

**MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS
AND AUDITORS' REVIEW REPORT
FOR THE INTERIM PERIOD ENDED AT 30 SEPTEMBER 2022**

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MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2022
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise)

		<i>Unreviewed</i>	<i>Audited</i>
ASSETS	Footnote	Current Period	Prior Period
	References	30.09.2022	31.12.2021
Current Assets		2,772,759,941	1,454,979,574
Cash and Cash Equivalents	4	24,154,198	118,035,517
Financial Investments	5	1,855,070	-
Trade Receivables		804,511,287	373,941,123
<i>Trade Receivables from Related Parties</i>	6-7	386,867,441	188,541,819
<i>Trade Receivables from Third Parties</i>	7	417,643,846	185,399,304
Other Receivables		146,259,680	161,775,794
<i>Other Receivables from Related Parties</i>	6-9	126,306,705	152,062,297
<i>Other Receivables from Third Parties</i>	9	19,952,975	9,713,497
Derivative Financial Instruments	10	4,762,115	-
Inventories	11	1,626,284,908	683,151,692
Biological Assets	12	35,623,787	9,385,653
Prepaid Expenses	13	30,591,165	21,442,802
Current Tax Assets	14	2,757,014	1,868,281
Other Current Assets	23	95,960,717	85,378,712
Non-Current Assets		2,464,981,675	2,350,372,967
Other Receivables	9	144,597	142,248
Investments Valued by Equity Pick-up Method	15	84,505,186	83,566,338
Investment Properties	16	139,757,592	139,757,592
Tangible Assets	17	1,964,692,703	1,968,553,618
Intangible Assets	19	21,825,701	17,403,176
Prepaid Expenses	13	31,652,049	1,686,080
Deferred Tax Assets	30	222,403,847	139,263,915
TOTAL ASSETS		5,237,741,616	3,805,352,541

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2022
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise)

		<i>Unreviewed</i>	<i>Audited</i>
LIABILITIES	Footnote	Current Period	Prior Period
	References	30.09.2022	31.12.2021
Current Liabilities		2,393,504,250	1,674,044,877
Financial Borrowings	8	1,215,627,916	704,769,579
Current Installments of Long Term Financial Borrowings	8	364,664,909	599,100,695
Trade Payables	7	705,410,451	293,912,845
Employee Benefit Liabilities	22	38,678,696	26,603,146
Other Payables		4,448,030	7,984,705
<i>Other Payables to Related Parties</i>	6-9	38,751	3,865,219
<i>Other Payables to Third Parties</i>	9	4,409,279	4,119,486
Deferred Income	13	40,434,195	25,968,931
Current Tax Liabilities of Period Profit	30	1,364,272	1,727,939
Current Provisions		22,875,781	13,977,037
<i>Provision for employee benefits</i>	21	18,903,544	9,698,737
<i>Other current provisions</i>	21	3,972,237	4,278,300
Non-Current Liabilities		1,235,517,323	1,109,201,586
Long Term Borrowings	8	864,143,355	776,793,301
Long Term Provisions		120,398,500	78,630,230
<i>Long Term Provisions for Employee Benefits</i>	21	120,398,500	78,630,230
Deferred Tax Liabilities	30	250,975,468	253,778,055
Equity		1,608,720,043	1,022,106,078
Parent Company’s Equity		1,588,621,418	1,007,900,874
Paid in Capital	24.1	250,000,000	250,000,000
Inflation Adjustments of Capital	24.2	860,487	860,487
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>	24.3	1,203,535,433	1,203,535,433
<i>-Defined Benefit Plans Re-Measurement Gains / (Losses)</i>	24.3	7,224,720	11,386,834
Accumulated Other Comprehensive Income or Expenses to be Reclassified on Profit or Loss			
<i>Share of other comprehensive income of investments accounted for using the equity method that will not be reclassified to profit or loss</i>	24.4	42,649,562	42,649,562
Restricted Reserves		10,340,261	10,340,261
<i>Legal Reserves</i>	24.5	10,340,261	10,340,261
Retained Earnings / Losses	24.6	(510,871,703)	(243,093,206)
Net Profit / (Loss) for the Period	31	584,882,658	(267,778,497)
Minority Interests	24.7	20,098,625	14,205,204
TOTAL LIABILITIES AND EQUITY		5,237,741,616	3,805,352,541

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD OF 1 JANUARY-30 SEPTEMBER 2022
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

		<i>Unreviewed</i>	<i>Unreviewed</i>	<i>Unreviewed</i>	<i>Unreviewed</i>
		Current Period	Prior Period	Prior Period	Prior Period
	Footnotes	01.01- 30.09.2022	01.01- 30.09.2021	01.07- 30.09.2022	01.07- 30.09.2021
Revenue	25.1	3,082,300,820	1,477,986,841	1,279,005,231	634,638,347
Cost of Sales (-)	25.2	(2,004,735,898)	(1,222,681,824)	(916,805,960)	(531,913,167)
Gross Profit / (Loss)		1,077,564,922	255,305,017	362,199,271	102,725,180
General Administrative Expenses (-)	26.3	(58,052,952)	(28,947,796)	(28,006,587)	(9,553,584)
Marketing Expenses (-)	26.2	(79,590,566)	(40,816,536)	(40,748,183)	(16,898,575)
Research and Development Expenses (-)	26.1	(9,583,129)	(6,561,145)	(4,721,107)	-
Other Operating Income	27.1	251,105,474	70,742,503	70,201,081	11,423,399
Other Operating Expenses (-)	27.2	(157,270,660)	(41,385,922)	(39,724,942)	(5,243,759)
Operating Profit / (Loss)		1,024,173,089	208,336,121	319,199,533	82,452,661
Income from Investment Activities	28.1	17,364,904	2,838,394	622,744	5,000
Expenses from Investment Activities (-)	28.2	-	(40,219)	-	(39,402)
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	28.3	938,848	306,758	408,258	93,302
Operating Activity Profit/(Loss) Before Financial Expense		1,042,476,841	211,441,054	320,230,535	82,511,561
Financial Income	29.1	54,199,042	35,805,993	7,199,652	8,310,193
Financial Expenses (-)	29.2	(589,758,960)	(252,389,318)	(178,992,944)	(18,996,506)
Operating Activity Profit/(Loss) Before Taxation		506,916,923	(5,142,271)	148,437,243	71,825,248
Operating Activity Tax Income/(Expense)					
Current Tax Income/(Expense)	30	(1,364,272)	(1,518,575)	1,305,969	243,603
Deferred Tax Income/(Expense)	30	85,266,928	9,919,833	140,796,597	(18,923,006)
Current Period Operating Activity Profit / (Loss)		590,819,579	3,258,987	290,539,809	53,145,845
Profit/(Loss) for the Period		590,819,579	3,258,987	290,539,809	53,145,845
Distribution of the Period Income/(Loss)					
Minority Interests	24.7	5,936,921	731,464	(2,249,274)	(475,265)
Parent Company's Shares	31	584,882,658	2,527,523	292,789,083	53,621,110
Earnings Per Share	31	2.3395	0.0101	1.1712	0.2145

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD OF 1 JANUARY-30 SEPTEMBER 2022
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

		<i>Unrewieved</i>	<i>Unrewieved</i>	<i>Unrewieved</i>	<i>Unrewieved</i>
		Current Period	Prior Period	Prior Period	Prior Period
	Footnotes	01.01- 30.09.2022	01.01- 30.09.2021	01.07- 30.09.2022	01.07- 30.09.2021
Profit/(Loss) for the Period		590,819,579	3,258,987	290,539,809	53,145,845
Other Comprehensive Income:					
Income (Expenses) not to be					
Reclassified on Profit or (Loss)					
- Increases (Decreases) in Revaluation of Tangible Assets	24.3	-	90,023,358	-	-
- Defined Benefit Plans Re-Measurement Gains (Losses)	21	(4,881,205)	(582,767)	(1,518,513)	1,139,631
- Deferred Tax Income / (Expense)	30	675,591	(7,122,042)	3,052	(227,925)
Other Comprehensive Income		(4,205,614)	82,318,549	(1,515,461)	911,706
Total Comprehensive Income/(Expense)		586,613,965	85,577,536	289,024,348	54,057,551
Distribution of Total Comprehensive Income					
Minority Interests	24.7	5,893,421	910,444	(2,210,988)	(469,638)
Parent Company's Shares	31	580,720,544	84,667,092	291,235,336	54,527,189

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
STATEMENT OF CONSOLIDATED CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS OF
1 JANUARY – 30 SEPTEMBER 2022
(Currency – Turkish Lira “TRY” unless expressed otherwise.)

	Footnote	Paid in Capital	Adjustments of Shareholders' Equity	Effect of Mergers Involving Undertakings or Businesses Subject to Common Control	Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss		Accumulated Other Comprehensive Income and Expenses that will be Reclassified to Profit or Loss	Restricted Reserves	Accumulated profits			Parent Company's Equity	Minority Interests	Total Equity
					Increase / (Decrease) on Revaluation of Tangible Assets	Defined Benefit Plans Re-Measurement Gains / (Losses)	Share Of Other Comprehensive Income Of Investments Accounted For Using Equity Method That Will Not Be Reclassified To Profit or Loss		Accumulated Profit/Loss	Net Profit/Loss For The Period				
Balances at 01.01.2021		250,000,000	485,133	(70,487,372)	638,436,962	5,377,107	42,649,562	10,147,245	(77,913,133)	(94,124,331)	704,571,173	16,030,972	720,602,145	
Transfers	24	-	375,354	70,487,372	-	-	-	193,016	(165,180,073)	94,124,331	-	-	-	
Total Comprehensive Income/(Loss)		-	-	-	82,602,972	(463,403)	-	-	-	2,527,523	84,667,092	910,444	85,577,536	
- Profit/(Loss) for the Period	24	-	-	-	-	-	-	-	-	2,527,523	2,527,523	731,464	3,258,987	
- Other Comprehensive Income/(Expense)	24	-	-	-	82,602,972	(463,403)	-	-	-	-	82,139,569	178,980	82,318,549	
Balances at 30.09.2021	24	250,000,000	860,487	-	721,039,934	4,913,704	42,649,562	10,340,261	(243,093,206)	2,527,523	789,238,265	16,941,416	806,179,681	
Balances at 31.01.2022	24	250,000,000	860,487	-	1,203,535,433	11,386,834	42,649,562	10,340,261	(243,093,206)	(267,778,497)	1,007,900,874	14,205,204	1,022,106,078	
Transfers	24	-	-	-	-	-	-	-	(267,778,497)	267,778,497	-	-	-	
Total Comprehensive Income/(Loss)		-	-	-	-	(4,162,114)	-	-	-	584,882,658	580,720,544	5,893,421	586,613,965	
- Profit/(Loss) for the Period	24	-	-	-	-	-	-	-	-	584,882,658	584,882,658	5,936,921	590,819,579	
- Other Comprehensive Income/(Expense)	24	-	-	-	-	(4,162,114)	-	-	-	-	(4,162,114)	(43,500)	(4,205,614)	
Balances at 30.09.2022	24	250,000,000	860,487	-	1,203,535,433	7,224,720	42,649,562	10,340,261	(510,871,703)	584,882,658	1,588,621,418	20,098,625	1,608,720,043	

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIODS OF 01 JANUARY-30 SEPTEMBER 2022
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

