

**MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**TOGETHER WITH INDEPENDENT AUDITORS' REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**

*(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITORS' REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)*

## 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- Limited Unqualified Opinion

We have audited the consolidated financial statements of Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

According to our opinion, except the effects of the topics mentioned in Basis of Limited Unqualified Opinion part the accompanying consolidated financial statements reflect the Group's consolidated financial statement after 31 December 2020, consolidated financial performance of the accounting period of the same date and consolidated cash flows in accordance with the Turkish Accounting Standards of Turkey realistically with all the important aspects.

#### 2- Basis of Limited Unqualified Opinion

As of 31 December 2020, the Group has a total of TRY 275,680,091 receivables classified under trade and other receivables from Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş. ("Osman Akça"). TRY 147,033,353 of this receivable (TRY 104,171,965 as of the report date) consists of the sales of agricultural products to Osman Akça. According to the commercial goods sales contract between the Company and Osman Akça, as of 31 December 2020, TRY 65,534,624 of these receivables (as of the report date, TRY 29,997,213) are overdue. These receivables contains significant credit risk and counterparty risk and the impact of these risks on the attached consolidated financial statements has not been determined by us.

The buildings in the production facility in Denizli Sarayköy, which accounted for using the revaluation model, ranked as TAS 16, Tangible Fixed Assets standard, currently have a closed area of 172,081 m<sup>2</sup> at the attached consolidated financial statements. The parcels subject to appraisal in the production facility are the shared area, occupancy permit certification of the 78,290 m<sup>2</sup> part and building registration certification of the 49,450 m<sup>2</sup> part thereof are provided, excepting the licencing of the remaining 44,341 m<sup>2</sup> part. In case the legal processes of the 49,450 m<sup>2</sup> part which have the building registration certificate are carried out, 127,740 m<sup>2</sup> of the buildings in the production facility will have a legal area and 44,341 m<sup>2</sup> of the buildings required to be licensed will remain. Buildings with a fair value of TRY 191,144,300 according to the current situation (TRY 89,632,122, according to the legal status) has been transferred to the attached consolidated financial statements with revaluation model over the current status values by an independent valuation firm accredited by the Capital Markets Board ("CMB") as of 31 December 2020.

The structures are revaluated and shown in the accompanying consolidated financial statements to their fair values TRY 983,741,171 in accordance with TAS 16, Tangible Fixed Assets by an organization accredited to the CMB. In the valuation reports prepared by an independent valuation firm, the valuation of property, plant and equipment was carried out using the cost method (the value of machinery equipment was calculated by bringing the value of property, plant and equipment to today's exchange rate from the date of purchase and deducting depreciation), and we could not come to a conclusion as to whether this approach reflects the fair value of property, plant and equipment

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (IAS) (of Turkey) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the independent audit evidence we obtained during the independent audit constitutes a sufficient and appropriate basis for our opinion, excluding the issues in the limited positive basis section.

### 3- Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our 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.

#### *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 6 Trade Receivables.

Key Audit Matter	How to Perform of Matter in Audit
<p>Recoverability of Trade Receivables</p> <p>As of 31 December 2020, trade receivables of TRY 143,704,249 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 6 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>

#### *Valuation Method of Inventory*

The detail of explanations including accounting policies related to Group's inventories and amount of these inventories is stated at Note 2 Inventories and Note 10 Inventories

Key Audit Matter	How to Perform of Matter in Audit
<p>Inventories are one of the most important assets in the financial statements of the Group. "Valuation Method of Inventory" is determined as the key audit matter because of that it is significant for the financial statements for period ended at 31 December 2020.</p> <p>The Group's stocks consist of textile products such as cotton, raw clothing and duvet, and agricultural products such as dried figs, grapes and dried apricots are accounted for with the lower of cost or net realizable value in accordance with TAS 2.</p> <p>In the our audit work, we have focused on this issue for the following reasons:</p> <p>Inventory cost calculation method is process costing and this system contains complex calculations and assumptions.</p> <p>Existing stock amounts which are based on costing works are calculated by experts within the Group.</p>	<p>We performed the following procedures for valuation method of inventory.</p> <p>Analytical evaluations and detailed tests related to the process of recording and valuation of the inventories were carried out. Physical presence of inventories was confirmed as a means of counting accompanied by the experts within the Group.</p> <p>The mathematical conformity of the datas used in the valuation study were tested. Inventory valuation methods, technical data and the components they contain were evaluated and tested for their suitability.</p> <p>The relevance of the significant estimates used in the valuation was assessed and it was concluded that it was within an acceptable range.</p> <p>As a result of our works on stock valuation method, there are not any important 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.

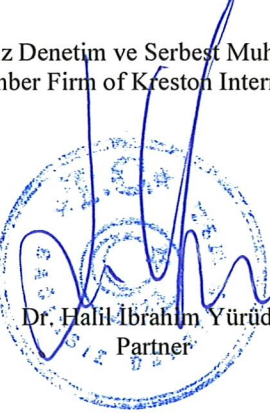
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws 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 8 March 2021.
- 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 2020 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.

Dr. Halil İbrahim Yürüdü is the person who carries out this independent audit.

ATA Uluslararası Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
Member Firm of Kreston International

  
Dr. Halil İbrahim Yürüdü  
Partner

İstanbul 08 March 2021

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ****CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2020**

(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

		<i>Audited</i>	<i>Audited</i>
<b>ASSETS</b>	<b>Footnote References</b>	<b>Current Period 31.12.2020</b>	<b>Prior Period 31.12.2019</b>
<b>Current Assets</b>		<b>1,073,919,767</b>	<b>731,777,880</b>
Cash and Cash Equivalents	4	47,437,939	30,933,504
Trade Receivables		290,476,101	124,239,432
<i>Trade Receivables from Related Parties</i>	5-6	146,771,852	46,036,187
<i>Trade Receivables from Third Parties</i>	6	143,704,249	78,203,245
Other Receivables		139,217,882	13,888,782
<i>Other Receivables from Related Parties</i>	5-8	128,646,738	6,367,331
<i>Other Receivables from Third Parties</i>	8	10,571,144	7,521,451
Derivative Financial Instruments	9	173,048	-
Inventories	10	501,630,684	466,218,932
Biological Assets	11	6,361,162	3,814,567
Prepaid Expenses	12	6,035,201	5,172,751
Current Tax Assets	13	1,143,958	601,656
Other Current Assets	22	81,443,792	86,908,256
<b>Non-Current Assets</b>		<b>1,601,241,044</b>	<b>798,537,085</b>
Other Receivables	8	120,830	155,520
Investments Valued by Equity Pick-up Method	14	52,953,647	161,886,255
Investment Properties	15	79,365,000	66,075,000
Tangible Assets	16	1,391,238,278	487,389,051
Right of Use Assets	17	201,736	947,363
Intangible Assets	18	13,562,482	9,994,902
Prepaid Expenses	12	1,019,458	34,666,257
Deferred Tax Assets	29	62,779,613	37,422,737
<b>TOTAL ASSETS</b>		<b>2,675,160,811</b>	<b>1,530,314,965</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 2020**

(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

		<i>Audited</i>	<i>Audited</i>
	<b>Footnote</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>LIABILITIES</b>	<b>References</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Current Liabilities</b>		<b>972,374,129</b>	<b>827,606,353</b>
Financial Borrowings	7	356,144,492	384,853,677
Current Installments of Long Term Financial Borrowings	7	313,847,115	148,034,318
Trade Payables		232,073,338	267,149,534
<i>Trade Payables to Related Parties</i>	5-6	121,754	-
<i>Trade Payables to Third Parties</i>	6	231,951,584	267,149,534
Employee Benefit Liabilities	21	25,729,497	13,910,161
Other Payables		11,424,477	2,452,989
<i>Other Payables to Related Parties</i>	5-8	5,274,970	85,050
<i>Other Payables to Third Parties</i>	8	6,149,507	2,367,939
Derivative Financial Instruments	9	94,875	-
Deferred Income	12	22,238,148	4,032,874
Current Tax Liabilities of Period Profit	29	1,646,995	-
Current Provisions		9,175,192	7,172,800
<i>Provision for employee benefits</i>	20	6,213,323	6,735,719
<i>Other current provisions</i>	20	2,961,869	437,081
<b>Non-Current Liabilities</b>		<b>982,184,537</b>	<b>521,646,259</b>
Long Term Borrowings	7	779,971,910	468,143,313
Long Term Provisions		57,822,309	48,560,363
<i>Long Term Provisions for Employee Benefits</i>	20	57,822,309	48,560,363
Deferred Tax Liabilities	29	144,390,318	4,942,583
<b>Equity</b>		<b>720,602,145</b>	<b>181,062,353</b>
<b>Parent Company's Equity</b>		<b>704,571,173</b>	<b>196,126,309</b>
Paid in Capital	23.1	250,000,000	250,000,000
Inflation Adjustments of Capital	23.2	485,133	485,133
Effect of mergers involving undertakings or businesses subject to common control	23.3	(70,487,372)	(25,567,435)
Accumulated Other Comprehensive Income or Expenses not to be Reclassified on Profit or Loss			
<i>Gains / losses on revaluation and remeasurement</i>			
<i>-Increase / Decrease on Revaluation of Tangible Assets</i>	23.4	638,436,962	-
<i>-Defined Benefit Plans Re-Measurement Gains / (Losses)</i>	23.4	5,377,107	(28,816)
Accumulated Other Comprehensive Income or Expenses to be Reclassified on Profit or Loss			
<i>Share of other comprehensive income of investments accounted for using the equity method that will not be reclassified to profit or loss</i>	23.5	42,649,562	-
Restricted Reserves		10,147,245	10,460,462
<i>Legal Reserves</i>	23.6	10,147,245	10,460,462
Retained Earnings / Losses	23.7	(77,913,133)	(25,858,051)
Net Profit / (Loss) for the Period	30	(94,124,331)	(13,364,984)
<b>Minority Interests</b>	23.8	<b>16,030,972</b>	<b>(15,063,956)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,675,160,811</b>	<b>1,530,314,965</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 YEAR END 31 DECEMBER 2020**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

		<i>Audited</i>	<i>Audited</i>
	<b>Footnote</b>	<b>Current Period</b>	<b>Prior Period</b>
	<b>References</b>	<b>01.01- 31.12.2020</b>	<b>01.01- 31.12.2019</b>
Revenue	24.1	1,823,282,965	1,460,741,970
Cost of Sales (-)	24.2	(1,478,990,971)	(1,308,844,129)
<b>Gross Profit / (Loss)</b>		<b>344,291,994</b>	<b>151,897,841</b>
General Administrative Expenses (-)	25.3	(43,005,652)	(24,053,919)
Marketing Expenses (-)	25.2	(53,371,407)	(38,070,654)
Research and Development Expenses (-)	25.1	(3,552,668)	(4,321,458)
Other Operating Income	26.1	68,491,630	44,008,901
Other Operating Expenses (-)	26.2	(43,999,935)	(27,749,123)
<b>Operating Profit / (Loss)</b>		<b>268,853,962</b>	<b>101,711,588</b>
Income from Investment Activities	27.1	24,716,714	15,605,345
Expenses from Investment Activities (-)	27.2	(7,754,809)	(354,381)
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	27.3	7,899,827	7,019,289
<b>Operating Activity Profit/(Loss) Before Financial Expense</b>		<b>293,715,694</b>	<b>123,981,841</b>
Financial Income	28.1	24,797,471	59,025,819
Financial Expenses (-)	28.2	(428,803,789)	(198,326,629)
<b>Operating Activity Profit/(Loss) Before Taxation</b>		<b>(110,290,624)</b>	<b>(15,318,969)</b>
<b>Operating Activity Tax Income/(Expense)</b>			
Current Tax Income/(Expense)	29	(1,646,995)	-
Deferred Tax Income/(Expense)	29	19,885,926	(2,382,761)
<b>Current Period Operating Activity Profit / (Loss)</b>		<b>(92,051,693)</b>	<b>(17,701,730)</b>
<b>Profit/(Loss) for the Period</b>		<b>(92,051,693)</b>	<b>(17,701,730)</b>
<b>Distribution of the Period Income/(Loss)</b>			
Minority Interests	23.8	2,072,638	(4,336,746)
Parent Company's Shares	30	(94,124,331)	(13,364,984)
<b>Earnings Per Share</b>	<b>30</b>	<b>(0.3765)</b>	<b>(0.0535)</b>
<b>Other Comprehensive Income:</b>			
<b>Income (Expenses) not to be Reclassified on Profit or (Loss)</b>			
- Increase / Decrease on Revaluation of Tangible Assets	23.4	782,652,561	-
- Defined Benefit Plans Re-Measurement Gains (Losses)	20	6,794,074	(336,287)
- Revaluation Gain (Loss) on Property of Investments Accounted With Using Equity Method	23.5	47,388,402	-
- Deferred Tax Income / (Expense)	29	(138,715,625)	67,257
<b>Other Comprehensive Income</b>		<b>698,119,412</b>	<b>(269,030)</b>
<b>Total Comprehensive Income/(Expense)</b>		<b>606,067,719</b>	<b>(17,970,760)</b>
<b>Distribution of Total Comprehensive Income</b>			
Minority Interests	23.8	13,699,603	(4,337,852)
Parent Company's Shares	30	592,368,116	(13,632,908)

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 2020 AND 2019**  
(Currency – Turkish Lira “TRY” unless expressed otherwise.)

