

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AT
31 MARCH 2025

*(CONVENIENCE TRANSLATION OF THE REPORT, THE
FINANCIAL STATEMENTS AND THE EXPLANATORY
NOTES ORIGINALLY ISSUED IN TURKISH.)*

CONTENTS	PAGE
Consolidated Financial Statements.....	1-2
Consolidated Income Statements and Other Comprehensive Income Statements	3-4
Consolidated Changes in Equity Statements	5
Consolidated Cash Flows Statements	6-7
Notes to the Consolidated Financial Statements	8-86
NOTE 1 Organization and Nature of Activities.....	8-9
NOTE 2 Basis of Presentation of Financial Statements.....	10-29
NOTE 3 Segment Reporting.....	30-34
NOTE 4 Cash and Cash Equivalents	35
NOTE 5 Financial Investments.....	35
NOTE 6 Related Party Transactions	36-39
NOTE 7 Trade Receivables and Trade Payables.....	40-41
NOTE 8 Financial Borrowings.....	42-44
NOTE 9 Other Receivables and Payables.....	45
NOTE 10 Derivative Instruments.....	46
NOTE 11 Inventories.....	46
NOTE 12 Biological Assets.....	46
NOTE 13 Prepaid Expenses and Deferred Income.....	47
NOTE 14 Assets Related To Current Period Tax.....	47
NOTE 15 Investments Valued with Equity Pick-up Method.....	48
NOTE 16 Investment Properties.....	49
NOTE 17 Tangible Assets	50-51
NOTE 18 Right of Use Assets	51
NOTE 19 Intangible Assets	52
NOTE 20 Provisions, Contingent Assets and Liabilities.....	53-55
NOTE 21 Provisions.....	56
NOTE 22 Employee Benefit Liabilities.....	57
NOTE 23 Other Current Assets and Liabilities.....	57
NOTE 24 Share Capital.....	58-62
NOTE 25 Sales and Cost of Sales.....	63-65
NOTE 26 Research and Development General Administrative Expenses and Marketing Expenses.....	66-67
NOTE 27 Other Operating Income/(Expenses).....	68
NOTE 28 Investment Activities Income / (Expenses).....	69
NOTE 29 Finance Income / (Expenses).....	70
NOTE 30 Tax Assets and Liabilities.....	71-73
NOTE 31 Earnings Per Share.....	73
NOTE 32 Financial Instruments.....	73
NOTE 33 Nature and Level of Risks Derived From Financial Instruments.....	74-81
NOTE 34 Financial Instruments (Fair Value Disclosures and Hedge Accounting Disclosures).....	82-84
NOTE 35 Gains /(Losses) on Net Monetary Position Related Explanations.....	85
NOTE 36 Post Balance Sheet Events.....	86

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

		<i>Unreviewed</i>	<i>Audited</i>
	Footnote	Current Period	Prior Period
ASSETS	References	31.03.2025	31.12.2024
Current Assets		5.469.433.341	5.739.633.269
Cash and Cash Equivalents	4	964.220.445	618.350.378
Trade Receivables		1.592.100.583	1.758.563.713
<i>Trade Receivables from Related Parties</i>	6-7	1.121.325.627	1.177.493.681
<i>Trade Receivables from Unrelated Parties</i>	7	470.774.956	581.070.032
Other Receivables		128.340.097	51.592.011
<i>Other Receivables from Related Parties</i>	6-9	13.790.788	5.309.377
<i>Other Receivables from Unrelated Parties</i>	9	114.549.309	46.282.634
Inventories	11	2.594.370.443	3.070.204.716
Biological Assets	12	74.226.161	120.979.182
Prepaid Expenses	13	91.484.357	95.833.629
Current Tax Assets	14	147.277	148.261
Other Current Assets	23	24.543.978	23.961.379
Non-Current Assets		13.292.476.159	13.262.727.902
Financial Investments	5	6.370.458	6.522.611
Other Receivables	9	524.640	615.540
Investments Valued by Equity Pick-up Method	15	730.344.378	733.502.945
Investment Properties	16	1.536.164.744	1.536.164.744
Tangible Assets	17	10.542.983.166	10.655.549.358
Intangible Assets	19	200.378.305	207.918.882
Prepaid Expenses	13	35.591.830	34.096.151
Deferred Tax Assets	30	240.118.638	88.357.671
TOTAL ASSETS		18.761.909.500	19.002.361.171

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

		<i>Unreviewed</i>	<i>Audited</i>
	Footnote	Current Period	Prior Period
LIABILITIES	References	31.03.2025	31.12.2024
Current Liabilities		3.011.241.775	3.405.524.742
Short Term Borrowings	8	1.534.215.710	1.811.401.523
Short-term portion of long-term borrowings	8	408.414.389	420.072.253
Trade Payables	7	759.937.141	909.147.883
Employee Benefit Liabilities	22	121.957.043	112.005.532
Other Payables	9	57.155.921	24.801.736
<i>Other Payables to Related Parties</i>	6-9	36.207.767	-
<i>Other Payables to Unrelated Parties</i>	9	20.948.154	24.801.736
Deferred Income	13	68.106.552	76.403.932
Current Tax Liabilities of Period Profit	30	-	-
Current Provisions		61.455.019	51.691.883
<i>Provision For Employee Benefits</i>	21	54.373.072	43.600.265
<i>Other Current Provisions</i>	21	7.081.947	8.091.618
Non-Current Liabilities		3.012.370.981	2.973.613.048
Long Term Borrowings	8	1.368.450.927	1.394.144.848
Long Term Provisions		244.726.026	214.109.345
<i>Long Term Provisions for Employee Benefits</i>	21	244.726.026	214.109.345
Deferred Tax Liabilities	30	1.399.194.028	1.365.358.855
Equity		12.738.296.744	12.623.223.381
Parent Company's Equity		12.633.763.624	12.516.963.472
Issued Capital	24.1	277.292.576	277.292.576
Inflation Adjustments of Capital	24.2	5.209.863.677	5.209.863.677
Share Premium (Discount)	24.3	407.623.938	407.623.938
Accumulated Other Comprehensive Income or Expenses not to be Reclassified on Profit or Loss			
<i>Gains / Losses on Revaluation and Remeasurement</i>			
<i>-Increase / Decrease on Revaluation of Tangible Assets</i>	24.4	2.871.951.162	2.871.951.162
<i>-Defined Benefit Plans Re-Measurement Gains / (Losses)</i>	24.4	1.398.920	6.638.743
Accumulated Other Comprehensive Income or Expenses to be Reclassified on Profit or Loss			
<i>- Gains/(Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income</i>	24.5	(531.056)	(416.942)
Restricted Reserves	24.6	194.766.183	194.766.183
Retained Earnings	24.7	3.549.244.135	3.535.856.459
Net Profit / (Loss) for the Period	31	122.154.089	13.387.676
Non-controlling interests	24.8	104.533.120	106.259.909
TOTAL LIABILITIES		18.761.909.500	19.002.361.171

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
STATEMENT FOR THE PERIOD OF 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

		<i>Unreviewed</i>	<i>Unreviewed</i>
		Current Period	Prior Period
	Footnote References	01.01- 31.03.2025	01.01- 31.03.2024
Revenue	25.1	1.916.328.191	2.273.089.239
Cost of Sales (-)	25.2	(1.871.129.088)	(2.740.645.403)
Gross Profit / (Loss)		45.199.103	(467.556.164)
General Administrative Expenses (-)	26.3	(75.554.639)	(99.313.461)
Marketing Expenses (-)	26.2	(63.652.439)	(59.552.625)
Research and Development Expenses (-)	26.1	(8.665.668)	(12.939.593)
Other Operating Income	27.1	213.519.343	223.528.746
Other Operating Expenses (-)	27.2	(112.750.116)	(93.658.147)
Operating Profit / (Loss)		(1.904.416)	(509.491.244)
Income from Investment Activities	28.1	19.648.289	362.869
Expenses from Investment Activities (-)	28.2	(3.011.732)	(982.049)
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	28.3	(3.158.567)	(3.437.693)
Operating Activity Profit/(Loss) Before Financial Expense		11.573.574	(513.548.117)
Financial Income	29.1	124.169.381	64.560.209
Financial Expenses (-)	29.2	(303.510.999)	(302.826.142)
Net Monetary Position Gains/(Losses)	35	172.159.739	(23.556.456)
Operating Activity Profit/(Loss) Before Taxation		4.391.695	(775.370.506)
Operating Activity Tax Income/(Expense)			
Deferred Tax Income/(Expense)	30	116.092.280	(98.401.753)
Current Period Operating Activity Profit / (Loss)		120.483.975	(873.772.259)
Profit/(Loss) for the Period		120.483.975	(873.772.259)
Distribution of the Period Income/(Loss)			
Minority Interests	24.8	(1.670.114)	(8.053.855)
Parent Company's Shares	31	122.154.089	(865.718.404)
Earnings Per Share	31	0,4405	(3,1220)

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
STATEMENT FOR THE PERIOD OF 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

		<i>Unreviewed</i>	<i>Unreviewed</i>
		Current	Prior
	Footnote	Period	Period
	References	01.01- 31.03.2025	01.01- 31.03.2024
Profit/(Loss) for the Period		120.483.975	(873.772.259)
Other Comprehensive Income:			
Income (Expenses) not to be Reclassified on Profit or (Loss)			
- Defined Benefit Plans Re-Measurement Gains (Losses)	21	(7.091.973)	(31.028.513)
Income Taxes not to be Reclassified to Profit or (Loss)			
- Deferred Tax Income / (Expense)	30	1.795.475	7.686.800
Income or Expenses that will be Reclassified on Profit or (Loss)			
- Gains/(Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income		(152.153)	(57.904)
Taxes on Other Comprehensive Income to be Reclassified to Profit or Loss			
- Deferred Tax (Expense)/Income		38.039	-
Other Comprehensive Income		(5.410.612)	(23.399.617)
Total Comprehensive Income/(Expense)		115.073.363	(897.171.876)
Distribution of Total Comprehensive Income			
Minority Interests	24.8	(1.726.789)	(8.288.289)
Parent Company's Shares		116.800.152	(888.883.587)

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
31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

					Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss	Accumulated Other Comprehensive Income and Expenses that will be Reclassified to Profit or Loss		Accumulated profit					
	Footnote References	Paid in Capital	Adjustments of Shareholders' Equity	Bonuses/ Discounts on Shares	Increase / (Decrease) on Revaluation of Tangible Assets	Defined Benefit Plans Re-Measurement Gains / (Losses)	Gains/(Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	Restricted Reserves	Accumulated Profit/Loss	Net Profit/Loss For The Period	Parent Company's Equity	Minority Interests	Total Equity
Balances at 01.01.2024		277.292.576	5.209.863.677	407.623.938	2.871.951.162	7.627.873	(251.091)	194.766.183	1.773.857.489	1.761.998.970	12.504.730.777	122.454.394	12.627.185.171
Transfers	24	-	-	-	-	-	-	-	1.761.998.970	(1.761.998.970)	-	-	-
Total Comprehensive Income/(Loss)		-	-	-	-	(23.107.279)	(57.904)	-	-	(865.718.404)	(888.883.587)	(8.288.289)	(897.171.876)
- Profit/(Loss) for the Period	24	-	-	-	-	-	-	-	-	(865.718.404)	(865.718.404)	(8.053.855)	(873.772.259)
- Other Comprehensive Income/(Expense)	24	-	-	-	-	(23.107.279)	(57.904)	-	-	-	(23.165.183)	(234.434)	(23.399.617)
Balances at 31.03.2024	24	277.292.576	5.209.863.677	407.623.938	2.871.951.162	(15.479.406)	(308.995)	194.766.183	3.535.856.459	(865.718.404)	11.615.847.190	114.166.105	11.730.013.295
Balances at 01.01.2025	24	277.292.576	5.209.863.677	407.623.938	2.871.951.162	6.638.743	(416.942)	194.766.183	3.535.856.459	13.387.676	12.516.963.472	106.259.909	12.623.223.381
Transfers	24	-	-	-	-	-	-	-	13.387.676	(13.387.676)	-	-	-
Total Comprehensive Income/(Loss)		-	-	-	-	(5.239.823)	(114.114)	-	-	122.154.089	116.800.152	(1.726.789)	115.073.363
- Profit/(Loss) for the Period	24	-	-	-	-	-	-	-	-	122.154.089	122.154.089	(1.670.114)	120.483.975
- Other Comprehensive Income/(Expense)	24	-	-	-	-	(5.239.823)	(114.114)	-	-	-	(5.353.937)	(56.675)	(5.410.612)
Balances at 31.03.2025	24	277.292.576	5.209.863.677	407.623.938	2.871.951.162	1.398.920	(531.056)	194.766.183	3.549.244.135	122.154.089	12.633.763.624	104.533.120	12.738.296.744