	Footnote	<i>Unreviewed Current Period 01.01- 30.09.2022</i>	<i>Unreviewed Prior Period 01.01- 30.09.2021</i>
CASH FLOWS FROM THE OPERATING ACTIVITIES		(55,317,621)	124,411,896
Profit/(Loss) for the Period			
Current Period Operating Activity Profit / (Loss)		590,819,579	3,258,987
Adjustments Related with Net Profit/Loss for The Period		359,606,650	233,017,096
Adjustments for depreciation, amortisation expenses	17-18-19	66,316,825	82,553,606
Adjustments to Impairment (Cancellation)			
- Adjustments to Impairment (Cancellation) in Receivables	7	(308,102)	(1,757,205)
Adjustments related to the provisions			
- Adjustments for employee termination benefits	21-30	37,562,656	7,472,082
- Adjustment for provision for expenses and lawsuits	21	(306,063)	1,279,915
- Adjustment for other provisions or reversals	21	9,204,807	608,641
Adjustments for interest income and expenses			
- Adjustments for interest expenses	8-29	31,211,273	2,574,989
- Unearned income from futures sale	27.1	10,376,313	4,791,688
- Deferred financial expense arise from forward purchasing	27.2	(7,054,172)	(5,784,869)
Adjustments for fair value income or loss			
- Adjustments for financial instruments fair value losses /(profits)	10	(4,762,115)	(153,731)
Adjustment for unrealized currency translation differences	8	304,246,595	151,775,125
Adjustments for retained earnings of investments subject to equity pick-up method			
- Adjustment for retained earnings of subsidiaries	28.3	(938,848)	(306,758)
Tax payments/returns	30	(85,942,519)	(10,036,387)
Changes in the Company Capital		(1,005,380,183)	(111,735,767)
Increase/decrease in financial investments		(1,855,070)	-
Adjustments for increase/decrease in trade receivables			
- Adjustments for increase/decrease in trade receivables from related parties	6-7	(198,325,622)	39,530,558
- Adjustments for increase/decrease in trade receivables from third parties	7	(242,312,753)	(56,750,453)
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	25,755,592	(1,135,910)
- Adjustments for increase/decrease in other receivables from third parties related to the operations	9	(21,712,565)	(5,369,104)
Adjustments for increase/decrease in inventories	11	(943,133,216)	(161,976,582)
Adjustments related to the increase/decrease in biological assets	12	(26,238,134)	(5,834,224)
Adjustments for increase/decrease in prepaid expenses	13	(39,114,332)	(9,461,682)
Adjustments for increase/decrease in trade payables			
- Adjustments for increase/decrease in trade payables to related parties	6-7	-	470,773
- Adjustments for increase/decrease in trade payables to third parties	7	418,551,778	91,447,043
Increase/decrease in employee benefits liabilities	22	12,075,550	(1,141,325)
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	(3,826,468)	7,712,430
- Adjustments for increase/decrease in other payables from third parties related to the operations	9	289,793	(1,718,923)
Increase/decrease in deferred tax	13	14,465,264	(7,508,368)
Cash Flow from Operating Activities		(54,953,954)	124,540,316
Tax payments/returns	30	(363,667)	(128,420)

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIODS OF 01 JANUARY-30 SEPTEMBER 2022
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

	Footnote References	<i>Unreviewed Current Period 01.01- 30.09.2022</i>	<i>Unreviewed Prior Period 01.01- 30.09.2021</i>
NET CASH FLOW PROVIDED BY INVESTMENT ACTIVITIES		(66,878,435)	(18,927,865)
Proceeds from sale of property, plant, equipment and intangible assets			
- Proceeds from sale of tangible assets	17	22,969,650	780,254
Proceeds from purchase of property, plant, equipment and intangible assets			
- Proceeds from purchase of tangible assets	17	(85,874,512)	(19,538,355)
- Proceeds from purchase of intangible assets	19	(3,973,573)	(169,764)
CASH FLOW PROVIDED BY FINANCIAL ACTIVITIES		28,314,737	(95,778,389)
Cash inflows from financial liabilities			
- Cash inflows from bank loans	8	1,522,795,427	554,210,107
Cash outflows from financial liabilities			
- Cash outflows for bank loans	8	(1,489,985,008)	(643,339,204)
- Cash outflows from other financial liabilities	8	-	(198,312)
Cash outflows from finance leases	8	(4,495,682)	(6,450,980)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN EXCHANGE CURRENCY DIFFERENCES (A+B+C)		(93,881,319)	9,705,642
D. . THE EFFECT OF FOREIGN CURRENCY DIFFERENCES ON CASH AND CASH EQUIVALENTS		-	-
CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE		(93,881,319)	9,705,642
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD	4	118,035,517	47,437,939
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	24,154,198	57,143,581

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 30 SEPTEMBER 2022
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

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

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

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

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

- Aktur İzmir Gayrimenkul A.Ş.

Menderes Tekstil Sanayi ve Ticaret A.Ş.

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

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

As of 30 September 2022, 3,273 personnel are employed by the Company and average number of personnel is 3,334 for the period of 01.01-30.09.2022.

Company shares are traded in the Borsa Istanbul since 2000.

Production Capacity (Textile)

According to the capacity report from Denizli Industrial Chamber dated 10 May 2022, numbered 235 and valid until 10 May 2024, 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))	m2	59,151,060
Knitted fabric (is used in its production))	Kg	1,004,400
Linens	Kg	19,477,500
Pillow case	Kg	5,670,000
Sheet	Kg	7,218,750
Fabric painting (is used in its production)	Kg	3,744,000
Fabric printing (is used in its production)	Kg	14,121,000
Digital fabric printing (is used in its production)	Kg	1,573,719

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 30 SEPTEMBER 2022
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

Production Capacity (Energy)

According to the capacity report from Denizli Industrial Chamber dated 05 November 2021, numbered 622 and valid until 05 November 2023, the Company annual production capacity is as follows:

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

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

Power plants	Company	Location	Type	Electricity Production Capacity (kW)
<i>Geothermal</i>				
Baklacı	Menderes	Manisa	Geothermal	155,200,000
Tosunlar	Menderes	Denizli	Geothermal	30,456,000
<i>Wind</i>				
Aliğa	Menderes	İzmir	Wind	57,254,400
Bergama	Menderes	İzmir	Wind	75,816,000
<i>Solar</i>				
Sarayköy	Menderes	Denizli	Solar	9,287,600

Smyrna Seracılık Ticaret A.Ş.

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

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

Capacity Report (Sarayköy)

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

Product	Unit	Quantity
Tomato	Ton	6,480

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

As of 30 September 2022 , 269 personnel are employed by the Company and the average number of personnel is 265 for the period of 01.01-30.09.2022

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 Izmir.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2. a. Basis of Presentation

Compliance Statement

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

The Preparation of Financial Statements

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

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

Restatement of financial statements during periods of high inflation

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the consolidated financial statements of the Group have been prepared accordingly. As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority (“POA”) on 20 January 2021, since the cumulative change in the general purchasing power of the last three years has been 74,41% according to the Consumer Price Index (“CPI”) rates, it has been stated that entities applying the Turkish Financial Reporting Standards (“TFRS”) are not required to make any restatements in their financial statements for 30 September 2022 and 31 December 2021 within the scope of TAS 29 “Financial Reporting in High Inflation Economies”.

Approval of Financial Statements

Consolidated financial statements are approved by the Board of Directors and granted authority to publish on 09 November 2022 Boards of Directors have authority to change financial statements.

Currency Measurement and Reporting Currency

As of 30 September 2022 and 31 December 2021, Group’s functional and reporting currency unit is represented in TRY compared to previous periods.

Rounding of amounts presented in financial statements

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

Offsetting

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

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Going Concern

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

Basis of Consolidation

The capital structure of subsidiaries and participations are as follows:

Subsidiaries	Consolidation Method	30 September 2022	31 December 2021
Smyrna Seracılık Ticaret A.Ş.	Full Consolidation	79.17%	79.17%

Participations	Consolidation Method	30 September 2022	31 December 2021
Aktur İzmir Gayrimenkul A.Ş.	Equity Pick up	48.00%	48.00%

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

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

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

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

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As of 30 September 2022 and 31 December 2021, the capital structure of subsidiaries and participations are as follows:

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

	30.09.2022	31.12.2021
	Ratio %	Ratio %
Public Offered Shares	46.74	46.78
Akça Holding A.Ş.	50.87	50.83
Other	2.39	2.39
	%100	%100

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

	30.09.2022	31.12.2021
	Ratio %	Ratio %
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	56.67	53.57
Rıza Akça	21.67	21.67
Dilek Göksan	10.83	10.83
Ahmet Bilge Göksan	10.83	10.83
Menderes Tekstil Pazarlama A.Ş.	-	3.10
	%100	%100

Smyrna Seracılık Ticaret A.Ş. (Subsidiary)

	30.09.2022	31.12.2021
	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)

	30.09.2022	31.12.2021
	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, Group’s current financial statements are prepared comparative with previous periods. Comparative information is reclassified to be compatible with the presentation of current financial statements, when necessary.

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2.c. Changes in Accounting Estimates and Errors

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

2.d. Changes in Accounting Policies

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

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

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

The accounting policies implemented in the financial statements are same as those implemented in the financial statements as of 31 December 2021 and for the year ended on the same date, except as stated above.

2.e. New and revised standards and interpretations

The accounting policies adopted in preparation of the condensed interim consolidated financial statements as at September 30, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TAS”)/IFRS and IFRIC interpretations effective as of January 1, 2022. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

Standards amendments published but not yet effective as of 30 September 2022:

Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective from annual periods beginning on or after 1 January 2021); The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective from annual periods beginning on or after 1 January 2021); These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

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IFRS 16 ‘Amendment to IFRS 16 - ‘Leases’ – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021); As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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

Amendments to IFRS 3, ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

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

Standards, amendments, and interpretations that are issued but not effective as of 30 September 2022:

Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities; effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.

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

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

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IFRS 17, ‘Insurance Contracts’, as amended in December 2021; Effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features

2.f. Summary of Significant Accounting Policy

Revenue Recognition

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

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

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

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

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

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

Interest Income

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

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

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

Inventories

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

Biological Assets

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

Tangible Assets

Lands, buildings, land improvements, machineries and equipment are reflected to the consolidated financial statements at fair values that are determined by an independent real estate appraisal company, which is accredited by CMB as of 31 December 2021.

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 equipments.

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

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

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

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

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

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

Economic useful lives of assets approximately are as follows:

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

Intangible Assets

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

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

Investment Properties

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

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

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

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Impairment of Assets

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

Right-of-Use Assets

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

The cost of right-of-use asset includes:

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

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

Lease Liabilities

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

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

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

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

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

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

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

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

Short – term leases and leases of low-value assets

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

Borrowing costs

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

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

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

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

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Financial Assets

Classification

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

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

Recognition and Measurement

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

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

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

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

Derecognition

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

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Impairment

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

Provision for loss measured as below;

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

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

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

Trade Receivables

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

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

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

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

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

Cash and cash equivalents

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

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Financial liabilities

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

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

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

Equity instruments

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

Other financial liabilities

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

Trade payables

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

The Effects of Exchange Rates

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

Effects of Change in Currency Rate

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

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Earnings per Share / (Loss)

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

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

Investments Subject to Equity Pick-up Method

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

Employee Benefits / Severance Pay

Provision for severance pay

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies. As of 30 September 2022, such payments are calculated on the basis of 30 days’ pay limited to a maximum of TRY 15,371 (31 December 2021: TRY 8,285) per year of employment at the rate of pay applicable at the date of retirement.