				Effect of Mergers Involving Undertakings or Businesses Subject to Common Control	Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss		Share Of Other Comprehensive Income Of Investments Accounted For Using Equity Method That Will Not Be Reclassified To Profit or Loss	Restricted Reserves	Accumulated profits		Parent Company's Equity	Minority Interests	Total Equity
					Increase / (Decrease) on Revaluation of Tangible Assets	Defined Benefit Plans Re-Measurement Gains (Losses)			Accumulated Profit/Loss	Net Profit/Loss For The Period			
<b>Balances reported at 01.01.2019</b>		250,000,000	485,133	(25,567,435)	-	239,108	-	10,209,777	95,896,998	(72,953,293)	258,310,288	(10,726,104)	247,584,184
<b>Adjustment related to corrections</b>		-	-	-	-	-	-	-	(34,809,593)	(13,741,478)	<b>(48,551,071)</b>	-	(48,551,071)
<b>Balances revised at 01.01.2019</b>	<b>23</b>	<b>250,000,000</b>	<b>485,133</b>	<b>(25,567,435)</b>	<b>-</b>	<b>239,108</b>	<b>-</b>	<b>10,209,777</b>	<b>61,087,405</b>	<b>(86,694,771)</b>	<b>209,759,217</b>	<b>(10,726,104)</b>	<b>199,033,113</b>
Transfers	23	-	-	-	-	-	-	250,685	(86,945,456)	86,694,771	-	-	-
<b>Total Comprehensive Income/(Loss)</b>		-	-	-	-	<b>(267,924)</b>	-	-	-	<b>(13,364,984)</b>	<b>(13,632,908)</b>	<b>(4,337,852)</b>	<b>(17,970,760)</b>
- Profit/(Loss) for the Period	23	-	-	-	-	-	-	-	-	(13,364,984)	(13,632,908)	(4,336,746)	(17,701,730)
- Other Comprehensive Income/(Expense)	23	-	-	-	-	(267,924)	-	-	-	-	(267,924)	(1,106)	(269,030)
<b>Balances at 31.12.2019</b>	<b>23</b>	<b>250,000,000</b>	<b>485,133</b>	<b>(25,567,435)</b>	<b>-</b>	<b>(28,816)</b>	<b>-</b>	<b>10,460,462</b>	<b>(25,858,051)</b>	<b>(13,364,984)</b>	<b>196,126,309</b>	<b>(15,063,956)</b>	<b>181,062,353</b>
<b>Balances reported at 01.01.2020</b>	<b>23</b>	<b>250,000,000</b>	<b>485,133</b>	<b>(25,567,435)</b>	<b>-</b>	<b>(28,816)</b>	<b>-</b>	<b>10,460,462</b>	<b>(25,858,051)</b>	<b>(13,364,984)</b>	<b>196,126,309</b>	<b>(15,063,956)</b>	<b>181,062,353</b>
Transfers	23	-	-	-	-	-	-	-	(13,364,984)	13,364,984	-	-	-
Effect of Mergers Involving Undertakings or Businesses Subject to Common Control	23	-	-	(44,919,937)	-	-	-	-	-	-	<b>(44,919,937)</b>	(21,607,990)	<b>(66,527,927)</b>
Transactions With Non-Controlling Shareholders	23	-	-	-	-	-	-	(313,217)	(38,690,098)	-	<b>(39,003,315)</b>	39,003,315	-
<b>Total Comprehensive Income/(Loss)</b>		-	-	-	<b>638,436,962</b>	<b>5,405,923</b>	<b>42,649,562</b>	-	-	<b>(94,124,331)</b>	<b>592,368,116</b>	<b>13,699,603</b>	<b>606,067,719</b>
- Profit/(Loss) for the Period	23	-	-	-	-	-	-	-	-	(94,124,331)	(94,124,331)	2,072,638	(92,051,693)
- Other Comprehensive Income/(Expense)	23	-	-	-	638,436,962	5,405,923	42,649,562	-	-	-	686,492,447	11,626,965	698,119,412
<b>Balances at 31.12.2020</b>	<b>23</b>	<b>250,000,000</b>	<b>485,133</b>	<b>(70,487,372)</b>	<b>638,436,962</b>	<b>5,377,107</b>	<b>42,649,562</b>	<b>10,147,245</b>	<b>(77,913,133)</b>	<b>(94,124,331)</b>	<b>704,571,173</b>	<b>16,030,972</b>	<b>720,602,145</b>

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 31 DECEMBER 2020**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

		<i>Audited</i>	<i>Audited</i>
	Footnote References	Current Period 01.01- 31.12.2020	Prior Period 01.01- 31.12.2019
<b>CASH FLOWS FROM THE OPERATING ACTIVITIES</b>		<b>(136,838,074)</b>	<b>9,670,818</b>
<b>Profit/(Loss) for the Period</b>			
<b>Current Period Operating Activity Profit / (Loss)</b>		<b>(92,051,693)</b>	<b>(17,701,730)</b>
<b>Adjustments Related with Net Profit/Loss for The Period</b>		<b>238,551,499</b>	<b>118,094,215</b>
Adjustments for depreciation, amortisation expenses	16-17-18	41,104,875	33,950,177
Adjustments to Impairment (Cancellation)			
- Adjustments to Impairment (Cancellation) in Receivables	6	(1,400,168)	(928,529)
- Adjustments related to impairment on other financial assets and investments		-	(3,687,129)
- Adjustments to impairment (cancellation) of property, plant and equipment	16	7,754,809	-
Adjustments related to the provisions			
- Adjustments for employee termination benefits	20-25.2-25.3	14,697,205	12,451,093
- Adjustment for provision for expenses and lawsuits	20	2,524,788	(120,337)
- Adjustment for other provisions or reversals	20	(522,396)	2,838,397
Adjustments for interest income and expenses			
- Adjustments for interest expenses	7-28	2,174,582	5,457,902
- Unearned income from futures sale	26.1	4,465,815	4,357,742
- Deferred financial expense arise from forward purchasing	26.2	(5,943,785)	(4,036,997)
Adjustments for fair value income or loss			
- Adjustments for financial assets fair value losses /(profits)	15	(7,086,800)	(5,512,576)
- Adjustments for financial instruments fair value losses /(profits)	28	(78,173)	(37,500)
Adjustment for unrealized currency translation differences	7	199,381,351	78,065,757
Adjustments for retained earnings of investments subject to equity pick-up method			
- Adjustment for retained earnings of subsidiaries	27.3	6,507	(7,019,289)
Tax payments/returns	29	(18,527,111)	2,315,504
<b>Changes in the Company Capital</b>		<b>(284,984,875)</b>	<b>(90,365,274)</b>
Adjustments for increase/decrease in financial assets		-	10,355,432
Adjustments for increase/decrease in trade receivables			
- Adjustments for increase/decrease in trade receivables from related parties	5-6	(100,735,665)	3,449,873
- Adjustments for increase/decrease in trade receivables from third parties	6	(68,566,651)	26,132,707
Adjustments for increase/decrease in other receivables related to the operations			
- Adjustments for increase/decrease in other receivables from related parties related to the operations	5-8	(122,279,407)	(3,621,174)
- Adjustments for increase/decrease in other receivables from third parties related to the operations	8	1,907,159	(16,252,059)
Adjustments for increase/decrease in inventories	10	(35,411,752)	(123,621,016)
Adjustments related to the increase/decrease in biological assets	11	(2,546,595)	(766,666)
Adjustments for increase/decrease in prepaid expenses	12	32,784,349	(26,091,682)
Adjustments for increase/decrease in trade payables			
- Adjustments for increase/decrease in trade payables to related parties	5-6	121,754	(6,741,396)
- Adjustments for increase/decrease in trade payables to third parties	6	(29,254,165)	102,711,232
Increase/decrease in employee benefits liabilities	21	11,819,336	(2,397,590)
Adjustments for increase/decrease in other payables related to the operations			
- Adjustments for increase/decrease in other payables from related parties related to the operations	5-8	5,189,920	(48,588,639)
- Adjustments for increase/decrease in other payables from third parties related to the operations	8	3,781,568	(5,118,425)
Increase/decrease in deferred tax	12	18,205,274	184,129
<b>Cash Flow from Operating Activities</b>		<b>(138,485,069)</b>	<b>10,027,211</b>
Tax payments/returns	29	1,646,995	(356,393)

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 31 DECEMBER 2020**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

		<i>Audited</i>	<i>Audited</i>
	Footnote References	Current Period 01.01- 31.12.2020	Prior Period 01.01- 31.12.2019
<b>NET CASH FLOW PROVIDED BY INVESTMENT ACTIVITIES</b>		<b>(94,207,108)</b>	<b>(83,505,464)</b>
Cash inflows from sale of subsidiaries that will cause loss of control	14	151,575,663	.-
Cash outflows from purchases aiming to gain control of subsidiaries	14	(66,527,927)	-
Proceeds from sale of property, plant, equipment and intangible assets			
- Proceeds from sale of tangible assets	16	418,846	9,072,897
Proceeds from purchase of property, plant, equipment and intangible assets			
- Proceeds from purchase of tangible assets	16	(179,362,721)	(99,370,270)
- Proceeds from purchase of intangible assets	18	(227,769)	(4,665,667)
Cash outflows from purchase of investment property	15	(83,200)	(62,424)
Dividends Received	27.3	-	11,520,000
<b>CASH FLOW PROVIDED BY FINANCIAL ACTIVITIES</b>		<b>247,549,617</b>	<b>74,105,870</b>
Cash inflows from financial liabilities			
- Cash inflows from bank loans	7	1,195,814,150	825,091,394
Cash outflows from financial liabilities			
- Cash outflows for bank loans	7	(970,479,840)	(750,438,858)
- Cash outflows from other financial liabilities	7	(650,972)	(929,878)
Cash outflows from finance leases	7	22,866,279	383,212
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN EXCHANGE CURRENCY DIFFERENCES (A+B+C)</b>		<b>16,504,435</b>	<b>271,224</b>
<b>CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE</b>		<b>16,504,435</b>	<b>271,224</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4</b>	<b>30,933,504</b>	<b>30,662,280</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>47,437,939</b>	<b>30,933,504</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**  
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**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES**

Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi (“The Company”), 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.
- Tan Elektrik Üretim A.Ş.
- Akça Enerji Üretim Otoprodüktör Grubu 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 2020, 3,904 personnel are employed by the Company and average number of personnel is 4,071 for the period of 01.01-31.12.2020.

Company shares are traded in the Borsa Istanbul since 2000.

**Production Capacity (Textile)**

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

<b>Products</b>	<b>Unit</b>	<b>Quantity</b>
Cotton yarn (is used in its production)	Kg	5,438,718
Raw fabric woven (is used in its production)	m <sup>2</sup>	59,151,060
Knitted fabric (is used in its production)	Kg	1,004,400
Linens	Kg	19,477,500
Pillow case	Kg	5,670,000
Sheet	Kg	7,218,750
Fabric painting (is used in its production)	Kg	3,744,000
Fabric printing (is used in its production)	Kg	14,121,000
Digital fabric printing (is used in its production)	Kg	1,573,719

**Production Capacity (Energy)**

According to the capacity report from Denizli Industrial Chamber dated 08 March 2019, numbered 107 and valid until 13 March 2021, the Company annual production capacity is as follows:

	<b>Unit</b>	<b>Quantity</b>
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



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**Smyrna Seracılık Ticaret A.Ş.**

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

Smyrna Seracılık Ticaret A.Ş. has operated on the existing area which is 197,000 m<sup>2</sup>

*Capacity Report 1 (Sarayköy)*

According to the capacity report from Denizli Industrial Chamber dated 16 May 2019, numbered 249 and valid until 17 May 2021, The Company production capacity is as follows:

<b>Product</b>	<b>Unit</b>	<b>Quantity</b>
Tomato	Ton	6,480

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

As of 31 December 2020, 274 personnel are employed by the Company and the average number of personnel is 259 for the period of 01.01-31.12.2020.

**Akça Enerji Üretim Otoprodüktör Grubu A.Ş.**

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. is established on 13 July 1998 in Denizli. It is engaged in producing electricity, hot water and steam. The Company annual electricity production capacity production is 185,656,000 kilowatt.

As of 31 December 2020, 36 personnel are employed by the Company and the average number of personnel is 36 for the period of 01.01-31.12.2020.

**Tan Elektrik Üretim A.Ş.**

Tan Elektrik Üretim A.Ş. was established in İzmir on 18 July 2006 as “MTT Elektrik Üretim A.Ş.” The Company name was changed to “Tan Elektrik Üretim A.Ş.” on 9 November 2006. Main activity of Company is building production facilities, joining in to operation, renting, generating electricity and marketing electricity to customers. The Company annual electricity production capacity production is 133,070,400 kilowatt. Tan Elektrik Üretim A.Ş. started producing electricity at October 2014.

As of 31 December 2020, 12 personnel are employed by the Company and the average number of personnel is 12 for the period of 01.01-31.12.2020.

**Aktur İzmir Gayrimenkul A.Ş.**

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

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

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

#### **Compliance Statement**

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

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

The accompanying consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets”(the Communiqué) announced by the Capital Markets Board (CMB) (hereinafter will be referred to as “the CMB Reporting Standards”) on 13 June 2013 which is published on Official Gazette numbered 28676, also put into place by Public Oversight, Accounting and Auditing Standards Authority(POA). TAS; Turkish Accounting Standards, Turkish Financial Reporting Standards and related annexes and interpretations.

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

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

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

Consolidated financial statements are approved by the Board of Directors and granted authority to publish on 8 March 2021 Boards of Directors have authority to change financial statements.

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

As of 31 December 2020 and 2019, Group's functional and reporting currency unit is represented in TRY compared to previous periods.

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

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

#### **Offsetting**

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

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**Going Concern**

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

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

**Basis of Consolidation**

The capital structure of subsidiaries and participations are as follows:

Subsidiaries	Consolidation Method	31 December 2020		31 December 2019		
		Menderes' share		Menderes' share		
		Direct Share	Total Share	Direct Share	Indirect Share	Total Share
Smyrna Seracılık Ticaret A.Ş.	Full Consolidation	79.17%	79.17%	79.17%	-	79.17%
Tan Elektrik Üretim A.Ş. (*)	Full Consolidation	100.00%	100.00%	66.00%	1.90%	67.90%
Akça Enerji Üretim Oto. Grubu A.Ş. (*)	Full Consolidation	100.00%	100.00%	68.00%	12.42%	80.42%

Participations	Consolidation Method	Menderes' share		Menderes' share		
		Direct Share	Total Share	Direct Share	Indirect Share	Total Share
		Direct Share	Total Share	Direct Share	Indirect Share	Total Share
Aktur Araç Muayene İstasyonları İşlet. A.Ş. (**)	Equity Pick up	-	-	48.00%	-	48.00%
Aktur İzmir Gayrimenkul A.Ş.	Equity Pick up	48.00%	48.00%	-	-	-

(\*) At the meeting of the Board of Directors dated 28.12.2020, The Company purchased the share that a total nominal value of TRY 12,800,000 with a price of TRY 3.87 per share in other partners of Tan Elektrik Üretim A.Ş. (Tan Elektrik); one of the subsidiaries of Company. The Company purchased the share that a total nominal value of TRY 9,599,990 with a price of TRY 2.09 per share in other partners of Akça Enerji Üretim Otoprodüktör Grubu A.Ş. ("Akça Enerji"); one of the other subsidiaries of Company. The per share prices is stated in Valuation Report prepared by DRT Kurumsal Finans Danışmanlık Hizmetleri A.Ş. an authorized institution within the framework of Capital Markets Board (CMB) regulations.

The company transferred all of its 15,129,408 shares in "Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.", which has a 48.00% shareholding and a paid in capital of TRY 31,519,600, to Osman Akça Tarım Ürün. İthalat İhracat Sanayi ve Ticaret A.Ş. ("Osman Akça") in return of TRY 176,000,000 in accordance with the Valuation Report prepared by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in framework capital market legislation.



**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
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Investments in associates are accounted via using the equity 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 the equity method of accounting. According to the equity 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.

As of 31 December 2020 and 2019, the capital structure of subsidiaries and participations are as follows:

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Public Offered Shares	46.88	46.88
Akça Holding A.Ş.	50.73	50.73
Other	2.39	2.39
	<b>%100</b>	<b>%100</b>

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	53.57	28.51
Rıza Akça	21.67	34.19
Dilek Göksan	10.83	17.10
Ahmet Bilge Göksan	10.83	17.10
Menderes Tekstil Pazarlama A.Ş.	3.10	3.10
	<b>%100</b>	<b>%100</b>

Smyrna Seracılık Ticaret A.Ş. (Subsidiary)

	<b>31.12.2020</b>	<b>31.12.2019</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>

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
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Tan Elektrik Üretim A.Ş. (Subsidiary)

	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	100.00	66.00
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	-	28.00
Smyrna Seracılık A.Ş.	-	2.40
Akça Holding A.Ş.	-	2.00
Other	-	1.60
	<b>%100</b>	<b>%100</b>

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. (Subsidiary)

	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	100.00	68.00
Tan Elektrik Üretim A.Ş.	-	18.29
Akça Holding A.Ş.	-	7.01
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	-	4.29
Selin Tekstil Sanayi Ticaret A.Ş.	-	2.22
Akçasaraylı Tekstil Ltd. Şti.	-	0.19
	<b>%100</b>	<b>%100</b>

Aktur Araç Muayene İstasyon İşletmeleri A.Ş. (Participation)

	<b>31.12.2020</b>	<b>31.12.2019</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. 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.

