860.100        | 4.839.185.278                 | 63.219.800        | 145.672.719           | 25.863.072               | 7.977.104.200        |
| <b>Accumulated Depreciation</b>   |                    |                    |                      |                               |                   |                       |                          |                      |
| 01 January 2022 opening balance   | -                  | -                  | -                    | -                             | 19.578.099        | 117.089.761           | -                        | 136.667.860          |
| Additions                         | -                  | 31.435.298         | 34.187.225           | 251.762.474                   | 6.131.425         | 8.754.828             | -                        | 332.271.250          |
| Disposals                         | -                  | -                  | (933.877)            | -                             | -                 | (24.184)              | -                        | (958.061)            |
| 31 December 2022 closing balance  | -                  | 31.435.298         | 33.253.348           | 251.762.474                   | 25.709.524        | 125.820.405           | -                        | 467.981.049          |
| Additions                         | -                  | 61.956.493         | 53.612.410           | 319.873.933                   | 7.355.797         | 6.325.011             | -                        | 449.123.644          |
| Disposals                         | -                  | -                  | -                    | (113.469)                     | (1.562.730)       | (280.792)             | -                        | (1.956.991)          |
| 31 December 2023 closing balance  | -                  | 93.391.791         | 86.865.758           | 571.522.938                   | 31.502.591        | 131.864.624           | -                        | 915.147.702          |
| <b>31.12.2022, Net Book Value</b> | <b>653.159.851</b> | <b>619.875.719</b> | <b>1.564.337.612</b> | <b>3.971.351.942</b>          | <b>22.532.807</b> | <b>19.503.865</b>     | <b>34.726.232</b>        | <b>6.885.488.028</b> |
| <b>31.12.2023, Net Book Value</b> | <b>653.159.851</b> | <b>558.751.589</b> | <b>1.510.994.342</b> | <b>4.267.662.340</b>          | <b>31.717.209</b> | <b>13.808.095</b>     | <b>25.863.072</b>        | <b>7.061.956.498</b> |

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As of 31 December 2023, the depreciation expense of tangible assets for the period is TRY 449.123.644 (31 December 2022: TRY 332.271.250)

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 31 December 2023, fixed assets are insured by TRY 124.848.424, EUR 25.183.025 (TRY 820.309.338), USD 286.373.450 (TRY 8.430.318.896). (31 December 2022: TRY 90.415.623, EUR 35.351.000 (TRY 1.161.185.487), USD 169.590.727 (TRY 5.225.045.296).

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions are USD 134.950.000 (TRY 3.979.850.935), EUR 25.000.000 (TRY 815.815.000) and TRY 362.310.000.

As of 31 December 2023, net book value of leasing machines is TRY 86.281.710 (31.12.2022: TRY 91.432.492).

As of 31 December 2023 and 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.

**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   | 6.555.246         | 90.416.827                               | 6.819.941                      | 103.792.014        |
| Additions                         | 22.278.225        | 15.600.095                               | -                              | 37.878.320         |
| 31 December 2022 closing balance  | 28.833.471        | 106.016.922                              | 6.819.941                      | 141.670.334        |
| Additions                         | 5.569.623         | 15.284.460                               | -                              | 20.854.083         |
| Transfers                         | -                 | 32.672.322                               | -                              | 32.672.322         |
| 31 December 2023 closing balance  | 34.403.094        | 153.973.704                              | 6.819.941                      | 195.196.739        |
| <b>Accumulated Depreciation</b>   |                   |  |                                |                    |
| 01 January 2022 opening balance   | 4.943.728         | 21.303.168                               | 6.341.685                      | 32.588.581         |
| Additions                         | 4.500.824         | 9.325.666                                | 55.612                         | 13.882.102         |
| 31 December 2022 closing balance  | 9.444.552         | 30.628.834                               | 6.397.297                      | 46.470.683         |
| Additions                         | 9.128.004         | 11.758.249                               | 40.445                         | 20.926.698         |
| 31 December 2023 closing balance  | 18.572.556        | 42.387.083                               | 6.437.742                      | 67.397.381         |
| <b>31.12.2022, Net Book Value</b> | <b>19.388.919</b> | <b>75.388.088</b>                        | <b>422.644</b>                 | <b>95.199.651</b>  |
| <b>31.12.2023, Net Book Value</b> | <b>15.830.538</b> | <b>111.586.621</b>                       | <b>382.199</b>                 | <b>127.799.358</b> |

As of 31 December 2023, the amortization expense of intangible assets for the period is TRY 20.926.698 (31 December 2022: TRY 13.882.102)

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

As of 31 December 2023 and 2022, the Group's collateral / pledge / mortgage ("CPM") position are as follows:

| <b>Collaterals, Pledges and Mortgages "(CPM)" given by the Group</b>   | <b>31.12.2023</b>    | <b>31.12.2022</b>    |
|--|----------------------|----------------------|
| A. Total Amount of CPM given on behalf of its own legal entity   | 6.948.379.734        | 6.216.720.468        |
| B. Total Amount of CPM given for partnerships which included in full consolidation                                       | None                 | None                 |
| C. Total Amount of CPM given for the purpose of guaranteeing unrelated party loans to carry the regular trade activities | None                 | None                 |
| D. Total Amount of other CPM given   | None                 | None                 |
| i. Total Amount of CPM given for the Parent Group  | None                 | None                 |
| ii. Total Amount of CPM Given for Other Group Companies not Included in B and C Clauses                                  | None                 | None                 |
| iii. Total Amount of CPM Given for Unrelated Parties not Included in C Clause  | None                 | None                 |
| <b>Total</b>   | <b>6.948.379.734</b> | <b>6.216.720.468</b> |

As of 31 December 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      | 29,4913        | 3.979.850.935         |
| Türkiye Vakıflar Bankası T.A.O.         | EUR                | 25.000.000       | 32,6326        | 815.815.000           |
| Türkiye Cumhuriyeti Ziraat Bankası A.Ş. | TRY                | 265.000.000      | 1,0000         | 265.000.000           |
|   |                    |                  |                | <b>5.157.975.935</b>  |

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As of 31 December 2023, details of the guarantee letters given are as follows:

| Details of Guarantee Letters Given                 | FX Currency | FX Amount     | FX Rate | TRY<br>Equivalent    |
|--|-------------|---------------|---------|----------------------|
| Electricity and Natural Gas Distribution Companies | TRY         | 20.755.714    | 1,0000  | 20.755.714           |
| Energy Market Regulatory Authority                 | TRY         | 26.342.239    | 1,0000  | 26.342.239           |
| Customs Administration                             | TRY         | 29.770.582    | 1,0000  | 29.770.582           |
| Credit Guarantee                                   | USD         | 733.000       | 29,4913 | 21.617.123           |
| Credit Guarantee                                   | EUR         | 2.161.200     | 32,6326 | 70.525.575           |
| Credit Guarantee                                   | TRY         | 1.145.582.000 | 1,0000  | 1.145.582.000        |
| Public Institutions                                | TRY         | 15.810.566    | 1,0000  | 15.810.566           |
|  |             |               |         | <b>1.330.403.799</b> |