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIODS OF 01 JANUARY-31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

	Footnote References	Unreviewed Current Period 01.01- 31.03.2025	Unreviewed Prior Period 01.01- 31.03.2024
CASH FLOWS FROM THE OPERATING ACTIVITIES		661.897.343	(159.595.887)
Profit/(Loss) for the Period			
Current Period Operating Activity Profit / (Loss)		120.483.975	(873.772.259)
Adjustments Related with Net Profit/Loss for The Period		120.404.081	(30.500.407)
Adjustments for Depreciation, Amortisation Expenses	17-18-19	206.955.886	204.092.122
Adjustments Related to the Provisions			
- Adjustments for Employee Termination Benefits	21-30	23.524.708	(9.509.404)
- Adjustment for Provision for Expenses and Lawsuits	21	(1.009.671)	(1.450.200)
- Adjustment for Other Provisions or Reversals	21	10.772.807	13.611.311
Adjustments for Interest (Income) and Expenses			
- Deferred Financial Expense Arise from Forward Purchasing	27.2	80.689.009	58.606.588
- Unearned Income from Futures Sale	27.1	(72.046.637)	(44.709.058)
Adjustments for Fair Value Profit or Loss			
- Adjustments for Fair Value Profit or Loss		(114.114)	(57.904)
Adjustments for unrealised foreign exchange losses (gains)	8	189.625.700	137.548.151
Adjustments for Retained Earnings of Investments Subject to Equity Pick-up Method			
- Adjustment for Retained Earnings of Subsidiaries	28.3	3.158.567	3.437.693
Tax Payments/Returns	30	(116.130.319)	98.401.754
Monetary profit/loss		(205.021.855)	(490.471.460)
Changes In The Company Capital		421.009.287	746.027.899
Increase/Decrease in Financial Investments	5	114.114	57.392
Adjustments for Increase/Decrease in Trade Receivables			
- Adjustments for Increase/Decrease in Trade Receivables from Related Parties	6-7	(51.487.281)	(508.071.099)
- Adjustments for Increase/Decrease in Trade Receivables from Unrelated Parties	7	(23.519.729)	(102.049.466)
Adjustments for Increase/Decrease in Other Receivables Related to the Operations			
- Adjustments for Increase/Decrease in Other Receivables from Related Parties Related to the Operations	6-9	(8.966.834)	(10.397.405)
- Adjustments for Increase/Decrease in Other Receivables from Unrelated Parties Related to the Operations	9	(73.045.174)	(42.208.629)
Adjustments for Increase/Decrease in Inventories	11	475.834.273	1.322.811.896
Adjustments Related to the Increase/Decrease in Biological Assets	12	46.753.021	19.636.353
Adjustments for Increase/Decrease in Prepaid Expenses	13	2.853.593	74.429.676
Adjustments for Increase/Decrease in Trade Payables			
- Adjustments for Increase/Decrease in Trade Payables to Related Parties	6-7	-	(48.227)
- Adjustments for Increase/Decrease in Trade Payables to Unrelated Parties	7	5.957.038	(35.162.014)
Increase/Decrease in Employee Benefits Liabilities	22	20.191.900	24.039.987
Adjustments for Increase/Decrease in Other Payables Related to the Operations			
- Adjustments for Increase/Decrease in Other Payables from Related Parties Related to the Operations	6-9	36.207.767	-
- Adjustments for Increase/Decrease in Other Payables from Unrelated Parties Related to the Operations	9	(1.586.021)	(4.449.114)
Increase/Decrease in Deferred Tax	13	(8.297.380)	7.438.549
Cash Flow from Operating Activities		661.897.343	(158.244.767)
Tax Payments/Returns	30	-	(1.351.120)

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIODS OF 01 JANUARY-31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

	Footnote References	Unreviewed Current Period 01.01- 31.03.2025	Unreviewed Prior Period 01.01- 31.03.2024
NET CASH FLOW PROVIDED BY INVESTMENT ACTIVITIES		(86.811.078)	(67.929.043)
Cash outflows for the acquisition of shares or debt instruments of other entities or funds		38.039	(1)
Proceeds from Sale of Property, Plant, Equipment and Intangible Assets			
- Proceeds from Sale of Tangible Assets	17	3.914.165	1.137.478
Proceeds from Purchase of Property, Plant, Equipment and Intangible Assets			
- Proceeds from Purchase of Tangible Assets	17	(87.405.725)	(69.020.694)
- Proceeds from Purchase of Intangible Assets	19	(3.357.557)	(45.826)
CASH FLOW PROVIDED BY FINANCIAL ACTIVITIES		(172.681.952)	194.701.288
Cash Inflows from Financial Liabilities			
- Cash Inflows from Bank Loans	8	55.453.644	730.770.114
Cash Outflows from Financial Liabilities			
- Cash Outflows for Bank Loans	8	(226.451.140)	(534.622.716)
Cash Outflows from Finance Leases	8	(1.684.456)	(1.446.110)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN EXCHANGE CURRENCY DIFFERENCES (A+B+C)		402.404.313	(32.823.642)
EFFECTS OF INFLATION ON CASH AND CAH EQUIVALENTS		(56.534.246)	(103.598.111)
D. THE EFFECT OF FOREIGN CURRENCY DIFFERENCES ON CASH AND CASH EQUIVALENTS		-	-
CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE		345.870.067	(136.421.753)
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD	4	618.350.378	695.799.785
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	964.220.445	559.378.032

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

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

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

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

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

- Aktur İzmir Gayrimenkul A.Ş.

Menderes Tekstil Sanayi ve Ticaret A.Ş.

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

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

As of 31 March 2025 2.036 personnel are employed by the Company and the average number of personnel is 2.054 for the period of 01.01-31.03.2025.

Company shares are traded in the Borsa Istanbul since 2000.

Production Capacity (Textile)

According to the capacity report from Denizli Industrial Chamber dated 02 May 2024 numbered 193 and valid until 03 May 2026, 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):

Products	Unit	Quantity
Cotton yarn (is used in its production)	Kg	5.438.718
Raw fabric woven (is used in its production)	M ²	59.151.060
Knitted fabric (is used in its production)	Kg	1.004.400
Linens	Kg	19.477.500
Pillow case	Kg	5.670.000
Sheet	Kg	7.218.750
Quilt	Quantity	180.000
Fabric painting (is used in its production)	Kg	1.670.400
Fabric bleaching (is used in its production)	Kg	9.000.720
Fabric printing (is used in its production)	Kg	14.121.000
Digital fabric printing (is used in its production)	Kg	1.573.719

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Production Capacity (Energy)

According to the capacity report from Denizli Industrial Chamber dated 17 November 2023, numbered 611 and valid until 21 November 2025, the Company annual production capacity is as follows:

	Unit	Quantity
Electricity energy	Kilowatt saat	161.827.000
Steam (is used in its production)	Joule	617.569.920.000
Hot water (is used in its production)	Joule	238.360.320.000

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

Power plants	Company	Location	Type	Electricity Production Capacity (kWh)
<i>Geothermal</i>				
Baklacı	Menderes	Manisa	Geothermal	155.200.000
Tosunlar	Menderes	Denizli	Geothermal	30.456.000
<i>Wind</i>				
Aliğa	Menderes	İzmir	Wind	57.254.400
Bergama	Menderes	İzmir	Wind	124.338.240
<i>Solar</i>				
Sarayköy	Menderes	Denizli	Solar	9.287.600

Smyrna Seracılık Ticaret A.Ş.

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

Smyrna Seracılık Ticaret A.Ş. has operated on the existing area which is 258.700 m².

Capacity Report (Sarayköy)

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

Product	Unit	Quantity
Tomato	Ton	6.499

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

As of 31 March 2025, 360 personnel are employed by the Company and the average number of personnel is 374 for the period of 01.01.-31.03.2025.

Aktur İzmir Gayrimenkul A.Ş.

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.a. Basis of Presentation

Financial reporting standards applied

The consolidated financial statements of the Group 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 CMB on 13 June 2013 which is published on Official Gazette numbered 28676 and in compliance with the international standards issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) based on Turkish Financial Reporting Standards (“TFRS”) and the related appendices and interpretations. TFRS are updated through communiqués in order to be in line with the changes in International Financial Reporting Standards (“IFRS”).

The consolidated financial statements are presented in accordance with the formats specified in the “Announcement on TFRS Taxonomy” published by POA on 3 July 2024 and the Financial Statement Examples and User Guide published by CMB.

The Preparation of Financial Statements

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

Financial reporting in hyperinflationary economy

With the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities that apply TFRS have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for the financial statements for the annual reporting period ending on or after 31 December 2023

TAS 29 is applied to the financial statements, including the consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2023, on the purchasing power basis as of 31 December 2024.

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") of Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 March 2025, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follow:

Date	Index	Adjustment coefficient	Three-Year Compound Inflation Rate
31.03.2025	2.954,69	1,0000	250%
31.12.2024	2.684,55	1,1006	291%
31.03.2024	2.139,47	1,3810	309%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the statement of comprehensive income, except for the non-monetary items in the statement of financial position that have an impact on the statement of comprehensive income, have been restated by applying the multiples calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the monetary gain/loss account in the consolidated income statement.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Approval of Financial Statements

Consolidated financial statements are approved by the Board of Directors and granted authority to publish on 12 May 2025 Boards of Directors have authority to change financial statements.

Currency Measurement and Reporting Currency

As of 31 March 2025 and 31 December 2024 the Group’s functional and reporting currency unit is represented in TRY compared to previous periods.

Rounding of amounts presented in financial statements

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

Offsetting

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

Going Concern

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Basis of Consolidation

The capital structure of subsidiaries and participations are as follows:

Subsidiaries	Consolidation Method	31 March 2025	31 December 2024
Smyrna Seracılık Ticaret A.Ş.	Full Consolidation	79,17%	79,17%

Participations	Consolidation Method	31 March 2025	31 December 2024
Aktur İzmir Gayrimenkul A.Ş.	Equity Pick up	48,00%	48,00%

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

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

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

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 March 2025 and 31 December 2024, the capital structure of subsidiaries and participations are as follows:

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

	31.03.2025	31.12.2024
	Ratio %	Ratio %
Public Offered Shares	49,72	49,79
Akça Holding A.Ş.	48,13	48,06
Other	2,16	2,16
	100%	100%

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

	31.03.2025	31.12.2024
	Ratio %	Ratio %
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	63,19	56,67
Rıza Akça	18,41	21,67
Dilek Göksan	9,20	10,83
Ahmet Bilge Göksan	9,20	10,83
	100%	100%

Smyrna Seracılık Ticaret A.Ş. (Subsidiary)

	31.03.2025	31.12.2024
	Ratio %	Ratio %
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
	100%	100%

Aktur İzmir Gayrimenkul A.Ş. (Subsidiary)

	31.03.2025	31.12.2024
	Ratio %	Ratio %
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
	100%	100%

2.b. Comparative Information and Previous Periods Adjustments

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

2.c. Changes in Accounting Estimates and Errors

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

2.d. Changes in Accounting Policies

A group only could change it is 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 the financial position of companies, performance and cash flows for users of financial statements. Accordingly, why, if the change is not granting one of above conditions, each interim and fiscal periods has to be applied same accounting policy.