### **Property, plant and equipment**

The Group has revaluated all of the lands and buildings to their fair values in accordance with TAS 16, Property, Plant and Equipment as of 31 December 2020 and included the revaluation increase amounting to TRY 1,296,488,771 in consolidated financial statements (Note 16). Other items in tangible fixed assets, except land and buildings, plant machinery and equipment, are reflected in the consolidated financial statements with assets' cost value after deducting the accumulated depreciation and permanent impairment, if any, over their acquisition costs, consistent with previous years.

The "direct capitalization method, which is a market approach and income approach method" has been used in determining the fair value of the Group's lands and buildings. The "Cost Approach Method" was used in determining the fair values of the plant, machinery and devices.

The fair value increases 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. Lands are not subject to depreciation since their useful lives are considered as indefinite.

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

	<b>31.12.2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Land	83,849,800	-	83,849,800	-
Buildings	228,897,800	-	228,897,800	-
Property, plant and equipment	983,741,171	-	983,741,171	-

The accounting policies implemented in the financial statements are same as those implemented in the financial statements as of 31 December 2019 and for the year ended on the same date, except as stated above.

## **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. Comparative Information and Previous Periods Adjustments**

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

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

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2020 are consistent with those of the previous financial year, except for the adoption of new and amended (“TAS”)/TFRS and (“TAS”)/TFRS interpretations effective as of 1 January 2020. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

New standards effective as of 31 December 2020 and changes and comments on existing previous standards:

**Amendments to IAS 1 and IAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to IAS 1, ‘Presentation of financial statements’, and IAS 8, ‘Accounting policies, changes in accounting estimates and errors’, and consequential amendments to other IFRS’s:

- i) use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting
- ii) clarify the explanation of the definition of material;and
- iii) incorporate some of the guidance in TAS 1 about immaterial information

The amendments will not have an impact on the financial position or performance of the Company.

**Amendments to IFRS 3 - definition of a business;** Effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

The amendments will not have an impact on the financial position or performance of the Company.

**Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform;** effective from annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. IBOR based contracts, the reliefs will affect companies in all industries. The effect of this amendment on the financial position and performance of the Group is being assessed.

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

The amendments will not have an impact on the financial position or performance of the Company.

**The new standards, amendments and interpretations which are not yet effective as at 31 December 2020 are as follows:**

**TAS 1, “Presentation of financial statements”** amendment regarding the classification of liabilities; Valid for annual reporting periods starting on January 1, 2022 or after this date. TAS 1 describes these narrow changes in the "presentation of financial statements" standard that liabilities are classified as current or non-current depending on the rights existing at the end of the reporting period. The amendment also clarifies what it means to “pay” an obligation of TAS 1.

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

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

**Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

The impacts of the new standards, amendments and improvements on the financial position and performance of the Group is being assessed.

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

### **Revenue Recognition**

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

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

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

The goods or services are transferred when the control of the goods or services is delivered to the customers. Following indicators are considered while evaluating the transfer of control of the goods and services,

- a) presence of Group’s collection right of the consideration for the goods or services,
- b) customer’s ownership of the legal title on goods or services,
- c) physical transfer of the goods or services,
- d) customer’s ownership of significant risks and rewards related to the goods or services,
- e) customer’s acceptance of goods or services.

If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

### Interest Income

Interest income is accrued using the effective interest method which brings the remaining principal amount and expected future cash flows to the net book value of the related deposit during the expected life of the deposit.

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

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



### **Inventories**

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

### **Biological Assets**

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

### **Tangible Assets**

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

The valuation company determined the fair value of land and parcels with market value method, the fair value of building with market value method and depreciated replacement cost method, the fair value of land improvements and machinery and equipment with depreciated replacement cost method.

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

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

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

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

The costs of Tangible fixed assets purchased before 1 January 2005 are restated for the effects of inflation in TRY unit current at 31 December 2004 less accumulated depreciation and impairment losses. The costs of tangible assets purchased after 1 January 2005 are carried at cost less accumulated depreciation and impairment losses.

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

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Economic useful lives of assets approximately are as follows:

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

**Intangible Assets**

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

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

**Investment Properties**

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

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

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

### **Impairment of Assets**

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

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

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

The cost of right-of-use asset includes:

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

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

### **Lease Liabilities**

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

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

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

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

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

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

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

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

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

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

**Borrowing costs**

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

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

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

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

## **Financial Assets**

### ***Classification***

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

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

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

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

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

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

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

### ***Derecognition***

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

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***Impairment***

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

Provision for loss measured as below;

- 12 Month ECL: results from default events that are possible within 12 months after reporting date.

- Lifetime ECL: results from all possible default events over the expected life of financial instrument.

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

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

**Trade Receivables**

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

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

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

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

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

**Cash and cash equivalents**

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



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**Financial liabilities**

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

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

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

***Equity instruments***

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

***Other financial liabilities***

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

**Trade payables**

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

**The Effects of Exchange Rates**

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

The foreign currency rates for USD, EUR, GBP and CHF used at the end of the period are as following:

	31.12.2020	31.12.2019
USD	7.3405	5.9402
EUR	9.0079	6.6506
GBP	9.9438	7.7765
CHF	8.2841	6.0932

**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 2020, such payments are calculated on the basis of 30 days’ pay limited to a maximum of TRY 7,117 (31 December 2019: TRY 6,380) 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:

	31.12.2020	31.12.2019
Interest rate	%17.25	%11.76
Inflation rate	%12.10	%5.40
Discount rate	%4.59	%6.03

**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.

## **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.

### **Statement of Cash Flow**

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

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

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

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

### **Subsequent Events**

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

### **Related Parties**

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

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

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

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

*Akça Holding A.Ş. “Akça Holding”*

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

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

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

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

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

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

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

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

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

Akçamen Tekstil Sanayi ve Ticaret A.Ş.

Selin Tekstil Sanayi ve Ticaret A.Ş.

Menderes Tekstil Pazarlama A.Ş.

Akça Solar Enerji Üretim Sanayi ve Ticaret A.Ş. (\*)

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Aktur İzmir Gayrimenkul A.Ş.

(\*) It was liquidated in June 2020.

**Government Grants and Incentives**

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

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

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

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

### ***Deferred Tax***

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

As of 31 December 2020, deferred tax asset is recognized for temporary losses on taxable temporary differences amounting to TRY 45,125,477 which can be foreseen on temporary differences arising from tax deductions and can be utilized in the period in which the tax deduction period can be utilized.

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

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

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

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

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

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

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

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

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



***Investment property impairment:***

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

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

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

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

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

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

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

**2.h. Segment Reporting**

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

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

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

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

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

Public Oversight Accounting and Auditing Standard Authority (POA) has published principal related with transaction under common control in official journal as of 21 July 2013. Due to making up the difference related to applied accounting policies, the accounting principles those are indicated below must be applied hierarchically.

- i) Goodwill should not be included in the financial statements by the reason of accounting through the business mergers including common control business method (pooling of interest),
- ii) While using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of beginning of the reporting period when common control occurs and should be presented by comparatively from the beginning of reporting period when common control occurred,
- iii) The financial statements must be reorganized in accordance with the TAS rules including business accounting when group controller Group of consolidation obtains the controlling companies shares those are in business combinations, also for the following periods,
- iv) Due to removal of possible asset-liability mismatch after business mergers subject to common control, "Effect of the Mergers Subject to Common Control" account under the shareholders equity is used as an equaliser.

This decision will enter into force on the date of publication to be valid on annual reporting periods after 31 December 2012. Companies that have different applications of accounting principles should consider the stated accounting principles as change in accounting policy, and make necessary corrections from the first annual financial statements and companies who are obliged to make interim period reporting must give information about the topic in the footnotes.

(\*) At the meeting of the Board of Directors dated 28.12.2020, The Company purchased the share that a total nominal value of TRY 12,800,000 with a price of TRY 3.87 per share in other partners of Tan Elektrik Üretim A.Ş. (Tan Elektrik); one of the subsidiaries of Company. The Company purchased the share that a total nominal value of TRY 9,599,990 with a price of TRY 2.09 per share in other partners of Akça Enerji Üretim Otoprodüktör Grubu A.Ş. ("Akça Enerji"); one of the other subsidiaries of Company. The per share prices is stated in Valuation Report prepared by DRT Kurumsal Finans Danışmanlık Hizmetleri A.Ş. an authorized institution within the framework of Capital Markets Board (CMB) regulations.

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

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

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**NOTE 3 – SEGMENT REPORTING**

<b>31 December 2020</b>	<b>Textile Sector</b>	<b>Agricultural Sector</b>	<b>Energy Sector</b>	<b>Elimination</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	41,750,588	297,527	5,389,824	-	47,437,939
Trade Receivables	119,114,568	153,345,568	18,015,965	-	290,476,101
Other Receivables	389,581,812	4,041,629	27,513,393	(281,918,952)	139,217,882
Derivative instruments	173,048	-	-	-	173,048
Inventories	349,091,269	151,042,248	1,497,167	-	501,630,684
Biological Assets	-	6,361,162	-	-	6,361,162
Prepaid Expenses	4,785,427	119,435	1,130,339	-	6,035,201
Current Tax Assets	172,077	960,832	11,049	-	1,143,958
Other Current Assets	74,945,926	6,497,866	-	-	81,443,792
<b>Current Assets</b>	<b>979,614,715</b>	<b>322,666,267</b>	<b>53,557,737</b>	<b>(281,918,952)</b>	<b>1,073,919,767</b>
Financial Investments	179,431,321	-	-	(179,431,321)	-
Other Receivables	54,302	14,721	51,807	-	120,830
Investments Valued by Equity Pick-up Method	52,953,647	-	-	-	52,953,647
Investment Properties	79,365,000	-	-	-	79,365,000
Tangible Assets	739,880,307	85,825,217	565,532,754	-	1,391,238,278
Right of use assets	201,736	-	-	-	201,736
Intangible Assets	13,503,076	18,970	40,436	-	13,562,482
Prepaid Expenses	557,894	101,226	360,338	-	1,019,458
Deferred Tax Assets	31,789,294	655,148	33,228,053	(2,892,882)	62,779,613
<b>Non-Current Assets</b>	<b>1,097,736,577</b>	<b>86,615,282</b>	<b>599,213,388</b>	<b>(182,324,203)</b>	<b>1,601,241,044</b>
<b>TOTAL ASSETS</b>	<b>2,077,351,292</b>	<b>409,281,549</b>	<b>652,771,125</b>	<b>(464,243,155)</b>	<b>2,675,160,811</b>
<b>LIABILITIES</b>					
Financial Borrowings	343,784,462	12,360,030	-	-	356,144,492
Current Installments of Long Term Financial Borrowings	230,569,586	-	83,277,529	-	313,847,115
Trade Payables	181,647,421	22,939,968	27,485,949	-	232,073,338
Employee Benefits Liabilities	24,436,007	903,202	390,288	-	25,729,497
Other Payables	39,042,465	243,805,738	10,495,226	(281,918,952)	11,424,477
Derivative instruments	94,875	-	-	-	94,875
Deferred Income	16,186,664	25,010	6,026,474	-	22,238,148
Current Tax Liabilities of Period Profit	-	1,646,995	-	-	1,646,995
Current Provisions	6,586,062	371,446	2,217,684	-	9,175,192
<b>Current Liabilities</b>	<b>842,347,542</b>	<b>282,052,389</b>	<b>129,893,150</b>	<b>(281,918,952)</b>	<b>972,374,129</b>
Long Term Borrowings	348,157,139	-	431,814,771	-	779,971,910
Provisions For Long Term Employee Benefits	55,515,667	1,951,363	355,279	-	57,822,309
Deferred Tax Liabilities	86,667,258	13,050,439	47,565,503	(2,892,882)	144,390,318
<b>Non-Current Liabilities</b>	<b>490,340,064</b>	<b>15,001,802</b>	<b>479,735,553</b>	<b>(2,892,882)</b>	<b>982,184,537</b>
Paid in Capital	250,000,000	12,000,000	108,000,000	(120,000,000)	250,000,000
Inflationary Adjustments of Shareholders' Equity	485,133	-	-	-	485,133
Effect of Mergers Involving Undertakings or Businesses Subject to Common Control	-	-	-	(70,487,372)	(70,487,372)
Accumulated other comprehensive income / expense not to be reclassified on profit or loss	-	-	-	-	-
- Gain on revaluation of properties	448,336,888	55,668,621	146,029,082	(11,597,629)	638,436,962
Defined Benefit Plans Re-Measurement Gains / (Losses)	5,260,065	182,092	(38,816)	(26,234)	5,377,107
Accumulated other comprehensive income/(expense) to be reclassified to profit or loss	-	-	-	-	-
- Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss	42,649,562	-	-	-	42,649,562
Restricted Reserves	10,147,245	313,217	127,759	(440,976)	10,147,245
Retained Earnings / Losses	52,006,850	(1,163,921)	(154,700,002)	25,943,940	(77,913,133)
Net Profit / Loss for the Period	(64,222,057)	45,227,349	(56,275,601)	(18,854,022)	(94,124,331)
Minority Interest	-	-	-	16,030,972	16,030,972
<b>SHAREHOLDERS' EQUITY</b>	<b>744,663,686</b>	<b>112,227,358</b>	<b>43,142,422</b>	<b>(179,431,321)</b>	<b>720,602,145</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,077,351,292</b>	<b>409,281,549</b>	<b>652,771,125</b>	<b>(464,243,155)</b>	<b>2,675,160,811</b>