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

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

	30.09.2022	31.12.2021
Discount rate	4.10%	3.59%

Social Insurance Premium

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

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

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

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Taxes

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

Provisions, Conditional Liabilities and Conditional Assets

Provisions

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

Conditional liabilities and conditional assets

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

Derivative Financial Instruments and Instruments to Protect from Risk

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

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

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

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Statement of Cash Flow

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

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

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

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

Subsequent Events

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

Related Parties

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

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

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

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Details of related parties are as follows:

Akça Holding A.Ş. “Akça Holding”

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

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

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

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

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

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

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

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

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

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Aktur İzmir Gayrimenkul A.Ş.

Government Grants and Incentives

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

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

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2.g. Significant Accounting Estimates and Assumptions

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

Deferred Tax

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

Provision for severance pay

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

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

Deferred financing income / expense:

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

Useful lives:

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

Provisions for litigation:

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

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Investment property impairment:

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

Distinction of tangible assets and Investment properties:

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

Fair value measurements of land and buildings

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

Fair value measurements of property, plant and equipment

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

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

2.h. Segment Reporting

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

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

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

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

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NOTE 3 – SEGMENT REPORTING

30 September 2022	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Revenue	2,098,454,118	675,788,328	308,058,374	-	3,082,300,820
Cost of Sales (-)	(1,401,763,544)	(499,296,411)	(105,369,516)	1,693,573	(2,004,735,898)
GROSS PROFIT/LOSS	696,690,574	176,491,917	202,688,858	1,693,573	1,077,564,922
General Administrative Expenses (-)	(43,193,012)	(3,106,794)	(11,781,824)	28,678	(58,052,952)
Marketing Expenses (-)	(77,480,766)	(2,109,800)	-	-	(79,590,566)
Research and Development Expenses (-)	(9,583,129)	-	-	-	(9,583,129)
Other Operating Income	111,047,470	131,673,449	10,106,805	(1,722,250)	251,105,474
Other Operating Expenses (-)	(122,204,231)	(37,015,877)	(26,877)	1,976,325	(157,270,660)
OPERATING PROFIT/LOSS	555,276,906	265,932,895	200,986,962	1,976,326	1,024,173,089
Income from Investing Activities	17,364,904	-	-	-	17,364,904
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	938,848	-	-	-	938,848
OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES	573,580,658	265,932,895	200,986,962	1,976,326	1,042,476,841
Financial Income (+)	53,125,181	3,209,980	-	(2,136,119)	54,199,042
Financial Expenses (-)	(398,716,844)	(1,446,611)	(189,755,298)	159,793	(589,758,960)
OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION	227,988,995	267,696,264	11,231,664	-	506,916,923
Operating Activity Tax Income / (Expense)					
- Income/Expense Tax for the period	-	(1,364,272)	-	-	(1,364,272)
- Deferred Tax Income/Expense	76,858,207	8,408,721	-	-	85,266,928
PROFIT/(LOSS) FOR THE PERIOD	304,847,202	274,740,713	11,231,664	-	590,819,579

30 September 2021	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Revenue	975,426,260	361,926,220	141,037,880	(403,519)	1,477,986,841
Cost of Sales (-)	(809,253,035)	(348,358,413)	(65,444,223)	373,847	(1,222,681,824)
GROSS PROFIT/LOSS	166,173,225	13,567,807	75,593,657	(29,672)	255,305,017
General Administrative Expenses (-)	(25,915,113)	(1,122,061)	(2,061,911)	151,289	(28,947,796)
Marketing Expenses (-)	(40,005,954)	(810,582)	-	-	(40,816,536)
Research and Development Expenses (-)	(6,561,145)	-	-	-	(6,561,145)
Other Operating Income	42,267,779	28,492,815	103,761	(121,852)	70,742,503
Other Operating Expenses (-)	(30,493,364)	(10,586,795)	(305,998)	235	(41,385,922)
OPERATING PROFIT/LOSS	105,465,428	29,541,184	73,329,509	-	208,336,121
Income from Investing Activities	2,838,394	-	-	-	2,838,394
Expense from Investing Activities (-)	(36,702)	(3,517)	-	-	(40,219)
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	306,758	-	-	-	306,758
OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES	108,573,878	29,537,667	73,329,509	-	211,441,054
Financial Income (+)	31,822,208	1,108,479	4,038,312	(1,163,006)	35,805,993
Financial Expenses (-)	(153,759,111)	(385,644)	(99,407,569)	1,163,006	(252,389,318)
OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION	(13,363,025)	30,260,502	(22,039,748)	-	(5,142,271)
Operating Activity Tax Income / (Expense)					
- Income/Expense Tax for the period	-	(1,518,575)	-	-	(1,518,575)
- Deferred Tax Income/Expense	9,022,897	896,936	-	-	9,919,833
PROFIT/(LOSS) FOR THE PERIOD	(4,340,128)	29,638,863	(22,039,748)	-	3,258,987

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30 September 2022	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Total Assets	3,752,441,252	755,572,097	810,354,664	(80,626,397)	5,237,741,616
Total Liabilities	2,390,801,129	412,855,199	834,560,321	(9,195,076)	3,629,021,573
Assets by Segments					
Investment Property	139,757,592	-	-	-	139,757,592
Total Tangible Assets (Net Book Value)	1,098,974,903	55,376,955	810,340,845	-	1,964,692,703
Total Intangible Assets (Net Book Value)	21,805,476	6,406	13,819	-	21,825,701
Purchases of Tangible and Intangible Assets	88,949,323	879,840	18,922	-	89,848,085
Depreciation Expenses	34,910,058	1,968,457	29,438,310	-	66,316,825
Detail of the Group's foreign currency assets and liabilities by segments					
Total Assets	786,441,439	2,514,514	-	-	788,955,953
Total Liabilities	1,425,028,816	9,970	834,560,321	-	2,259,599,107
Net Foreign Currency Asset/ Liabilities	(638,587,377)	2,504,544	(834,560,321)	-	(1,470,643,154)
Detail of the Group's financial liabilities by division in currency					
Financial Payables	1,585,890,649	23,985,210	834,560,321	-	2,444,436,180
- USD	605,656,398	-	193,472,529	-	799,128,927
- EUR	464,994,735	-	641,087,792	-	1,106,082,527
- TRY	515,239,516	23,985,210	-	-	539,224,726
Export	1,655,640,230	84,117,985	-	-	1,739,758,215
Import	1,095,110,365	3,963,159	-	-	1,099,073,524
Total Debt	2,390,801,129	412,855,199	834,560,321	(9,195,076)	3,629,021,573
Cash Equivalents	(23,091,218)	(1,062,980)	-	-	(24,154,198)
Net Debt	2,367,709,911	411,792,219	834,560,321	(9,195,076)	3,604,867,375
Total Equity	1,337,434,466	342,716,898	-	(71,431,321)	1,608,720,043
Total Capital	3,705,144,377	754,509,117	834,560,321	(80,626,397)	5,213,587,418
Net Debt/Total Capital Ratio	63.90%	54.58%	100.00%	-	69.14%

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31 December 2021	Textile Sector	Agricultural Sector	Energy Sector	Elimination	Total
Total Assets	2,599,606,099	440,064,591	839,774,053	(74,092,202)	3,805,352,541
Total Liabilities	1,743,313,276	257,009,071	785,584,997	(2,660,881)	2,783,246,463
Assets by Segments					
Investment Property	139,757,592	-	-	-	139,757,592
Total Tangible Assets (Net Book Value)	1,072,343,752	56,460,284	839,749,582	-	1,968,553,618
Total Intangible Assets (Net Book Value)	17,367,011	11,694	24,471	-	17,403,176
Purchases of Tangible and Intangible Assets	19,022,132	4,207,669	474,642	-	23,704,443
Depreciation Expenses	69,038,562	7,010,507	36,687,193	-	112,736,262
Detail of the Group's foreign currency assets and liabilities by segments					
Total Assets	447,241,447	10,122,344	-	-	457,363,791
Total Liabilities	1,307,477,755	57,133	785,584,997	-	2,093,119,885
Net Asset / (Liability) Position of Foreign Currency	(860,236,308)	10,065,211	(785,584,997)	-	(1,635,756,094)
Detail of the Group's financial liabilities by division in currency					
Financial Payables	1,278,763,824	16,314,754	785,584,997	-	2,080,663,575
- USD	472,853,339	-	151,566,092	-	624,419,431
- EUR	676,824,033	-	634,018,905	-	1,310,842,938
- TRY	129,086,452	16,314,754	-	-	145,401,206
Export	1,179,285,799	58,374,320	-	-	1,237,660,119
Import	566,037,122	1,685,770	-	-	567,722,892
Total Debt	1,743,313,276	257,009,071	785,584,997	(2,660,881)	2,783,246,463
Cash Equivalents	(113,756,607)	(4,278,910)	-	-	(118,035,517)
Net Debt	1,629,556,669	252,730,161	785,584,997	(2,660,881)	2,665,210,946
Total Equity	910,481,879	183,055,520	-	(71,431,321)	1,022,106,078
Total Capital	2,540,038,548	435,785,681	785,584,997	(74,092,202)	3,687,317,024
Net Debt/Total Capital Ratio	64.15%	57.99%	100.00%	-	72.28%

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Information On The Geographical Region

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

Region	01.01.- 30.09.2022	01.01.- 30.09.2021
Germany	39%	39%
U.S.A	26%	22%
Italy	18%	10%
Netherland	7%	7%
Poland	2%	2%
France	1%	3%
Switzerland	1%	1%
England	1%	7%
UAE	1%	1%
Spain	1%	1%
Other	3%	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 30 September 2022, the share of the largest buyer in the revenue from textile sector operations is 40,67% (30 September 2021: 31.46%). 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 86.28%. (30 September 2021 90.03%) The sales of dried fruits (raisin, fig and apricot) from Group to Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş. are made in accordance with the "Sales Agreement" signed between the Group and Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş. is the exporter and sub contractor of Group for dried fruits.

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NOTE 4 – CASH AND CASH EQUIVALENTS

As of 30 September 2022 and 31 December 2021 the details of cash and cash equivalents are as follows:

	30.09.2022	31.12.2021
Cash	216,015	241,638
Banks	23,938,183	117,793,879
<i>Demand deposits</i>	23,938,183	26,556,472
<i>Time deposits</i>	-	91,237,407
	24,154,198	118,035,517

As of 30 September 2022 and 31 December 2021 maturity schedule of time deposits in the cash and cash equivalents are as follows:

	30.09.2022	31.12.2021
Within 1 month	-	91,237,407
	-	91,237,407

As of 30 September 2022, there is no term bank deposit (31 December 2021: TRY 18.80%, USD 0.10%, EUR 0.05% and GBP 0.05%).

As of 30 September 2022, there is no deposit pledge on the Group's bank deposits. (31 December 2021 None.)