As of 31 December 2023, bank details of the guarantee letters given are as follows:

| Details of Guarantee Letters Given | FX Currency | FX Amount   | FX Rate | TRY<br>Equivalent    |
|------------------------------------|-------------|-------------|---------|----------------------|
| Türkiye Vakıflar Bankası T.A.O.    | TRY         | 709.872.329 | 1,0000  | 709.872.329          |
| Türkiye Vakıflar Bankası T.A.O.    | EUR         | 2.161.200   | 32,6326 | 70.525.575           |
| Türkiye Vakıflar Bankası T.A.O.    | USD         | 733.000     | 29,4913 | 21.617.123           |
| Halk Bank A.Ş.                     | TRY         | 525.597.000 | 1,0000  | 525.597.000          |
| Ziraat Bankası A.Ş.                | TRY         | 2.791.772   | 1,0000  | 2.791.772            |
|                                    |             |             |         | <b>1.330.403.799</b> |

As of 31 December 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<br>Equivalent |
|---------------------------------|-------------|-----------|---------|-------------------|
| Türkiye Vakıflar Bankası T.A.O. | USD         | 975.804   | 29,4913 | 28.777.741        |
| İşbankası A.Ş.                  | USD         | 774.645   | 29,4913 | 22.845.302        |
| Ziraat Bankası A.Ş.             | USD         | 744.289   | 29,4913 | 21.950.046        |
|                                 |             |           |         | <b>73.573.089</b> |

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As of 31 December 2023, bank details of the general borrowing contracts are as follows:

| General Borrowing Contracts:            | FX Currency | FX Amount   | FX Rate | TRY<br>Equivalent    |
|---|-------------|-------------|---------|----------------------|
| Denizbank A.Ş.                          | USD         | 9.000.000   | 29,4913 | 265.421.700          |
| Eximbank A.Ş.                           | USD         | 45.000.000  | 29,4913 | 1.327.108.500        |
| Halk Bankası A.Ş.                       | TRY         | 500.000.000 | 1,0000  | 500.000.000          |
| Halk Bankası A.Ş.                       | USD         | 40.000.000  | 29,4913 | 1.179.652.000        |
| İşbankası A.Ş.                          | USD         | 9.500.000   | 29,4913 | 280.167.350          |
| Türkiye Cumhuriyeti Ziraat Bankası A.Ş. | TRY         | 125.000.000 | 1,0000  | 125.000.000          |
| Vakıfbank A.Ş.                          | USD         | 65.000.000  | 29,4913 | 1.916.934.500        |
| Vakıfbank A.Ş.                          | USD         | 25.000.000  | 29,4913 | 737.282.500          |
|   |             |             |         | <b>6.331.566.550</b> |

As at 31 December 2023 details of bonds are as follows:

| Bond                               | FX Currency | FX Amount   | FX Rate | TRY<br>Equivalent  |
|------------------------------------|-------------|-------------|---------|--------------------|
| Türkiye Cumhuriyeti Merkez Bankası | TRY         | 460.000.000 | 1,0000  | 460.000.000        |
|                                    |             |             |         | <b>460.000.000</b> |

There is no guarantee given by the Group for the loans in favor of related parties. For credit contracts of the Group USD 193.500.000 (TRY 5.706.556.550), and TRY 625.000.000 guarantee are provided by related parties (Akça Holding and Osman Akça) (31 December 2022: USD 185.500.000 (TRY 5.664.540.328), EUR 500.000 (TRY 16.453.235) and TRY 1.029.830.741).



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**NOTE 21 – PROVISIONS**

**Short Term Provisions**

|   | <b>31.12.2023</b> | <b>31.12.2022</b> |
|---|-------------------|-------------------|
| Provision for the lawsuits                                | 6.881.947         | 6.364.718         |
| Provision for unused vacation                             | 25.283.011        | 27.887.780        |
|   | <b>32.164.958</b> | <b>34.252.498</b> |
|   | <b>31.12.2023</b> | <b>31.12.2022</b> |
| Lawsuits provision at the beginning of the period         | 6.364.718         | 8.770.194         |
| Provisions during the period/reversal                     | 3.019.226         | 1.025.815         |
| Monetary gain / (loss)                                    | (2.501.997)       | (3.431.291)       |
| <b>Closing balance</b>                                    | <b>6.881.947</b>  | <b>6.364.718</b>  |
|   | <b>31.12.2023</b> | <b>31.12.2022</b> |
| Unused vacation provisions at the beginning of the period | 27.887.780        | 26.251.747        |
| Provisions during the period/reversal                     | 8.358.033         | 11.906.888        |
| Monetary gain / (loss)                                    | (10.962.802)      | (10.270.855)      |
| <b>Balance at the end of the period</b>                   | <b>25.283.011</b> | <b>27.887.780</b> |

**Long Term Provisions for Employee Benefits**

|                              | <b>31.12.2023</b>  | <b>31.12.2022</b>  |
|------------------------------|--------------------|--------------------|
| Provisions for severance pay | 158.785.756        | 195.559.489        |
|                              | <b>158.785.756</b> | <b>195.559.489</b> |

For the period of 01 January – 31 December 2023, the average personnel number including subcontractors employed by the Group is 2.824 (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 31 December 2023 and 2022 the movement schedule of severance pay provision is as follows:

|   | <b>31.12.2023</b>  | <b>31.12.2022</b>  |
|---|--------------------|--------------------|
| Balance of 01 January                   | 195.559.489        | 212.829.867        |
| Increase in the period                  | 93.761.088         | 77.347.031         |
| Interest cost                           | 4.335.498          | 4.635.682          |
| Payments during the period              | (50.340.764)       | (17.158.437)       |
| Actuarial profit/(loss)                 | (7.654.308)        | 1.173.888          |
| Monetary gain / (loss)                  | (76.875.247)       | (83.268.542)       |
| <b>Balance at the end of the period</b> | <b>158.785.756</b> | <b>195.559.489</b> |

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**NOTE 22 – EMPLOYEE BENEFIT LIABILITIES**

|                                    | <b>31.12.2023</b> | <b>31.12.2022</b>  |
|------------------------------------|-------------------|--------------------|
| Due to personnel                   | 65.911.708        | 86.074.260         |
| Social security deductions payable | 25.856.114        | 23.285.872         |
|                                    | <b>91.767.822</b> | <b>109.360.132</b> |

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

**Other Current Assets**

|                     | <b>31.12.2023</b> | <b>31.12.2022</b>  |
|---------------------|-------------------|--------------------|
| VAT carried forward | 6.627.806         | 153.766.371        |
|                     | <b>6.627.806</b>  | <b>153.766.371</b> |

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**NOTE 24 – SHARE CAPITAL**

**24.1 Issued Capital**

As of 31 December 2023 and 2022, Group's paid in capital was divided into 277.292.576 shares as each valued at TRY 0.01 nominally 27.729.257.642 shares

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

| Shareholders:         | 31.12.2023     |                    | 31.12.2022     |                    |
|-----------------------|----------------|--------------------|----------------|--------------------|
|                       | Share (%)      | TRY                | Share (%)      | TRY                |
| 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**

|  | 31.12.2023           | 31.12.2022           |
|--|----------------------|----------------------|
| Inflation adjustment of shareholders' equity (*) | 3.175.762.937        | 3.173.046.007        |
|  | <b>3.175.762.937</b> | <b>3.173.046.007</b> |

(\*) Capital adjustment differences represent the difference between the inflation-adjusted total amounts of cash and cash-like additions to paid-in capital and the amounts before inflation adjustment.