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31 December 2019	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	29,872,164	739,196	322,144	-	30,933,504
Trade Receivables	70,243,437	46,819,176	7,176,819	-	124,239,432
Other Receivables	46,342,093	315,923	6,124,334	(38,893,568)	13,888,782
Inventories	394,521,680	71,196,223	501,029	-	466,218,932
Biological Assets	-	3,814,567	-	-	3,814,567
Prepaid Expenses	3,978,425	156,024	1,038,302	-	5,172,751
Current Tax Assets	211,159	380,262	10,235	-	601,656
Other Current Assets	71,194,050	5,780,609	9,933,597	-	86,908,256
<b>Current Assets</b>	<b>616,363,008</b>	<b>129,201,980</b>	<b>25,106,460</b>	<b>(38,893,568)</b>	<b>731,777,880</b>
Financial Investments	82,180,000	1,142,000	12,800,010	(96,122,010)	-
Other Receivables	53,249	15,682	86,589	-	155,520
Investments Valued by Equity Pick-up Method	161,886,255	-	-	-	161,886,255
Investment Properties	66,075,000	-	-	-	66,075,000
Tangible Assets	170,201,928	17,511,047	299,676,076	-	487,389,051
Right of use assets	712,113	30,792	204,458	-	947,363
Intangible Assets	9,986,748	1,237	6,917	-	9,994,902
Prepaid Expenses	1,413,428	90,091	33,162,738	-	34,666,257
Deferred Tax Assets	21,113,398	652,086	20,677,035	(5,019,782)	37,422,737
<b>Non-Current Assets</b>	<b>513,622,119</b>	<b>19,442,935</b>	<b>366,613,823</b>	<b>(101,141,792)</b>	<b>798,537,085</b>
<b>TOTAL ASSETS</b>	<b>1,129,985,127</b>	<b>148,644,915</b>	<b>391,720,283</b>	<b>(140,035,360)</b>	<b>1,530,314,965</b>
<b>LIABILITIES</b>					
Financial Borrowings	381,401,005	3,452,672	-	-	384,853,677
Current Installments of Long Term Financial Borrowings	90,357,387	43,144	57,633,787	-	148,034,318
Trade Payables	131,486,160	101,285,131	34,378,243	-	267,149,534
Employee Benefits Liabilities	12,920,547	663,548	326,066	-	13,910,161
Other Payables	2,159,505	14,755,917	24,431,135	(38,893,568)	2,452,989
Deferred Income	1,771,983	-	2,260,891	-	4,032,874
Current Provisions	6,436,900	327,378	408,522	-	7,172,800
<b>Current Liabilities</b>	<b>626,533,487</b>	<b>120,527,790</b>	<b>119,438,644</b>	<b>(38,893,568)</b>	<b>827,606,353</b>
Long Term Borrowings	157,214,448	-	310,928,865	-	468,143,313
Provisions For Long Term Employee Benefits	47,078,771	1,249,286	232,306	-	48,560,363
Deferred Tax Liabilities	1,531,752	679,259	7,751,354	(5,019,782)	4,942,583
<b>Non-Current Liabilities</b>	<b>205,824,971</b>	<b>1,928,545</b>	<b>318,912,525</b>	<b>(5,019,782)</b>	<b>521,646,259</b>
Paid in Capital	250,000,000	12,000,000	108,000,000	(120,000,000)	250,000,000
Inflationary Adjustments of Shareholders' Equity	485,133	-	-	-	485,133
Effect of Mergers Involving Undertakings or Businesses Subject to Common Control	-	-	-	(25,567,435)	(25,567,435)
Accumulated other comprehensive income / expense not to be reclassified on profit or loss					
Defined Benefit Plans Re-Measurement Gains / (Losses)	(14,554)	41,279	(58,643)	3,102	(28,816)
Restricted Reserves	10,147,245	313,217	127,759	(127,759)	10,460,462
Retained Earnings / Losses	43,982,784	381,407	(130,519,534)	60,297,292	(25,858,051)
Net Profit / Loss for the Period	(6,973,939)	13,452,677	(24,180,468)	4,336,746	(13,364,984)
Minority Interest	-	-	-	(15,063,956)	(15,063,956)
<b>SHAREHOLDERS' EQUITY</b>	<b>297,626,669</b>	<b>26,188,580</b>	<b>(46,630,886)</b>	<b>(96,122,010)</b>	<b>181,062,353</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,129,985,127</b>	<b>148,644,915</b>	<b>391,720,283</b>	<b>(140,035,360)</b>	<b>1,530,314,965</b>

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31 December 2020	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Revenue	1,297,382,479	375,556,828	150,890,070	(546,412)	1,823,282,965
Cost of Sales (-)	(1,078,358,807)	(337,868,845)	(63,370,319)	607,000	(1,478,990,971)
<b>GROSS PROFIT/LOSS</b>	<b>219,023,672</b>	<b>37,687,983</b>	<b>87,519,751</b>	<b>60,588</b>	<b>344,291,994</b>
General Administrative Expenses (-)	(39,047,841)	(1,129,840)	(3,079,656)	251,685	(43,005,652)
Marketing Expenses (-)	(52,021,155)	(1,350,926)	-	674	(53,371,407)
Research and Development Expenses (-)	(3,552,668)	-	-	-	(3,552,668)
Other Operating Income	49,644,778	17,550,354	1,642,232	(345,734)	68,491,630
Other Operating Expenses (-)	(34,191,085)	(7,554,416)	(2,287,221)	32,787	(43,999,935)
<b>OPERATING PROFIT/LOSS</b>	<b>139,855,701</b>	<b>45,203,155</b>	<b>83,795,106</b>	<b>-</b>	<b>268,853,962</b>
Income from Investing Activities	24,716,714	2,468,325	14,313,059	(16,781,384)	24,716,714
Expenses from Investing Activities (-)	-	-	(7,754,809)	-	(7,754,809)
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	7,899,827	-	-	-	7,899,827
<b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>	<b>172,472,242</b>	<b>47,671,480</b>	<b>90,353,356</b>	<b>(16,781,384)</b>	<b>293,715,694</b>
Financial Income (+)	26,957,219	99,588	1,776,520	(4,035,856)	24,797,471
Financial Expenses (-)	(274,794,166)	(1,471,453)	(156,574,026)	4,035,856	(428,803,789)
<b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>	<b>(75,364,705)</b>	<b>46,299,615</b>	<b>(64,444,150)</b>	<b>(16,781,384)</b>	<b>(110,290,624)</b>
<b>Operating Activity Tax Income / (Expense)</b>					
- Income/Expense Tax for the period	-	(1,646,995)	-	-	(1,646,995)
- Deferred Tax Income/Expense	11,142,648	574,729	8,168,549	-	19,885,926
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(64,222,057)</b>	<b>45,227,349</b>	<b>(56,275,601)</b>	<b>(16,781,384)</b>	<b>(92,051,693)</b>

31 December 2019	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Revenue	1,119,260,073	279,573,843	62,544,457	(636,403)	1,460,741,970
Cost of Sales (-)	(1,013,142,932)	(260,164,398)	(36,153,455)	616,656	(1,308,844,129)
<b>GROSS PROFIT/LOSS</b>	<b>106,117,141</b>	<b>19,409,445</b>	<b>26,391,002</b>	<b>(19,747)</b>	<b>151,897,841</b>
General Administrative Expenses (-)	(21,330,266)	(1,381,461)	(1,542,834)	200,642	(24,053,919)
Marketing Expenses (-)	(37,129,276)	(941,378)	-	-	(38,070,654)
Research and Development Expenses (-)	(4,321,458)	-	-	-	(4,321,458)
Other Operating Income	40,328,017	2,054,203	1,807,753	(181,072)	44,008,901
Other Operating Expenses (-)	(23,337,606)	(3,089,900)	(1,321,794)	177	(27,749,123)
<b>OPERATING PROFIT/LOSS</b>	<b>60,326,552</b>	<b>16,050,909</b>	<b>25,334,127</b>	<b>-</b>	<b>101,711,588</b>
Income from Investing Activities	6,201,687	-	9,403,658	-	15,605,345
Expense from Investing Activities(-)	(342,997)	-	(11,384)	-	(354,381)
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	7,019,289	-	-	-	7,019,289
<b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>	<b>73,204,531</b>	<b>16,050,909</b>	<b>34,726,401</b>	<b>-</b>	<b>123,981,841</b>
Financial Income (+)	45,755,650	129,582	17,116,724	(3,976,137)	59,025,819
Financial Expenses (-)	(124,648,533)	(2,723,075)	(74,931,158)	3,976,137	(198,326,629)
<b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>	<b>(5,688,352)</b>	<b>13,457,416</b>	<b>(23,088,033)</b>	<b>-</b>	<b>(15,318,969)</b>
<b>Operating Activity Tax Income / (Expense)</b>					
- Taxes on income/Expense	-	-	-	-	-
- Income/Expense Tax for the period	(1,285,587)	(4,739)	(1,092,435)	-	(2,382,761)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(6,973,939)</b>	<b>13,452,677</b>	<b>(24,180,468)</b>	<b>-</b>	<b>(17,701,730)</b>

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

31 December 2019	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
<b>Assets by Segments</b>					
Investment Property	66,075,000	-	-	-	66,075,000
Total Tangible Assets (Net Book Value)	170,201,927	17,511,048	299,676,076	-	487,389,051
Right of Use Assets (Net Book Value)	712,113	30,792	204,458	-	947,363
Total Intangible Assets (Net Book Value)	9,986,748	1,237	6,917	-	9,994,902
Purchases of Tangible and Intangible Assets	44,476,218	1,099,322	58,460,397	-	104,035,937
Purchases of Investment Property	62,424	-	-	-	62,424
Depreciation Expenses	19,727,957	2,425,096	11,797,124	-	33,950,177
Total Assets in Foreign Currency	68,777,428	3,757,407	34,905,637	-	107,440,472
Total Liabilities in Foreign Currency	759,839,662	-	389,389,210	-	1,149,228,872
Net Foreign Currency Asset/ Liabilities	(691,062,234)	3,757,407	(354,483,573)	-	(1,041,788,400)
<b>Financial Payables</b>	<b>628,972,840</b>	<b>3,495,816</b>	<b>368,562,652</b>	<b>-</b>	<b>1,001,031,308</b>
- USD	90,632,384	-	105,569,875	-	196,202,259
- EUR	517,320,607	-	262,752,667	-	780,073,274
- TRY	21,019,849	3,495,816	240,110	-	24,755,775
Export	948,451,111	23,384,506	-	-	971,835,617
Import	489,138,822	472,348	24,969,560	-	514,580,730
Total Debt	832,358,458	122,456,335	438,351,169	(43,913,350)	1,349,252,612
Cash Equivalents	(29,872,163)	(739,196)	(322,145)	-	(30,933,504)
Net Debt	802,486,295	121,717,139	438,029,024	(43,913,350)	1,318,319,108
Total Equity	297,626,669	26,188,580	(46,630,886)	(96,122,010)	181,062,353
Total Capital	1,100,112,964	147,905,719	391,398,138	(140,035,360)	1,499,381,461
Net Debt/Total Capital Ratio	72.95%	82.29%	111.91%		87.92%



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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.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Germany	47%	54%
U.S.A.	21%	21%
Netherland	8%	4%
Italy	8%	8%
France	3%	2%
England	3%	2%
Russia	2%	2%
Poland	2%	1%
United Arab Emirates	1%	1%
China	1%	2%
Other	4%	3%
	<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 2020, the share of the largest buyer in the revenue from textile sector operations is 46.25% (31 December 2019: 55.16%). 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 89.71%. (31 December 2019: 90.30%) Domestic sales of dried fruits (grape, fig and apricot) produced by Menderes as subcontractors are made in accordance with the "Sales Agreement" signed between Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş., the related party of the Group and Osman Akça exports these products to different customers abroad.

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**NOTE 4 – CASH AND CASH EQUIVALENTS**

As of 31 December 2020 and 2019 the details of cash and cash equivalents are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Cash	118,977	81,002
<b>Banks</b>	<b>47,318,962</b>	<b>30,852,502</b>
<i>Demand deposits</i>	38,959,439	5,783,889
<i>Time deposits</i>	8,359,523	25,068,613
	<b>47,437,939</b>	<b>30,933,504</b>

As of 31 December 2020 and 2019 maturity schedule of time deposits in the cash and cash equivalents are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Within 1 month	8,359,523	25,068,613
	<b>8,359,523</b>	<b>25,068,613</b>

As of 31 December 2020, effective interest rates of time deposits in TRY 19.38% (31.12.2019: in TRY 11.04 %.)

As of 31 December 2020, there is no deposit pledge on the Group's bank deposits. (31.12.2019: None.)

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**NOTE 5 – RELATED PARTY TRANSACTIONS**

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

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	147,033,353	43,494,527
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	1,660,298	2,881,678
Akçamen Tekstil A.Ş.	4,716	-
Selin Tekstil Sanayi ve Ticaret A.Ş.	3,539	-
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	-	5,694
Unearned Interests	(1,930,054)	(345,712)
	<b>146,771,852</b>	<b>46,036,187</b>

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Menderes Tekstil Pazarlama A.Ş.	122,761	-
Aktur Araç Muayene İstasyon İşletmesi A.Ş.	3,007	-
Unearned Interests	(4,014)	-
	<b>121,754</b>	<b>-</b>

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. (*)	128,646,738	-
Akça Holding A.Ş.	-	6,367,331
	<b>128,646,738</b>	<b>6,367,331</b>

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

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Rıza Akça	85,050	85,050
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	325,324	-
Selin Tekstil Sanayi ve Ticaret A.Ş.	3,738,573	-
Akça Holding A.Ş.	889,051	-
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	236,972	-
	<b>5,274,970</b>	<b>85,050</b>

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

**a) Sales to related parties:**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	337,994,350	253,183,216
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	3,310,728	6,555,958
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	130	29,167
	<b>341,305,208</b>	<b>259,768,341</b>

**b) Purchases from related parties:**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	54,801,993	56,827,144
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	15,449	25,022
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	5,921	3,932
Akça Solar Enerji Üretim Sanayi ve Ticaret A.Ş.	-	3,183
	<b>54,823,363</b>	<b>56,859,281</b>

**c) Fixed asset purchases from related parties:**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Aktur Araç Muayene İstasyon İşletmesi A.Ş.	-	7,945,000
Menderes Tekstil Pazarlama A.Ş.	80,000	-
	<b>80,000</b>	<b>7,945,000</b>

**d) Participation sales to related parties:**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Akça Holding A.Ş.	-	5,962,871
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	176,000,000	-
	<b>176,000,000</b>	<b>5,962,871</b>

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

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Benefits provided to senior management	1,200,988	830,749
	<b>1,200,988</b>	<b>830,749</b>

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Akça Holding A.Ş.	1,034,115	893,941
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	1,978,808	1,509,554
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	97,563	22,050
	<b>3,110,486</b>	<b>2,425,545</b>

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	175,200	144,533
Akça Holding A.Ş.	145,200	129,480
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	130,800	119,400
Menderes Tekstil Pazarlama A.Ş.	6,000	6,000
Akçamen Tekstil Sanayi Ticaret A.Ş.	6,000	6,000
Akça Solar Enerji Üretim Sanayi ve Ticaret A.Ş.	3,000	6,000
	<b>466,200</b>	<b>411,413</b>

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Aktur Araç Muayene İstasyon İşletmesi A.Ş.	-	30,000
	-	<b>30,000</b>

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	204,084	-
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	240,653	-
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	58,750	-
Menderes Tekstil Pazarlama A.Ş.	1,134	-
	<b>504,621</b>	-

**f) Foreign exchange income from related parties (Note 28.1):**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	16,510,908	6,852,329
	<b>16,510,908</b>	<b>6,852,329</b>

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	146,745	-
	<b>146,745</b>	-

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	1,408,587	2,329,638
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	133,566	-
Akça Holding A.Ş.	99,495	-
	<b>1,641,648</b>	<b>2,329,638</b>

**i) Foreign Exchange paid to related parties (Note 28.2):**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	267,454	8,524,797
	<b>267,454</b>	<b>8,524,797</b>

**j) Maturity difference expenses from related parties :**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	1,110,786	-
Aktur Araç Muayene İstasyon İşletmesi A.Ş.	2,548	-
Akça Holding A.Ş.	32,042	-
	<b>1,145,376</b>	<b>-</b>

**k) Purchases of participations from related parties:**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	47,448,274	-
Akça Holding A.Ş.	13,196,532	-
Selin Tekstil Sanayi ve Ticaret A.Ş.	3,247,451	-
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	282,588	-
Rıza Akça	1,176,541	-
Ahmet Bilge Göksan	588,271	-
Dilek Göksan	588,270	-
	<b>66,527,927</b>	<b>-</b>

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

**Short Term Trade Receivables**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Trade receivables	124,720,747	69,252,570
Cheques and notes	2,260,644	2,095,093
Unearned interest on trade receivables	(985,119)	(614,056)
Doubtful trade receivables	425,842	65,554
Provision for doubtful receivables (-)	(425,842)	(65,554)
Income accruals	17,707,977	7,469,638
<b>Trade Receivables From Third Parties</b>	<b>143,704,249</b>	<b>78,203,245</b>
Trade receivables from related parties (Note 5)	148,612,837	46,169,445
Income accruals from related parties (Note 5)	89,069	212,454
Unearned interests on related party receivables (Note 5)	(1,930,054)	(345,712)
<b>Trade Receivables From Related Parties</b>	<b>146,771,852</b>	<b>46,036,187</b>
<b>Total Short-Term Trade Receivables</b>	<b>290,476,101</b>	<b>124,239,432</b>

As of 31 December 2020, the average maturity of trade receivables are 41 days. (31 December 2019: 35 days).