The accounting policies implemented in the financial statements are the same as those implemented in the financial statements as of 31 March 2025 and 31 December 2024 and for the year ended on the same date, except as stated above.

2.e. New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 March 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 01 January 2024 and thereafter.

The amendments did not have a significant impact on the financial position or performance of the Group.

a) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows

Amendments to TAS 1 : Classification of Liabilities as Current or Non-Current

Amendments to IFRS 16 : Lease Liability in a Sale and Leaseback

Amendments to TAS 7 and TFRS 7- Disclosures: Supplier Finance Arrangements

The amendments did not have a significant impact on the financial position or performance of the Group.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

a) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to TAS 21 - Lack of exchangeability

The Group will assess the effects of these changes after the mentioned standards have been finalized.

- TFRS 17 - The new Standard for insurance contracts. The mentioned standard is not applicable to the Group.

b) The amendments which are effective immediately upon issuance

- Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

The amendments do not have a significant impact on the financial position or performance of the Group.

c) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued By Public Oversight Authority (POA)

The following amendments to TFRS 9 and TFRS 7 as well as TFRS 18 and TFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

- Amendments to TFRS 9 and TFRS 7 – Classification and measurement of financial instruments
- Amendments to TFRS 9 and TFRS 7 – Contracts Concerning Electricity Generated from Natural Resources
- TFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

- TFRS 19 – Subsidiaries without Public Accountability: Disclosures

The mentioned standard is not applicable to the Group.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

2.f. Summary of Significant Accounting Policy

Revenue Recognition

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

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

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

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

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

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

Interest Income

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

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

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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.

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

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

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

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

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

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Economic useful lives of assets approximately are as follows:

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

Intangible Assets

Intangible assets are carried at restated acquisition cost less accumulated amortization.

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

Investment Properties

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

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

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

Impairment of Assets

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Right-of-Use Assets

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

The cost of right-of-use assets include:

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

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

Lease Liabilities

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

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

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

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

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.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Short – term leases and leases of low-value assets

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

Borrowing costs

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

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

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

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

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.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

“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.

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.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Trade Receivables

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

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

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

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

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

Cash and Cash Equivalents

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

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.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Trade Payables

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

The Effects of Exchange Rates

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

Effects of Change in Currency Rate

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

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 March 2025, such payments are calculated on the basis of 30 days’ pay limited to a maximum of TRY 46.655 (31 December 2024: TRY 41.828) 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:

	31.03.2025	31.12.2024
Discount rate	3,49%	3,63%

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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
- (g) The party has a defined benefit plan for the employees of the Group or a related party of the Group.

Transactions with related parties are transfer of resources or obligations between related parties, regardless of whether a price is charged. Group interacts with its related parties within the frame of ordinary business activities (Note 6).

Details of related parties are as follows:

Akça Holding A.Ş. “Akça Holding”

Akça Holding A.Ş. was established in 1994 in İzmir. The Company's field of activity is to provide financial support to group companies.

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

Osman Akça Tarım Ürünleri İthalat ve İhracat San. ve Tic. A.Ş. was established on 25 July 1985. Head quarter of The Company is in İzmir. The Company's field of activity is agricultural products and dried fruit processing.

Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti. “Akça Saraylı Tekstil”

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

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

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

Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti. was established on 13 March 1997. Head quarter of the Company is in İzmir. The Company's field of activity is insurance brokerage services.

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

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.
Aktur İzmir Gayrimenkul A.Ş.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Government Grants and Incentives

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

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

2.g. Significant Accounting Estimates and Assumptions

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

Deferred tax

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

Provision for severance pay

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

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

Deferred financing income / expense:

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

Useful lives:

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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

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

Fair value measurements of property, plant and equipment

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

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

2.h. Segment Reporting

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 3 – SEGMENT REPORTING

31 March 2025	Textile Sector	Agricultural Sector	Energy Sector	Real Estate Sector	Elimination	Total
Revenue	853.917.050	852.151.171	210.259.970	-	-	1.916.328.191
Cost of Sales (-)	(863.183.088)	(862.014.330)	(150.844.332)	-	4.912.662	(1.871.129.088)
GROSS PROFIT/LOSS	(9.266.038)	(9.863.159)	59.415.638	-	4.912.662	45.199.103
General Administrative Expenses (-)	(60.718.756)	(8.389.323)	(6.446.560)	-	-	(75.554.639)
Marketing Expenses (-)	(51.762.246)	(11.890.193)	-	-	-	(63.652.439)
Research and Development Expenses (-)	(8.665.668)	-	-	-	-	(8.665.668)
Other Operating Income	98.848.410	116.458.809	3.124.787	-	(4.912.662)	213.519.344
Other Operating Expenses (-)	(91.379.926)	(21.107.776)	(262.414)	-	-	(112.750.116)
OPERATING PROFIT/LOSS	(122.944.224)	65.208.358	55.831.451	-	-	(1.904.415)
Income from Investing Activities	5.231.343	-	-	14.416.946	-	19.648.289
Expense from Investing Activities (-)	(2.723.436)	-	-	(288.296)	-	(3.011.732)
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	(3.158.567)	-	-	-	-	(3.158.567)
OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES	(123.594.884)	65.208.358	55.831.451	14.128.650	-	11.573.575
Financial Income (+)	134.507.574	3.598.297	-	-	(13.936.490)	124.169.381
Financial Expenses (-)	(144.917.092)	(16.101.709)	(156.428.688)	-	13.936.490	(303.510.999)
Gains /(Losses) on Net Monetary Position	(667.444.567)	284.182.481	423.706.248	131.715.577	-	172.159.739
OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION	(801.448.969)	336.887.427	323.109.011	145.844.227	-	4.391.696
Operating Activity Tax Income / (Expense)						
- Income/Expense Tax for the period	-	-	-	-	-	-
- Deferred Tax Income/Expense	95.959.933	20.132.346	-	-	-	116.092.279
PROFIT/(LOSS) FOR THE PERIOD	(705.489.036)	357.019.773	323.109.011	145.844.227	-	120.483.975

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

31 March 2025	Textile Sector	Agricultural Sector	Energy Sector	Real Estate Sector	Elimination	Total
Total Assets	10.492.919.584	3.017.974.665	4.094.981.685	1.440.849.577	(284.816.011)	18.761.909.500
Total Liabilities	3.994.135.383	683.853.711	1.456.656.883	560.875	(111.594.096)	6.023.612.756
Assets by Segments						
Investment Properties	95.509.167	-	-	1.440.655.577	-	1.536.164.744
Tangible Fixed Assets (Net Book Value) Total	5.818.540.237	629.679.366	4.094.763.563	-	-	10.542.983.166
Intangible Fixed Assets (Net Book Value) Total	200.122.489	37.694	218.122	-	-	200.378.305
Purchases of Tangible and Intangible Assets	89.382.626	650.948	729.708	-	-	90.763.282
Depreciation expenses	102.966.963	18.408.510	85.580.413	-	-	206.955.886
Detail of the Group's foreign currency assets and liabilities by segments						
Total Assets	1.343.600.463	57.535.905	-	-	-	1.401.136.368
Total Liabilities	982.045.783	775.045	1.456.656.883	-	-	2.439.477.711
Net Foreign Currency Asset/ Liabilities	361.554.680	56.760.860	(1.456.656.883)	-	-	(1.038.341.343)
Detail of the Group's financial liabilities by division in currency						
Financial Payables	1.751.834.516	102.589.627	1.456.656.883	-	-	3.311.081.026
- USD	270.482.796	-	192.833.752	-	-	463.316.548
- EUR	504.170.755	-	1.263.823.131	-	-	1.767.993.886
- GBP	-	-	-	-	-	-
- TRY	977.180.965	102.589.627	-	-	-	1.079.770.592
Export	626.347.043	133.586.562	-	-	-	759.933.605
Import	686.409.232	9.069.876	-	-	-	695.479.108
Total Debt	3.994.135.383	683.853.711	1.456.656.883	560.875	(111.594.096)	6.023.612.756
Cash Equivalents	(963.993.754)	(226.691)	-	-	-	(964.220.445)
Net Debt	3.030.141.629	683.627.020	1.456.656.883	560.875	(111.594.096)	5.059.392.311
Total Equity	12.409.759.696	501.758.963	--	--	(173.221.915)	12.738.296.744
Total Capital	15.439.901.325	1.185.385.983	1.456.656.883	560.875	(284.816.011)	17.797.689.055
Net Debt/Total Capital Ratio	19,63%	57,67%	100,00%	100,00%		28,43%

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

31 March 2024	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Revenue	805.333.619	1.192.699.086	275.056.534	-	2.273.089.239
Cost of Sales (-)	(1.402.507.543)	(1.190.100.117)	(154.564.216)	6.526.473	(2.740.645.403)
GROSS PROFIT/LOSS	(597.173.924)	2.598.969	120.492.318	6.526.473	(467.556.164)
General Administrative Expenses (-)	(73.334.683)	(21.052.117)	(4.936.963)	10.302	(99.313.461)
Marketing Expenses (-)	(55.021.041)	(4.531.584)	-	-	(59.552.625)
Research and Development Expenses (-)	(12.939.593)	-	-	-	(12.939.593)
Other Operating Income	89.424.219	140.167.471	473.831	(6.536.775)	223.528.746
Other Operating Expenses (-)	(68.918.610)	(24.731.603)	(7.934)	-	(93.658.147)
OPERATING PROFIT/LOSS	(717.963.632)	92.451.136	116.021.252	-	(509.491.244)
Income from Investing Activities	362.869	-	-	-	362.869
Expense from Investing Activities (-)	(982.049)	-	-	-	(982.049)
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	(3.437.693)	-	-	-	(3.437.693)
OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES	(722.020.505)	92.451.136	116.021.252	-	(513.548.117)
Financial Income (+)	66.944.918	1.703.246	-	(4.087.955)	64.560.209
Financial Expenses (-)	(126.011.589)	(9.673.901)	(171.228.607)	4.087.955	(302.826.142)
Gains /(Losses) on Net Monetary Position	(704.068.612)	109.990.856	570.521.300	-	(23.556.456)
OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION	(1.485.155.788)	194.471.337	515.313.945	-	(775.370.506)
Operating Activity Tax Income / (Expense)					
- Income/Expense Tax for the period	-	-	-	-	-
- Deferred Tax Income/Expense	(89.274.104)	(9.127.649)	-	-	(98.401.753)
PROFIT/(LOSS) FOR THE PERIOD	(1.574.429.892)	185.343.688	515.313.945	-	(873.772.259)