**24.3 Share Premium / (Discount)**

|                          | 31.12.2023         | 31.12.2022 |
|--------------------------|--------------------|------------|
| Share Premiums/Discounts | 256.516.859        | -          |
|                          | <b>256.516.859</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 256.516.859 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>31.12.2023</b>    | <b>31.12.2022</b>    |
|-----------------------------------|----------------------|----------------------|
| Gain on revaluation of properties | 1.807.312.630        | 1.829.541.598        |
|                                   | <b>1.807.312.630</b> | <b>1.829.541.598</b> |

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

|                                  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|----------------------------------|-------------------------------|-------------------------------|
| 1 January (Beginning of period)  | 1.829.541.598                 | -                             |
| Increase in value on fixed asset | -                             | 2.328.722.076                 |
| Transfer to minority shares      | 1.041.838                     | (22.471.164)                  |
| Deferred tax effect              | (23.270.806)                  | (476.709.314)                 |
|                                  | <b>1.807.312.630</b>          | <b>1.829.541.598</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 1.807.312.630 (31 December 2022: TRY 1.829.541.598) 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

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

|   | <b>31.12.2023</b> | <b>31.12.2022</b> |
|---|-------------------|-------------------|
| Defined Benefit Plans Re-Measurement Gains (Losses) | 4.800.204         | (904.554)         |
|   | <b>4.800.204</b>  | <b>(904.554)</b>  |

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

**24.5.1 - Gains/(Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income**

|  | 31.12.2023       | 31.12.2022 |
|--|------------------|------------|
| Gains/(Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income | (158.011)        | -          |
|  | <b>(158.011)</b> | <b>-</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**

|                | 31.12.2023         | 31.12.2022         |
|----------------|--------------------|--------------------|
| Legal reserves | 122.565.937        | 122.565.937        |
|                | <b>122.565.937</b> | <b>122.565.937</b> |

Restricted reserves appropriated from profit are composed of legal reserves. Legal reserves comprise of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. According to the Turkish Commercial Code, legal reserves can be only used to offset losses unless they exceed the 50% of paid-in capital. Other than that, legal reserves must not be used whatsoever.

In accordance with the CMB's requirements which were effective until 1 January 2008, the amount generated from the first-time application of inflation adjustments on financial statements and followed under the "accumulated loss" item was taken into consideration as a reduction in the calculation of profit distribution based on the inflation adjusted financial statements within the scope of the CMB's regulation issued on profit distribution. The related amount that was followed under the "accumulated loss" item could also be offset against the profit for the period (if any) and undistributed retained earnings and the remaining loss amount could be offset against capital reserves arising from the restatement of extraordinary reserves, legal reserves and equity items, respectively.

In addition, in accordance with the CMB's requirements which were effective until 1 January 2008, at the first-time application of inflation adjustments on financial statements, equity items, namely "Capital", "Premium on capital stock", "Capital" issue premiums", "Legal reserves", "Statutory reserves", "Special reserves" and "Extraordinary reserves" were carried at nominal value in the balance sheet and restatement differences of such items were presented in equity under the "Shareholders' equity inflation restatement differences" line item in aggregate. "Shareholders' equity inflation restatement differences" related to all equity items could only be subject to the capital increase by bonus issue or loss deduction, while the carrying value of extraordinary reserves could be subject to the capital increase by bonus issue, cash profit distribution or loss deduction.

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However, in accordance with the CMB's Decree Volume: XI; No: 29 issued on 1 January 2008 and other related CMB's announcements, "Paid-in capital", "Restricted reserves" and "Premium in excess of par" should be carried at their registered amounts in statutory records. Restatement differences (e.g. inflation restatement differences) arising from the application of the Decree should be associated with:

- "Capital restatement differences" account, following the "Paid-in capital" line item in the financial statements, if such differences are arising from "Paid-in Capital" and not added to capital;
- The difference arising from "Restricted reserves" and "Share Premium" and not yet subject to profit distribution or capital increase should be recognised under "Retained earnings". Other equity items are recognised in accordance with CMB Financial Reporting Standards.

Capital adjustment differences have no use other than being added to capital.

**Profit Distribution:**

Publicly listed companies distribute dividends in accordance with the requirements of CMB as explained below: In accordance with the Capital Markets Board's (the "Board") Decree issued on 23 January 2014, in relation to the profit distribution of earnings derived from 2013 operations, minimum profit distribution is not required for listed companies, and accordingly, profit distribution should be made based on the requirements set out in the Board's Communiqué Serial:II, No: 19.1 "Principles of Dividend Advance Distribution of Companies That Are Subject To The CMB Regulations", terms of articles of corporations and profit distribution policies publicly disclosed by the companies. Differences arising in the evaluations made within the framework of TFRS and arising from inflation adjustments that are not subject to profit distribution or capital increase as of the report date have been associated with previous years' profit / loss.

**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>31.12.2023</b>    | <b>31.12.2022</b>    |
|---------------------------------|----------------------|----------------------|
| Previous Years Profits/(Losses) | 1.116.284.664        | (802.956.632)        |
|                                 | <b>1.116.284.664</b> | <b>(802.956.632)</b> |

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**24.8 Minority Interest**

The details of the minority interests as of 31 December 2023 are as follows

| 31 December 2023 | Total Shareholders' Equity | Profit/(Loss) of the Period | Parent Group Share | Minority Interest | Minority part of Shareholders' Equity | Minority part of Profit/(Loss) | Minority Total comprehensive income / (loss) |
|------------------|----------------------------|-----------------------------|--------------------|-------------------|---------------------------------------|--------------------------------|--|
| Smryna           | 369.889.361                | 23.473.430                  | 79,17%             | 20,83%            | 77.060.284                            | 4.890.299                      | 3.899.850                                    |
|                  |                            |                             |                    |                   | <b>77.060.284</b>                     | <b>4.890.299</b>               | <b>3.899.850</b>                             |

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

| 31 December 2022 | Total Shareholders' Equity | Profit/(Loss) of the Period | Parent Group Share | Minority Interest | Minority part of Shareholders' Equity | Minority part of Profit/(Loss) | Minority Total comprehensive income / (loss) |
|------------------|----------------------------|-----------------------------|--------------------|-------------------|---------------------------------------|--------------------------------|--|
| Smryna           | 351.170.080                | 55.766.930                  | 79,17%             | 20,83%            | 73.160.434                            | 11.618.110                     | 34.054.718                                   |
|                  |                            |                             |                    |                   | <b>73.160.434</b>                     | <b>11.618.110</b>              | <b>34.054.718</b>                            |

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

|  | 31.12.2023        | 31.12.2022        |
|--|-------------------|-------------------|
| Shares in capital                        | 28.686.362        | 28.686.362        |
| Revaluation fund                         | 21.429.326        | 22.471.164        |
| Actuarial loss / (gain)                  | 16.834            | (34.556)          |
| Shares in accumulated profits / (losses) | 22.037.463        | 10.419.354        |
| Share in profit / (loss) for the period  | 4.890.299         | 11.618.110        |
|  | <b>77.060.284</b> | <b>73.160.434</b> |

**24.9 Additional Information for Capital, Legal Reserves and Other Equity Items**

A comparison of the Group's equity items restated for inflation in the consolidated financial statements as of 31 December 2023 and the restated amounts in the financial statements prepared in accordance with statutory accounting are as follows:

| 31.12.2023                                   | Inflation adjusted amounts in the financial statements prepared in accordance with statutory accounting | Inflation adjusted amounts in the financial statements prepared in accordance with TAS/IFRS | Differences recognized in retained earnings |
|--|---|---|---|
| Share Capital Adjustment Differences         | 5.007.099.500   | 3.175.762.937   | 1.831.336.563                               |
| Share Premiums/Discounts                     | 244.096.245   | 256.516.859   | (12.420.614)                                |
| Restricted Reserves Appropriated from Profit | 191.930.362   | 122.565.937   | 69.364.425                                  |