Maturity schedule of notes receivables as of 31 December 2020 and 2019 are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
1-30 days	83,813	167,033
31-60 days	478,000	215,590
61-90 days	257,245	799,192
91-120 days	542,250	272,068
121-150 days	491,503	641,210
151-180 days	370,555	-
181-210 days	25,000	-
211-240 days	12,278	-
	<b>2,260,644</b>	<b>2,095,093</b>

As of 31 December 2020 and 2019 provision for doubtful receivables movement schedule is as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Opening balance	65,554	731,311
Collections made during the period	-	(665,757)
Provisions of current year	360,288	-
<b>Closing Balance</b>	<b>425,842</b>	<b>65,554</b>



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**Short Term Trade Payables**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Trade payables	177,821,420	234,316,122
Unearned interests on trade payables	(3,064,475)	(2,777,931)
Notes payables	30,719,504	25,893,282
Unearned interests on payables	(437,558)	(250,681)
Expense accruals	26,912,693	9,968,742
<b>Trade Payables To Third Parties</b>	<b>231,951,584</b>	<b>267,149,534</b>
Payables to related parties (Note 5)	125,768	-
Unearned interests on notes payables to related parties (Note 5)	(4,014)	-
<b>Trade Payables to Related Parties</b>	<b>121,754</b>	<b>-</b>
<b>Total Short Term Trade Payables</b>	<b>232,073,338</b>	<b>267,149,534</b>

As of 31.12.2020 ,the average maturity of trade payables are 61 days. (31 December 2019: 61 days).

As of 31 December 2020, the surety bond amounting to USD 8,700,032 (TRY 63,862,584) and EUR 186,504 ( TRY 1,680,008) were given for trade payables of the Group by bank. (31.12.2019: USD 19,963,413 (118,586,666 TRY) and EUR 337,922 (2,007,324 TRY)) (Note 19)

As of 31 December 2020 and 2019, maturity breakdown of notes payables are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
1 – 30 days	16,922,884	13,498,290
31 – 60 days	7,995,011	10,520,205
61 – 90 days	5,645,399	1,874,787
91 – 120 days	156,210	-
	<b>30,719,504</b>	<b>25,893,282</b>

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**NOTE 7 – FINANCIAL BORROWINGS**

	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Short Term Borrowings:</b>		
TRY borrowings	53,188,675	21,213,539
USD borrowings	29,464,772	60,766,162
EUR borrowings	273,405,266	302,820,056
Credit card liabilities (TRY)	85,779	53,920
<b>Short Term Financial Borrowings</b>	<b>356,144,492</b>	<b>384,853,677</b>
<b>Lease Payables:</b>		
TRY lease payables, net	3,909,971	-
EUR lease payables, net	4,654,414	3,865,231
<b>Operating lease payable:</b>		
Operating lease payables, net	221,308	584,133
<b>Bank Borrowings:</b>		
TRY borrowings	53,005,368	-
USD borrowings	28,916,315	46,365,510
EUR borrowings	223,139,739	97,219,444
<b>Current Installments of Long-Term Borrowings</b>	<b>313,847,115</b>	<b>148,034,318</b>
<b>Long Term Lease Payables:</b>		
TRY lease payables, net	21,124,853	-
EUR lease payables, net	701,821	3,659,549
<b>Operating lease payable:</b>		
Operating lease payables, net	-	461,488
<b>Long Term Bank Borrowings:</b>		
TRY borrowings	46,475,760	2,442,695
USD borrowings	149,822,335	89,070,587
EUR borrowings	561,847,141	372,508,994
<b>Long Term Financial Borrowings</b>	<b>779,971,910</b>	<b>468,143,313</b>
<b>Total Financial Liabilities</b>	<b>1,449,963,517</b>	<b>1,001,031,308</b>

As of 31 December 2020 and 2019 maturity analysis of borrowings and other financial borrowings are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Within 3 months	146,647,191	205,725,724
Between 3 - 12 months	514,558,723	322,712,907
Between 1 - 5 years	587,685,697	356,864,778
More than 5 years	170,459,539	107,157,498
	<b>1,419,351,150</b>	<b>992,460,907</b>

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As of 31 December 2020 and 2019 maturity schedule of long term bank borrowings are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Between 1-2 years	327,776,978	169,246,045
Between 2-3 years	110,570,721	77,388,571
Between 3-4 years	83,185,798	54,897,437
Between 4-5 years	66,152,197	47,894,727
Between 5-6 years	48,294,844	35,718,984
Between 6-7 years	40,802,788	32,408,892
Between 7-8 years	25,362,409	27,154,840
Between 8-9 years	13,668,123	11,262,512
Between 9-10 years	13,258,053	4,803,941
Between 10-11 years	8,557,023	3,246,327
Between 11-12 years	8,355,731	-
Between 12-13 years	8,155,783	-
Between 13-14 years	4,004,788	-
	<b>758,145,236</b>	<b>464,022,276</b>

As of 31 December 2020, effective interest rates for TRY, USD and EUR bank loans are 8.91%, 4.81 % and 2.71% (31.12.2019: TRY 10.19% USD 6.32% and EUR 3.09%).

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 990,600,475), 25,000,000 EUR (TRY 225,197,500) and 132,310,000 TRY.

As of 31 December 2020 and 2019 the details of financial leasing borrowings of Group are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Short term lease payables	12,347,806	4,067,742
Cost of deferred lease payables (-)	(3,783,421)	(202,511)
	<b>8,564,385</b>	<b>3,865,231</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Long term lease payables	28,759,407	3,712,415
Cost of deferred lease payables (-)	(6,932,733)	(52,866)
	<b>21,826,674</b>	<b>3,659,549</b>

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

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

As of 31 December 2019, the repayment schedule of lease payables are as follows:

	<b>Lease payables</b>	<b>Cost of deferred lease payables</b>	<b>Total liabilities</b>
Between 0 – 1 years	4,067,742	(202,511)	3,865,231
Between 1 – 2 years	3,239,725	(52,866)	3,186,859
Between 2 – 3 years	472,690	-	472,690
	<b>7,780,157</b>	<b>(255,377)</b>	<b>7,524,780</b>

As of 31 December 2020, details of operating lease payables are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Operating lease payables	221,308	1,045,621
	<b>221,308</b>	<b>1,045,621</b>

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Between 0 – 1 years	221,308	584,133
Between 1 – 2 years	-	322,235
Between 2 – 3 years	-	139,253
	<b>221,308</b>	<b>1,045,621</b>

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**NOTE 8 – OTHER RECEIVABLES AND PAYABLES**

**Other Current Receivables**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Deposit and guarantees given	783,651	678,326
VAT return receivables	9,761,503	6,839,591
Other receivables	25,990	3,534
<b>Other Receivables from Third Parties</b>	<b>10,571,144</b>	<b>7,521,451</b>
Receivables from shareholders (Note 5)	128,646,738	6,367,331
<b>Other Receivables From Related Parties</b>	<b>128,646,738</b>	<b>6,367,331</b>
<b>Total Other Current Receivables</b>	<b>139,217,882</b>	<b>13,888,782</b>

**Other Non-Current Receivables**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Deposits and guarantees given	120,830	155,520
	<b>120,830</b>	<b>155,520</b>

**Other Current Payables**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Deposit and guarantees received	22,400	22,400
Taxes and funds payable	6,078,340	2,337,550
Other various debts	48,767	7,989
<b>Other Payables to Third Parties</b>	<b>6,149,507</b>	<b>2,367,939</b>
Payables to shareholders (Note 5)	1,211,073	85,050
Payables to related parties (Note 5)	4,063,897	-
<b>Other Payables to Related Parties</b>	<b>5,274,970</b>	<b>85,050</b>
<b>Total Other Current Payables</b>	<b>11,424,477</b>	<b>2,452,989</b>

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**NOTE 9 – DERIVATIVE INSTRUMENTS**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Income accrual from forward exchange	173,048	-
	<b>173,048</b>	<b>-</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Expense accrual from forward exchange	94,875	-
	<b>94,875</b>	<b>-</b>

**NOTE 10 – INVENTORIES**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Raw materials	136,109,419	191,876,939
Semi-finished products	149,816,954	174,959,398
Finished goods	52,339,286	27,181,623
Trade goods	762,416	348,368
Other inventories	607,576	1,425,775
Goods on transit	13,275,090	-
Agricultural products (Fig, Grape and Apricot)	148,719,943	70,426,829
	<b>501,630,684</b>	<b>466,218,932</b>

All inventories of the Group are covered by insurance coverage.

**NOTE 11 – BIOLOGICAL ASSETS**

**Current Biological Assets**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Biological assets (Tomato)	6,361,162	3,814,567
	<b>6,361,162</b>	<b>3,814,567</b>

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

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

**Short Term Prepaid Expenses**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Order advances given	2,117,570	1,925,611
Prepaid expenses	3,905,720	2,940,391
Advances given for business purposes	11,911	306,749
	<b>6,035,201</b>	<b>5,172,751</b>

**Long Term Prepaid Expenses**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Advances given for purchases of tangible assets	614,078	34,258,875
Prepaid expenses	405,380	407,382
	<b>1,019,458</b>	<b>34,666,257</b>

**Short Term Deferred Income**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Advances received	7,748,434	3,892,874
Deferred income	14,489,714	140,000
	<b>22,238,148</b>	<b>4,032,874</b>

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Prepaid taxes and funds	1,143,958	601,656
	<b>1,143,958</b>	<b>601,656</b>

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

As of 31 December 2020 and 2019 the companies accounted by equity pick up method are as follows:

	31.12.2020	Share (%)	31.12.2019	Share (%)
Aktur İzmir Gayrimenkul A.Ş.	52,953,647	48%	--	--
Aktur Araç Muayene İstasyon İşletmeleri A.Ş. (*)	--	--	161,886,255	48%
	<b>52,953,647</b>		<b>161,886,255</b>	

(\*) The company transferred all of its 15,129,408 shares in "Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.", which has a 48.00% shareholding and a paid in capital of TRY 31,519,600, to Osman Akça Tarım Ürün. İthalat İhracat Sanayi ve Ticaret A.Ş. ("Osman Akça") in return of TRY 176,000,000 in accordance with the Valuation Report prepared by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in framework capital market legislation.

The total assets, liabilities and owner's equity of the investments which are evaluated by the equity pick up method with their summary of income statement related to the periods ended 31 December 2020 and 2019 are as follows:

<i>Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.</i>	<b>30.09.2020</b>	<b>31.12.2019</b>
Current assets	139,548,329	108,331,619
Non-current assets	284,502,451	266,237,399
<b>Total Assets</b>	<b>424,050,780</b>	<b>374,569,018</b>
Current liabilities	48,968,628	20,187,572
Non-current liabilities	15,812,411	17,118,414
Parent company's equity	359,269,741	337,263,032
<b>Total Assets</b>	<b>424,050,780</b>	<b>374,569,018</b>
Sales, net	357,256,016	401,792,251
Cost of sales	(343,855,022)	(390,638,946)
Net profit / (loss)	27,352,447	21,651,249
<i>Aktur İzmir Gayrimenkul A.Ş.</i>	<b>31.12.2020</b>	
Current assets	387	
Non-current assets	120,206,237	
<b>Total Assets</b>	<b>120,206,624</b>	
Current liabilities	3,595	
Non-current liabilities	9,882,932	
Parent company's equity	110,320,097	
<b>Total Assets</b>	<b>120,206,624</b>	
Sales, net	--	
Cost of sales	--	
Net profit / (loss)	(13,556)	



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**NOTE 15 – INVESTMENT PROPERTIES**

<b>Cost Value</b>	<b>Lands</b>	<b>Total</b>
01 January 2019 opening balance	60,500,000	60,500,000
Additions	62,424	62,424
Fair value	5,512,576	5,512,576
31 December 2019 closing balance	66,075,000	66,075,000
Additions	83,200	83,200
Fair value	12,786,667	12,786,667
Transfer	420,133	420,133
31 December 2020 closing balance	79,365,000	79,365,000
<b>31.12.2019, Net Book Value</b>	<b>66,075,000</b>	<b>66,075,000</b>
<b>31.12.2020, Net Book Value</b>	<b>79,365,000</b>	<b>79,365,000</b>

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

	<b>Manisa</b>	<b>İzmir</b>
<b>01 January 2019 opening balance</b>	2,500,000	58,000,000
Addition	-	62,424
Value Decrease/increase	100,000	5,412,576
<b>31 December 2019 closing balance</b>	<b>2,600,000</b>	<b>63,475,000</b>
Transfer		420,133
Addition	-	83,200
Value Decrease/increase	400,000	12,386,667
<b>31 December 2020 closing balance</b>	<b>3,000,000</b>	<b>76,365,000</b>

As of 31 December 2020 and 31 December 2019, the lands that are shown as investment property are revaluated by Rota Gayrimenkul Değerleme ve Danışmanlık A.Ş. The fair values determined in the valuation studies carried out on 31 December 2020 are reflected in the accompanying consolidated financial statements.

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**NOTE 16 – TANGIBLE ASSETS**

<b>Cost Value</b>	<b>Land</b>	<b>Land Improvements</b>	<b>Buildings</b>	<b>Property, plant and equipment</b>	<b>Vehicles</b>	<b>Fixtures and fittings</b>	<b>Construction in progress</b>	<b>Special costs</b>	<b>Total</b>
01 January 2019 opening balance	4,765,171	82,673,963	92,133,408	496,734,647	3,380,347	16,320,181	10,822,867	9,175	706,839,759
Additions	-	2,543	8,928,877	10,350,267	-	1,072,242	83,247,787	-	103,601,716
Disposals	-	-	-	(16,115,713)	-	(1,763)	(13,690)	-	(16,131,166)
Transfers	-	-	5,814,761	36,173,360	-	14,200	(46,233,767)	-	(4,231,446)
31 December 2019 closing balance	4,765,171	82,676,506	106,877,046	527,142,561	3,380,347	17,404,860	47,823,197	9,175	790,078,863
Additions	-	17,000	55,899	5,009,558	1,078,930	651,139	172,550,195	-	179,362,721
Disposals	-	-	-	(1,101,521)	(86,247)	(27,605)	-	-	(1,215,373)
Transfers	(403,653)	(13,892,482)	1,312,757	189,139,344	-	-	(181,303,963)	-	(5,147,997)
Impairment	-	-	(7,754,809)	-	-	-	-	-	(7,754,809)
Gain on revaluation of property	79,488,282	-	128,406,907	263,551,229	-	-	-	-	471,446,418
31 December 2020 closing balance	83,849,800	68,801,024	228,897,800	983,741,171	4,373,030	18,028,394	39,069,429	9,175	1,426,769,823
<b>Accumulated Depreciation</b>									
01 January 2019 opening balance	-	24,864,286	21,157,056	221,625,931	1,292,326	8,925,796	-	917	277,866,312
Additions	-	4,913,057	2,185,842	22,073,534	55,612	2,651,889	-	1,835	31,881,769
Disposals	-	-	-	(7,058,093)	-	(176)	-	-	(7,058,269)
31 December 2019 closing balance	-	29,777,343	23,342,898	236,641,372	1,347,938	11,577,509	-	2,752	302,689,812
Additions	-	3,767,999	2,187,460	31,330,131	72,344	1,784,767	-	1,835	39,144,536
Disposals	-	-	-	(739,541)	(33,061)	(23,925)	-	-	(796,527)
Transfers	-	(12,743,956)	-	12,743,956	-	-	-	-	-
Gain on revaluation of property	-	-	(25,530,358)	(279,975,918)	-	-	-	-	(305,506,276)
31 December 2020 closing balance	-	20,801,386	-	-	1,387,221	13,338,351	-	4,587	35,531,545
<b>31.12.2019, Net Book Value</b>	<b>4,765,171</b>	<b>52,899,163</b>	<b>83,534,148</b>	<b>290,501,189</b>	<b>2,032,409</b>	<b>5,827,351</b>	<b>47,823,197</b>	<b>6,423</b>	<b>487,389,051</b>
<b>31.12.2020, Net Book Value</b>	<b>83,849,800</b>	<b>47,999,638</b>	<b>228,897,800</b>	<b>983,741,171</b>	<b>2,985,809</b>	<b>4,690,043</b>	<b>39,069,429</b>	<b>4,588</b>	<b>1,391,238,278</b>

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As of 31 December 2020, the depreciation expense of tangible assets for the period is TRY 39,144,536 (31 December 2019: TRY 31,881,769).