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

31 December 2024	Textile Sector	Agricultural Sector	Energy Sector	Real Estate Sector	Elimination	Total
Total Assets	10.136.402.394	3.532.956.367	4.180.554.060	1.440.869.099	(288.420.749)	19.002.361.171
Total Liabilities	4.243.084.136	745.983.110	1.504.652.062	617.315	(115.198.833)	6.379.137.790
Assets by Segments						
Investment Properties	95.509.167	-	-	1.440.655.577	-	1.536.164.744
Tangible Fixed Assets (Net Book Value) Total	5.827.845.792	647.430.769	4.180.272.797	-	-	10.655.549.358
Intangible Fixed Assets (Net Book Value) Total	207.593.767	43.853	281.262	-	-	207.918.882
Purchases of Tangible and Intangible Assets	108.184.232	88.946.616	62.998.382	-	-	260.129.230
Depreciation expenses	416.240.118	66.596.257	338.231.550	-	-	821.067.925
Details of the Group's foreign currency assets and liabilities by segments						
Total Assets	1.951.942.362	58.695.361	-	-	-	2.010.637.723
Total liabilities	604.881.165	233.824	1.241.011.245	-	-	1.846.126.234
Net Foreign Currency Asset/ Liabilities	1.347.061.197	58.461.537	(1.241.011.245)	-	-	164.511.489
Detail of the Group's financial liabilities by division in currency						
Financial Payables	1.987.761.210	133.205.351	1.504.652.063	-	-	3.625.618.624
- USD	278.412.361	-	209.571.944	-	-	487.984.305
- EUR	466.362.077	-	1.295.080.119	-	-	1.761.442.196
- GBP	-	-	-	-	-	-
- TRY	1.242.986.772	133.205.351	-	-	-	1.376.192.123
Export	401.244.901	144.109.198	-	-	-	545.354.099
Import	102.971.369	556.881	-	-	-	103.528.250
Total Debt	4.243.084.136	745.983.110	1.504.652.062	617.316	(115.198.834)	6.379.137.790
Cash Equivalents	(616.567.286)	(1.783.092)	-	-	-	(618.350.378)
Net Debt	3.626.516.850	744.200.018	1.504.652.062	617.316	(115.198.834)	5.760.787.412
Total Equity	12.286.397.750	510.047.546	-	-	(173.221.915)	12.623.223.381
Total Capital	15.912.914.600	1.254.247.564	1.504.652.062	617.316	(288.420.749)	18.384.010.793
Net Debt/Total Capital Ratio	22,79%	59,33%	100,00%	100,00%		31,34%

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

Information On the Geographical Region

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

Region	01.01- 31.03.2025	01.01- 31.03.2024
Germany	59%	63%
Italy	21%	17%
Netherland	5%	6%
France	4%	3%
U.S.A.	3%	2%
Poland	1%	1%
Spain	1%	0%
Romania	1%	1%
Switzerland	1%	0%
Other	4%	7%
	100%	100%

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 March 2025 the share of the largest buyer in the revenue from textile sector operations is 57,20% (31 March 2024: 47,79%). 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 79,85%. (31 March 2024: 76,85%). The sales of dried fruits (raisin, fig and apricot) from Group to Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş. are made in accordance with the "Sales Agreement" signed between the Group and Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş. is the exporter and sub contractor of Group for dried fruits.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 4 – CASH AND CASH EQUIVALENTS

As of 31 March 2025 and 31 December 2024 the details of cash and cash equivalents are as follows:

	31.03.2025	31.12.2024
Cash	168.505	90.419
Banks	27.884.332	19.230.227
<i>Demand deposits</i>	27.884.332	18.789.976
<i>Time deposits</i>	-	440.251
Other liquid assets	936.167.608	599.029.732
	964.220.445	618.350.378

As of 31 March 2025 and 31 December 2024 maturity schedule of time deposits in the cash and cash equivalents are as follows:

	31.03.2025	31.12.2024
Within 1 month	-	440.251
	-	440.251

As of 31 March 2025 there is no deposit pledge on the Group's bank deposits (31 December 2024: None).

NOTE 5 - FINANCIAL INVESTMENTS

Long Term Financial Investments

	31.03.2025	31.12.2024
Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.		
Maxis Ventures Venture Capital Investment Fund	2.028.678	2.111.497
Ünlü Portföy Yönetimi Anonim Şirketi		
AR-GE Venture Capital Investment Fund	4.341.780	4.411.114
	6.370.458	6.522.611

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 6 – RELATED PARTY TRANSACTIONS

i) Due from / to related parties:

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

	31.03.2025	31.12.2024
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	993.875.071	1.055.931.334
Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	133.364.450	125.680.752
Rediscount	(5.913.894)	(4.118.405)
	1.121.325.627	1.177.493.681

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

	31.03.2025	31.12.2024
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	13.790.788	5.309.377
	13.790.788	5.309.377

c) Non-trade payables to related parties (Note 9):

	31.03.2025	31.12.2024
Rıza Akça	35.403.265	-
Ahmet Bilge Göksan	248.511	-
Cemal İpekoğlu	117.937	-
Ali Atlamaz	202.180	-
Yiğit Zabunoğlu	117.937	-
Hakkı Görken Perinçek	117.937	-
	36.207.767	-

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

a) Sales to related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	693.686.346	735.465.157
Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	27.468.531	21.696.407
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	2.048	-
	721.156.925	757.161.564

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

b) Purchases from related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	140.836.920	124.323.061
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	3.338	-
	140.840.258	124.323.061

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

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

	01.01.- 31.03.2025	01.01.- 31.03.2024
Benefits provided to senior management	4.437.659	3.408.277
	4.437.659	3.408.277

b) Service expenses paid to related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Akça Holding A.Ş.	780.133	847.016
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	258.380	639.303
Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	-	638
	1.038.513	1.486.957

c) Rent income from related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	277.293	147.311
Akça Holding A.Ş.	209.722	147.311
Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	188.923	132.702
	675.938	427.324

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

d) Service income from related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	368.284	232.363
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	71.705	60.802
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	-	1.804
Akça Holding A.Ş.	2.325	2.665
	442.314	297.634

e) Foreign exchange income from related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	38.765.170	25.828.404
	38.765.170	25.828.404

f) Maturity difference received from related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	6.330.439	8.881.419
Akça Saraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	17.797.506	6.947.987
	24.127.945	15.829.406

g) Interest income from related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	392.026	2.394.573
	392.026	2.394.573

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

h) Rent expenses paid to related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	653.549	320.388
	653.549	320.388

i) Interest expense due from related parties:

	01.01.- 31.03.2025	01.01.- 31.03.2024
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	1.696.344	84.265
	1.696.344	84.265

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 7 – TRADE RECEIVABLES AND TRADE PAYABLES

Short Term Trade Receivables

	31.03.2025	31.12.2024
Trade receivables	429.356.829	507.750.016
Cheques and notes	910.000	11.474.640
Unearned interest on trade receivables	(19.557.428)	(23.862.511)
Doubtful trade receivables	13.669.805	7.798.273
Provision for doubtful receivables (-)	(13.669.805)	(7.798.273)
Income accruals	60.065.555	85.707.887
Trade Receivables from Unrelated Parties	470.774.956	581.070.032
Trade receivables from related parties	1.125.171.802	1.181.612.086
Revenue accruals from related companies	2.067.719	-
Unearned interests on related party receivables	(5.913.894)	(4.118.405)
Trade Receivables from Related Parties	1.121.325.627	1.177.493.681
Total Short-Term Trade Receivables	1.592.100.583	1.758.563.713

As of 31 March 2025 the average maturity of trade receivables are 79 days (31 December 2024: 70 days).

Maturity schedule of notes receivables as of 31 March 2025 and 31 December 2024 are as follows:

	31.03.2025	31.12.2024
1-30 days	-	3.026.726
31-60 days	-	737.576
61-90 days	210.000	1.227.200
91-120 days	-	1.650.941
121-150 days	700.000	3.004.714
151-180 days	-	1.827.483
	910.000	11.474.640

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 March 2025 and 31 December 2024 provision for doubtful receivables movement schedule is as follows:

	31.03.2025	31.12.2024
Opening balance	7.798.272	772.305
Collections made during the period	(623)	(396.618)
Provisions made during the period	6.585.132	7.659.975
Monetary gain / (loss)	(712.976)	(237.390)
Closing Balance	13.669.805	7.798.272

Short Term Trade Payables

	31.03.2025	31.12.2024
Trade payables	625.047.431	827.149.705
Notes payables	83.758.834	40.963.192
Unearned interests on payables	(44.065.721)	(55.217.687)
Expense accruals	95.196.597	96.252.673
Trade Payables from Unrelated Parties	759.937.141	909.147.883
Total Short Term Trade Payables	759.937.141	909.147.883

As of 31 March 2025, the average maturity of trade payables are 40 days (31 December 2024: 42 days).

As of 31 March 2025, The Group has letter of credits amounting to USD 3.327.695 (TRY 125.899.011) in trade payables (Note 20).

As of 31 March 2025 and 31 December 2024 maturity breakdown of notes payables are as follows:

	31.03.2025	31.12.2024
1 – 30 days	33.618.400	18.139.893
31 – 60 days	28.362.462	12.039.362
61 – 90 days	6.650.826	7.719.688
91 – 120 days	8.171.335	2.481.929
121 – 150 days	6.955.811	582.320
	83.758.834	40.963.192

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 8 – FINANCIAL BORROWINGS

	31.03.2025	31.12.2024
Short Term Borrowings:		
TRY borrowings	1.046.922.748	1.332.640.312
USD borrowings	255.478.499	258.074.117
EUR borrowings	230.600.602	219.953.634
Direct debit system and credit card liabilities (TRY)	1.213.861	733.460
Short Term Financial Borrowings	1.534.215.710	1.811.401.523
Lease Payables:		
TRY lease payables, net	3.585.185	5.799.914
Bank Borrowings:		
TRY borrowings	22.707.049	25.267.796
USD borrowings	80.548.710	90.169.726
EUR borrowings	301.573.445	298.834.817
Current Installments of Long-Term Borrowings	408.414.389	420.072.253
Long Term Bank Borrowings:		
TRY borrowings	5.341.749	11.750.642
USD borrowings	127.289.339	139.740.461
EUR borrowings	1.235.819.839	1.242.653.745
Long Term Financial Borrowings	1.368.450.927	1.394.144.848
Total Financial Liabilities	3.311.081.026	3.625.618.624

As of 31 March 2025 and 31 December 2024 maturity analysis of borrowings and other financial borrowings are as follows:

	31.03.2025	31.12.2024
Within 3 months	650.299.682	331.405.906
Between 3 - 12 months	1.288.745.232	1.894.267.956
Between 1 - 5 years	1.066.228.624	1.076.968.798
More than 5 years	302.222.303	317.176.050
	3.307.495.841	3.619.818.710

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 March 2025 and 31 December 2024 maturity schedule of long term bank borrowings are as follows:

	31.03.2025	31.12.2024
Between 1-2 years	453.456.638	437.802.858
Between 2-3 years	368.652.952	367.647.242
Between 3-4 years	141.264.830	169.294.963
Between 4-5 years	102.854.203	102.223.742
Between 5-6 years	99.642.050	99.020.056
Between 6-7 years	75.116.767	74.783.481
Between 7-8 years	73.000.424	72.682.106
Between 8-9 years	37.606.847	54.011.232
Between 9-10 years	16.856.216	16.679.168
	1.368.450.927	1.394.144.848

As of 31 March 2025 effective interest rates for TRY, USD and EUR bank loans are 24,60%- 7,00% and 3,84% (31 December 2024: TRY 25,05% USD 7,01% and EUR 3,78%).

The Group has guaranteed 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 64.750.000 (TRY 2.449.732.075), EUR 25.000.000 (TRY 1.019.382.500) and TRY 2.140.000.000.