NOTE 5 - FINANCIAL INVESTMENTS

Short Term Financial Investments

Financial assets at fair value through profit or loss

	30.09.2022	31.12.2021
Currency-protected deposit	1,855,070	-
	1,855,070	-

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NOTE 6 – RELATED PARTY TRANSACTIONS

i) Due from / to related parties:

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

	30.09.2022	31.12.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	382,402,399	185,378,793
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	6,508,064	4,485,870
Aktur Araç Muayene İstasyon İşletmesi A.Ş.	-	21,600
Menderes Tekstil Pazarlama A.Ş.	-	7,431
Akçamen Tekstil A.Ş.	-	1,986
Rediscount	(2,043,022)	(1,353,861)
	386,867,441	188,541,819

b) Other receivables from related parties (Note 9):

	30.09.2022	31.12.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş. (*)	126,306,705	129,889,774
Akça Holding A.Ş.	-	357,921
Rıza Akça	-	21,814,602
	126,306,705	152,062,297

(*)Mentioned Receivables are about the transfer of the shares of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. and due date is 31.12.2022. (The principle portion of amount is 86,488,997 TRY)

c) Other payables to related parties (Note 9):

	30.09.2022	31.12.2021
Rıza Akça	25,272	-
Selin Tekstil Sanayi ve Ticaret A.Ş.	-	3,617,418
Ahmet Bilge Göksan	7,582	-
Ali Atlamaz	5,897	-
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	-	247,801
	38,751	3,865,219

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

a) Sales to related parties:

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	588,743,587	326,848,737	191,167,919	120,509,807
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	11,871,082	3,507,266	3,948,162	1,800,910
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	-	71,774	-	71,774
	600,614,669	330,427,777	195,116,081	122,382,491

b) Purchases from related parties:

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	86,483,118	49,124,656	31,903,548	17,436,409
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	23,816	17,449	-	176
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	6,439	4,759	2,265	1,288
Menderes Tekstil Pazarlama A.Ş.	-	2,542	-	-
	86,513,373	49,149,406	31,905,813	17,437,873

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

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

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Benefits provided to senior management	2,234,180	1,315,516	976,043	525,203
	2,234,180	1,315,516	976,043	525,203

b) Service expenses paid to related parties:

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Akça Holding A.Ş.	466,650	634,836	157,597	165,604
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	1,163,328	459,585	441,186	128,054
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	-	62,319	-	56,119
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	2,425	-	897	-
	1,632,403	1,156,740	599,680	349,777

c) Rent income from related parties:

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	136,238	144,774	56,245	48,258
Akça Holding A.Ş.	146,235	122,274	48,745	40,758
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	131,736	110,142	43,912	36,714
Menderes Tekstil Pazarlama A.Ş.	3,356	5,049	-	1,683
Akçamen Tekstil Sanayi Ticaret A.Ş.	3,356	5,049	-	1,683
	420,921	387,288	148,902	129,096

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d) Service income from related parties:

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	392,854	210,996	27,090	94,326
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	60,117	30,619	11,887	10,816
	452,972	241,615	38,977	105,142

e) Foreign exchange income from related parties (Note 27.1):

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	94,502,971	15,625,355	21,575,302	1,284,169
	94,502,971	15,625,355	21,575,302	1,284,169

f) Maturity difference received from related parties (Note 27.1):

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	4,953,871	906,264	1,798,086	57,320
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	107,993	-	72,500	-
	5,061,864	906,264	1,870,586	57,320

g) Interest income from related parties (Note 29.1):

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	15,043,193	10,708,220	617,054	3,609,684
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	-	24,388	-	24,388
Akça Holding A.Ş.	4,431	80,677	-	33,045
	15,047,624	10,813,285	617,054	3,667,117

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h) Foreign exchange paid to related parties (Note 27.2):

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	-	8,126,138	-	755,888
	-	8,126,138	-	755,888

i) Interest expences paid to related parties(Note 29.2):

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	677,491	463,118	69,118	191,155
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	-	42,736	-	-
Selin Tekstil Sanayi ve Ticaret A.Ş.	244,456	-	-	-
Akça Holding A.Ş.	-	17,214	-	-
	921,947	523,068	69,118	191,155

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NOTE 7 – TRADE RECEIVABLES AND TRADE PAYABLES

Short Term Trade Receivables

	30.09.2022	31.12.2021
Trade receivables	353,422,923	154,319,840
Cheques and notes	11,743,073	2,905,936
Unearned interest on trade receivables	(2,497,387)	(506,151)
Doubtful trade receivables	488,432	494,770
Provision for doubtful receivables (-)	(488,432)	(494,770)
Income accruals	54,975,237	28,679,679
Trade Receivables From Third Parties	417,643,846	185,399,304
Trade receivables from related parties (Note 6)	388,569,832	189,815,386
Income accruals from related parties (Note 6)	340,631	80,294
Unearned interests on related party receivables (Note 6)	(2,043,022)	(1,353,861)
Trade Receivables From Related Parties	386,867,441	188,541,819
Total Short-Term Trade Receivables	804,511,287	373,941,123

As of 30 September 2022, the average maturity of trade receivables are 52 days (31 December 2021: 54 days).

Maturity schedule of notes receivables as of 30 September 2022 and 31 December 2021 are as follows:

	30.09.2022	31.12.2021
1-30 days	2,087,945	-
31-60 days	-	2,255,414
61-90 days	4,073,009	199,935
91-120 days	5,582,119	199,935
121-150 days	-	250,652
	11,743,073	2,905,936

As of 30 September 2022 and 31 December 2021 provision for doubtful receivables movement schedule is as follows:

	30.09.2022	31.12.2021
Opening balance	494,770	425,842
Collections made during the period	(6,338)	-
Provisions made during the period	-	68,928
Closing Balance	488,432	494,770

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Short Term Trade Payables

	30.09.2022	31.12.2021
Trade payables	576,567,144	227,057,364
Notes payables	47,247,352	28,809,259
Unearned interests on payables	(8,516,301)	(2,513,763)
Expense accruals	90,112,256	40,559,985
Trade Payables To Third Parties	705,410,451	293,912,845
Trade Payables to Related Parties	-	-
Total Short Term Trade Payables	705,410,451	293,912,845

As of 30 September 2022 ,the average maturity of trade payables are 67 days (31 December 2021: 51 days).

As of 30 September 2022, the surety bond amounting to USD 15,281,208 (TRY 283,498,501) EUR 104,280 (1,894,997 TRY) were given for trade payables of the Group by bank (31.12.2021: USD 9,430,990 (125,932,012 TRY) and EUR 344,139 (5,201,275 TRY)) (Note 20).

As of 30 September 2022 and 31 December 2021 maturity breakdown of notes payables are as follows:

	30.09.2022	31.12.2021
1 – 30 days	26,862,126	13,868,356
31 – 60 days	14,596,220	10,562,008
61 – 90 days	5,789,006	4,220,614
91 – 120 days	-	158,281
	47,247,352	28,809,259

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NOTE 8 – FINANCIAL BORROWINGS

	30.09.2022	31.12.2021
Short Term Borrowings:		
TRY borrowings	454,849,360	73,806,298
USD borrowings	552,088,892	357,308,110
EUR borrowings	208,512,135	273,585,903
Credit card liabilities (TRY)	177,529	69,268
Short Term Financial Borrowings	1,215,627,916	704,769,579
Lease Payables:		
TRY lease payables, net	5,069,390	4,527,682
EUR lease payables, net	-	1,180,347
Bank Borrowings:		
TRY borrowings	34,915,901	35,081,041
USD borrowings	67,265,863	139,162,322
EUR borrowings	257,413,755	419,149,303
Current Installments of Long-Term Borrowings	364,664,909	599,100,695
Long Term Lease Payables:		
TRY lease payables, net	12,775,684	16,632,727
Long Term Bank Borrowings:		
TRY borrowings	31,436,862	15,284,190
USD borrowings	179,774,172	127,948,999
EUR borrowings	640,156,637	616,927,385
Long Term Financial Borrowings	864,143,355	776,793,301
Total Financial Liabilities	2,444,436,180	2,080,663,575

As of 30 September 2022 and 31 December 2021 maturity analysis of borrowings and other financial borrowings are as follows:

	30.09.2022	31.12.2021
Within 3 months	1,071,053,685	364,657,761
Between 3 - 12 months	504,169,750	933,504,484
Between 1 - 5 years	654,761,027	547,974,277
More than 5 years	196,606,644	212,186,297
	2,426,591,106	2,058,322,819

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As of 30 September 2022 and 31 December 2021 maturity schedule of long term bank borrowings are as follows:

	30.09.2022	31.12.2021
Between 1-2 years	255,369,629	194,146,284
Between 2-3 years	166,233,242	150,016,074
Between 3-4 years	128,013,460	117,546,204
Between 4-5 years	105,144,685	86,265,715
Between 5-6 years	69,757,047	85,770,089
Between 6-7 years	28,665,773	31,155,501
Between 7-8 years	27,656,053	23,292,321
Between 8-9 years	22,110,715	22,592,497
Between 9-10 years	16,892,714	14,532,587
Between 10-11 years	16,346,966	14,190,728
Between 11-12 years	15,177,387	13,851,152
Between 12-13 years	-	6,801,422
	851,367,671	760,160,574

As of 30 September 2022, effective interest rates for TRY, USD and EUR bank loans are 13.07%, 3.72 % and 3.43% (31 December 2021: TRY 9.78% USD 2.57% and EUR 2.62%).

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

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions is USD 134,950,000 (TRY 2,503,605,895), EUR 25,000,000 (TRY 454,305,000) and TRY 162,310,000.

As of 30 September 2022 and 31 December 2021 the details of financial leasing borrowings of Group are as follows:

	30.09.2022	31.12.2021
Short term lease payables	7,502,258	8,713,708
Cost of deferred lease payables (-)	(2,432,868)	(3,005,679)
	5,069,390	5,708,029
	30.09.2022	31.12.2021
Long term lease payables	14,958,149	20,567,444
Cost of deferred lease payables (-)	(2,182,465)	(3,934,717)
	12,775,684	16,632,727

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As of 30 September 2022, the repayment schedule of lease payables are as follows:

	Lease payables	Cost of deferred lease payables	Total liabilities
Between 0 – 1 years	7,502,258	(2,432,868)	5,069,390
Between 1 – 2 years	7,479,059	(1,585,986)	5,893,073
Between 2 – 3 years	7,479,060	(596,449)	6,882,611
Between 3 – 4 years	30	(30)	-
	22,460,407	(4,615,333)	17,845,074

As of 31 December 2021, the repayment schedule of lease payables are as follows:

	Lease payables	Cost of deferred lease payables	Total liabilities
Between 0 – 1 years	8,713,708	(3,005,679)	5,708,029
Between 1 – 2 years	7,479,059	(2,233,339)	5,245,720
Between 2 – 3 years	7,479,060	(1,352,854)	6,126,206
Between 3 – 4 years	5,609,325	(348,524)	5,260,801
	29,281,152	(6,940,396)	22,340,756

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NOTE 9 – OTHER RECEIVABLES AND PAYABLES

Other Current Receivables

	30.09.2022	31.12.2021
Deposit and guarantees given	423,548	445,446
VAT return receivables	19,526,486	8,544,046
Other receivables	2,941	724,005
Other Receivables from Third Parties	19,952,975	9,713,497
Receivables from shareholders (Note 6)	126,306,705	152,062,297
Other Receivables From Related Parties	126,306,705	152,062,297
Total Other Current Receivables	146,259,680	161,775,794

Other Non-Current Receivables

	30.09.2022	31.12.2021
Deposits and guarantees given	144,597	142,248
	144,597	142,248

Other Current Payables

	30.09.2022	31.12.2021
Deposit and guarantees received	46,400	34,400
Taxes and funds payable	4,266,093	4,080,234
Other various debts	96,786	4,852
Other Payables to Third Parties	4,409,279	4,119,486
Payables to shareholders (Note 6)	38,751	247,801
Payables to related parties (Note 6)	-	3,617,418
Other Payables to Related Parties	38,751	3,865,219
Total Other Current Payables	4,448,030	7,984,705

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NOTE 10 – DERIVATIVE INSTRUMENTS

	30.09.2022	31.12.2021
Income accrual from forward Exchange	4,762,115	-
	4,762,115	-

NOTE 11 – INVENTORIES

	30.09.2022	31.12.2021
Raw materials	564,266,315	151,259,335
Semi-finished products	167,868,376	46,029,527
Finished goods	676,070,469	330,386,688
Dried Agricultural products (Figs, Apricot and Raisin)	218,079,748	155,476,142
	1,626,284,908	683,151,692

All inventories of the Group are covered by insurance coverage.