As of 31 December 2020, fixed assets are insured by TRY 22,017,716 EUR 37,956,200 (TRY 341,905,654), USD 173,233,792 (TRY 1,271,622,650). (31 December 2019: TRY 14,182,700, EUR 26,094,700 (TRY 173,545,412), USD 156,855,763 (TRY 931,754,603).

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions are USD 134,950,000 (TRY 990,600,475), EUR 25,000,000 (TRY 225,197,500) and TRY 132,310,000.

As of 31 December 2020, net book value of leasing machines is TRY 15,184,269 (31.12.2019: 11,292,663 TRY).

As of 31 December 2020 and 2019, the Group has no borrowing costs.

**NOTE 17 – RIGHT OF USE ASSETS**

<b>Cost Value</b>	<b>Lands</b>	<b>Buildings</b>	<b>Plants</b>	<b>Vehicles</b>	<b>Total</b>
01 January 2019 opening balance	-	-	-	-	-
Change in accounting policy	216,676	419,777	158,360	1,180,687	1,975,500
31 December 2019 closing balance	216,676	419,777	158,360	1,180,687	1,975,500
Disposals	(216,676)	-	-	-	(216,676)
31 December 2020 closing balance	-	419,777	158,360	1,180,687	1,758,824
<b>Accumulated Depreciation</b>					
01 January 2019 opening balance	-	-	-	-	-
Change in accounting policy	43,335	226,034	127,568	631,200	1,028,137
31 December 2019 closing balance	43,335	226,034	127,568	631,200	1,028,137
Additions	-	193,743	30,792	347,751	572,286
Disposals	(43,335)	-	-	-	(43,335)
31 December 2020 closing balance	-	419,777	158,360	978,951	1,557,088
<b>31.12.2019, Net Book Value</b>	<b>173,341</b>	<b>193,743</b>	<b>30,792</b>	<b>549,487</b>	<b>947,363</b>
<b>31.12.2020, Net Book Value</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>201,736</b>	<b>201,736</b>

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**NOTE 18 – INTANGIBLE ASSETS**

<b>Cost Value</b>	<b>Rights</b>	<b>Research and Development Expenses</b>	<b>Other Intangible Assets</b>	<b>Total</b>
01 January 2019 opening balance	501,522	6,636,579	885,257	8,023,358
Additions	282,780	-	151,441	434,221
Disposals	(115,272)	-	-	(115,272)
Transfer	34,137	4,197,309	-	4,231,446
31 December 2019 closing balance	703,167	10,833,888	1,036,698	12,573,753
Additions	227,769	-	-	227,769
Transfer	(3,755)	4,714,839	16,780	4,727,864
31 December 2020 closing balance	927,181	15,548,727	1,053,478	17,529,386
<b>Accumulated Depreciation</b>				
01 January 2019 opening balance	496,483	524,028	633,341	1,653,852
Additions	20,567	834,045	185,659	1,040,271
Disposals	(115,272)	-	-	(115,272)
31 December 2019 closing balance	401,778	1,358,073	819,000	2,578,851
Additions	123,316	1,170,462	94,275	1,388,053
Transfer	(15,543)	-	15,543	-
31 December 2020 closing balance	509,551	2,528,535	928,818	3,966,904
<b>31.12.2019, Net Book Value</b>	<b>301,389</b>	<b>9,475,815</b>	<b>217,698</b>	<b>9,994,902</b>
<b>31.12.2020, Net Book Value</b>	<b>417,630</b>	<b>13,020,192</b>	<b>124,660</b>	<b>13,562,482</b>

As of 31 December 2020, the amortization expense of intangible assets for the period is TRY 1,388,053 (31 December 2019: TRY 1.040,271).

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

As of 31 December 2020 and 2019, the Group's guarantee / security / mortgage (“GSM”) position are as follows:

<b>Guarantees, security and mortgage “(GSM)” given by the Group</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
A. Total Amount of GSM given on behalf of legal entity	3,068,291,966	2,410,330,176
B. Total Amount of GSM given for partnerships which included in full consolidation	224,752,894	56,734,140
C. Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade activities	None	None
D. Total Amount of other GSM given	None	None
i. Total Amount of GSM given for the Parent Group	None	None
ii. Total Amount of GSM Given for Other Group Companies not Included in B and C Clauses	None	None
iii. Total Amount of GSM Given for Third Parties not Included in C Clause	None	None
<b>Total</b>	<b>3,293,044,860</b>	<b>2,467,064,316</b>

There is no guarantee given by the Group for the loans in favor of related parties. For credit contracts of the Group USD 114,250,000 (TRY 838,652,125), EUR 7,500,000 (TRY 67,559,250) and TRY 122,500,000 guarantee are provided by related parties (Akça Holding and Osman Akça) (31 December 2019: USD 114,250,000 (TRY 678,667,850), EUR 7,500,000 (TRY 49,879,500) and TRY 122,500,000).

As of 31 December 2020, the details of the guarantee given for the subsidiary Tan Elektrik’s financial borrowings to investment are as follows:

	<b>FX Currency</b>	<b>FX Amount</b>	<b>FX Rate</b>	<b>TRY Equivalent</b>
Commerzbank AG	EUR	18,865,260	9.0079	169,936,372
AKA European Export&Trade Bank	EUR	6,085,383	9.0079	54,816,522
				<b>224,752,894</b>

As of 31 December 2020, 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	7.3405	990,600,475
Türkiye Vakıflar Bankası T.A.O	EUR	25,000,000	9.0079	225,197,500
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	TRY	35,000,000	1.0000	35,000,000
				<b>1,348,107,975</b>

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As of 31 December 2020, details of the guarantee letters given are as follows:

Details of Guarantee Letters Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Electricity and Natural Gas Distribution Companies	TRY	16,511,954	1.0000	16,511,954
Energy Market Regulatory Authority	TRY	25,902	1.0000	25,902
Customs Administration	TRY	15,354,800	1.0000	15,354,800
Credit Guarantee	USD	8,803,000	7.3405	64,618,422
Credit Guarantee	EUR	40,340,000	9.0079	363,378,686
Credit Guarantee	TRY	10,000,000	1.0000	10,000,000
Employment commitment	TRY	160,000	1.0000	160,000
Food, Agriculture Livestock Directorate	TRY	625,669	1.0000	625,669
Public Institutions	TRY	1,818,599	1.0000	1,818,599
				<b>472,494,032</b>

As of 31 December 2020, bank details of the guarantee letters given are as follows:

Bank Details of Guarantee Letters Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O.	TRY	43,983,550	1.0000	43,983,550
Türkiye Vakıflar Bankası T.A.O.	EUR	16,040,000	9.0079	144,486,716
Türkiye Vakıflar Bankası T.A.O.	USD	6,600,000	7.3405	48,447,300
Türkiye Finans Katılım Bankası A.Ş.	TRY	58,000	1.0000	58,000
Halk Bank A.Ş.	USD	2,000,000	7.3405	14,681,000
Halk Bank A.Ş.	EUR	24,300,000	9.0079	218,891,970
Türkiye Finans Katılım Bankası A.Ş.	USD	203,000	7.3405	1,490,122
İşbankası A.Ş.	TRY	455,374	1.0000	455,374
				<b>472,494,032</b>

As of 31 December 2020, avals which are given to trade receivables by the Group are as follows:

	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O	USD	8,700,032	7.3405	63,862,584
Türkiye Vakıflar Bankası T.A.O	EUR	186,504	9.0079	1,680,008
				<b>65,542,592</b>

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As of 31 December 2020, bank details of the general borrowing contracts are as follows:

General Borrowing Contracts:	FX Currency	FX Amount	FX Rate	TRY Equivalent
Albarakaturk A.Ş.	TRY	15,000,000	1.0000	15,000,000
Denizbank A.Ş.	USD	9,000,000	7.3405	66,064,500
Eximbank A.Ş.	USD	25,000,000	7.3405	183,512,500
Finansbank A.Ş.	TRY	13,000,000	1.0000	13,000,000
Halk Bankası A.Ş.	TRY	10,000,000	1.0000	10,000,000
İşbankası A.Ş.	USD	9,500,000	7.3405	69,734,750
Odea Bank A.Ş.	TRY	33,000,000	1.0000	33,000,000
Şekerbank A.Ş.	USD	3,750,000	7.3405	27,526,875
Şekerbank A.Ş.	TRY	2,500,000	1.0000	2,500,000
Şekerbank A.Ş.	EUR	7,500,000	9.0079	67,559,250
Türkiye Finans katılım Bankası A.Ş.	TRY	30,000,000	1.0000	30,000,000
Akbank T.A.Ş.	TRY	4,000,000	1.0000	4,000,000
Vakıfbank A.Ş.	USD	65,000,000	7.3405	477,132,500
Turkland Bank A.Ş.	TRY	15,000,000	1.0000	15,000,000
Arap Türk Bankası A.Ş.	USD	2,000,000	7.3405	14,681,000
				<b>1,028,711,375</b>

As of 31 December 2020, details of the guarantee notes given are as follows:

Guarantee Notes Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Eximbank	USD	1,792,500	7.3405	13,157,846
Eximbank	EUR	4,564,875	9.0079	41,119,938
Eximbank	TRY	1,115,000	1.0000	1,115,000
				<b>55,392,784</b>

As of 31 December 2020, bank details of the bonds are as follows:

Bond	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türk Eximbank	USD	3,220,539	7.3405	23,640,367
Türk Eximbank	EUR	1,400,719	9.0079	12,617,537
Türkiye Cumhuriyeti Merkez Bankası	EUR	13,025,000	9.0079	117,327,898
Türkiye Cumhuriyeti Merkez Bankası	TRY	10,000,000	1.0000	10,000,000
				<b>163,585,801</b>

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**NOTE 20 – PROVISIONS**

**Other Short Term Provisions**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Provision for the lawsuits	2,961,869	437,081
Provision for unused vacation	6,213,323	6,735,719
	<b>9,175,192</b>	<b>7,172,800</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
Unused vacation provisions at beginning of period	6,735,719	3,897,322
Provisions reversed during the period	(643,679)	-
Provisions during the period	121,283	2,838,397
<b>Closing balance</b>	<b>6,213,323</b>	<b>6,735,719</b>

**Long Term Provisions for Employee Benefits**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Provision for severance pay	57,822,309	48,560,363
	<b>57,822,309</b>	<b>48,560,363</b>

For the period of 01 January – 31 December 2020, the average personnel number including subcontractors employed by the Group is 4,378. (01.01-31.12.2019: 4,285). The rate of retirement probability used is 96%. (01.01-31.12.2019: % 97).

For the period ended at 31 December 2020 and 2019 the movement schedule of severance pay provision is as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Balance of 01 January	48,560,363	35,840,240
Increase in the period	22,938,676	18,082,812
Interest cost	2,933,283	2,331,624
Payments during the period	(9,815,940)	(8,030,600)
Actuarial profit/(loss)	(6,794,073)	336,287
<b>Balance at the end of the period</b>	<b>57,822,309</b>	<b>48,560,363</b>



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**NOTE 21 – EMPLOYEE BENEFIT LIABILITIES**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Due to personnel	21,037,453	10,038,352
Social security deductions payable	4,692,044	3,871,809
	<b>25,729,497</b>	<b>13,910,161</b>

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

**Other Current Assets**

	<b>31.12.2020</b>	<b>31.12.2019</b>
VAT carried forward	81,443,792	86,908,256
	<b>81,443,792</b>	<b>86,908,256</b>

**NOTE 23 – SHARE CAPITAL**

**23.1 Paid in Capital**

As of 31 December 2020 and 2019, Group’s paid in capital was divided into 250,000,000 shares as each valued at TRY 0,01 nominally 25,000,000,000 shares.

As of 31 December 2020 and 2019, Group’s paid in capital is as follows:

<b>Shareholders</b>	<b>31.12.2020</b>		<b>31.12.2019</b>	
	<b>Share (%)</b>	<b>TRY</b>	<b>Share (%)</b>	<b>TRY</b>
Public Offered Shares	46.88%	117,189,944	46.88%	117,189,944
Akça Holding A.Ş.	50.73%	126,829,500	50.73%	126,829,500
Other	2.39%	5,980,556	2.39%	5,980,556
<b>Total</b>	<b>100.00%</b>	<b>250,000,000</b>	<b>100.00%</b>	<b>250,000,000</b>

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

**23.2 Inflation Adjustments of Shareholders’ Equity**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Inflation adjustment of shareholders’ equity	485,133	485,133
	<b>485,133</b>	<b>485,133</b>

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

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Effect of mergers involving undertakings or businesses subject to common control	(70,487,372)	(25,567,435)
	<b>(70,487,372)</b>	<b>(25,567,435)</b>

As of 31 December 2020 and 2019, the movement of effect of mergers involving undertakings or businesses subject to common control is as follows;

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
1 January (Beginning of period)	(25,567,435)	(25,567,435)
Purchase of minority shares	(44,919,937)	-
	<b>(70,487,372)</b>	<b>(25,567,435)</b>

(\*) At the meeting of the Board of Directors dated 28.12.2020, The Company purchased the share that a total nominal value of TRY 12,800,000 with a price of TRY 3.87 per share in other partners of Tan Elektrik Üretim A.Ş. (Tan Elektrik); one of the subsidiaries of Company. The Company purchased the share that a total nominal value of TRY 9,599,990 with a price of TRY 2.09 per share in other partners of Akça Enerji Üretim Otoprodüktör Grubu A.Ş. ("Akça Enerji"); one of the other subsidiaries of Company. The per share prices is stated in Valuation Report prepared by DRT Kurumsal Finans Danışmanlık Hizmetleri A.Ş. an authorized institution within the framework of Capital Markets Board (CMB) regulations.

A total of TRY 46,473,376 was paid for the shares of Tan Elektrik with a nominal value of TRY 12,008,000 in other partners and a total of TRY 20,054,551 was paid for shares with a nominal value of TRY 9,599,990 in other shareholders of Akça Enerji. In this way, total purchase price of TRY 66,527,927 has been paid. With this transaction, the direct share of the Group in Tan Elektrik and Akça Enerji increased to 100%. The difference between the purchase price of TRY 66,527,927 and the nominal share price of TRY 21,607,990 TRY 44,919,937 has classified under effect of mergers involving undertakings or businesses subject to common control.