As of 31 March 2025 and 31 December 2024 the details of financial leasing borrowings of Group are as follows:

	31.03.2025	31.12.2024
Short term lease payables	3.749.934	6.183.508
Cost of deferred lease payables (-)	(164.749)	(383.594)
	3.585.185	5.799.914

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 March 2025, the repayment schedule of lease payables are as follows:

	Lease payables	Cost of deferred lease payables	Total liabilities
Between 0 – 1 years	3.749.934	(164.749)	3.585.185
	3.749.934	(164.749)	3.585.185

As of 31 December 2024, the repayment schedule of lease payables are as follows:

	Lease payables	Cost of deferred lease payables	Total liabilities
Between 0 – 1 years	6.183.508	(383.594)	5.799.914
	6.183.508	(383.594)	5.799.914

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

Other Current Receivables

	31.03.2025	31.12.2024
Deposit and guarantees given	643.185	686.118
VAT and corporate tax refund receivables	21.520.164	12.250.229
Other receivables	92.385.960	33.346.287
Other Receivables from Unrelated Parties	114.549.309	46.282.634
Receivables from shareholders	13.790.788	5.309.377
Other Receivables from Related Parties	13.790.788	5.309.377
Total Other Current Receivables	128.340.097	51.592.011

Other Non-Current Receivables

	31.03.2025	31.12.2024
Deposits and guarantees given	524.640	615.540
	524.640	615.540

Other Current Payables

	31.03.2025	31.12.2024
Deposit and guarantees received	9.804.266	10.034.530
Taxes and funds payable	11.143.888	14.767.206
Other Payables from Third Parties	20.948.154	24.801.736
Partners Debts	36.207.767	-
Other Debts To Related Parties	36.207.767	-
Total Other Short-Term Debts	57.155.921	24.801.736

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 10 – DERIVATIVE INSTRUMENTS

As of 31 March 2025 and 31 December 2024, there are no derivative instruments.

NOTE 11 – INVENTORIES

	31.03.2025	31.12.2024
Raw materials	387.453.065	461.903.285
Semi-finished products	263.202.966	250.310.885
Finished goods	790.821.014	790.951.699
Dried agricultural products (Figs, Apricot and Raisin)	1.152.893.398	1.567.038.847
	2.594.370.443	3.070.204.716

All inventories of the Group are covered by insurance coverage.

NOTE 12 – BIOLOGICAL ASSETS

Current Biological Assets

	31.03.2025	31.12.2024
Biological assets (Tomato)	74.226.161	120.979.182
	74.226.161	120.979.182

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.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 13 – PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

	31.03.2025	31.12.2024
Order advances given	47.756.080	42.304.051
Prepaid expenses	42.860.302	53.089.359
Advances given for business purposes	13.366	70.749
Personnel advances	854.609	369.470
	91.484.357	95.833.629

Long Term Prepaid Expenses

	31.03.2025	31.12.2024
Prepaid expenses	35.591.830	34.096.151
	35.591.830	34.096.151

Short Term Deferred Income

	31.03.2025	31.12.2024
Advances received	46.027.656	51.158.502
Deferred income	22.078.896	25.245.430
	68.106.552	76.403.932

NOTE 14 – ASSETS RELATED TO CURRENT PERIOD TAX

	31.03.2025	31.12.2024
Prepaid taxes and funds	147.277	148.261
	147.277	148.261

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 15 – INVESTMENTS VALUED BY EQUITY PICK-UP METHOD

As of 31 March 2025 and 31 December 2024 the companies accounted by equity pick up method are as follows:

	31.03.2025	Pay (%)	31.12.2024	Pay (%)
Aktur İzmir Gayrimenkul A.Ş.	730.344.378	48%	733.502.945	48%
	730.344.378		733.502.945	

The total assets, liabilities and owner’s equity of the investments which are evaluated by equity pick up method with their summary of income statement related to the periods ended 31 March 2025 and 31 December 2024 are as follows:

	31.03.2025	31.12.2024
Current assets	66.939.052	64.029.047
Non-current assets	1.727.599.549	1.727.634.914
Total Assets	1.794.538.601	1.791.663.961
Current liabilities	6.547.267	2.977.416
Non-current liabilities	266.440.547	260.555.409
Parent company’s equity	1.521.550.787	1.528.131.136
Total Liabilities	1.794.538.601	1.791.663.961
Sales, net	3.817.160	14.909.659
Net profit / (loss)	(6.580.349)	(42.006.537)

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 16 – INVESTMENT PROPERTIES

Cost Value	Lands	Buildings	Total
01 January 2024 opening balance	646.228.196	-	646.228.196
Fair value	3.867.344	886.069.204	889.936.548
Transfers	(554.586.373)	554.586.373	-
31 December 2024 closing balance	95.509.167	1.440.655.577	1.536.164.744
Additions	-	-	-
31 March 2025 closing balance	95.509.167	1.440.655.577	1.536.164.744
31.12.2024, Net Book Value	95.509.167	1.440.655.577	1.536.164.744
31.03.2025, Net Book Value	95.509.167	1.440.655.577	1.536.164.744

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

	Manisa	İzmir
As of 01 January 2024	17.161.985	629.066.211
Value Decrease/increase	723.214	889.213.334
As of 31 December 2024	17.885.199	1.518.279.545
Value Decrease/increase	-	-
As of 31 March 2025	17.885.199	1.518.279.545

The Group's lands that are shown as investment property are revaluated by Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş. The fair values determined in the valuation studies carried out on 31 December 2024 are reflected in the accompanying consolidated financial statements.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 17 – TANGIBLE ASSETS

Cost Values	Land	Land Improvements	Buildings	Property, plant and equipment	Vehicles	Fixtures and fittings	Construction in progress	Total
01 January 2024 opening balance	1.037.918.488	1.036.303.246	2.539.115.868	7.689.817.223	100.460.859	231.484.542	41.098.305	12.676.198.531
Additions	15.559.896	-	1.009.136	78.354.931	7.790.891	23.941.351	133.427.205	260.083.410
Disposals	-	-	-	(751.879)	(1.508.406)	(240.368)	-	(2.500.653)
Transfers	-	-	-	85.507.266	-	-	(130.519.613)	(45.012.347)
31 December 2024 closing balance	1.053.478.384	1.036.303.246	2.540.125.004	7.852.927.541	106.743.344	255.185.525	44.005.897	12.888.768.941
Additions	-	-	1.571.838	2.960.076	8.850.538	684.274	73.338.999	87.405.725
Disposals	-	-	-	(6.925.783)	(5.167.949)	-	-	(12.093.732)
Transfers	-	-	5.349.715	59.648.150	-	-	(64.997.865)	-
31 March 2025 closing balance	1.053.478.384	1.036.303.246	2.547.046.557	7.908.609.984	110.425.933	255.869.799	52.347.031	12.964.080.934
Accumulated Depreciation								
01 January 2024 opening balance	-	148.406.350	138.036.005	908.191.495	50.059.908	209.542.482	-	1.454.236.240
Additions	-	98.519.508	85.227.111	573.922.476	13.113.351	10.063.728	-	780.846.174
Disposals	-	-	-	(132.446)	(1.508.406)	(221.979)	-	(1.862.831)
31 December 2024 closing balance	-	246.925.858	223.263.116	1.481.981.525	61.664.853	219.384.231	-	2.233.219.583
Additions	-	24.629.876	21.474.953	144.102.404	3.306.314	2.544.205	-	196.057.752
Disposals	-	-	-	(3.733.287)	(4.446.280)	-	-	(8.179.567)
31 March 2025 closing balance	-	271.555.734	244.738.069	1.622.350.642	60.524.887	221.928.436	-	2.421.097.768
31.12.2024, Net Book Value	1.053.478.384	789.377.388	2.316.861.888	6.370.946.016	45.078.491	35.801.294	44.005.897	10.655.549.358
31.03.2025, Net Book Value	1.053.478.384	764.747.512	2.302.308.488	6.286.259.342	49.901.046	33.941.363	52.347.031	10.542.983.166

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 March 2025 the depreciation expense of tangible assets for the period is TRY 196.057.752 (31 December 2024: TRY 780.846.174).

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

As of 31 March 2025, fixed assets are insured by, TRY 453.699.214, EUR 78.198.469 (TRY 3.182.826.270), USD 208.844.745 (TRY 7.887.147.083) (31 December 2024: TRY 351.110.350, EUR 54.438.040 (TRY 1.912.321.233), USD 166.190.800 (TRY 5.455.412.448).

Total amount of mortgage on land and buildings for fixed assets of the Group given to financial institutions are USD 64.750.000 (TRY 2.449.732.075), EUR 25.000.000 (TRY 1.019.382.500) and TRY 2.140.000.000.

As of 31 March 2025, the net book value of leasing machines is TRY 126.876.704 (31 December 2024: TRY 128.922.946).

As of 31 March 2025, and 31 December 2024, the Group has no borrowing costs.

NOTE 18- RIGHT OF USE ASSETS

None.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 19 – INTANGIBLE ASSETS

Cost Value	Rights	Research and Development Expenses	Other Intangible Assets	Total
01 January 2024 opening balance	54.669.013	244.675.412	10.837.382	310.181.807
Additions	45.820	-	-	45.820
Transfers	72.994	44.939.353	-	45.012.347
31 December 2024 closing balance	54.787.827	289.614.765	10.837.382	355.239.974
Additions	3.357.557	-	-	3.357.557
31 March 2025 closing balance	58.145.384	289.614.765	10.837.382	358.597.531
Accumulated Depreciation				
01 January 2024 opening balance	29.513.142	67.356.157	10.230.041	107.099.340
Additions	14.944.697	25.216.530	60.525	40.221.752
31 December 2024 closing balance	44.457.839	92.572.687	10.290.566	147.321.092
Additions	2.519.459	8.363.852	14.823	10.898.134
31 March 2025 closing balance	46.977.298	100.936.539	10.305.389	158.219.226
31.12.2024, Net Book Value	10.329.988	197.042.078	546.816	207.918.882
31.03.2025, Net Book Value	11.168.086	188.678.226	531.993	200.378.305

As of 31 March 2025, the amortization expense of intangible assets for the period is TRY 10.898.134 (31 December 2024: TRY 40.221.752).

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 20 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 March 2025 and 31 December 2024, the Group's collateral / pledge / mortgage (“CPM”) position are as follows:

Collaterals, Pledges and Mortgages “(CPM)” given by the Group	31.03.2025	31.12.2024
A. Total Amount of CPM given on behalf of its own legal entity	7.403.225.956	7.840.495.128
B. Total Amount of CPM given for partnerships which included in full consolidation	None	None
C. Total Amount of CPM given for the purpose of guaranteeing unrelated party loans to carry the regular trade activities	None	None
D. Total Amount of other CPM given	None	None
i. Total Amount of CPM given for the Parent Group	None	None
ii. Total Amount of CPM Given for Other Group Companies not Included in B and C Clauses	None	None
iii. Total Amount of CPM Given for Unrelated Parties not Included in C Clause	None	None
Total	7.403.225.956	7.840.495.128

As of 31 March 2025, details of mortgage on lands and buildings given to financial institutions are as follows:

	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O	TRY	1.575.000.000	1,0000	1.575.000.000
Türkiye Vakıflar Bankası T.A.O	USD	64.750.000	37,8337	2.449.732.075
Türkiye Vakıflar Bankası T.A.O	EUR	25.000.000	40,7753	1.019.382.500
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	TRY	565.000.000	1,0000	565.000.000
				5.609.114.575

As of 31 March 2025, 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	36.420.662	1,0000	36.420.662
Energy Market Regulatory Authority	TRY	26.353.488	1,0000	26.353.488
Customs Administration	TRY	29.770.582	1,0000	29.770.582
Credit Guarantee	EUR	8.250.000	40,7753	336.396.225
Credit Guarantee	TRY	226.277.500	1,0000	226.277.500
Public Institutions	TRY	13.842.924	1,0000	13.842.924
				669.061.381

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 March 2025, bank details of the guarantee letters given are as follows:

Details of Guarantee Letters Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O.	TRY	201.710.884	1,0000	201.710.884
Türkiye Vakıflar Bankası T.A.O.	EUR	5.750.000	40,7753	234.457.975
Halk Bank A.Ş.	TRY	130.832.500	1,0000	130.832.500
Halk Bank A.Ş.	EUR	2.500.000	40,7753	101.938.250
Ziraat Bankası A.Ş.	TRY	121.772	1,0000	121.772
				669.061.381

As of 31 March 2025, avals and letter of credits which are given to trade receivables by the Group are as follows:

	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O	USD	2.787.208	37,8337	105.450.391
İşbankası A.Ş	USD	540.487	37,8337	20.448.620
				3.327.695
				125.899.011

As of 31 March 2025, bank details of the general borrowing contracts are as follows:

General Borrowing Contracts:	FX Currency	FX Amount	FX Rate	TRY Equivalent
Denizbank A.Ş	USD	9.000.000	37,8337	340.503.300
Eximbank A.Ş	USD	45.000.000	37,8337	1.702.516.500
Halk Bankası A.Ş.	TRY	500.000.000	1,0000	500.000.000
Halk Bankası A.Ş.	USD	40.000.000	37,8337	1.513.348.000
İşbankası A.Ş	USD	9.500.000	37,8337	359.420.150
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	TRY	198.000.000	1,0000	198.000.000
Vakıfbank A.Ş	USD	65.000.000	37,8337	2.459.190.500
Vakıfbank A.Ş	USD	25.000.000	37,8337	945.842.500
Garanti Bankası A.Ş	USD	6.500.000	37,8337	245.919.050
				8.264.740.000

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As at 31 March 2025 details of bonds are as follows:

Bond	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Cumhuriyet Merkez Bankası	TRY	1.125.050.000	1,0000	1.125.050.000
				1.125.050.000

There is no guarantee given by the Group for the loans in favor of related parties. For credit contracts of the Group USD 200.000.000 (TRY 7.566.740.000) and TRY 698.000.000 guarantee are provided by related parties (Akça Holding and Osman Akça).

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 21 – PROVISIONS

Short Term Provisions

	31.03.2025	31.12.2024
Provision for the lawsuits	7.081.947	8.091.618
Provision for unused vacation	54.373.072	43.600.265
	61.455.019	51.691.883
	31.03.2025	31.12.2024
Lawsuits provision at the beginning of the period	8.091.618	10.935.914
Provisions during the period/reversal	(269.874)	517.156
Monetary gain / (loss)	(739.797)	(3.361.452)
Closing balance	7.081.947	8.091.618

Long Term Provisions for Employee Benefits

	31.03.2025	31.12.2024
Provisions for severance pay	244.726.026	214.109.345
	244.726.026	214.109.345

For the period of 01 January – 31 March 2025, the average personnel number including subcontractors employed by the Group is 2.428 (01.01-31.12.2024: 2.583). The rate of retirement probability used is 96% (01.01-31.12.2024: 96%).

For the period ended at 31 March 2025 and 31 December 2024 the movement schedule of severance pay provision is as follows:

	31.03.2025	31.12.2024
Balance of 01 January	214.109.345	252.322.110
Increase in the period	47.901.847	54.139.240
Interest cost	1.558.617	5.617.208
Payments during the period	(6.360.268)	(21.739.207)
Actuarial profit/(loss)	7.091.973	1.328.108
Monetary gain / (loss)	(19.575.488)	(77.558.114)
Balance at the end of the period	244.726.026	214.109.345

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 22 – EMPLOYEE BENEFIT LIABILITIES

	31.03.2025	31.12.2024
Due to personnel	81.514.488	89.992.464
Social security deductions payable	40.442.555	22.013.068
	121.957.043	112.005.532

NOTE 23 – OTHER CURRENT ASSETS AND LIABILITIES

Other Current Assets

	31.03.2025	31.12.2024
VAT carried forward	24.543.978	23.961.379
	24.543.978	23.961.379

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 24 – SHARE CAPITAL

24.1 Issued Capital

As of 31 March 2025 and 31 December 2024, the issued capital of the Company is TRY 277.292.576, divided into 27.729.257.642 shares each with a nominal value of TRY 0.01.

As of 31 March 2025, and 31 December 2024, Group's paid in capital is as follows:

Shareholders:	31.03.2025		31.12.2024	
	Share (%)	TRY	Share (%)	TRY
Public Offered Shares	49,72%	137.856.510	49,79%	138.056.176
Akça Holding A.Ş.	48,13%	133.455.511	48,06%	133.255.845
Other	2,16%	5.980.555	2,16%	5.980.555
Total	100,00%	277.292.576	100,00%	277.292.576

According to Group's main article of association, more than half of the Members of Board required to be elected from the candidates which are pointed out from A Group shareholders (TRY 100.000).

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

24.2 Inflation Adjustments of Shareholders' Equity

	31.03.2025	31.12.2024
Inflation adjustment of shareholders' equity (*)	5.209.863.677	5.209.863.677
	5.209.863.677	5.209.863.677

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

24.3 Share Premium / (Discount)

	31.03.2025	31.12.2024
Share Premiums/Discounts	407.623.938	407.623.938
	407.623.938	407.623.938

TRY 27.292.576 nominal valued shares, issued by increasing the Company's issued capital from TRY 250.000.000 to TRY 277.292.576 were sold through private placement to Akça Holding A.Ş. at TRY 9,16 price per share with total sales proceeds amounting TRY 250.000.000. The Company's shares consists of share premium amounting to TRY 256.516.859 resulting from the private placement.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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

24.4.1 Gain on revaluation of properties

	31.03.2025	31.12.2024
Gain on revaluation of properties	2.871.951.162	2.871.951.162
	2.871.951.162	2.871.951.162

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

	01.01.- 31.03.2025	01.01.- 31.12.2022
01 January (Beginning of period)	2.871.951.162	2.871.951.162
	2.871.951.162	2.871.951.162

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

The fair value increases TRY 2.871.951.162 (31 December 2024: TRY 2.871.951.162) from revaluation of tangible assets are recognized in gain on revaluation of properties account which is under equity, after the netting of the deferred tax effect.

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

24.4.2 Defined Benefit Plans Re-Measurement Gains (Losses)

	31.03.2025	31.12.2024
Defined Benefit Plans Re-Measurement Gains (Losses)	1.398.920	6.638.743
	1.398.920	6.638.743

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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

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

	31.03.2025	31.12.2024
Gains/(Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	(531.056)	(416.942)
	(531.056)	(416.942)

24.6 Restricted Reserves

	31.03.2025	31.12.2024
Legal reserves	194.766.183	194.766.183
	194.766.183	194.766.183

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

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

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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

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

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

Profit Distribution:

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

24.7 Retained Earnings/ Losses

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

	31.03.2025	31.12.2024
Previous Years Profits/(Losses)	3.549.244.135	3.535.856.459
	3.549.244.135	3.535.856.459

24.8 Minority Interest

The details of the minority interests as of 31 March 2025 are as follows:

31 March 2025	Total Shareholders' Equity	Profit/(Loss) of the Period	Parent Group Share	Minority Interest	Minority part of Shareholders' Equity	Minority part of Profit/(Loss)	Minority Total comprehensive income / (loss)
Smryna	501.758.963	(8.016.545)	79,17%	20,83%	104.533.120	(1.670.114)	(1.726.789)
					104.533.120	(1.670.114)	(1.726.789)

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

The details of the minority interests as of 31 December 2024 are as follows:

31 December 2024	Total Shareholders' Equity	Profit/(Loss) of the Period	Parent Group Share	Minority Interest	Minority part of Shareholders' Equity	Minority part of Profit/(Loss)	Minority Total comprehensive income / (loss)
Smryna	510.047.546	(77.685.884)	79,17%	20,83%	106.259.909	(16.184.559)	(16.194.488)
					106.259.909	(16.184.559)	(16.194.488)

As of 31 March 2025 and 31 December 2024, the details of non-controlling interests are as follows:

	31.03.2025	31.12.2024
Shares in capital	45.584.714	45.584.715
Revaluation fund	34.052.757	34.052.757
Actuarial loss / (gain)	(39.850)	16.824
Shares in accumulated profits / (losses)	26.605.613	42.790.172
Share in profit / (loss) for the period	(1.670.114)	(16.184.559)
	104.533.120	106.259.909

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

A comparison of the Group's equity items restated for inflation in the consolidated financial statements as of 31 December 2024 and the restated amounts in the financial statements prepared in accordance with statutory accounting are as follows:

31.03.2025	Inflation adjusted amounts in the financial statements prepared in accordance with statutory accounting	Inflation adjusted amounts in the financial statements prepared in accordance with TAS/IFRS	Differences recognized in retained earnings
Share Capital Adjustment Differences	7.005.339.519	5.209.863.677	1.795.475.842
Share Premiums/Discounts	336.398.798	407.623.938	(71.225.140)
Restricted Reserves Appropriated from Profit	264.506.909	194.766.183	69.740.726

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 25 – SALES AND COST OF SALES

25.1 Sales

	01.01.- 31.03.2025	01.01.- 31.03.2024
Domestic sales	1.172.009.276	1.560.608.333
Export sales	759.933.605	684.295.805
Other sales	11.025.219	44.181.186
	1.942.968.100	2.289.085.324
Sales returns	(6.291.387)	(3.297.333)
Other discounts	(20.348.522)	(12.698.752)
Sales Income, (net)	1.916.328.191	2.273.089.239

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

25.2 Cost of Sales

	01.01.- 31.03.2025	01.01.- 31.03.2024
Direct material expenses	372.978.369	423.264.101
Direct labor expenses	180.942.720	183.059.816
General production expenses	225.234.450	254.796.512
Depreciation expenses	96.788.945	97.285.883
<u>Change in semi-finished goods</u>		
1. Beginning semi-finished goods (+)	250.310.885	160.821.193
2. Ending semi-finished goods (-)	(263.202.966)	(249.791.175)
Cost of finished goods produced	863.052.403	869.436.330
<u>Changes in finished goods inventory</u>		
1. Beginning inventory (+)	790.951.699	1.473.295.205
2. Ending inventory (-)	(790.821.014)	(920.471.423)
Cost of finished goods sold	863.183.088	1.422.260.112
<u>Cost of merchandises</u>		
1. Beginning merchandise inventory (+)	-	-
2. Purchases during the period (+)	-	570.449
3. End of the period merchandise inventory (-)	-	-
Cost of merchandises sold	-	570.449
Cost of other sales	699.295.937	985.607.115
Cost of biological assets	139.588.615	161.602.171
Depreciation of biological assets	18.217.116	16.041.340
Energy costs	65.327.059	70.262.548
Energy depreciation	85.517.273	84.301.668
Cost of sales, net	1.871.129.088	2.740.645.403

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 01 January – 31 March 2025 and 2024, for each main production group, quantities of goods and services:

	Unit	01.01.- 31.03.2025	01.01.- 31.03.2024
Yarn	Kg	1.655.248	1.454.062
Raw Clothing	Mt2	12.138.170	12.761.205
Finishing Cloth	Mt2	18.571.807	19.092.512
Lining	Mt2	3.056.227	3.715.270
Linens, Sheets, Curtains, Pillows.	Quantity	3.173.679	2.550.199
Electricity	Kwh	68.428.187	66.253.219
Cotton Waste	Kg	118.470	146.467
Piece of Cloth	Kg	396.770	168.700
Yarn Waste	Kg	63.683	58.061
Textile Trash Powder	Kg	21.760	22.557
Pepper	Kg	8.905	-
Cucumber	Kg	28.865	-
Tomato	Kg	834.544	991.741
Dried Figs	Kg	1.425.644	1.957.489
Dried Apricot	Kg	70.684	50.755
Raisin	Kg	2.962.745	5.360.288
Dry Food By-Product	Kg	161.070	848.855