NOTE 12 – BIOLOGICAL ASSETS

Current Biological Assets

	30.09.2022	31.12.2021
Biological assets (Tomato)	35,623,787	9,385,653
	35,623,787	9,385,653

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

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NOTE 13 – PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

	30.09.2022	31.12.2021
Order advances given	26,970,355	19,073,087
Prepaid expenses	3,369,569	1,839,048
Advances given for business purposes	251,241	530,667
	30,591,165	21,442,802

Long Term Prepaid Expenses

	30.09.2022	31.12.2021
Advances given for purchases of tangible assets	31,094,453	1,200,829
Prepaid expenses	557,596	485,251
	31,652,049	1,686,080

Short Term Deferred Income

	30.09.2022	31.12.2021
Advances received	40,415,781	23,816,691
Deferred income	18,414	2,152,240
	40,434,195	25,968,931

NOTE 14 – ASSETS RELATED TO CURRENT PERIOD TAX

	30.09.2022	31.12.2021
Prepaid taxes and funds	2,757,014	1,868,281
	2,757,014	1,868,281

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NOTE 15 – INVESTMENTS VALUED BY EQUITY PICK-UP METHOD

As of 30 September 2022 and 31 December 2021 the companies accounted by equity pick up method are as follows:

	30.09.2022	Share (%)	31.12.2021	Share (%)
Aktur İzmir Gayrimenkul A.Ş.	84,505,186	48%	83,566,338	48%
	84,505,186		83,566,338	

The total assets, liabilities and owner’s equity of the investments which are evaluated by equity pick up method with their summary of income statement related to the periods ended 30 September 2022 and 31 December 2021 are as follows:

	30.09.2022	31.12.2021
Current assets	3,760,361	1,593,345
Non-current assets	190,435,256	190,107,092
Total Assets	194,195,617	191,700,437
Current liabilities	1,064,412	754,852
Non-current liabilities	17,078,734	16,849,047
Parent company’s equity	176,052,471	174,096,538
Total Liabilities	194,195,617	191,700,437
Sales, net	2,910,670	2,005,989
Net profit / (loss)	1,955,932	63,776,442

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NOTE 16 – INVESTMENT PROPERTIES

Cost Value	Land	Total
01 January 2021 opening balance	79,365,000	79,365,000
Fair value	60,392,592	60,392,592
31 December 2021 closing balance	139,757,592	139,757,592
Additions	-	-
30 September 2022 closing balance	139,757,592	139,757,592
31.12.2021, Net Book Value	139,757,592	139,757,592
30.09.2022, Net Book Value	139,757,592	139,757,592

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 2021	3,000,000	76,365,000
Value Decrease/increase	1,230,000	59,162,592
As of 31 December 2021	4,230,000	135,527,592
Value Decrease/increase	-	-
As of 30 September 2022	4,230,000	135,527,592

As of 30 September 2022, the lands that are shown as investment property are revaluated by Rota Gayrimenkul Değerleme ve Danışmanlık A.Ş. The fair values determined in the valuation studies carried out on 31 December 2021 are reflected in the accompanying consolidated financial statements.

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NOTE 17 – TANGIBLE ASSETS

Cost Value	Land	Land Improvements	Buildings	Property, plant and equipment	Vehicles	Fixtures and fittings	Construction in progress	Special costs	Total
01 January 2021 opening balance	83,849,800	68,801,024	228,897,800	983,741,171	4,373,030	18,028,394	39,069,429	9,175	1,426,769,823
Additions	-	-	-	3,804,549	5,928,833	2,964,232	10,747,077	-	23,444,691
Disposals	-	-	-	(1,589,412)	(554,675)	(12,969)	(312,384)	(9,175)	(2,478,615)
Transfer	-	-	813,695	29,459,959	-	-	(35,966,367)	-	(5,692,713)
Gain on revaluation of property	23,330,200	46,628,976	136,633,504	336,438,734	-	-	-	-	543,031,414
31 December 2021 closing balance	107,180,000	115,430,000	366,344,999	1,351,855,001	9,747,188	20,979,657	13,537,755	-	1,985,074,600
Additions	-	-	23,000,000	2,237,552	2,685,363	111,329	57,840,268	-	85,874,512
Disposals	-	-	(23,000,000)	(25,866)	-	(46,934)	-	-	(23,072,800)
Transfer	-	-	-	36,012,313	-	-	(39,480,212)	-	(3,467,899)
30 September 2022 closing balance	107,180,000	115,430,000	366,344,999	1,390,079,000	12,432,551	21,044,052	31,897,811	-	2,044,408,413
Accumulated Depreciation									
01 January 2021 opening balance	-	20,801,386	-	-	1,387,221	13,338,351	-	4,587	35,531,545
Additions	-	8,095,389	7,444,863	92,597,215	666,047	1,618,170	-	1,071	110,422,755
Disposals	-	-	-	(1,168,832)	(480,703)	(8,104)	-	(5,658)	(1,663,297)
Gain on revaluation of property	-	(28,896,775)	(7,444,863)	(91,428,383)	-	-	-	-	(127,770,021)
31 December 2021 closing balance	-	-	-	-	1,572,565	14,948,417	-	-	16,520,982
Additions	-	3,476,981	9,206,815	48,139,440	1,048,941	1,425,701	-	-	63,297,878
Disposals	-	-	(38,333)	(17,883)	-	(46,934)	-	-	(103,150)
30 September 2022 closing balance	-	3,476,981	9,168,482	48,121,557	2,621,506	16,327,184	-	-	79,715,710
31.12.2021, Net Book Value	107,180,000	115,430,000	366,344,999	1,351,855,001	8,174,623	6,031,240	13,537,755	-	1,968,553,618
30.09.2022, Net Book Value	107,180,000	111,953,019	357,176,517	1,341,957,443	9,811,045	4,716,868	31,897,811	-	1,964,692,703

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As of 30 September 2022, the depreciation expense of tangible assets for the period is TRY 63,297,878 (31 December 2021: TRY 110,422,755)

As of 30 September 2022, fixed assets are insured by TRY 49,964,149 , EUR 37,351,000 (TRY 677,528,465), USD 168,451,727 (TRY 3,119,506,997). (31 December 2021: TRY 35,842,498, EUR 37,958,700 (TRY 572,671,519), USD 165,778,010 (TRY 2,210,655,095)).

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions are USD 134,950,000 (TRY 2,503,605,895), EUR 25,000,000 (TRY 454,305,000) and TRY 162,310,000.

As of 30 September 2022, net book value of leasing machines is TRY 42,170,132 (31.12.2021: 62,550,000 TRY).

As of 30 September 2022 and 31 December 2021, the Group has no borrowing costs

NOTE 18- RIGHT OF USE ASSETS

Cost Value	Lands	Buildings	Plants	Vehicles
01 January 2021 opening balance	419,777	158,360	1,180,687	1,758,824
Additions	-	-	-	-
31 December 2021 closing balance	419,777	158,360	1,180,687	1,758,824
Disposals	(419,777)	(158,360)	(1,180,687)	(1,758,824)
30 September 2022 closing balance	-	-	-	-
Accumulated Depreciation				
01 January 2021 opening balance	419,777	158,360	978,951	1,557,088
Additions	-	-	201,736	201,736
31 December 2021 closing balance	419,777	158,360	1,180,687	1,758,824
Disposals	(419,777)	(158,360)	(1,180,687)	(1,758,824)
30 September 2022 closing balance	-	-	-	-
31.12.2021, Net Book Value	-	-	-	-
30.09.2022, Net Book Value	-	-	-	-

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NOTE 19 – INTANGIBLE ASSETS

Cost Value	Rights	Research and Development Expenses	Other Intangible Assets	Total
01 January 2021 opening balance	927,181	15,548,727	1,053,478	17,529,386
Additions	259,677	-	75	259,752
Transfers	-	5,692,713	-	5,692,713
31 December 2021 closing balance	1,186,858	21,241,440	1,053,553	23,481,851
Additions	3,973,573	-	-	3,973,573
Transfers	-	3,467,899	-	3,467,899
30 September 2022 closing balance	5,160,431	24,709,339	1,053,553	30,923,323
Accumulated Depreciation				
01 January 2021 opening balance	509,551	2,528,535	928,818	3,966,904
Additions	229,180	1,862,495	20,096	2,111,771
31 December 2021 closing balance	738,731	4,391,030	948,914	6,078,675
Additions	1,173,022	1,835,701	10,224	3,018,947
30 September 2022 closing balance	1,911,753	6,226,731	959,138	9,097,622
31.12.2021, Net Book Value	448,127	16,850,410	104,639	17,403,176
30.09.2022, Net Book Value	3,248,678	18,482,608	94,415	21,825,701

As of 30 September 2022, the amortization expense of intangible assets for the period is TRY 3,018,947 (31 December 2021: TRY 2,111,771).