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

**23.4.1 Gain on revaluation of properties**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Gain on revaluation of properties	638,436,962	-
	<b>638,436,962</b>	<b>-</b>

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

	<b>01.01.-</b>
	<b>31.12.2020</b>
1 January (Beginning of period)	-
Increase in value on fixed asset	782,652,561
Transfer to minority shares	(11,597,629)
Deferred tax effect	(132,617,970)
	<b>638,436,962</b>

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

The "direct capitalization method, which is a market approach and income approach method" has been used in determining the fair value of the Group's lands and buildings. The "Cost Approach Method" was used in determining the fair values of the plant, machinery and devices.

The fair value increases TRY 638,436,962 from revaluation of tangible assets are recognized in gain on revaluation of properties account which is under equity, after the netting of the deferred tax effect.

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

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Defined Benefit Plans Re-Measurement Gains (Losses)	5,377,107	(28,816)
	<b>5,377,107</b>	<b>(28,816)</b>

**23.5 Accumulated other comprehensive income/(expense) to be reclassified to profit or loss**

**23.5.1 Share of other comprehensive income of investments accounted for using equity method that not to be reclassified to profit or loss**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Share of other comprehensive income of investments accounted for using equity method that not to be reclassified to profit or loss	42,649,562	-
	<b>42,649,562</b>	<b>-</b>

The fair value increases TRY 42,649,562 from revaluation of investment properties are shown in revaluation gain (loss) accounted with using the equity method which is under equity in the balance sheet, after the netting of the deferred tax effect.

**23.6 Restricted Reserves**

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Legal reserves	10,147,245	10,460,462
	<b>10,147,245</b>	<b>10,460,462</b>

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

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**Profit Distribution**

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

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

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

**23.7 Retained Earnings/ Losses**

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

	<b>31.12.2020</b>	<b>31.12.2019</b>
Previous Years Profits/(Losses)	(77,913,133)	(25,858,051)
	<b>(77,913,133)</b>	<b>(25,858,051)</b>

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**23.8 Minority Interest**

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

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

The details of the minority interests as of 31 December 2019 are as follows:

<b>31 December 2019</b>	<b>Total Shareholders' Equity</b>	<b>Profit/(Loss) of the Period</b>	<b>Parent Group Share</b>	<b>Minority Interest</b>	<b>Minority part of Shareholders' Equity</b>	<b>Minority part of Profit/(Loss)</b>	<b>Minority Total comprehensive income / (loss)</b>
Smryna	11,190,575	(1,545,328)	79.17%	20.83%	2,331,369	(321,943)	(314,391)
Tan Elektrik	8,126,219	5,758,202	67.90%	32.10%	1,286,853	1,848,383	1,849,816
Akça Enerji	(54,757,105)	(29,938,670)	80.42%	19.58%	(18,682,178)	(5,863,186)	(5,873,277)
					<b>(15,063,956)</b>	<b>(4,336,746)</b>	<b>(4,337,852)</b>

As of 31 December 2020 and 2019, the details of the minority interests shares are as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Shares in capital	2,500,000	24,107,990
Revaluation fund	11,597,629	-
Actuarial loss / (gain)	26,234	(3,102)
Shares in accumulated profit / ( losses)	(165,529)	(34,832,097)
Share in profit / (loss) for the period	2,072,638	(4,336,747)
	<b>16,030,972</b>	<b>(15,063,956)</b>

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**NOTE 24 – SALES AND COST OF SALES**

**24.1 Sales**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Domestic sales	648,966,603	493,295,647
Export sales	1,176,229,076	971,835,616
Other sales	7,341,509	5,120,351
	<b>1,832,537,188</b>	<b>1,470,251,614</b>
Sales returns	(2,886,196)	(3,603,381)
Other discounts	(6,368,027)	(5,906,263)
<b>Sales Income, (net)</b>	<b>1,823,282,965</b>	<b>1,460,741,970</b>

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**24.2 Cost of Sales**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Direct material expenses	774,716,081	800,762,246
Direct labor expenses	184,222,019	162,006,419
General production expenses	94,462,951	74,951,650
Depreciation expenses	19,201,685	19,079,150
<u>Change in semi-finished goods</u>		
1. Beginning semi-finished goods(+)	174,959,398	123,914,118
2. Ending semi-finished goods (-)	(149,816,954)	(174,959,398)
Cost of finished goods produced	1,097,745,180	1,005,754,185
<u>Changes in finished goods inventory</u>		
1. Beginning inventory (+)	27,181,623	16,245,387
2. Ending inventory (-)	(52,339,286)	(27,181,623)
Cost of finished goods sold	1,072,587,517	994,817,949
<u>Cost of merchandises</u>		
1. Beginning merchandise inventory (+)	348,368	906,815
2. Purchases during the period (+)	5,420,428	9,677,271
3. Ending merchandise inventory (-)	(762,416)	(348,368)
Cost of merchandises sold	5,006,380	10,235,718
Cost of other service rendered	778,451	705,391
Cost of other sales	311,118,908	244,904,007
Cost of biological assets	23,704,290	19,602,513
Depreciation of biological assets	2,425,106	2,425,096
Energy costs	45,634,949	24,356,331
Energy depreciation	17,735,370	11,797,124
<b>Cost of sales, net</b>	<b>1,478,990,971</b>	<b>1,308,844,129</b>



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As of 01 January – 31 December 2020 and 2019, for each main production group, quantities of goods and services:

	Unit	01.01.- 31.12.2020	01.01.- 31.12.2019
Yarn	Kg	11,698,610	13,367,470
Raw Clothing	Mt2	114,394,087	127,366,149
Finishing Cloth	Mt2	173,471,485	184,300,926
Lining	Mt2	12,393,068	19,986,323
Linens, Sheets, Curtains, Pillows.	Quantity	21,763,388	22,697,705
Electricity	Kwh	272,606,540	184,901,526
Cotton Waste	Kg	281,829	586,998
Piece of Cloth	Kg	3,699,515	3,838,056
Yarn Waste	Kg	418,510	696,660
Textile Trash Powder	Kg	71,600	228,330
Tomato	Kg	5,005,029	5,583,069
Dried Figs	Kg	7,755,462	3,122,653
Dried Apricot	Kg	764,612	867,951
Dried Grape	Kg	14,142,958	14,157,142

As of 01 January – 31 December 2020 and 2019, for each main sales group, quantities of goods and services:

	Unit	01.01.- 31.12.2020	01.01.- 31.12.2019
Yarn	Kg	208,976	1,105,105
Raw Clothing	Mt2	333	5,744
Finishing Cloth	Mt2	21,826,640	12,933,866
Lining	Mt2	13,657,688	19,573,452
Linens, Sheets, Curtains, Pillows	Adet	20,944,051	22,343,355
Electricity	Kwh	213,804,010	112,715,410
Cotton Waste	Kg	435,480	556,920
Piece of Cloth	Kg	3,592,125	3,781,000
Yarn Waste	Kg	418,510	696,660
Textile Trash Powder	Kg	71,600	228,330
Tomato	Kg	5,013,370	5,637,019
Dried Figs	Kg	7,755,462	3,122,653
Dried Apricot	Kg	764,612	867,951
Dried Grape	Kg	14,142,958	14,157,142

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Research and development expenses	3,552,668	4,321,458
Marketing, sales and distribution expenses	53,371,407	38,070,654
General administrative expenses	43,005,652	24,053,919
	<b>99,929,727</b>	<b>66,446,031</b>

**25.1 Research and Development Expenses**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Direct Material expenses	1,055,726	2,247,834
Personnel expenses	2,342,190	1,612,855
Other expenses	154,752	460,769
	<b>3,552,668</b>	<b>4,321,458</b>

**25.2 Marketing Expenses**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Personnel expenses	11,743,526	9,209,436
Export expenses	35,863,186	25,032,837
Domestic sales transportation expense	967,962	703,474
Depreciation expenses	317,186	190,299
Fair expense	1,021,750	1,031,163
Other expenses	3,457,797	1,903,445
	<b>53,371,407</b>	<b>38,070,654</b>

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**25.3 General Administrative Expenses**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Personnel expenses	27,968,206	11,751,489
Insurance expenses	1,959,095	1,671,498
Education and consultancy expenses	2,048,099	1,504,282
Office expenses	871,433	364,011
Capital market expenses	259,403	229,359
Repair and maintenance expenses	151,381	153,846
Travelling expenses	409,972	906,178
Membership expenses	321,282	226,915
Tax and duty expenses	1,734,587	1,844,965
Shares in holding cost (*)	1,229,695	1,094,144
Provision for litigation expenses	2,539,886	6,314
Provision for severance pay expense	122,323	680,661
Provision for leave	89,845	1,459,397
Provision for doubtful receivables	360,288	-
Depreciation expenses	1,425,528	458,508
Other expenses	1,514,629	1,702,352
	<b>43,005,652</b>	<b>24,053,919</b>

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

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

**26.1 Other Income From Operating Activities**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Reversal of unnecessary provision	1,400,168	620,115
Insurance compensation income	577,184	-
Foreign exchange gains related to commercial activities	38,488,413	31,051,503
Discount income / expenses on payables, net	4,465,815	4,357,742
Interest income gains from related parties related to commercial activities (Note 5)	146,745	-
Turnover premium income	2,813,821	2,627,119
Foreign exchange gains from related parties related to commercial activities (Note 5)	16,510,908	-
Rental income	741,773	500,030
Other income and profit	3,346,803	4,852,392
	<b>68,491,630</b>	<b>44,008,901</b>

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Foreign exchange expenses from related parties related to commercial activities	267,454	8,524,797
Foreign exchange expenses related to commercial activities	34,954,789	11,372,704
Discount income/expenses on receivables, net	5,943,785	4,036,997
Other expenses and losses	1,113,999	967,948
Donation expenses	1,719,908	2,846,677
	<b>43,999,935</b>	<b>27,749,123</b>

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

**27.1 Income from Investment Activities**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Gain on revaluation of investment properties	7,086,800	5,512,576
Profit on sale of Participation	16,518,003	-
Profit on sale of fixed assets	1,111,911	10,092,769
	<b>24,716,714</b>	<b>15,605,345</b>

**27.2 Expenses from Investment Activities**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Losses on sale of fixed assets	-	354,381
Impairment of tangible assets	7,754,809	-
	<b>7,754,809</b>	<b>354,381</b>

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Shares related with investment valued by the equity pick-up method	7,899,827	7,019,289
	<b>7,899,827</b>	<b>7,019,289</b>

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**NOTE 28 – FINANCIAL INCOME / EXPENSES**

**28.1 Financial Income**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Interest income	1,444,519	3,125,928
Maturity differences income from related parties (Note 5)	1,641,648	2,329,638
Foreign exchange income regarding financial activities	20,841,431	46,297,618
Foreign exchange income from related parties (Note 5)	-	6,852,329
Exchange difference income from futures contracts	869,873	420,306
	<b>24,797,471</b>	<b>59,025,819</b>

**28.2 Financial Expenses (-)**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Interest expenses	50,892,080	41,551,046
Maturity differences expenses from related parties (Note 5)	1,145,376	-
Foreign exchange losses regarding financial activities	362,666,567	135,092,467
Foreign expenses for related parties (Note 5)	267,454	8,524,797
Commission expenses of borrowings	10,601,382	8,589,611
Financial expenses from right of use assets	62,269	827,846
Maturity differences expenses	-	82,444
Foreign exchange losses arising from futures contracts	111,375	1,858,292
Other financial expenses	3,057,286	1,800,126
	<b>428,803,789</b>	<b>198,326,629</b>

**NOTE 29 – TAX ASSETS AND LIABILITIES**

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

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

The applied effective interest rate in the year of 2020 is 22% (2019: 22%)

Permanent tax is calculated and accrued quarterly in Turkey. As of temporary tax periods, the effective corporation tax rate is 22% in 2020 (2019: 22%).

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

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

*Taxable losses*

According to Turkish Tax Legislation, deduction of financial losses which are decelerated on financial statements, are possible to deduct from profit of the Group with the condition not exceeding 5 years. However, financial losses are not possible to be set-off from previous year profits.

*Issue Premium Exemption*

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

*The Real Estate and Subsidiary Share Sales Gain Exemption*

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

*Investment Allowance Exemptions*

Post abolishment of the law numbered 5479, temporary 69 th article is added to Income Tax Legislation related investment allowance.

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According to this execution, Income and Corporation Taxpayers,

a. As of 31 December 2005, its existence is subject and the investment allowance amount that was not able to be deducted from 2005 earnings,

b. In the extent of investment incentive certificate which were issued and based on the application before 24 April 2003, ante abolishment of Income Tax Legislation numbered 193 and dated 09 April 2003 and law numbered 4842, in the extent of certificate the commenced investment projects relying on 1, 2, 3, 4, 5 and 6th the article of appendix and the ones commenced after 01 January 2006,

c. In the extent of abolished 19th article of Income Tax Legislation numbered 193, they started investments prior to 01 January 2006, in terms of economical and technical completeness the ones started post the date,

In terms of regulatory provisions effective on 31 December 2005, calculated amounts of exemptions from investment allowances, again in the extent of legal provisions valid on 31 December 2005 (including tax rate related legal provisions) was deducted merely from earnings of 2006, 2007 and 2008. However, with the decision numbered 2006/95, which was taken during the meeting of the Constitutional Court on 15 October 2009, the phrase "... only related to the years 2006, 2007 and 2008..." which was a part of the Temporary Article 69 of the Income Tax Law was cancelled and the cancellation became effective from the date the decision has been published in the Official Gazette on 8 January.2010. According to the decision, the investment incentive amount outstanding that cannot be deducted from 2008 taxable income previously will be deducted from taxable income of the subsequent profitable years.

Regarding the cancellation decision taken by the Constitutional Court, an amendment was made in the 69th article in Income Tax Regulation using the regulation numbered 6009 and dated 23/07/2010. Consequently, in compliance with the cancellation decision of the Constitutional Court, the year limitation has been abolished and investment allowance has been limited to 25% of the profit. Corporate tax ratio of 30% in the previous regulation for the ones who benefit from investment allowance has been decreased to the effective corporate tax with the amendment made.

Within the frame of the Communiqué "Decision regarding Government Incentive Assistance in Investment" dated 16 July 2009 and numbered 2009/01, newly investing companies are held subject to investment incentives based on the some regions.

Investment incentives and grants are; discount in corporation and income taxes (differs from region to region), provision for the investment, interest support.

Group is qualified for the investment incentives stated above due to the current and future investment expenditures. The investment area is within the 2nd Region according to the law numbered 5520, article 32/A; so the Group is qualified for 55% discount on corporation tax rate, which reduces corporation tax rate to 9% in accordance with Communiqué, 20% of total investment expenditures will be deducted from accrued corporation tax amount in the coming periods.

**Withholding tax**

In addition to Corporation tax, it is required to calculate withholding tax from the dividends distributed by full pledge taxpayer enterprise and include in its income tax base and except dividends distributed by foreign companies to its subsidiary in Turkey. As of 23 July 2006 income tax stoppage rate was changed as 15%. Dividends that are added to capital without distribution are not subject to income tax stoppage. It is necessary to make tax withholding at 19.8% over investment allowance balance utilized based on investment incentive certificate taken before 24 April 2003. 40% or 30% of group activities directly related to production investment certificate investment expenses made after this date can be deducted. Tax withholding cannot be made on investment expenses without incentive certificate.