As of 01 January – 31 March 2025 and 2024, for each main sales group, quantities of goods and services:

	Unit	01.01.- 31.03.2025	01.01.- 31.03.2024
Yarn	Kg	3.326	3.882
Finishing Cloth	Mt2	1.645.804	1.203.056
Lining	Mt2	2.554.554	3.274.393
Linens, Sheets, Curtains, Pillows.	Quantity	3.127.864	2.283.057
Electricity	Kwh	60.672.386	63.007.735
Cotton Waste	Kg	124.440	67.380
Piece of Cloth	Kg	197.585	52.700
Yarn Waste	Kg	80.720	55.200
Textile Trash Powder	Kg	23.340	29.340
Pepper	Kg	8.905	-
Cucumber	Kg	28.865	-
Tomato	Kg	1.101.076	1.768.384
Dried Figs	Kg	1.425.644	1.957.489
Dried Apricot	Kg	70.684	50.755
Raisin	Kg	2.962.745	5.360.288
Dry Food By-Product	Kg	161.070	848.855

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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

	01.01.- 31.03.2025	01.01.- 31.03.2024
Research and development expenses	8.665.668	12.939.593
Marketing, sales and distribution expenses	63.652.439	59.552.625
General administrative expenses	75.554.639	99.313.461
	147.872.746	171.805.679

26.1 Research and Development Expenses

	01.01.- 31.03.2025	01.01.- 31.03.2024
Personnel expenses	7.938.802	11.788.729
Direct material expenses	-	19.225
Other expenses	726.866	1.131.639
	8.665.668	12.939.593

26.2 Marketing Expenses

	01.01.- 31.03.2025	01.01.- 31.03.2024
Personnel expenses	19.378.018	26.139.308
Export expenses	25.044.524	15.802.937
Domestic sales transportation expense	2.182.378	3.871.057
Depreciation expenses	1.029.741	1.035.025
Other expenses	7.259.398	4.935.615
Fair expenses	8.758.380	7.768.683
	63.652.439	59.552.625

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

26.3 General administrative expenses

	01.01.- 31.03.2025	01.01.- 31.03.2024
Personnel expenses	49.862.960	65.125.333
Insurance expenses	564.212	2.581.695
Consultancy expenses	3.412.718	5.237.128
Repair and maintenance expenses	668.480	1.266.929
Travelling expenses	871.171	1.739.676
Membership expenses	2.337.004	1.932.463
Tax and duty expenses	496.977	1.223.907
Provision for litigation expenses	1.793.370	917.164
Depreciation expenses	5.402.811	5.428.206
Other expenses	3.559.804	3.727.580
Provision for doubtful receivables	6.585.132	10.133.380
	75.554.639	99.313.461

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 27 – OTHER OPERATING INCOME/ (EXPENSES)

27.1 Other Income From Operating Activities

	01.01.- 31.03.2025	01.01.- 31.03.2024
Foreign exchange gains related to commercial activities	90.735.647	146.570.608
Discount income / expenses on payables, net	72.046.637	44.709.058
Maturity difference income	40.030.992	19.862.318
Rental income	1.619.969	1.625.376
Incentive and promotion income	4.635.277	7.087.211
Reversal of unnecessary provision	623	497.573
Other income and profit	4.450.198	3.176.602
	213.519.343	223.528.746

27.2 Other Expenses From Operating Activities (-)

	01.01.- 31.03.2025	01.01.- 31.03.2024
Foreign exchange expenses related to commercial activities	29.713.688	24.696.477
Discount income/expenses on receivables, net	80.689.009	58.606.588
Donation expenses	-	73.180
Other expenses and losses	2.347.419	10.281.902
	112.750.116	93.658.147

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 28 – INVESTMENT ACTIVITIES INCOME / EXPENSE

28.1 Income from Investment Activities

	01.01.- 31.03.2025	01.01.- 31.03.2024
Investment property rental income	14.416.946	-
Currency protected deposit fair value income (*)	-	102.182
Profit on sale of fixed assets	5.231.343	260.687
	19.648.289	362.869

(*)Pursuant to the "Announcement on the Accounting of Currency/Gold Conversion Currency/Price Protected TRY Deposit Accounts" announced by POA on 01 March 2022, the company has classified its currency protected deposits under financial investments and, as a result of the fair value calculation, interest income and future foreign exchange gains are accounted for under income from investment activities.

28.2 Expense from Investment Activities

	01.01.- 31.03.2025	01.01.- 31.03.2024
Investment property other expense	288.297	-
Loss on sale of fixed assets	2.723.435	982.049
	3.011.732	982.049

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

	01.01.- 31.03.2025	01.01.- 31.03.2024
Shares related with investment valued by equity pick-up method	(3.158.567)	(3.437.693)
	(3.158.567)	(3.437.693)

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 29 – FINANCIAL INCOME / EXPENSES

29.1 Financial Income

	01.01.- 31.03.2025	01.01.- 31.03.2024
Interest income	101.956.912	12.227.176
Foreign exchange income regarding financial activities	6.873.502	49.438.881
Other financial income	15.338.967	2.894.152
	124.169.381	64.560.209

29.2 Financial Expenses (-)

	01.01.- 31.03.2025	01.01.- 31.03.2024
Interest expenses	90.647.991	138.326.617
Foreign exchange losses regarding financial activities	207.764.586	150.688.408
Commission expenses of credit	5.098.422	13.811.117
	303.510.999	302.826.142

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 30 – TAX ASSETS AND LIABILITIES

With the "Law on Amendments to the Decree Law No. 375" published in the official gazette of the Republic of Türkiye dated 15 July 2023, the corporate tax rate has been increased from 20% to 25%, and the corporate tax rate is applied with a 5-point discount on the earnings of exporting institutions derived exclusively from exports. This rate has come into force to be applied to corporate earnings for accounting periods starting from 01 January 2023 and declarations that must be submitted as of 01 October 2023. The corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances. The corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

Group is liable to corporation tax valid in Turkey. The necessary provisions are made on the attached financial statements for expected tax liabilities related to the group's current period activity results. Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

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

There is no absolute and certain confirmation procedure related to tax evaluation in Turkey. Losses may be carried forward for a maximum of 5 years to be deducted from taxable profits in future years. However, losses cannot be deducted retroactively from profits made in previous years. Companies prepare their tax returns between 01-25 April of the year following the accounting closing period of the relevant year. These declarations and the accounting records underlying them may be reviewed and changed by the Tax Office within 5 years.

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

Taxable losses

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

The Real Estate and Subsidiary Share Sales Gain Exemption

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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:

	Cumulative temporary differences	Deferred tax / (liability))	Cumulative temporary differences	Deferred tax / (liability)
<u>Deferred tax assets:</u>				
Unearned interests on receivables	25.471.322	6.367.831	27.980.916	6.995.229
Financial loss carried forward	581.029.934	145.257.484	-	-
Severance pay provision	244.726.026	61.181.507	214.109.345	53.527.336
Unused vacation provisions	54.373.072	13.593.269	43.600.265	10.900.068
Differences on tangible and intangible assets	-	-	-	-
Adjustments to inventories	-	-	-	-
Provision for doubtful trade receivables	6.650.686	1.662.672	-	-
Expense accruals	-	-	385.220	96.305
Adjustments to financial liabilities	178.074	44.519	434.033	108.509
Adjustments to provisions of lawsuits	7.081.947	1.770.487	7.684.524	1.921.131
Foreign exchange	-	-	-	-
Deferred income	22.078.896	5.519.723	25.245.430	6.311.358
Effect of other corrections	18.884.589	4.721.146	33.990.955	8.497.735
Deferred tax assets		240.118.638		88.357.671
<u>Deferred tax liabilities:</u>				
Differences on tangible and intangible assets	1.099.886.951	274.971.738	936.690.187	234.172.546
Difference in revaluation of land and buildings	2.089.958.537	391.867.226	2.089.958.537	391.867.226
Difference in revaluation of machinery, plant and equipment	1.610.550.144	402.637.536	1.610.550.144	402.637.536
Adjustments to inventories	102.976.894	25.744.224	137.550.973	34.387.744
Unearned interests on payables	44.065.721	11.016.431	55.217.687	13.804.422
Adjustments related to financial debts	55.188.153	13.797.038	40.888.878	10.222.219
Investment property increase in value	1.488.852.453	279.159.835	1.484.091.527	278.267.162
Effect of other corrections	-	-	-	-
Deferred tax liabilities		1.399.194.028		1.365.358.855
Deferred tax assets / (liabilities), net		(1.159.075.390)		(1.277.001.184)

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.

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

For the period ended at 31 March 2025 and 31 December 2024 movements of deferred tax assets and liabilities are as follows:

	01.01.- 31.03.2025	01.01.- 31.12.2024
Deferred tax assets/(liabilities), net	116.092.280	(497.167.211)
	116.092.280	(497.167.211)

Deferred Tax (Asset) / Liability Movements

	01.01.- 31.03.2025	01.01.- 31.12.2024
Opening balance	1.277.001.184	780.218.307
Actuarial (gain) / loss effect prior periods	(1.795.475)	(329.048)
Tax effect on Financial Assets Measured at Fair Value through Other Comprehensive Income	(38.039)	(55.286)
Deferred tax assets / (liabilities), net	(1.159.075.390)	(1.277.001.184)
Closing balance	116.092.280	(497.167.211)

NOTE 31 – EARNINGS PER SHARE

	01.01.- 31.03.2025	01.01.- 31.03.2024
Net profit / (loss) for the period	122.154.089	(865.718.404)
Weighted-average number of shares outstanding (per share with TRY 1 value)	277.292.576	277.292.576
Simple earnings and divided earnings per share (TRY)	0,4405	(3,1220)

NOTE 32 – FINANCIAL INSTRUMENTS

Financial assets	31.03.2025	31.12.2024
Liquid assets	964.220.445	618.350.378
Trade receivables	1.592.100.583	1.758.563.713
Other receivables	128.864.737	52.207.551
Financial assets	6.370.458	6.522.611
Financial liabilities		
Financial borrowings	3.307.495.841	3.619.818.710
Lease payables	3.585.185	5.799.914
Other payables	57.155.921	24.801.736
Trade payables	759.937.141	909.147.883

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 33 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Financial Instruments

Credit Risk

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

As of 31 March 2025 and 31 December 2024, maximum net credit risk is as follows:

	Trade Receivables		Other Receivables		Bank
	Related	Other	Related	Other	
31.03.2025	Party	Party	Party	Party	Deposit
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	1.121.325.627	470.774.956	13.790.788	115.073.949	27.884.332
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	818.646.730	470.774.956	13.790.788	115.073.949	27.884.332
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	302.678.897	-	-	-	-
The part secured by collateral	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	13.669.805	-	-	-
Impairment (-)	-	(13.669.805)	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. The part of maximum risk under guarantee with collateral	-	-	-	-	-

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

	Trade Receivables		Other Receivables		Bank
	Related	Other	Related	Other	
31.12.2024	Party	Party	Party	Party	Deposit
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	1.177.493.681	581.070.032	5.309.377	46.898.174	19.230.227
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1.053.128.754	581.070.032	-	46.898.174	19.230.227
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	124.364.927	-	5.309.377	-	-
The part secured by collateral	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	7.798.273	-	-	-
Impairment (-)	-	(7.798.273)	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. The part of maximum risk under guarantee with collateral	-	-	-	-	-

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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 March 2025, Group's liquidity risk table is as follows:

Maturities according to agreement	Book Value	Contractual total cash outflow (=I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1- 5 Years (III)	More than 5 Years (IV)
Financial Liabilities						
Non Derivatives	4.318.237.683	4.705.927.609	1.577.258.181	1.625.299.857	1.167.486.057	335.883.514
Financial borrowings	3.307.495.841	3.539.361.202	665.328.847	1.370.662.784	1.167.486.057	335.883.514
Financial leasing	3.585.185	3.749.934	1.911.031	1.838.903	-	-
Trade payables	759.937.141	804.002.861	738.258.034	65.744.827	-	-
- Other Party	759.937.141	804.002.861	738.258.034	65.744.827	-	-
Other liabilities	247.219.516	358.813.612	171.760.269	187.053.343	-	-
- Related Party	36.207.767	147.801.863	111.930.960	35.870.903	-	-
- Other Party	211.011.749	211.011.749	59.829.309	151.182.440	-	-
	4.318.237.683	4.705.927.609	1.577.258.181	1.625.299.857	1.167.486.057	335.883.514

As of 31 December 2024, Group's liquidity risk table is as follows:

Maturities according to agreement	Book Value	Contractual total cash outflow (=I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1- 5 Years (III)	More than 5 Years (IV)
Financial Liabilities						
Non Derivatives	4.763.884.963	5.147.027.289	1.296.097.120	2.299.606.510	1.198.378.057	352.945.602
Financial borrowings	3.619.818.711	3.947.414.787	336.683.626	2.069.368.442	1.188.417.117	352.945.602
Financial leasing	5.799.913	6.183.508	2.067.645	4.115.863	-	-
Trade payables	909.147.883	964.365.569	911.113.496	52.838.446	413.627	-
- Related Party	-	-	-	-	-	-
- Other Party	909.147.883	964.365.569	911.113.496	52.838.446	413.627	-
Other liabilities	229.118.456	229.063.425	46.232.353	173.283.759	9.547.313	-
- Other Party	229.118.456	229.063.425	46.232.353	173.283.759	9.547.313	-
	4.763.884.963	5.147.027.289	1.296.097.120	2.299.606.510	1.198.378.057	352.945.602

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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 March 2025, 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 103.834.134 more/less.

Foreign currency risk sensitivity

	Profit/ (Loss)		Shareholders' Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
In the case of increasing / losing value of TRY by 10% against USD				
1- USD net asset / liability	52.102.679	(52.102.679)	52.102.679	(52.102.679)
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	52.102.679	(52.102.679)	52.102.679	(52.102.679)
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(155.996.630)	155.996.630	(155.996.630)	155.996.630
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(155.996.630)	155.996.630	(155.996.630)	155.996.630
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	59.783	(59.783)	59.783	(59.783)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	59.783	(59.783)	59.783	(59.783)
TOTAL (3+6+9)	(103.834.134)	103.834.134	(103.834.134)	103.834.134

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 December 2024, 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 69.346.112 more/less.

Foreign currency risk sensitivity

	Profit/ (Loss)		Shareholders' Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
In the case of increasing / losing value of TRY by 10% against USD				
1- USD net asset / liability	74.354.134	(74.354.134)	74.354.134	(74.354.134)
2- Part of hedged from USD risk (-)	-	-	-	-
3 USD net effect (1+2)	74.354.134	(74.354.134)	74.354.134	(74.354.134)
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(143.935.906)	143.935.906	(143.935.906)	143.935.906
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(143.935.906)	143.935.906	(143.935.906)	143.935.906
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	235.629	(235.629)	235.629	(235.629)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	235.629	(235.629)	235.629	(235.629)
TOTAL (3+6+9)	(69.346.112)	69.346.112	(69.346.112)	69.346.112

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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 March 2025, 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 2.971.977 (31 December 2024: TRY 2.859.304).

Risk of intensification of sales

During the reporting periods ending on 31 March 2025 and 2024, 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 March 2025, the share of the largest buyer in the revenue from textile sector operations is 57,20% (31 December 2024: 38,53%). 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 79,85% (31 December 2024: 83,02%). Domestic sales of dried fruits (risen, fig and apricot) produced by Menderes on contract manufacturing basis are made in accordance with the "Sales Agreement" signed with Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş., who is the related party of the Group and Osman Akça exports these products to different customers abroad.

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

Textile:

Customer	01.01.- 31.03.2025	01.01.- 31.03.2024
A Company	57,20%	47,79%

Agriculture:

Customer	01.01.- 31.03.2025	01.01.- 31.03.2024
B Company	79,85%	76,85%

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 March 2025, amounts of assets and liabilities of the Group in foreign currency are as follows:

	TRY equivalent functional currency	USD	EUR	GBP
1. Trade Receivables	1.362.662.284	30.063.023	5.569.703	12.638
2a. Monetary Financial Assets (including cash and banks)	38.474.084	896.886	112.715	299
2b. Non-monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	1.401.136.368	30.959.909	5.682.418	12.937
5. Trade Receivables	-	-	-	-
6a. Monetary financial receivables	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	1.401.136.368	30.959.909	5.682.418	12.937
10. Trade Payables	158.185.376	3.666.468	476.658	682
11. Financial Liabilities	868.195.217	8.881.690	13.051.235	-
12a. Other monetary financial liabilities	49.987.960	1.220.081	93.875	-
12b. Other non-monetary financial liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	1.076.368.553	13.768.239	13.621.768	682
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1.363.109.158	3.364.443	30.308.050	-
16a. Other monetary financial liabilities	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	1.363.109.158	3.364.443	30.308.050	-
18. Total Liabilities	2.439.477.711	17.132.682	43.929.818	682
19. Net asset/(liabilities) position of off-balance sheet derivative instruments(19a-19b)	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset / liabilities (9-18+19)	(1.038.341.337)	13.827.227	(38.247.400)	12.255
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(1.038.341.343)	13.827.227	(38.247.400)	12.255
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Exports	759.933.605	13.226.858	6.177.786	21.074
24. Imports	191.297.643	4.813.335	283.156	10.000

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 December 2024, amounts of assets and liabilities of the Group in foreign currency are as follows:

	Foreign currency position table TRY equivalent (functional currency) (indexed values)	Foreign currency position table TRY equivalent (functional currency) (dated values)	USD	EUR	GBP
1. Trade Receivables	1.521.078.474	1.382.010.031	34.426.371	4.546.281	53.250
2a. Monetary Financial Assets (including cash and banks)	48.315.368	43.898.013	907.491	324.196	474
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	1.569.393.842	1.425.908.044	35.333.862	4.870.477	53.724
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-	-
9. Total Assets (4+8)	1.569.393.842	1.425.908.044	35.333.862	4.870.477	53.724
10. Trade Payables	79.925.501	72.618.110	1.634.174	405.676	467
11. Financial Liabilities	867.032.298	787.761.679	8.966.661	12.805.445	-
12a. Other monetary financial liabilities	3.284.317	2.984.040	-	81.068	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. Current Liabilities (10+11+12)	950.242.116	863.363.829	10.600.835	13.292.189	467
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	1.382.394.223	1.256.005.338	3.598.069	30.672.877	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	1.382.394.223	1.256.005.338	3.598.069	30.672.877	-
18. Total Liabilities	2.332.636.339	2.119.369.167	14.198.904	43.965.066	467
19. Net asset/(liabilities) position of off-balance sheet derivative instruments(19a-19b)	-	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-
20. Net foreign currency asset / liabilities (9-18+19)	(763.242.497)	(693.461.123)	21.134.958	(39.094.589)	53.257
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(763.242.497)	(693.461.123)	21.134.958	(39.094.589)	53.257
22. Fair value of derivative instruments used in foreign currency hedge	-	-	.	-	-
23. Exports	3.055.751.762	2.776.371.935	50.391.216	22.066.181	209.816
24. Imports	765.463.547	695.479.108	17.474.073	1.141.837	20.274

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 34 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

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

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

Financial Assets

Monetary assets for which fair value approximates carrying value:

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

Financial Liabilities

Monetary liabilities for which fair value approximates carrying value:

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

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 March 2025 and 31 December 2024, net debt / total equity ratio is as follows:

	31.03.2025	31.12.2024
Total debts	6.023.612.756	6.379.137.790
Liquid assets	(964.220.445)	(618.350.378)
Net debt	5.059.392.311	5.760.787.412
Total equity	12.738.296.744	12.623.223.381
Total capital	17.797.689.055	18.384.010.793
Net Debt/Total Capital	28%	31%

Fair Value Estimate

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

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

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

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

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

31.03.2025	Level 1	Level 2
Assets		
Lands	-	1.053.478.384
Underground and above ground layouts	-	764.747.512
Buildings	-	2.302.308.488
Machinery, plant and devices	-	6.286.259.342
31.12.2024	Level 1	Level 2
Assets		
Lands	-	1.053.478.384
Underground and above ground layouts	-	789.377.388
Buildings	-	2.316.861.888
Machinery, plant and devices	-	6.370.946.016

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

As of 31 March 2025, the classes and fair values of financial instruments are as follows;

31.03.2025	Financial assets and liabilities shown at amortized value	Financial assets at fair value differences in income statement	Book Value	Note
Financial Assets				
Cash and cash equivalents	964.220.445	-	964.220.445	4
Financial investments	-	6.370.458	6.370.458	5
Trade receivables	1.592.100.583	-	1.592.100.583	7
Other receivables	128.864.737	-	128.864.737	9
Financial Liabilities				
Financial borrowings	3.311.081.026	-	3.311.081.026	8
Trade payables	759.937.141	-	759.937.141	7
Other payables	57.155.921	-	57.155.921	9

As of 31 December 2024, the classes and fair values of financial instruments are as follows;

31.12.2024	Financial assets and liabilities shown at amortized value	Financial assets at fair value differences in income statement	Book Value	Note
Financial Assets				
Cash and cash equivalents	618.350.378	-	618.350.378	4
Financial investments	6.522.611	-	6.522.611	5
Trade receivables	1.758.563.713	-	1.758.563.713	7
Other receivables	52.207.551	-	52.207.551	9
Financial Liabilities				
Financial borrowings	3.625.618.624	-	3.625.618.624	8
Trade payables	909.147.883	-	909.147.883	7
Other payables	24.801.736	-	24.801.736	9

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 35 – GAINS /(LOSSES) ON NET MONETARY POSITION RELATED EXPLANATIONS

Non-monetary items	31 March 2025
Statement of financial position items	18.273.017
Inventories	233.689.431
Prepaid expenses (short term)	16.195.546
Investments subject to equity pick-up method	67.062.361
Investments in subsidiaries	16.433.597
Tangible assets	756.942.366
Intangible assets	19.090.121
Investment properties	140.447.744
Prepaid expenses (long term)	11.289.439
Deferred income (short term)	(15.983.529)
Issued capital	(521.682.077)
Share premiums/discounts	(37.268.049)
Accumulated other comprehensive income/(expenses) not to be reclassified on profit or loss	-
- <i>Gain on revaluation of properties</i>	(265.688.752)
- <i>The movement schedule for gains/(losses)</i>	(608.502)
Restricted reserves	(18.456.773)
Retained earnings	(383.189.906)
Statement of profit or loss items	153.886.722
Revenue	(44.219.956)
Cost of sales	244.812.202
Research and sevelopment expense	201.370
Marketing expenses	1.346.234
General administrative expenses	1.089.844
Other operating income	(4.967.005)
Other operating expenses	5.489.574
Income from investing activities	(10.537)
Expense from investing activities	2.730.134
Financial income	(3.240.963)
Financial expenses	10.462.178
Tax expense for the period	(59.806.353)
Gains /(Losses) on Net Monetary Position	172.159.739

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

NOTE 36 – POST BALANCE SHEET EVENTS

None.