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NOTE 20 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES LAR

As of 30 September 2022 and 31 December 2021, the Group's guarantee / security / mortgage (“GSM”) position are as follows:

Guarantees, security and mortgage “(GSM)” given by the Group	30.09.2022	31.12.2021
A. Total Amount of GSM given on behalf of legal entity	4,210,914,920	3,440,173,456
B. Total Amount of GSM given for partnerships which included in full consolidation	None	None
C. Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade activities	None	None
D. Total Amount of other GSM given	None	None
<i>i. Total Amount of GSM given for the Parent Group</i>	None	None
<i>ii. Total Amount of GSM Given for Other Group Companies not Included in B and C Clauses</i>	None	None
<i>iii. Total Amount of GSM Given for Third Parties not Included in C Clause</i>	None	None
Total	4,210,914,920	3,440,173,456

As of 30 September 2022, 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	97,310,000	1.0000	97,310,000
Türkiye Vakıflar Bankası T.A.O	USD	134,950,000	18.5521	2,503,605,895
Türkiye Vakıflar Bankası T.A.O	EUR	25,000,000	18.1722	454,305,000
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	TRY	65,000,000	1.0000	65,000,000
				3,120,220,895

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As of 30 September 2022, details of the guarantee letters given are as follows:

Details of Guarantee Letters Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Electricity and Natural Gas Distribution Companies	TRY	8,963,228	1.0000	8,963,228
Energy Market Regulatory Authority	TRY	1,342,239	1.0000	1,342,239
Customs Administration	TRY	26,704,239	1.0000	26,704,239
Credit Guarantee	USD	32,481,250	18.5521	602,595,399
Credit Guarantee	EUR	16,406,860	18.1722	298,148,741
Credit Guarantee	TRY	15,750,000	1.0000	15,750,000
Public Institutions	TRY	6,344,403	1.0000	6,344,403
				959,848,249

As of 30 September 2022, 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	50,804,110	1.0000	50,804,110
Türkiye Vakıflar Bankası T.A.O.	EUR	10,751,560	18.1722	195,379,499
Türkiye Vakıflar Bankası T.A.O.	USD	11,535,000	18.5521	213,998,474
Türkiye Halk Bankası A.Ş.	TRY	8,250,000	1.0000	8,250,000
Türkiye Halk Bankası A.Ş.	USD	20,571,250	18.5521	381,639,885
Türkiye Halk Bankası A.Ş.	EUR	5,655,300	18.1722	102,769,243
Ziraat Bankası A.Ş.	TRY	50,000	1.0000	50,000
Türkiye İş Bankası A.Ş.	USD	375,000	18.5521	6,957,038
				959,848,249

As of 30 September 2022, avals which are given to trade receivables by the Group are as follows:

	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O	USD	15,281,208	18.5521	283,498,501
Türkiye Vakıflar Bankası T.A.O	EUR	104,280	18.1722	1,894,997
				285,393,498

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As of 30 September 2022, 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	18.5521	166,968,900
Türk Eximbank	USD	45,000,000	18.5521	834,844,500
Türkiye Halk Bankası A.Ş.	TRY	40,000,000	1.0000	40,000,000
Türkiye İş Bankası A.Ş	USD	9,500,000	18.5521	176,244,950
Şekerbank T.A.Ş.	EUR	500,000	18.1722	9,086,100
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	TRY	25,000,000	1.0000	25,000,000
Türkiye Vakıflar Bankası T.A.O	USD	65,000,000	18.5521	1,205,886,500
Türkiye Vakıflar Bankası T.A.O	USD	25,000,000	18.5521	463,802,500
Arap Türk Bankası A.Ş.	USD	2,000,000	18.5521	37,104,200
				2,958,937,650

As of 30 September 2022, details of the guarantee notes given are as follows:

Guarantee Notes Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türk Eximbank	EUR	1,156,500	18.1722	21,016,149
Türk Eximbank	USD	617,500	18.5521	11,455,922
				32,472,071

As of 30 September 2022, bank details of the bonds are as follows:

Bond	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türk Eximbank	EUR	846,172	18.1722	15,376,807
Türkiye Cumhuriyeti Merkez Bankası	USD	500,000	18.5521	9,276,050
Türkiye Cumhuriyeti Merkez Bankası	EUR	300,000	18.1722	5,451,660
Türkiye Cumhuriyeti Merkez Bankası	TRY	59,500,000	1.0000	59,500,000
Türk Eximbank	USD	472,679	18.5521	8,769,188
				98,373,705

There is no guarantee given by the Group for the loans in favor of related parties. For credit contracts of the Group USD 114,250,000 (TRY 2,119,920,175), EUR 7,500,000 (TRY 136,291,500) and TRY 37,500,000 guarantee are provided by related parties (Akça Holding and Osman Akça) (31 December 2021: USD 114,250,000 (TRY 1,525,580,250), EUR 7,500,000 (TRY 113,354,250) and TRY 42,500,000).

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NOTE 21 – PROVISIONS

Short Term Provisions

	30.09.2022	31.12.2021
Provision for the lawsuits	3,972,237	4,278,300
Provision for unused vacation	18,903,544	9,698,737
	22,875,781	13,977,037

	30.09.2022	31.12.2021
Unused vacation provisions at beginning of period	9,698,737	6,213,323
Provisions during the period	9,204,807	3,485,414
Closing balance	18,903,544	9,698,737

Long Term Provisions for Employee Benefits

	30.09.2022	31.12.2021
Provision for severance pay	120,398,500	78,630,230
	120,398,500	78,630,230

For the period of 01 January – 30 September 2022, the average personnel number including subcontractors employed by the Group is 3,599 (01.01-31.12.2021: 3,853). The rate of retirement probability used is 96%. (01.01-31.12.2021: % 96).

For the period ended at 30 September 2022 and 31 December 2021 the movement schedule of severance pay provision is as follows:

	30.09.2022	31.12.2021
Balance of 01 January	78,630,230	57,822,309
Increase in the period	40,405,908	32,434,734
Interest cost	1,874,318	2,656,422
Payments during the period	(5,393,161)	(6,709,441)
Actuarial profit/(loss)	4,881,205	(7,573,794)
Balance at the end of the period	120,398,500	78,630,230

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NOTE 22 – EMPLOYEE BENEFIT LIABILITIES

	30.09.2022	31.12.2021
Due to personnel	29,997,428	20,820,464
Social security deductions payable	8,681,268	5,782,682
	38,678,696	26,603,146

NOTE 23 – OTHER CURRENT ASSETS AND LIABILITIES

Other Current Assets

	30.09.2022	31.12.2021
VAT carried forward	95,960,717	85,378,712
	95,960,717	85,378,712

NOTE 24 – SHARE CAPITAL

24.1 Paid in Capital

As of 30 September 2022 and 31 December 2021, Group’s paid in capital was divided into 250,000,000 shares as each valued at TRY 0.01 nominally 25,000,000,000 shares

As of 30 September 2022 and 31 December 2021, Group’s paid in capital is as follows:

Shareholders:	30.09.2022		31.12.2021	
	Share (%)	TRY	Share (%)	TRY
Public Offered Shares	46.74%	116,851,135	46.78%	116,949,944
Akça Holding A.Ş.	50.87%	127,168,310	50.83%	127,069,501
Other	2.39%	5,980,555	2.39%	5,980,555
Total	100.00%	250,000,000	100.00%	250,000,000

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).

24.2 Inflation Adjustments of Shareholders’ Equity

	30.09.2022	31.12.2021
Inflation adjustment of shareholders’ equity	860,487	860,487
	860,487	860,487

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

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

24.3.1 Gain on revaluation of properties

	30.09.2022	31.12.2021
Gain on revaluation of properties	1,203,535,433	1,203,535,433
	1,203,535,433	1,203,535,433

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

	01.01.- 30.09.2022	01.01.- 31.12.2021
1 January (Beginning of period)	1,203,535,433	638,436,962
Increase in value on fixed asset	-	670,801,435
Transfer to minority shares	-	4,163,890
Deferred tax effect	-	(109,866,854)
	1,203,535,433	1,203,535,433

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

The fair value increases TRY 1,203,535,433 (31 December 2021: TRY 1,203,535,433) from revaluation of tangible assets are recognized in gain on revaluation of properties account which is under equity, after the netting of the deferred tax effect

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

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24.3.2 Defined Benefit Plans Re-Measurement Gains (Losses)

	30.09.2022	31.12.2021
Defined Benefit Plans Re-Measurement Gains (Losses)	7,224,720	11,386,834
	7,224,720	11,386,834

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

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

	30.09.2022	31.12.2021
Shares of Other Comprehensive Income of Investments Valued by Equity Pick Up Method Not to be Classified in Profit or Loss	42,649,562	42,649,562
	42,649,562	42,649,562

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

24.5 Restricted Reserves

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

	30.09.2022	31.12.2021
Legal reserves	10,340,261	10,340,261
	10,340,261	10,340,261

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

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Profit Distribution

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

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

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

24.6 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.

	30.09.2022	31.12.2021
Previous Years Profits/(Losses)	(510,871,703)	(243,093,206)
	(510,871,703)	(243,093,206)

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24.7 Minority Interest

The details of the minority interests as of 30 September 2022 are as follows

30 September 2022	Total Shareholders' Equity	Profit/(Loss) of the Period	Parent Group Share	Minority Interest	Minority part of Shareholders' Equity	Minority part of Profit/(Loss)	Minority Total comprehensive income / (loss)
Smryna	96,473,407	28,497,222	79.17%	20.83%	20,098,625	5,936,921	5,893,421
					20,098,625	5,936,921	5,893,421

The details of the minority interests as of 31 December 2021 are as follows:

31 December 2021	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	68,184,983	10,986,309	79.17%	20.83%	14,205,204	2,288,814	(1,825,768)
					14,205,204	2,288,814	(1,825,768)

As of 30 September 2022 and 31 December 2021, the details of non-controlling interests are as follows:

	30.09.2022	31.12.2021
Shares in capital	2,500,000	2,500,000
Revaluation fund	7,433,739	7,433,739
Actuarial loss / (gain)	32,042	75,542
Shares in accumulated profit / (losses)	4,195,923	1,907,109
Share in profit / (loss) for the period	5,936,921	2,288,814
	20,098,625	14,205,204

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NOTE 25 – SALES AND COST OF SALES

25.1 Sales

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Domestic sales	1,461,866,699	635,046,056	570,329,632	231,330,705
Export sales	1,740,058,254	840,460,019	791,905,377	403,421,675
Other sales	11,253,476	10,116,818	5,730,236	2,316,808
	3,213,178,429	1,485,622,893	1,367,965,245	637,069,188
Sales returns	(1,254,832)	(1,150,849)	(702,158)	(281,105)
Other discounts	(129,622,777)	(6,485,203)	(88,257,856)	(2,149,736)
Sales Income, (net)	3,082,300,820	1,477,986,841	1,279,005,231	634,638,347

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25.2 Cost of Sales

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Direct material expenses	1,285,472,046	623,484,576	389,005,158	219,647,810
Direct labor expenses	182,543,568	143,134,537	74,650,485	51,676,639
General production expenses	367,615,693	76,397,144	150,898,652	28,110,147
Depreciation expenses	32,005,308	50,162,290	10,705,564	25,962,836
<u>Change in semi-finished goods</u>				
1. Beginning semi-finished goods(+)	46,029,527	149,816,954	185,483,557	213,274,181
2. Ending semi-finished goods (-)	(167,868,376)	(199,624,355)	(167,868,376)	(199,624,355)
Cost of finished goods produced	1,745,797,766	843,371,146	642,875,040	339,047,258
<u>Changes in finished goods inventory</u>				
1. Beginning inventory (+)	330,386,688	52,946,862	726,752,505	131,371,519
2. Ending inventory (-)	(676,070,469)	(92,497,840)	(676,070,469)	(92,497,840)
Cost of finished goods sold	1,400,113,985	803,820,168	693,557,076	377,920,937
<u>Cost of merchandises</u>				
1. Beginning merchandise inventory (+)	-	762,416	317,018	683,062
2. Purchases during the period (+)	3,790,146	4,839,489	509,812	2,528,421
3. Ending merchandise inventory (-)	-	(738,399)	-	(738,399)
Cost of merchandises sold	3,790,146	4,863,506	826,830	2,473,084
Cost of other service rendered	1,404,804	644,282	411,849	105,455
Cost of other sales	441,873,224	317,570,891	184,018,108	132,708,405
Cost of biological assets	50,215,766	25,159,830	(1,009,879)	1,100,814
Depreciation of biological assets	1,968,457	5,178,924	655,954	1,776,136
Energy costs	75,931,206	39,367,532	28,533,216	13,841,681
Energy depreciation	29,438,310	26,076,691	9,812,806	1,986,655
Cost of sales, net	2,004,735,898	1,222,681,824	916,805,960	531,913,167