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**NOTE 25 – SALES AND COST OF SALES**

**25.1 Sales**

|                            | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|----------------------------|-------------------------------|-------------------------------|
| Domestic sales             | 3.817.434.674                 | 4.206.310.094                 |
| Export sales               | 2.639.367.552                 | 4.196.191.514                 |
| Other sales                | 25.959.768                    | 26.048.501                    |
|                            | <b>6.482.761.994</b>          | <b>8.428.550.109</b>          |
| Sales returns              | (4.317.460)                   | (7.405.407)                   |
| Other discounts            | (137.495.861)                 | (426.882.311)                 |
| <b>Sales Income, (net)</b> | <b>6.340.948.673</b>          | <b>7.994.262.391</b>          |



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**25.2 Cost of Sales**

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Direct material expenses                   | 946.170.773                   | 3.030.522.900                 |
| Direct labor expenses                      | 406.412.437                   | 421.823.897                   |
| General production expenses                | 759.073.579                   | 1.173.144.446                 |
| Depreciation expenses                      | 224.769.842                   | 163.721.166                   |
| <u>Change in semi-finished goods</u>       |                               |                               |
| 1. Beginning semi-finished goods (+)       | 185.102.295                   | 651.412.602                   |
| 2. Ending semi-finished goods (-)          | (101.204.427)                 | (185.102.295)                 |
| Cost of finished goods produced            | 2.420.324.499                 | 5.255.522.716                 |
| <u>Changes in finished goods inventory</u> |                               |                               |
| 1. Beginning inventory (+)                 | 1.418.051.701                 | 314.963.663                   |
| 2. Ending inventory (-)                    | (941.174.117)                 | (1.418.051.701)               |
| Cost of finished goods sold                | 2.897.202.083                 | 4.152.434.678                 |
| <u>Cost of merchandises</u>                |                               |                               |
| 1. Beginning merchandise inventory (+)     | -                             | 1.725.163                     |
| 2. Purchases during the period (+)         | 2.226.586                     | 7.675.829                     |
| Cost of merchandises sold                  | 2.226.586                     | 9.400.992                     |
| Cost of other service rendered             | 7.215.112                     | 3.728.210                     |
| Cost of other sales                        | 2.078.282.639                 | 1.529.492.341                 |
| Cost of biological assets                  | 275.330.417                   | 182.214.671                   |
| Depreciation of biological assets          | 19.730.236                    | 8.786.638                     |
| Energy costs                               | 179.667.318                   | 207.758.174                   |
| Energy depreciation                        | 192.461.003                   | 149.639.149                   |
| <b>Cost of sales, net</b>                  | <b>5.652.115.394</b>          | <b>6.243.454.853</b>          |

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As of 01 January – 31 December 2023 and 2022, for each main production group, quantities of goods and services:

|                                    | Unit     | 01.01.-<br>31.12.2023 | 01.01.-<br>31.12.2022 |
|------------------------------------|----------|-----------------------|-----------------------|
| Yarn                               | Kg       | 5.805.027             | 8.656.103             |
| Raw Clothing                       | Mt2      | 47.655.794            | 87.480.778            |
| Finishing Cloth                    | Mt2      | 97.691.038            | 140.025.130           |
| Lining                             | Mt2      | 16.657.921            | 18.774.713            |
| Linens, Sheets, Curtains, Pillows. | Quantity | 9.555.912             | 13.713.639            |
| Electricity                        | Kwh      | 254.741.767           | 287.991.800           |
| Cotton Waste                       | Kg       | 428.853               | 696.759               |
| Piece of Cloth                     | Kg       | 1.749.492             | 5.446.151             |
| Yarn Waste                         | Kg       | 233.739               | 485.878               |
| Textile Trash Powder               | Kg       | 157.784               | 207.132               |
| Tomato                             | Kg       | 3.320.064             | 3.078.377             |
| Dried Figs                         | Kg       | 7.203.165             | 6.154.419             |
| Dried Apricot                      | Kg       | 472.510               | 769.970               |
| Raisin                             | Kg       | 19.999.942            | 18.483.098            |
| Dry Food By-Product                | Kg       | 4.936.077             | 1.717.562             |

As of 01 January- 31 December 2023 and 2022, for each main sales group, quantities of goods and services

|                                   | Unit     | 01.01.-<br>31.12.2023 | 01.01.-<br>31.12.2022 |
|-----------------------------------|----------|-----------------------|-----------------------|
| Yarn                              | Kg       | 6.114                 | 139.970               |
| Finishing Cloth                   | Mt2      | 10.942.792            | 15.544.576            |
| Lining                            | Mt2      | 16.967.238            | 18.772.520            |
| Linens, Sheets, Curtains, Pillows | Quantity | 9.629.741             | 13.654.186            |
| Electricity                       | Kwh      | 234.895.147           | 259.522.287           |
| Cotton Waste                      | Kg       | 195.440               | 110.950               |
| Piece of Cloth                    | Kg       | 1.454.908             | 2.047.358             |
| Yarn Waste                        | Kg       | 218.878               | 498.715               |
| Textile Trash Powder              | Kg       | 119.140               | 149.150               |
| Pepper                            | Kg       | -                     | 79.139                |
| Tomato                            | Kg       | 5.031.846             | 3.854.016             |
| Dried Figs                        | Kg       | 7.203.165             | 6.154.419             |
| Dried Apricot                     | Kg       | 472.510               | 769.970               |
| Raisin                            | Kg       | 19.999.942            | 18.483.098            |
| Dry Food By-Product               | Kg       | 4.936.077             | 1.717.562             |

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**NOT 26 – RESEARCH AND DEVELOPMENT GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES**

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Research and development expenses          | 43.123.394                    | 29.459.875                    |
| Marketing, sales and distribution expenses | 152.901.413                   | 209.897.703                   |
| General administrative expenses            | 300.651.842                   | 211.023.115                   |
|  | <b>496.676.649</b>            | <b>450.380.693</b>            |

**26.1 Research and Development Expenses**

|                          | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--------------------------|-------------------------------|-------------------------------|
| Personnel expenses       | 37.321.475                    | 26.319.256                    |
| Direct material expenses | 1.926.499                     | 1.425.797                     |
| Other expenses           | 3.875.420                     | 1.714.822                     |
|                          | <b>43.123.394</b>             | <b>29.459.875</b>             |

**26.2 Marketing Expenses**

|                                       | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---------------------------------------|-------------------------------|-------------------------------|
| Personnel expenses                    | 56.155.289                    | 52.487.209                    |
| Export expenses                       | 52.435.542                    | 103.968.769                   |
| Domestic sales transportation expense | 6.250.751                     | 7.117.984                     |
| Depreciation expenses                 | 1.398.354                     | 1.018.552                     |
| Other expenses                        | 14.416.642                    | 16.239.213                    |
| Fair expenses                         | 7.358.586                     | 10.134.314                    |
| Sample expenses                       | 14.886.249                    | 18.931.662                    |
|                                       | <b>152.901.413</b>            | <b>209.897.703</b>            |