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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:

	31.12.2020		31.12.2019	
	Cumulative temporary differences	Deferred tax / (liability)	Cumulative temporary differences	Deferred tax / (liability)
<u>Deferred tax assets:</u>				
Unearned interests on receivables	2,915,173	583,035	959,768	211,149
Severance pay provision	57,822,309	11,564,461	48,560,363	9,712,072
Unused vacation provisions	6,213,323	1,242,664	6,735,719	1,481,858
Reversal of capitalized financial expenses (except land, buildings)	131,059,276	26,211,857	75,396,642	15,079,328
Reversal of capitalized financial expenses (land, buildings)	27,038,126	2,703,813	31,432,118	3,143,212
Deferred maturity difference income	14,311,500	2,862,300	-	-
Provisions of legal claims	2,961,869	592,373	-	-
Impairment of tangible fixed assets	7,754,810	775,481	-	-
Deductible retained losses	45,125,477	9,025,095	18,364,982	4,040,296
Foreign exchange	1,342,933	268,587	2,403,629	528,798
Effect of other corrections	34,749,724	6,949,947	14,663,724	3,226,024
<b>Deferred tax assets</b>		<b>62,779,613</b>		<b>37,422,737</b>
<u>Deferred tax liabilities:</u>				
Tangible assets (land, building, land improvements and depreciations), net	47,868,789	9,573,758	14,330,502	2,866,100
Difference in revaluation of land and buildings	233,425,547	23,342,554	-	-
Difference in revaluation of machinery, plant and equipments	542,449,985	108,489,997	-	-
Unearned interests on payables	3,506,047	701,210	3,028,612	666,294
Adjustments related to financial debts	1,851,045	370,209	715,218	157,349
Investment property increase in value	13,855,794	1,385,579	1,069,127	106,913
Effect of other corrections	2,635,041	527,011	3,229,594	710,511
Insurance indemnity accrual	-	-	1,979,172	435,416
<b>Deferred tax liabilities</b>		<b>144,390,318</b>		<b>4,942,583</b>
<b>Deferred tax assets / (liabilities), net</b>		<b>(81,610,705)</b>		<b>32,480,154</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.

Within the scope of the "Law on the Amendment of Certain Tax Laws and Some Other Laws" numbered 7061, which was published in the Official Gazette dated 05 December 2017, the corporate tax rate for the years 2018, 2019 and 2020 was increased from 20% to 22%. Under the said law, deferred tax assets and liabilities are recognized in the consolidated financial statements as of 31 December 2019 with a tax rate of 22% for the portion of temporary differences that will have a tax effect in 2018, 2019 and 2020 and 20% for temporary differences and 20% for 2021 and for after this year.

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For the period ended at 31 December 2020 and 2019 movements of deferred tax assets and liabilities are as follows:

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Current corporation tax	(1,646,995)	-
Deferred tax assets/(liabilities), net	19,885,926	(2,382,761)
	<b>18,238,931</b>	<b>(2,382,761)</b>

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

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Opening balance	32,480,154	34,795,658
Deferred tax income / (expense)	19,885,926	(2,382,761)
Gain on revaluation of properties	(132,617,970)	-
Actuarial (gain) / loss effect prior periods	(1,358,815)	67,257
<b>Closing balance</b>	<b>(81,610,705)</b>	<b>32,480,154</b>

**NOTE 30 – EARNINGS PER SHARE**

	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
Net profit / (loss) for the period	(94,124,331)	(13,364,984)
Weighted-average number of shares outstanding (per share with TRY 1 value)	250,000,000	250,000,000
<b>Simple earnings and divided earnings per share (TRY)</b>	<b>(0.3765)</b>	<b>(0.0535)</b>

**NOTE 31 – FINANCIAL INSTRUMENTS**

<b>Financial assets</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Liquid assets	47,437,939	30,933,504
Trade receivables	290,476,101	124,239,432
Other receivables	139,338,712	14,044,302
<b>Financial liabilities</b>		
Financial borrowings	1,419,572,458	993,506,528
Lease payables	30,391,059	7,524,780
Other payables	11,424,477	2,452,989
Trade payables	232,073,338	267,149,534

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

**Financial Instruments**

**Credit Risk**

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

As of 31 December 2020, maximum net credit risk is as follows:

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

	Trade Receivables		Other Receivables		Bank
	Related Party	Third Party	Related Party(*)	Related Party	Deposits
<b>31 December 2019</b>					
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>	46,036,187	78,203,245	6,367,331	7,676,971	30,852,502
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	46,036,187	78,203,245	-	7,676,971	30,852,502
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	-	-	6,367,331	-	-
The part under guarantee with collateral etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	65,554	-	-	-
Impairment (-)	-	(65,554)	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(\*) Other receivables amounting to TRY 6,367,331 including principal and maturity difference from Akça Holding A.Ş., one of the related parties of the Group were closed in February 2020.

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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 2020, Group's liquidity risk table is as follows:

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

As of 31 December 2019, Group's liquidity risk table is as follows:

<b>Maturities according to agreement</b>	<b>Book Value</b>	<b>Contractual total cash outflow (=I+II+III+IV)</b>	<b>Less than 3 months (I)</b>	<b>3 – 12 months (II)</b>	<b>1- 5 Years (III)</b>	<b>More than 5 Years (IV)</b>
<b>Financial Liabilities Non Derivatives</b>	<b>1,287,531,245</b>	<b>1,360,613,991</b>	<b>462,806,197</b>	<b>346,085,034</b>	<b>402,493,181</b>	<b>149,229,579</b>
Financial borrowings	992,460,907	1,064,951,326	189,916,712	327,383,302	398,421,733	149,229,579
Financial leasing	7,524,780	8,341,677	1,047,391	3,222,838	4,071,448	-
Trade payables	267,149,534	266,924,964	266,283,881	641,083	-	-
- Related parties	-	-	-	-	-	-
- Other parties	267,149,534	266,924,964	266,283,881	641,083	-	-
Other liabilities	20,396,024	20,396,024	5,558,213	14,837,811	-	-
- Related parties	85,050	85,050	85,050	-	-	-
- Other parties	20,310,974	20,310,974	5,473,163	14,837,811	-	-
	<b>1,287,531,245</b>	<b>1,360,613,991</b>	<b>462,806,197</b>	<b>346,085,034</b>	<b>402,493,181</b>	<b>149,229,579</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 2020, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 109,947,496 more/less. (%20 evaluation/devaluation : 219,894,990 TRY).

**Foreign currency risk sensitivity**

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

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As of 31 December 2019, 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 104,178,841 more/less. (%20 evaluation/devaluation: 208,357,680 TRY).

*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	(30,758,594)	30,758,594	(30,758,594)	30,758,594
2-Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(30,758,594)	30,758,594	(30,758,594)	30,758,594
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(74,231,773)	74,231,773	(74,231,773)	74,231,773
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(74,231,773)	74,231,773	(74,231,773)	74,231,773
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	811,483	(811,483)	811,483	(811,483)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	811,483	(811,483)	811,483	(811,483)
In the case of increasing / losing value of TRY by 10% against CHF				
10- CHF net asset / liability	43	(43)	43	(43)
11- Part of hedged from CHF risk (-)	-	-	-	-
12- CHF net effect(10+11)	43	(43)	43	(43)
TOTAL (3+6+9+12)	(104,178,841)	104,178,841	(104,178,841)	104,178,841

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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 2020, according to the current balance sheet position, in the case of 1% decrease / increase and keeping fixed all the variables the Group’s net profit will increase / decrease TRY 2,659,593

**Risk of intensification of sales**

During the reporting periods ending on 31 December 2020 and 2019, 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 2020, the share of the largest buyer in the revenue from textile sector operations is 46.25% (31 December 2019: 55.16%). 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 89.71%. (31 December 2019: 90.30%) Domestic sales of dried fruits (grape, fig and apricot) produced by Menderes as subcontractors are made in accordance with the "Sales Agreement" signed between Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş., the related party of the Group and Osman Akça exports these products to different customers abroad.

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

Textile:

<b>Customer</b>	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
A Company	46.25%	55.16%
	46.25%	55.16%

Agriculture:

<b>Customer</b>	<b>01.01.- 31.12.2020</b>	<b>01.01.- 31.12.2019</b>
B Company	89.71%	90.30%
	89.71%	90.30%

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As of 31 December 2020, amounts of assets and liabilities of the Group in foreign currency are as follows:

<b>31 December 2020</b>	<b>TRY equivalent functional currency</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>CHF</b>
1. Trade Receivables	230,103,327	18,048,301	9,283,351	1,407,538	-
2a. Monetary Financial Assets (including cash and banks)	40,288,332	2,653,703	2,218,172	68,914	17,200
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>270,391,659</b>	<b>20,702,004</b>	<b>11,501,523</b>	<b>1,476,452</b>	<b>17,200</b>
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	107,538	14,650	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>107,537</b>	<b>14,650</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>270,499,196</b>	<b>20,716,654</b>	<b>11,501,523</b>	<b>1,476,452</b>	<b>17,200</b>
10. Trade Payables	99,809,138	11,613,522	1,604,619	10,643	-
11. Financial Liabilities	559,580,509	7,953,285	55,639,985	-	-
12a. Other monetary financial liabilities	221,379	20,896	7,548	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>659,611,026</b>	<b>19,587,703</b>	<b>57,252,152</b>	<b>10,643</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	712,371,294	20,410,372	62,450,622	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>712,371,294</b>	<b>20,410,372</b>	<b>62,450,622</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>1,371,982,320</b>	<b>39,998,075</b>	<b>119,702,774</b>	<b>10,643</b>	<b>-</b>
<b>19. Net asset/(liabilities) position of off-balance sheet derivative instruments(19a-19b)</b>	<b>2,008,173</b>	<b>(403,750)</b>	<b>-</b>	<b>500,000</b>	<b>-</b>
19a. Off-balance sheet foreign currency derivative assets	6,807,025	250,000	-	500,000	-
19b. Off-balance sheet foreign currency derivative liabilities	4,798,852	653,750	-	-	-
<b>20. Net foreign currency asset / liabilities (9-18+19)</b>	<b>(1,099,474,951)</b>	<b>(19,685,171)</b>	<b>(108,201,251)</b>	<b>1,965,809</b>	<b>17,200</b>
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1,101,483,123)</b>	<b>(19,281,421)</b>	<b>(108,201,251)</b>	<b>1,465,809</b>	<b>17,200</b>
<b>22. Fair value of derivative instruments used in foreign currency hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Exports(*)</b>	<b>1,176,229,076</b>	<b>31,647,736</b>	<b>37,763,624</b>	<b>3,920,867</b>	<b>-</b>
<b>24. Imports(**)</b>	<b>448,014,684</b>	<b>47,415,661</b>	<b>15,862,389</b>	<b>29,128</b>	<b>11,299</b>

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

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



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<b>31 December 2019</b>	<b>TRY equivalent functional currency</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>CHF</b>
1. Trade Receivables	64,587,607	4,444,105	4,522,078	1,043,426	-
2a. Monetary Financial Assets (including cash and banks)	8,122,514	695,630	599,837	81	70
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	1,887,308	317,718	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>74,597,429</b>	<b>5,457,453</b>	<b>5,121,915</b>	<b>1,043,507</b>	<b>70</b>
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	32,843,043	-	4,938,358	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>32,843,043</b>	<b>-</b>	<b>4,938,358</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>107,440,472</b>	<b>5,457,453</b>	<b>10,060,273</b>	<b>1,043,507</b>	<b>70</b>
10. Trade Payables	172,839,503	24,200,265	4,373,303	-	-
11. Financial Liabilities	511,036,405	18,035,028	60,732,074	-	-
12a. Other monetary financial liabilities	113,836	8,017	9,956	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>683,989,744</b>	<b>42,243,310</b>	<b>65,115,333</b>	<b>-</b>	<b>-</b>
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	465,239,128	14,994,543	56,561,595	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>465,239,128</b>	<b>14,994,543</b>	<b>56,561,595</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>1,149,228,872</b>	<b>57,237,853</b>	<b>121,676,928</b>	<b>-</b>	<b>-</b>
<b>19. Net asset/(liabilities) position of off-balance sheet derivative instruments(19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-
<b>20. Net foreign currency asset / liabilities (9-18+19)</b>	<b>(1,041,788,400)</b>	<b>(51,780,400)</b>	<b>(111,616,655)</b>	<b>1,043,507</b>	<b>70</b>
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1,043,675,707)</b>	<b>(52,098,118)</b>	<b>(111,616,655)</b>	<b>1,043,507</b>	<b>70</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>971,835,617</b>	<b>31,822,692</b>	<b>25,123,689</b>	<b>2,461,220</b>	<b>-</b>
<b>24. Imports(**)</b>	<b>514,580,730</b>	<b>77,623,883</b>	<b>10,800,934</b>	<b>20,735</b>	<b>18,557</b>

(\*) The Group has TRY 614,474,396 export for the period of 01.01.-31.12.2019

(\*\*) The Group has TRY 539,176 import for the period of 01.01.-31.12.2019

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

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

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

Financial Assets

Monetary assets for which fair value approximates carrying value:

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

Financial Liabilities

Monetary liabilities for which fair value approximates carrying value:

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

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**Capital Risk Management**

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

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

As of 31 December 2020 and 2019, net debt / total equity ratio is as follows:

	<b>31.12.2020</b>	<b>31.12.2019</b>
Total debts	1,954,558,666	1,349,252,612
Liquid assets	(47,437,939)	(30,933,504)
Net debt	1,907,120,727	1,318,319,108
Total equity	720,602,145	181,062,353
Total capital	2,627,722,872	1,499,381,461
Net Debt/Total Capital	73%	88%

**Fair Value Estimate**

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

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

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

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

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

As of 31 December 2019, the classes and fair values of financial instruments are as follows:

31.12.2019	Financial assets and liabilities at amortized value	Financial assets whose fair value differences are reflected in the income statement	Book value	Note
<b>Financial assets</b>				
Cash and cash equivalents	30,933,504	-	30,933,504	4
Financial Investments	-	-	-	5
Trade receivables	124,239,432	-	124,239,432	7
Other receivables	14,044,302	-	14,044,302	9
<b>Financial liabilities</b>				
Financial borrowings	1,001,031,308	-	1,001,031,308	8
Trade payables	267,149,534	-	267,149,534	7
Other debts	2,452,989	-	2,452,989	9

#### NOTE 34 – SUBSEQUENT EVENTS

The upper limit of authorised capital permitted by the Capital Markets Board was valid for 2016-2020. In accordance with the decision of the Board of Directors dated 29.01.2021, extension of the period of permission given for another five years is valid for the the years between 2021-2025 (5 years) and increase of upper limit of authorised capital from 500,000,000 TRY to 1,250,000,000 TRY and due to the fact that Article 6 of the Company's Articles of Association should be amended in order to obtain the necessary permissions will be submitted to the approval of the Capital Markets Board on 23.02.2021

An application was made to the Capital Market Board on 18.01.2021 regarding the merger process within the company by taking over all assets of Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and Tan Elektrik Üretim A.Ş., which are 100% subsidiaries of Menderes Tekstil Sanayi ve Ticaret A.Ş., by applying the "Simplified Merger Procedure" method as a whole. In accordance with the provisions of Article 59 of the Electricity Market Licensing Regulation, the necessary application was made to the Energy Market Regulatory Authority (“EMRA”) on 19.01.2021. In this context, the merger process was allowed by the decisions of the Council of the Energy Market Regulatory Authority dated 11.02.2021 and numbered 10020-10 for Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and dated 04.02.2021 and numbered 10011-16 for Tan Elektrik Üretim A.Ş. Approval of the Capital Markets Board for the merger is expected.