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As of 01 January – 30 September 2022 and 2021, for each main production group, quantities of goods and services:

	Unit	01.01.- 30.09.2022	01.01.- 30.09.2021
Yarn	Kg	6,924,287	9,097,712
Raw Clothing	Mt2	71,958,461	88,936,119
Finishing Cloth	Mt2	117,813,238	110,798,015
Lining	Mt2	13,080,695	11,438,930
Linens, Sheets, Curtains, Pillows.	Quantity	11,394,863	13,422,657
Electricity	Kwh	220,800,892	234,368,096
Cotton Waste	Kg	552,202	137,216
Piece of Cloth	Kg	1,727,262	2,075,196
Yarn Waste	Kg	407,305	602,681
Textile Trash Powder	Kg	170,271	130,530
Tomato	Kg	2,204,999	2,302,102
Dried Figs	Kg	4,147,474	5,264,363
Dried Apricot	Kg	541,228	755,425
Raisin	Kg	13,194,319	12,382,133
Dry Food By-Product	Kg	962,922	-

As of 01 January- 30 September 2022 and 2021, for each main sales group, quantities of goods and services

	Unit	01.01.- 30.09.2022	01.01.- 30.09.2021
Yarn	Kg	134,304	139,634
Raw Clothing	Mt2	-	1,585
Finishing Cloth	Mt2	12,729,204	12,513,686
Lining	Mt2	14,178,103	11,044,689
Linens, Sheets, Curtains, Pillows	Quantity	11,280,689	12,789,168
Electricity	Kwh	194,861,260	177,641,320
Cotton Waste	Kg	75,100	198,050
Piece of Cloth	Kg	1,463,050	2,137,040
Yarn Waste	Kg	404,590	477,230
Textile Trash Powder	Kg	121,520	124,030
Pepper	Kg	79,139	-
Tomato	Kg	2,829,789	2,579,847
Dried Figs	Kg	4,147,474	5,264,363
Dried Apricot	Kg	541,228	755,425
Raisin	Kg	13,194,319	12,382,133
Dry Food By-Product	Kg	962,922	-

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

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Research and development expenses	9,583,129	6,561,145	4,721,107	-
Marketing, sales and distribution expenses	79,590,566	40,816,536	40,748,183	16,898,575
General administrative expenses	58,052,952	28,947,796	28,006,587	9,553,584
	147,226,647	76,325,477	73,475,877	26,452,159

26.1 Research and Development Expenses

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Direct Material expenses	626,045	1,819,612	6,551	-
Personnel expenses	8,491,818	4,046,941	4,606,583	-
Other expenses	465,266	694,592	107,973	-
	9,583,129	6,561,145	4,721,107	-

26.2 Marketing Expenses

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Personnel expenses	21,131,912	9,195,761	11,656,259	2,856,144
Export expenses	38,668,630	27,677,908	21,935,339	12,346,001
Domestic sales transportation expense	3,883,480	868,259	1,425,450	344,356
Depreciation expenses	528,684	101,676	176,841	55,054
Other expenses	5,812,874	2,972,932	2,201,897	1,297,020
Fair Expense	3,343,410	-	592,371	-
Sample Expense	6,221,576	-	2,760,026	-
	79,590,566	40,816,536	40,748,183	16,898,575

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26.3 General Administrative Expenses

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Personnel expenses	27,826,077	17,595,536	11,111,744	5,166,327
Insurance expenses	855,596	1,833,577	464,271	705,539
Education and consultancy expenses	11,077,579	2,300,930	8,062,420	936,375
Office expenses	620,872	461,580	240,505	192,623
Capital market expenses	217	258,219	-	83,229
Repair and maintenance expenses	338,617	181,756	102,903	85,343
Travelling expenses	772,208	324,310	504,735	158,921
Membership expenses	2,806,287	334,877	1,221,501	44,585
Tax and duty expenses	2,035,734	1,725,678	518,612	508,760
Shares in holding cost (*)	319,819	825,644	53,271	241,477
Provision for litigation expenses	294,271	121,622	(47,897)	3,591
Provision for severance pay expense	2,152,749	56,339	2,042,479	12,313
Provision for unused personnel leave	247,054	110,062	78,156	45,793
Depreciation expenses	2,376,066	1,034,025	794,779	564,794
Other expenses	6,329,806	1,783,641	2,859,108	803,914
	58,052,952	28,947,796	28,006,587	9,553,584

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

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NOTE 27 – OTHER OPERATING INCOME/ (EXPENSES)

27.1 Other Income From Operating Activities

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Power transmission line transfer fee	4,717,150	-	2,028,661	-
Reversal of unnecessary provision	308,102	1,757,205	289,167	1,612,720
Carbon credit sales revenues	5,313,357	-	-	-
Foreign exchange gains related to commercial activities	216,321,145	59,576,893	62,210,736	10,795,773
Discount income / expenses on payables, net	10,376,313	4,791,688	1,133,675	(1,716,762)
Maturity Difference income	5,061,864	906,264	1,870,586	57,320
Turnover premium income	579,695	70,371	-	-
Rental income	1,389,940	797,782	443,288	266,118
Other income and profit	7,037,908	2,842,300	2,224,968	408,230
	251,105,474	70,742,503	70,201,081	11,423,399

27.2 Other Expenses From Operating Activities (-)

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Foreign exchange expenses related to commercial activities	146,136,581	30,752,227	37,506,964	3,894,458
Discount income/expenses on receivables, net	7,054,172	5,784,869	839,225	(239,514)
Other expenses and losses	2,763,051	3,507,984	609,318	494,015
Donation expenses	1,316,856	1,340,842	769,435	1,094,800
	157,270,660	41,385,922	39,724,942	5,243,759

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NOTE 28 – INVESTMENT ACTIVITIES INCOME / EXPENSE

28.1 Income from Investment Activities

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Currency protected deposit fair value income (*)	7,323,114	-	622,744	-
Profit on sale of fixed assets	10,041,790	2,838,394	-	5,000
	17,364,904	2,838,394	622,744	5,000

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

28.2 Expense from Investment Activities

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Loss on sale of fixed assets	-	40,219	-	39,402
	-	-	-	-

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

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Shares related with investment valued by equity pick-up method	938,848	306,758	408,258	93,302
	938,848	306,758	408,258	93,302

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NOTE 29 – FINANCIAL INCOME / EXPENSES

29.1 Financial Income

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Interest income	20,900,801	12,257,457	5,420,608	4,067,222
Foreign exchange income regarding financial activities	28,536,126	22,826,475	1,877,298	4,059,901
Foreign exchange income from forward contracts	4,762,115	722,061	(98,254)	183,070
	54,199,042	35,805,993	7,199,652	8,310,193

29.2 Financial Expenses (-)

	01.01.- 30.09.2022	01.01.- 30.09.2021	01.07.- 30.09.2022	01.07.- 30.09.2021
Interest expenses	77,479,475	40,404,642	34,677,391	12,926,836
Foreign exchange losses regarding financial activities	493,487,612	202,669,521	137,209,043	3,337,833
Commission expenses of credit	17,711,552	7,989,944	7,106,510	2,428,265
Maturity difference expenses	1,080,321	910,868	-	191,155
Foreign exchange losses arising from forward contracts	-	414,343	-	112,417
	589,758,960	252,389,318	178,992,944	18,996,506

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NOTE 30 – TAX ASSETS AND LIABILITIES

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

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

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

The applied effective interest rate in the year of 2022 is 23% (2021: 25%)

Permanent tax is calculated and accrued quarterly in Turkey. As of temporary tax periods, the effective corporation tax rate is 23% in 2022 (2021: 25%).

There is no absolute and certain confirmation procedure related to tax evaluation in Turkey. Companies prepare their tax return between 1-30 Aprils coming after the related year’s balancing period (for the companies having special account period, between 1-30 of fourth month following the closing of period). These tax returns and related accounting records may be inspected and changed by tax department in five years.

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

Taxable losses

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

The Real Estate and Subsidiary Share Sales Gain Exemption

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

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Deferred Tax:

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

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

	30.09.2022		31.12.2021	
	Cumulative temporary differences	Deferred tax / (liability)	Cumulative temporary differences	Deferred tax / (liability)
<u>Deferred tax assets:</u>				
Unearned interests on receivables	4,540,409	908,082	1,860,012	427,803
Transferred R&D discount	-	-	61,983,606	12,396,721
Severance pay provision	120,398,500	24,079,700	78,630,230	15,726,046
Unused vacation provisions	18,903,544	3,780,709	9,698,737	2,230,709
Reversal of capitalized financial expenses (except land, buildings)	223,422,047	44,684,409	131,064,573	26,212,915
Reversal of capitalized financial expenses (land, buildings)	41,466,610	4,146,661	35,281,365	3,528,137
Property, plant and equipment (except land, buildings and depreciation)	1,279,694,241	135,240,442	25,467,954	5,093,591
Deferred maturity difference income	-	-	2,121,611	487,971
Provisions of legal claims	3,972,237	794,447	4,274,001	983,021
Impairment of tangible fixed assets	7,754,809	775,481	7,754,809	775,481
Deductible retained losses	-	-	261,086,031	52,217,206
Foreign exchange	25,002,246	5,000,450	47,974,351	11,034,101
Effect of other corrections	14,967,339	2,993,466	35,435,710	8,150,213
Deferred tax assets		222,403,847		139,263,915
<u>Deferred tax liabilities:</u>				
Tangible assets (land, building, land improvements and depreciations), net	13,371,471	1,337,146	39,696,919	7,939,384
Difference in revaluation of land and buildings	476,359,865	47,635,987	476,359,865	47,635,987
Difference in revaluation of machinery, plant and equipments	962,072,772	192,414,554	899,262,124	179,852,424
Unearned interests on payables	8,516,301	1,703,260	2,513,763	578,166
Adjustments related to financial debts	2,298,413	459,682	1,917,626	441,054
Investment property increase in value	74,248,386	7,424,839	74,248,386	7,424,839
Effect of other corrections	-	-	42,800,743	9,844,172
Adjustment of foreign exchange	-	-	269,697	62,029
Deferred tax liabilities		250,975,468		253,778,055
Deferred tax assets / (liabilities), net		(28,571,621)		(114,514,140)

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

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For the period ended at 30 September 2022 and 2021 movements of deferred tax assets and liabilities are as follows:

	01.01.- 30.09.2022	01.01.- 30.09.2021
Current corporation tax	(1,364,272)	(1,518,575)
Deferred tax assets/(liabilities), net	85,266,928	9,919,833
	83,902,656	8,401,258

Deferred Tax (Asset) / Liability Movements

	01.01.- 30.09.2022	01.01.- 30.09.2021
Opening balance	(114,514,140)	(81,610,705)
Deferred tax income / (expense)	85,266,928	9,919,833
Actuarial (gain) / loss effect prior periods	675,591	(7,122,042)
Closing balance	(28,571,621)	(78,812,914)

NOTE 31 – EARNINGS PER SHARE

	01.01.- 30.09.2022	01.01.- 30.09.2021
Net profit / (loss) for the period	584,882,658	2,527,523
Weighted-average number of shares outstanding (per share with TRY 1 value)	250,000,000	250,000,000
Simple earnings and divided earnings per share (TRY)	2.3395	0.0101