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**26.3 General administrative expenses**

|                                   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|-----------------------------------|-------------------------------|-------------------------------|
| Personnel expenses                | 220.943.266                   | 125.369.428                   |
| Insurance expenses                | 3.471.718                     | 2.906.919                     |
| Consultancy expenses              | 10.633.405                    | 29.750.009                    |
| Repair and maintenance expenses   | 2.991.593                     | 2.906.298                     |
| Travelling expenses               | 2.877.170                     | 1.917.701                     |
| Membership expenses               | 7.263.268                     | 6.452.519                     |
| Tax and duty expenses             | 5.398.214                     | 5.492.702                     |
| Provision for litigation expenses | 4.528.204                     | 1.113.440                     |
| Depreciation expenses             | 31.690.907                    | 22.987.847                    |
| Other expenses                    | 10.854.097                    | 12.126.252                    |
|                                   | <b>300.651.842</b>            | <b>211.023.115</b>            |

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**NOTE 27 – OTHER OPERATING INCOME/ (EXPENSES)**

**27.1 Other Income From Operating Activities**

|   | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Foreign exchange gains related to commercial activities | 523.712.311                   | 500.037.498                   |
| Discount income / expenses on payables, net             | 23.909.603                    | 8.469.417                     |
| Maturity difference income                              | 22.148.925                    | 14.558.948                    |
| Rental income   | 4.414.765                     | 3.702.917                     |
| Refund of wind power plant contribution                 | 13.170.622                    | -                             |
| Incentive and promotion income                          | 39.579.139                    | 9.677.198                     |
| Reversal of unnecessary provision                       | -                             | 15.093                        |
| Other income and profit                                 | 22.810.235                    | 53.400.693                    |
|   | <b>649.745.600</b>            | <b>589.861.764</b>            |

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

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Foreign exchange expenses related to commercial activities | 199.356.305                   | 309.925.820                   |
| Discount income/expenses on receivables, net               | 17.467.896                    | 14.364.302                    |
| Donation expenses  | 12.142.659                    | 2.566.783                     |
| Additional corporate and revaluation tax expense           | 19.950.016                    | 21.452.180                    |
| Other expenses and losses                                  | 10.261.905                    | 8.200.534                     |
|  | <b>259.178.781</b>            | <b>356.509.619</b>            |

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**NOTE 28 – INVESTMENT ACTIVITIES INCOME / EXPENSE**

**28.1 Income from Investment Activities**

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Gain on revaluation of investment properties     | 62.911.012                    | 5.703.529                     |
| Currency protected deposit fair value income (*) | 1.282.042                     | 13.249.616                    |
| Profit on sale of fixed assets                   | 1.252.501                     | 21.614.205                    |
|  | <b>65.445.555</b>             | <b>40.567.350</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**

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Loss on revaluation of investment properties | -                             | 40.228.946                    |
| Loss on sale of fixed assets                 | 147.820                       | 366.382                       |
| Impairment of tangible fixed assets          | -                             | 496.249.779                   |
|  | <b>147.820</b>                | <b>536.845.107</b>            |

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

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Shares related with investment valued by equity pick-up method | 80.263.565                    | 170.370.337                   |
|  | <b>80.263.565</b>             | <b>170.370.337</b>            |

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**NOTE 29 – FINANCIAL INCOME / EXPENSES**

**29.1 Financial Income**

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Interest income  | 22.810.692                    | 49.852.721                    |
| Foreign exchange income regarding financial activities | 152.532.152                   | 34.012.024                    |
| Other financial income                                 | 7.229.260                     | -                             |
| Foreign exchange income from forward contracts         | -                             | 63.211.742                    |
|  | <b>182.572.104</b>            | <b>147.076.487</b>            |

**29.2 Financial Expenses (-)**

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Interest expenses                                      | 304.496.224                   | 234.271.906                   |
| Foreign exchange losses regarding financial activities | 878.630.850                   | 1.151.406.614                 |
| Commission expenses of credit                          | 45.733.421                    | 45.068.786                    |
|  | <b>1.228.860.495</b>          | <b>1.430.747.306</b>          |

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**NOTE 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>31.12.2023</b>                               |  | <b>31.12.2022</b>                               |                                       |
|---|---|--|---|---------------------------------------|
|   | <b>Cumulative<br/>temporary<br/>differences</b> | <b>Deferred tax /<br/>(liability))</b> | <b>Cumulative<br/>temporary<br/>differences</b> | <b>Deferred tax /<br/>(liability)</b> |
| <u>Deferred tax assets:</u>                                 |   |  |   |                                       |
| Unearned interests on receivables                           | 14.033.009                                      | 3.508.252                              | 7.560.254                                       | 1.738.858                             |
| Severance pay provision                                     | 158.785.756                                     | 39.696.440                             | 195.559.490                                     | 39.111.897                            |
| Unused vacation provisions                                  | 25.283.011                                      | 6.320.753                              | 27.887.780                                      | 5.577.557                             |
| Differences on tangible and intangible assets               | 395.350.267                                     | 98.837.567                             | 5.828.746                                       | 1.340.612                             |
| Adjustments to inventories                                  | 14.002.720                                      | 3.500.680                              | -   | -                                     |
| Expensing of Research and Development expenditures          | 40.723.662                                      | 10.180.916                             | 27.659.079                                      | 6.361.587                             |
| Expense accruals  | 1.465.122                                       | 366.281                                | 2.075.012                                       | 477.253                               |
| Adjustments to financial liabilities                        | 517.143   | 129.286                                | 5.083.174                                       | 1.169.130                             |
| Adjustments to provisions of lawsuits                       | 6.881.947                                       | 1.720.487                              | 5.389.325                                       | 1.239.545                             |
| Foreign exchange  | 4.151.471                                       | 1.037.868                              | -   | -                                     |
| Deferred income   | 33.453.745                                      | 8.363.436                              | 52.080.103                                      | 11.978.424                            |
| Effect of other corrections                                 | 38.431.443                                      | 9.594.692                              | 54.712.171                                      | 13.526.308                            |
| <b>Deferred tax assets</b>                                  |   | <b>183.256.658</b>                     |   | <b>82.521.171</b>                     |
| <u>Deferred tax liabilities:</u>                            |   |  |   |                                       |
| Differences on tangible and intangible assets               | 1.251.469                                       | 312.867                                | 922.747.649                                     | 212.231.960                           |
| Difference in revaluation of land and buildings             | 1.315.206.369                                   | 246.601.193                            | 1.315.206.369                                   | 246.601.193                           |
| Difference in revaluation of machinery, plant and equipment | 1.013.515.708                                   | 253.378.927                            | 1.013.515.706                                   | 202.703.142                           |
| Adjustments to inventories                                  | 409.271.155                                     | 102.317.789                            | 311.276.391                                     | 71.593.570                            |
| Unearned interests on payables                              | 16.349.349                                      | 4.087.337                              | 3.434.887                                       | 790.023                               |
| Adjustments related to financial debts                      | 13.838.845                                      | 3.459.711                              | -   | -                                     |
| Investment property increase in value                       | 341.160.794                                     | 63.967.649                             | 235.817.557                                     | 44.215.793                            |
| Effect of other corrections                                 | 483.472   | 120.870                                | 42.615.772                                      | 9.801.629                             |
| Adjustment of foreign exchange                              | -   | -                                      | 4.097.860                                       | 942.506                               |
| <b>Deferred tax liabilities</b>                             |   | <b>674.246.343</b>                     |   | <b>788.879.816</b>                    |
| <b>Deferred tax assets / (liabilities), net</b>             |   | <b>(490.989.685)</b>                   |   | <b>(706.358.645)</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 31 December 2023 and 2022 movements of deferred tax assets and liabilities are as follows:

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Current corporation tax                | (850.257)                     | (597.300)                     |
| Deferred tax assets/(liabilities), net | 240.485.256                   | 479.752.724                   |
|  | <b>239.634.999</b>            | <b>479.155.424</b>            |

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

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Opening balance  | 706.358.647                   | 709.636.834                   |
| Gain on revaluation of properties  | 23.270.807                    | 476.709.313                   |
| Actuarial (gain) / loss effect prior periods   | 1.898.158                     | (234.778)                     |
| Tax effect on Financial Assets Measured at Fair Value through Other Comprehensive Income | (52.671)                      | -                             |
| Deferred tax assets / (liabilities), net   | (490.989.685)                 | (706.358.645)                 |
| <b>Closing balance</b>   | <b>240.485.256</b>            | <b>479.752.724</b>            |

**NOTE 31 – EARNINGS PER SHARE**

|  | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|--|-------------------------------|-------------------------------|
| Net profit / (loss) for the period   | 1.108.822.125                 | 1.919.241.296                 |
| 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>3,9987</b>                 | <b>7,6770</b>                 |

**NOTE 32 – FINANCIAL INSTRUMENTS**

| <b>Financial assets</b>      | <b>31.12.2023</b> | <b>31.12.2022</b> |
|------------------------------|-------------------|-------------------|
| Liquid assets                | 437.865.297       | 193.804.086       |
| Trade receivables            | 1.000.900.629     | 1.005.757.481     |
| Other receivables            | 5.295.612         | 15.911.534        |
| Financial assets             | 2.839.490         | 6.827.239         |
| <b>Financial liabilities</b> |                   |                   |
| Financial borrowings         | 2.493.222.042     | 3.749.164.400     |
| Lease payables               | 11.406.776        | 27.452.267        |
| Other payables               | 12.549.955        | 20.645.129        |
| Trade payables               | 659.637.193       | 860.965.458       |

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**NOTE 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 31 December 2023 and 2022, maximum net credit risk is as follows:

|   | <b>Trade Receivables</b> |                        | <b>Other Receivables</b> |                        | <b>Bank</b>     |
|---|--------------------------|------------------------|--------------------------|------------------------|-----------------|
|   | <b>Related Party</b>     | <b>Unrelated Party</b> | <b>Related Party</b>     | <b>Unrelated Party</b> | <b>Deposits</b> |
| <b>31 December 2023</b>   |                          |                        |                          |                        |                 |
| <b>Maximum net credit risk as of balance sheet date (A+B+C+D+E))</b>  | 634.030.152              | 366.870.477            | 5.761                    | 5.289.851              | 181.339.095     |
| The part of maximum risk under guarantee with collateral  | -                        | -                      | -                        | -                      | -               |
| A. Net book value of financial assets that are neither past due nor impaired                                      | 557.803.574              | 366.870.477            | 5.761                    | 5.289.851              | 181.339.095     |
| 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  | 76.226.578               | -                      | -                        | -                      | -               |
| 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.  | -                        | -                      | -                        | -                      | -               |
| The part of maximum risk under guarantee with collateral  | -                        | -                      | -                        | -                      | -               |

|   | <b>Trade Receivables</b> |                        | <b>Other Receivables</b> |                        | <b>Bank</b>     |
|---|--------------------------|------------------------|--------------------------|------------------------|-----------------|
|   | <b>Related Party</b>     | <b>Unrelated Party</b> | <b>Related Party</b>     | <b>Unrelated Party</b> | <b>Deposits</b> |
| <b>31 December 2022</b>   |                          |                        |                          |                        |                 |
| <b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>   | 628.802.944              | 376.954.537            | 539.018                  | 15.372.516             | 193.687.758     |
| The part of maximum risk under guarantee with collateral  | -                        | -                      | -                        | -                      | -               |
| A. Net book value of financial assets that are neither past due nor impaired                                      | 442.618.528              | 376.954.537            | 539.018                  | 15.372.516             | 193.687.758     |
| 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  | 186.184.416              | -                      | -                        | -                      | -               |
| The part secured by collateral  | -                        | -                      | -                        | -                      | -               |
| D. Net book value of impaired assets  | -                        | -                      | -                        | -                      | -               |
| Past due (gross carrying amount)  | -                        | 800.813                | -                        | -                      | -               |
| Impairment (-)  | -                        | (800.813)              | -                        | -                      | -               |
| 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.  | -                        | -                      | -                        | -                      | -               |
| 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 31 December 2023, Group's liquidity risk table is as follows:

| <b>Maturities according to agreement</b>     | <b>Book Value</b>    | <b>Contractual total cash outflow<br/>(=I+II+III+IV)</b> | <b>Less than 3 months (I)</b> | <b>3 – 12 months (II)</b> | <b>1- 5 Years (III)</b> | <b>More than 5 Years (IV)</b> |
|--|----------------------|--|-------------------------------|---------------------------|-------------------------|-------------------------------|
| <b>Financial Liabilities Non Derivatives</b> | <b>3.339.014.281</b> | <b>3.703.748.813</b>                                     | <b>800.577.886</b>            | <b>1.720.792.271</b>      | <b>947.140.409</b>      | <b>235.238.247</b>            |
| Financial borrowings                         | 2.493.222.042        | 2.839.905.849  | 207.489.995                   | 1.471.588.774             | 925.588.833             | 235.238.247                   |
| Financial leasing                            | 11.406.776           | 13.108.154   | 1.889.533                     | 5.609.295                 | 5.609.326               | -                             |
| Trade payables                               | 659.637.193          | 675.986.540  | 584.876.419                   | 91.110.121                | -                       | -                             |
| - Related parties                            | 48.227               | 52.255   | 52.255                        | -                         | -                       | -                             |
| - Unrelated parties                          | 659.588.966          | 675.934.285  | 584.824.164                   | 91.110.121                | -                       | -                             |
| Other liabilities                            | 174.748.270          | 174.748.270  | 6.321.939                     | 152.484.081               | 15.942.250              | -                             |
| - Related parties                            | -                    | -  | -                             | -                         | -                       | -                             |
| - Unrelated parties                          | 174.748.270          | 174.748.270  | 6.321.939                     | 152.484.081               | 15.942.250              | -                             |
|  | <b>3.339.014.281</b> | <b>3.703.748.813</b>                                     | <b>800.577.886</b>            | <b>1.720.792.271</b>      | <b>947.140.409</b>      | <b>235.238.247</b>            |

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

| <b>Maturities according to agreement</b>     | <b>Book Value</b>    | <b>Contractual total cash outflow<br/>(=I+II+III+IV)</b> | <b>Less than 3 months (I)</b> | <b>3 – 12 months (II)</b> | <b>1- 5 Years (III)</b> | <b>More than 5 Years (IV)</b> |
|--|----------------------|--|-------------------------------|---------------------------|-------------------------|-------------------------------|
| <b>Financial Liabilities Non Derivatives</b> | <b>4.868.111.542</b> | <b>5.207.732.054</b>                                     | <b>927.238.927</b>            | <b>2.640.475.576</b>      | <b>1.281.767.700</b>    | <b>358.249.851</b>            |
| Financial borrowings                         | 3.749.164.402        | 4.078.757.614  | 364.537.523                   | 2.131.915.490             | 1.224.054.750           | 358.249.851                   |
| Financial leasing                            | 27.452.265           | 33.935.612   | 3.126.901                     | 9.242.599                 | 21.566.112              | -                             |
| Trade payables                               | 860.965.458          | 864.509.411  | 512.679.597                   | 351.829.814               | -                       | -                             |
| - Related parties                            | -                    | -  | -                             | -                         | -                       | -                             |
| - Unrelated parties                          | 860.965.458          | 864.509.411  | 512.679.597                   | 351.829.814               | -                       | -                             |
| Other liabilities                            | 230.529.417          | 230.529.417  | 46.894.906                    | 147.487.673               | 36.146.838              | -                             |
| - Related parties                            | -                    | -  | -                             | -                         | -                       | -                             |
| - Unrelated parties                          | 230.529.417          | 230.529.417  | 46.894.906                    | 147.487.673               | 36.146.838              | -                             |
|  | <b>4.868.111.542</b> | <b>5.207.732.054</b>                                     | <b>927.238.927</b>            | <b>2.640.475.576</b>      | <b>1.281.767.700</b>    | <b>358.249.851</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 31 December 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 36.602.417 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                                       | 66.956.054                                   | (66.956.054)                                 | 66.956.054                                   | (66.956.054)                                 |
| 2- Part of hedged from USD risk (-)                                | -  | -  | -  | -  |
| 3- USD net effect (1+2)  | 66.956.054                                   | (66.956.054)                                 | 66.956.054                                   | (66.956.054)                                 |
| In the case of increasing / losing value of TRY by 10% against EUR |  |  |  |  |
| 4- EUR net asset / liability                                       | (103.974.834)                                | 103.974.834                                  | (103.974.834)                                | 103.974.834                                  |
| 5- Part of hedged from EUR risk (-)                                | -  | -  | -  | -  |
| 6- EUR net effect (4+5)  | (103.974.834)                                | 103.974.834                                  | (103.974.834)                                | 103.974.834                                  |
| In the case of increasing / losing value of TRY by 10% against GBP |  |  |  |  |
| 7- GBP net asset / liability                                       | 416.363                                      | (416.363)                                    | 416.363                                      | (416.363)                                    |
| 8- Part of hedged from GBP risk (-)                                | -  | -  | -  | -  |
| 9- GBP net effect (7+8)  | 416.363                                      | (416.363)                                    | 416.363                                      | (416.363)                                    |
| <b>TOTAL (3+6+9)</b>   | <b>(36.602.417)</b>                          | <b>36.602.417</b>                            | <b>(36.602.417)</b>                          | <b>36.602.417</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 203.677.731 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                                       | (68.325.410)                                 | 68.325.410                                   | (68.325.410)                                 | 68.325.410                                   |
| 2- Part of hedged from USD risk (-)                                | -  | -  | -  | -  |
| 3- USD net effect (1+2)  | (68.325.410)                                 | 68.325.410                                   | (68.325.410)                                 | 68.325.410                                   |
| In the case of increasing / losing value of TRY by 10% against EUR |  |  |  |  |
| 4- EUR net asset / liability                                       | (135.354.538)                                | 135.354.538                                  | (135.354.538)                                | 135.354.538                                  |
| 5- Part of hedged from EUR risk (-)                                | -  | -  | -  | -  |
| 6- EUR net effect (4+5)  | (135.354.538)                                | 135.354.538                                  | (135.354.538)                                | 135.354.538                                  |
| In the case of increasing / losing value of TRY by 10% against GBP |  |  |  |  |
| 7- GBP net asset / liability                                       | 2.624  | (2.624)                                      | 2.624  | (2.624)                                      |
| 8- Part of hedged from GBP risk (-)                                | -  | -  | -  | -  |
| 9- GBP net effect (7+8))   | 2.624  | (2.624)                                      | 2.624  | (2.624)                                      |
| TOTAL (3+6+9)  | (203.677.731)                                | 203.677.731                                  | (203.677.731)                                | 203.677.731                                  |

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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 31 December 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 4.623.096 (31 December 2022: TRY 24.738.915)

**Risk of intensification of sales**

During the reporting periods ending on 31 December 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 31 December 2023, the share of the largest buyer in the revenue from textile sector operations is 32,18% (31 December 2022: 41,37%). 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 82,82%.(31 December 2022 86,73%) 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:

| Customer  | 01.01.-<br>31.12.2023 | 01.01.-<br>31.12.2022 |
|-----------|-----------------------|-----------------------|
| A Company | 32,18%                | 41,37%                |

Agriculture:

| Customer  | 01.01.-<br>31.12.2023 | 01.01.-<br>31.12.2022 |
|-----------|-----------------------|-----------------------|
| B Company | 82,82%                | 86,73%                |

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As of 31 December 2023, amounts of assets and liabilities of the Group in foreign currency are as follows:

| <b>31.12.2023</b>  | <b>TRY<br/>equivalent<br/>functional<br/>currency</b> | <b>USD</b>        | <b>EUR</b>          | <b>GBP</b>     | <b>CHF</b> |
|--|---|-------------------|---------------------|----------------|------------|
| 1. Trade Receivables   | 834.313.261   | 23.122.926        | 4.588.169           | 111.143        | -          |
| 2a. Monetary Financial Assets (including cash and banks)   | 394.197.150   | 11.296.788        | 1.892.245           | 60             | -          |
| 2b. Non-monetary financial assets  | -   | -                 | -                   | -              | -          |
| 3. Other   | -   | -                 | -                   | -              | -          |
| <b>4. Current Assets (1+2+3)</b>   | <b>1.228.510.411</b>                                  | <b>34.419.714</b> | <b>6.480.414</b>    | <b>111.203</b> | <b>-</b>   |
| 5. Trade Receivables   | -   | -                 | -                   | -              | -          |
| 6a. Monetary financial receivables   | 943.610   | 3.425             | 25.873              | -              | -          |
| 6b. Non-monetary financial assets  | -   | -                 | -                   | -              | -          |
| 7. Other   | -   | -                 | -                   | -              | -          |
| <b>8. Non-Current Assets (5+6+7)</b>   | <b>943.610</b>  | <b>3.425</b>      | <b>25.873</b>       | <b>-</b>       | <b>-</b>   |
| <b>9. Total Assets (4+8)</b>   | <b>1.229.454.021</b>                                  | <b>34.423.139</b> | <b>6.506.287</b>    | <b>111.203</b> | <b>-</b>   |
| 10. Trade Payables   | 379.595.757   | 3.512.264         | 8.458.245           | -              | -          |
| 11. Financial Liabilities  | 252.096.012   | 1.885.506         | 6.021.279           | -              | -          |
| 12a. Other monetary financial liabilities  | 5.789.532   | 69.647            | 114.473             | -              | -          |
| 12b. Other non-monetary financial liabilities  | -   | -                 | -                   | -              | -          |
| <b>13. Current Liabilities (10+11+12)</b>  | <b>637.481.301</b>                                    | <b>5.467.417</b>  | <b>14.593.997</b>   | <b>-</b>       | <b>-</b>   |
| 14. Trade Payables   | -   | -                 | -                   | -              | -          |
| 15. Financial Liabilities  | 957.996.893   | 6.190.079         | 23.762.845          | -              | -          |
| 16a. Other monetary financial liabilities  | -   | -                 | -                   | -              | -          |
| 16b. Other non-monetary financial liabilities  | -   | -                 | -                   | -              | -          |
| <b>17. Non-Current Liabilities (14+15+16)</b>  | <b>957.996.893</b>                                    | <b>6.190.079</b>  | <b>23.762.845</b>   | <b>-</b>       | <b>-</b>   |
| <b>18. Total Liabilities</b>   | <b>1.595.478.194</b>                                  | <b>11.657.496</b> | <b>38.356.842</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>(366.024.173)</b>                                  | <b>22.765.643</b> | <b>(31.850.555)</b> | <b>111.203</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>(366.024.172)</b>                                  | <b>22.765.643</b> | <b>(31.850.555)</b> | <b>111.203</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>2.639.367.552</b>                                  | <b>59.912.905</b> | <b>25.853.236</b>   | <b>113.060</b> | <b>-</b>   |
| <b>24. Imports</b>   | <b>852.159.016</b>                                    | <b>21.231.100</b> | <b>6.788.085</b>    | <b>3.255</b>   | <b>300</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 December 2022</b>  | <b>TRY<br/>equivalent<br/>functional<br/>currency</b> | <b>USD</b>          | <b>EUR</b>          | <b>GBP</b>     | <b>CHF</b>   |
|--|---|---------------------|---------------------|----------------|--------------|
| 1. Trade Receivables   | 825.230.757   | 19.647.350          | 6.693.872           | 685            | -            |
| 2a. Monetary Financial Assets (including cash and banks)   | 105.194.002   | 3.184.242           | 215.771             | 23             | -            |
| 2b. Non-monetary financial assets  | -   | -                   | -                   | -              | -            |
| 3. Other   | -   | -                   | -                   | -              | -            |
| <b>4. Current Assets (1+2+3)</b>   | <b>930.424.759</b>                                    | <b>22.831.592</b>   | <b>6.909.643</b>    | <b>708</b>     | <b>-</b>     |
| 5. Trade Receivables   | -   | -                   | -                   | -              | -            |
| 6a. Monetary financial receivables   | 54.178.364  | -                   | 1.649.400           | -              | -            |
| 6b. Non-monetary financial assets  | -   | -                   | -                   | -              | -            |
| 7. Other   | -   | -                   | -                   | -              | -            |
| <b>8. Non-Current Assets (5+6+7)</b>   | <b>54.178.364</b>                                     | <b>-</b>            | <b>1.649.400</b>    | <b>-</b>       | <b>-</b>     |
| <b>9. Total Assets (4+8)</b>   | <b>984.603.123</b>                                    | <b>22.831.592</b>   | <b>8.559.043</b>    | <b>708</b>     | <b>-</b>     |
| 10. Trade Payables   | 483.578.735   | 15.287.170          | 356.450             | -              | 200          |
| 11. Financial Liabilities  | 1.197.172.012   | 21.180.793          | 16.514.116          | -              | -            |
| 12a. Other monetary financial liabilities  | 3.312.540   | 72.733              | 32.444              | -              | -            |
| 12b. Other non-monetary financial liabilities  | -   | -                   | -                   | -              | -            |
| <b>13. Current Liabilities (10+11+12)</b>  | <b>1.684.063.287</b>                                  | <b>36.540.696</b>   | <b>16.903.010</b>   | <b>-</b>       | <b>200</b>   |
| 14. Trade Payables   | -   | -                   | -                   | -              | -            |
| 15. Financial Liabilities  | 1.337.319.776   | 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>1.337.319.776</b>                                  | <b>8.386.489</b>    | <b>32.773.755</b>   | <b>-</b>       | <b>-</b>     |
| <b>18. Total Liabilities</b>   | <b>3.021.383.063</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>(2.036.779.940)</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>(2.036.779.946)</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>2.546.651.203</b>                                  | <b>94.014.814</b>   | <b>30.825.236</b>   | <b>474.981</b> | <b>-</b>     |
| <b>24. Imports</b>   | <b>2.595.147.220</b>                                  | <b>77.597.397</b>   | <b>3.296.793</b>    | <b>4.616</b>   | <b>600</b>   |

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**NOTE 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 31 December 2023 and 2022, net debt / total equity ratio is as follows:

|                        | <b>31.12.2023</b> | <b>31.12.2022</b> |
|------------------------|-------------------|-------------------|
| Total debts            | 4.205.061.595     | 5.887.400.645     |
| Liquid assets          | (437.915.469)     | (200.631.325)     |
| Net debt               | 3.767.146.126     | 5.686.769.320     |
| Total equity           | 7.946.260.205     | 6.563.694.086     |
| Total capital          | 11.713.406.331    | 12.250.463.406    |
| Net Debt/Total Capital | 32%               | 46%               |

**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>31.12.2023</b>                    | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|--------------------------------------|----------------|----------------|----------------|---------------|
| Lands                                | -              | 653.159.851    | -              | 653.159.851   |
| Underground and above ground layouts | -              | 558.751.589    | -              | 558.751.589   |
| Buildings                            | -              | 1.510.994.342  | -              | 1.510.994.342 |
| Machinery, plant and devices         | -              | 4.267.662.340  | -              | 4.267.662.340 |
| <b>31.12.2022</b>                    | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
| <b>Assets</b>                        |                |                |                |               |
| Lands                                | -              | 653.159.851    | -              | 653.159.851   |
| Underground and above ground layouts | -              | 619.875.719    | -              | 619.875.719   |
| Buildings                            | -              | 1.564.337.612  | -              | 1.564.337.612 |
| Machinery, plant and devices         | -              | 3.971.351.942  | -              | 3.971.351.942 |

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As of 31 December 2023, the classes and fair values of financial instruments are as follows;

| 31.12.2023                   | 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    | 437.865.297   | -  | 437.865.297   | 4    |
| Financial investments        | -   | 2.839.490  | 2.839.490     | 5    |
| Trade receivables            | 1.000.900.629   | -  | 1.000.900.629 | 7    |
| Other receivables            | 5.295.612   | -  | 5.295.612     | 9    |
| <b>Financial Liabilities</b> |   |  |               |      |
| Financial borrowings         | 2.504.628.818   | -  | 2.504.628.818 | 8    |
| Trade payables               | 659.637.193   | -  | 659.637.193   | 7    |
| Other payables               | 12.549.955  | -  | 12.549.955    | 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    | 193.804.086   | -  | 193.804.086   | 4    |
| Financial investments        | 6.827.239   | -  | 6.827.239     | 5    |
| Trade receivables            | 1.005.757.481   | -  | 1.005.757.481 | 7    |
| Other receivables            | 15.911.534  | -  | 15.911.534    | 9    |
| <b>Financial Liabilities</b> |   |  |               |      |
| Financial borrowings         | 3.776.616.667   | -  | 3.776.616.667 | 8    |
| Trade payables               | 860.965.458   | -  | 860.965.458   | 7    |
| Other payables               | 20.645.129  | -  | 20.645.129    | 9    |

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**NOTE 35 – POST BALANCE SHEET EVENTS**

None.

**NOTE 36 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENT AUDIT FIRMS**

The Company’s explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated August 19,2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows

| <b>Independent audit fee for the reporting period</b> | <b>01.01.-<br/>31.12.2023</b> | <b>01.01.-<br/>31.12.2022</b> |
|---|-------------------------------|-------------------------------|
| Audit and assurance fee                               | 1.075.000                     | 959.803                       |
| Fees for other assurance services                     | 18.750                        | 21.420                        |
|   | <b>1.093.750</b>              | <b>981.223</b>                |