NOTE 32 – FINANCIAL INSTRUMENTS

	30.09.2022	31.12.2021
Financial assets		
Liquid assets	24,154,198	118,035,517
Trade receivables	804,511,287	373,941,123
Other receivables	146,404,277	161,918,042
Financial assets	1,855,070	-
Financial liabilities		
Financial borrowings	2,426,591,106	2,058,322,819
Lease payables	17,845,074	22,340,756
Other payables	4,448,030	7,984,705
Trade payables	705,410,451	293,912,845

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

Financial Instruments

Credit Risk

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

As of 30 September 2022 and 31 December 2021, maximum net credit risk is as follows:

	Trade Receivables		Other Receivables		Bank
	Related Party	Third Party	Related Party	Third Party	Deposit
30 September 2022					
Maximum net credit risk as of balance sheet date (A+B+C+D+E))	386,867,441	417,643,846	126,306,705	20,097,572	25,793,253
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	186,575,448	417,643,846	126,306,705	20,097,572	25,793,253
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	200,291,993	-	-	-	-
The part secured by collateral	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	488,432	-	-	-
Impairment (-)	-	(488,432)	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
The part of maximum risk under guarantee with collateral	-	-	-	-	-
31 December 2021					
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	188,541,819	185,399,304	152,062,297	9,855,745	117,793,879
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	188,541,819	185,399,304	22,172,523	9,855,745	117,793,879
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	-	-	129,889,774	-	-
The part secured by collateral	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	494,770	-	-	-
Impairment (-)	-	(494,770)	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
The part of maximum risk under guarantee with collateral	-	-	-	-	-

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Liquidity risk

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

As of 30 September 2022, 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	3,233,407,552	3,403,414,720	1,795,668,958	617,869,332	755,172,659	234,703,771
Financial borrowings	2,426,591,106	2,583,466,640	1,078,725,987	529,822,372	740,214,510	234,703,771
Financial leasing	17,845,074	22,460,407	1,892,963	5,609,295	14,958,149	-
Trade payables	705,410,451	713,926,752	700,480,033	13,446,719	-	-
- <i>Related parties</i>	-	-	-	-	-	-
- <i>Other parties</i>	705,410,451	713,926,752	700,480,033	13,446,719	-	-
Other liabilities	83,560,921	83,560,921	14,569,975	68,990,946	-	-
- <i>Related parties</i>	38,751	38,751	38,751	-	-	-
- <i>Other parties</i>	83,522,170	83,522,170	14,531,224	68,990,946	-	-
	3,233,407,552	3,403,414,720	1,795,668,958	617,869,332	755,172,659	234,703,771

As of 31 December 2021, 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	2,435,133,202	2,578,417,513	571,596,855	1,109,195,553	640,764,642	256,860,463
Financial borrowings	2,058,322,819	2,192,152,973	365,324,190	949,771,122	620,197,198	256,860,463
Financial leasing	22,340,756	29,281,152	2,506,266	6,207,442	20,567,444	-
Trade payables	293,912,845	296,426,607	173,078,168	123,348,439	-	-
- <i>Related parties</i>	-	-	-	-	-	-
- <i>Other parties</i>	293,912,845	296,426,607	173,078,168	123,348,439	-	-
Other liabilities	60,556,782	60,556,781	30,688,231	29,868,550	-	-
- <i>Related parties</i>	3,865,219	3,865,219	-	3,865,219	-	-
- <i>Other parties</i>	56,691,563	56,691,562	30,688,231	26,003,331	-	-
	2,435,133,202	2,578,417,513	571,596,855	1,109,195,553	640,764,642	256,860,463

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Foreign currency risk

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

As of 30 September 2022, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 147,064,315 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	(53,284,047)	53,284,047	(53,284,047)	53,284,047
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(53,284,047)	53,284,047	(53,284,047)	53,284,047
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(94,132,639)	94,132,639	(94,132,639)	94,132,639
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(94,132,639)	94,132,639	(94,132,639)	94,132,639
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	352,371	(352,371)	352,371	(352,371)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	352,371	(352,371)	352,371	(352,371)
TOTAL (3+6+9)	(147,064,315)	147,064,315	(147,064,315)	147,064,315

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As of 31 December 2021, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 163,575,609 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	(44,064,415)	44,064,415	(44,064,415)	44,064,415
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(44,064,415)	44,064,415	(44,064,415)	44,064,415
	In the case of increasing / losing value of TRY by 10% against EUR			
4- EUR net asset / liability	(120,853,526)	120,853,526	(120,853,526)	120,853,526
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(120,853,526)	120,853,526	(120,853,526)	120,853,526
	In the case of increasing / losing value of TRY by 10% against GBP			
7- GBP net asset / liability	1,342,332	(1,342,332)	1,342,332	(1,342,332)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8))	1,342,332	(1,342,332)	1,342,332	(1,342,332)
TOTAL (3+6+9)	(163,575,609)	163,575,609	(163,575,609)	163,575,609

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Interest Rate Risk

The Group’s financial liabilities exposure the Group to interest rate risk. The Group’s financial liabilities mainly consist of fixed rate borrowings. As of 30 September 2022, according to the current balance sheet position, in the case of 1% decrease / increase and keeping fixed all the variables the Group’s net profit will increase / decrease TRY 9,252,444. (31 December 2021: 4,354,602 TRY)

Risk of intensification of sales

During the reporting periods ending on 30 September 2022 and 2021, the risk of intensification of the Group's sales is due to sales from textile sector operations.

The sales activities of the Group are determined according to fluctuations in the domestic and overseas markets and competition conditions. It is taken care of to not to concentrate on a specific sector, country, person and Group in terms of dissolving risks. Even so, as of 30 September 2022, the share of the largest buyer in the revenue from textile sector operations is 40.67% (30 September 2021: 31.46%). 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 86.28%. (30 September 2021 90.03%) 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.- 30.09.2022	01.01.- 30.09.2021
A Company	40.67%	31.46%

Agriculture:

Customer	01.01.- 30.09.2022	01.01.- 30.09.2021
B Company	86.28%	90.03%

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As of 30 September 2022, amounts of assets and liabilities of the Group in foreign currency are as follows:

30 September 2022	TRY equivalent functional currency	USD	EUR	GBP	CHF
1. Trade Receivables	732,393,463	31,960,737	7,593,721	134,871	-
2a. Monetary Financial Assets (including cash and banks)	26,145,378	838,648	543,943	36,336	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	758,538,841	32,799,385	8,137,664	171,207	-
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	30,417,112	-	1,676,844	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-Current Assets (5+6+7)	30,417,112	-	1,676,844	-	-
9. Total Assets (4+8)	788,955,953	32,799,385	9,814,508	171,207	-
10. Trade Payables	352,462,553	18,283,020	730,464	-	-
11. Financial Liabilities	1,085,280,639	33,384,617	25,639,487	-	-
12a. Other monetary financial liabilities	1,925,114	103,768	-	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. Current Liabilities (10+11+12)	1,439,668,306	51,771,405	26,369,951	-	-
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	819,930,804	9,690,233	35,227,250	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	819,930,804	9,690,233	35,227,250	-	-
18. Total Liabilities	2,259,599,110	61,461,638	61,597,201	-	-
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)	(1,470,643,157)	(28,662,253)	(51,782,693)	171,207	-
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(1,470,643,157)	(28,662,253)	(51,782,693)	171,207	-
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-
23. Exports	1,739,758,215	79,356,547	25,038,540	474,981	-
24. Imports	1,099,073,524	66,435,664	2,625,122	4,616	400

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As of 31 December 2021, amounts of assets and liabilities of the Group in foreign currency are as follows:

31 December 2021	TRY equivalent functional currency	USD	EUR	GBP	CHF
1. Trade Receivables	327,209,773	16,932,416	6,307,854	353,593	-
2a. Monetary Financial Assets (including cash and banks)	129,655,309	7,248,650	1,721,227	393,529	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	456,865,082	24,181,066	8,029,081	747,122	-
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	498,709	29,945	6,600	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-Current Assets (5+6+7)	498,709	29,945	6,600	-	-
9. Total Assets (4+8)	457,363,791	24,211,011	8,035,681	747,122	-
10. Trade Payables	155,804,866	10,382,169	1,136,157	-	-
11. Financial Liabilities	1,190,385,985	37,180,435	45,912,414	-	-
12a. Other monetary financial liabilities	2,052,650	22,487	115,945	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. Current Liabilities (10+11+12)	1,348,243,501	47,585,091	47,164,516	-	-
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	744,876,384	9,582,041	40,818,544	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	744,876,384	9,582,041	40,818,544	-	-
18. Total Liabilities	2,093,119,885	57,167,132	87,983,060	-	-
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)	(1,635,756,093)	(32,956,121)	(79,947,379)	747,122	-
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(1,635,756,093)	(32,956,121)	(79,947,379)	747,122	-
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-
23. Exports(*)	1,237,660,119	52,829,210	42,088,921	5,919,394	-
24. Imports(**)	567,722,891	60,212,200	3,371,225	1,633	26,280

(*) The Group has TRY 216,374,620 export for the period of 01.01.-31.12.2021.

(**) The Group has TRY 5,985 import for the period of 01.01.-31.12.2021.

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

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

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

Financial Assets

Monetary assets for which fair value approximates carrying value:

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

Financial Liabilities

Monetary liabilities for which fair value approximates carrying value:

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

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Capital Risk Management

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

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

As of 30 September 2022 and 31 December 2021, net debt / total equity ratio is as follows:

	30.09.2022	31.12.2021
Total debts	3,629,021,573	2,783,246,463
Liquid assets	(24,154,198)	(118,035,517)
Net debt	3,604,867,375	2,665,210,946
Total equity	1,608,720,043	1,022,106,078
Total capital	5,213,587,418	3,687,317,024
Net Debt/Total Capital	69%	72%

Fair Value Estimate

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

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

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

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

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

30.09.2022	Level 1	Level 2	Level 3	Total
Assets				
Lands	-	107,180,000	-	107,180,000
Underground and above ground layouts	-	111,953,019	-	111,953,019
Buildings	-	357,176,517	-	357,176,517
Machinery, plant and devices	-	1,341,957,443	-	1,341,957,443
Derivative Instruments	-	4,762,115	-	4,762,115

31.12.2021	Level 1	Level 2	Level 3	Total
Assets				
Lands	-	107,180,000	-	107,180,000
Underground and above ground layouts	-	115,430,000	-	115,430,000
Buildings	-	366,345,000	-	366,345,000
Machinery, plant and devices	-	1,351,855,000	-	1,351,855,000

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As of 30 September 2022, the classes and fair values of financial instruments are as follows;

30.09.2022	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	24,154,198	-	24,154,198	4
Financial Investments	-	1,855,070	1,855,070	5
Trade receivables	804,511,287	-	804,511,287	7
Other receivables	146,404,277	-	146,404,277	9
Financial Liabilities				
Financial borrowings	2,444,436,180	-	2,444,436,180	8
Trade payables	705,410,451	-	705,410,451	7
Other payables	4,448,030	-	4,448,030	9

As of 31 December 2021, the classes and fair values of financial instruments are as follows;

31.12.2021	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	118,035,517	-	118,035,517	4
Trade receivables	373,941,123	-	373,941,123	6
Other receivables	161,918,042	-	161,918,042	8
Financial Liabilities				
Financial borrowings	2,080,663,575	-	2,080,663,575	7
Trade payables	293,912,845	-	293,912,845	6
Other payables	7,984,705	-	7,984,705	8