

**MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIOD ENDED AT**  
**31 MARCH 2022**

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

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**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2022**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

<b>ASSETS</b>	<b>Footnote References</b>	<i>Unreviewed</i>	<i>Audited</i>
		<b>Current Period 31.03.2022</b>	<b>Prior Period 31.12.2021</b>
<b>Current Assets</b>		<b>1,926,907,759</b>	<b>1,454,979,574</b>
Cash and Cash Equivalents	4	93,767,647	118,035,517
Trade Receivables		502,718,864	373,941,123
<i>Trade Receivables from Related Parties</i>	5-6	283,341,216	188,541,819
<i>Trade Receivables from Third Parties</i>	6	219,377,648	185,399,304
Other Receivables		120,004,198	161,775,794
<i>Other Receivables from Related Parties</i>	5-8	109,593,654	152,062,297
<i>Other Receivables from Third Parties</i>	8	10,410,544	9,713,497
Derivative Financial Instruments	9	1,689,582	-
Inventories	10	1,087,393,450	683,151,692
Biological Assets	11	5,378,434	9,385,653
Prepaid Expenses	12	22,134,095	21,442,802
Current Tax Assets	13	167,283	1,868,281
Other Current Assets	22	93,654,206	85,378,712
<b>Non-Current Assets</b>		<b>2,341,852,538</b>	<b>2,350,372,967</b>
Other Receivables	8	145,448	142,248
Investments Valued by Equity Pick-up Method	14	83,617,817	83,566,338
Investment Properties	15	139,757,592	139,757,592
Tangible Assets	16	1,964,037,010	1,968,553,618
Intangible Assets	18	20,398,705	17,403,176
Prepaid Expenses	12	2,087,763	1,686,080
Deferred Tax Assets	29	131,808,203	139,263,915
<b>TOTAL ASSETS</b>		<b>4,268,760,297</b>	<b>3,805,352,541</b>

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2022**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

		<i>Unreviewed</i>	<i>Audited</i>
	Footnote	Current Period	Prior Period
<b>LIABILITIES</b>	<b>References</b>	<b>31.03.2022</b>	<b>31.12.2021</b>
<b>Current Liabilities</b>		<b>1,937,060,497</b>	<b>1,674,044,877</b>
Financial Borrowings	7	834,166,341	704,769,579
Current Installments of Long Term Financial Borrowings	7	611,100,658	599,100,695
Trade Payables		386,838,582	293,912,845
<i>Trade Payables to Related Parties</i>	5-6	390,063	-
<i>Trade Payables to Third Parties</i>	6	386,448,519	293,912,845
Employee Benefit Liabilities	21	31,625,212	26,603,146
Other Payables		6,858,251	7,984,705
<i>Other Payables to Related Parties</i>	5-8	3,617,418	3,865,219
<i>Other Payables to Third Parties</i>	8	3,240,833	4,119,486
Deferred Income	12	47,139,084	25,968,931
Current Tax Liabilities of Period Profit	29	1,963,516	1,727,939
Current Provisions		17,368,853	13,977,037
<i>Provision for employee benefits</i>	20	13,094,852	9,698,737
<i>Other current provisions</i>	20	4,274,001	4,278,300
<b>Non-Current Liabilities</b>		<b>1,185,241,462</b>	<b>1,109,201,586</b>
Long Term Borrowings	7	821,935,346	776,793,301
Long Term Provisions		95,714,372	78,630,230
<i>Long Term Provisions for Employee Benefits</i>	20	95,714,372	78,630,230
Deferred Tax Liabilities	29	267,591,744	253,778,055
<b>Equity</b>		<b>1,146,458,338</b>	<b>1,022,106,078</b>
<b>Parent Company's Equity</b>		<b>1,129,487,266</b>	<b>1,007,900,874</b>
Paid in Capital	23.1	250,000,000	250,000,000
Inflation Adjustments of Capital	23.2	860,487	860,487
Effect of mergers involving undertakings or businesses subject to common control			
Accumulated Other Comprehensive Income or Expenses not to be Reclassified on Profit or Loss			
<i>Gains / losses on revaluation and remeasurement</i>	23.3	1,203,535,433	1,203,535,433
<i>-Increase / Decrease on Revaluation of Tangible Assets</i>	23.3	8,952,069	11,386,834
<i>-Defined Benefit Plans Re-Measurement Gains / (Losses)</i>			
Accumulated Other Comprehensive Income or Expenses to be Reclassified on Profit or Loss	23.4	42,649,562	42,649,562
<i>Share of other comprehensive income of investments accounted for using the equity method that will not be reclassified to profit or loss</i>		10,340,261	10,340,261
Restricted Reserves	23.5	10,340,261	10,340,261
<i>Legal Reserves</i>	23.6	(510,871,703)	(243,093,206)
Retained Earnings / Losses	30	124,021,157	(267,778,497)
<b>Minority Interests</b>	23.7	<b>16,971,072</b>	<b>14,205,204</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,268,760,297</b>	<b>3,805,352,541</b>

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME**  
**STATEMENT FOR THE PERIOD OF 1 JANUARY-31 MARCH 2022**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise)

		<i>Unreviewed</i>	<i>Unreviewed</i>
	Footnote References	Current Period 01.01- 31.03.2022	Prior Period 01.01- 31.03.2021
Revenue	24.1	717,299,986	394,266,757
Cost of Sales (-)	24.2	(419,632,336)	(323,898,508)
<b>Gross Profit / (Loss)</b>		<b>297,667,650</b>	<b>70,368,249</b>
General Administrative Expenses (-)	25.3	(16,484,995)	(12,692,143)
Marketing Expenses (-)	25.2	(13,045,781)	(9,871,148)
Research and Development Expenses (-)	25.1	(2,565,154)	(6,036,867)
Other Operating Income	26.1	136,335,774	37,366,494
Other Operating Expenses (-)	26.2	(98,008,242)	(34,052,282)
<b>Operating Profit / (Loss)</b>		<b>303,899,252</b>	<b>45,082,303</b>
Income from Investment Activities	27.1	10,038,400	1,772,693
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	27.3	51,479	127,188
<b>Operating Activity Profit/(Loss) Before Financial Expense</b>		<b>313,989,131</b>	<b>46,982,184</b>
Financial Income	28.1	24,366,704	18,195,705
Financial Expenses (-)	28.2	(187,685,046)	(140,194,501)
<b>Operating Activity Profit/(Loss) Before Taxation</b>		<b>150,670,789</b>	<b>(75,016,612)</b>
<b>Operating Activity Tax Income/(Expense)</b>			
Current Tax Income/(Expense)	29	(1,963,516)	(708,301)
Deferred Tax Income/(Expense)	29	(21,886,524)	12,286,062
<b>Current Period Operating Activity Profit / (Loss)</b>		<b>126,820,749</b>	<b>(63,438,851)</b>
<b>Profit/(Loss) for the Period</b>		<b>126,820,749</b>	<b>(63,438,851)</b>
<b>Distribution of the Period Income/(Loss)</b>			
Minority Interests	23.7	2,799,592	544,842
Parent Company's Shares	30	124,021,157	(63,983,693)
<b>Earnings Per Share</b>	<b>30</b>	<b>0.4961</b>	<b>(0.2559)</b>
<b>Other Comprehensive Income:</b>			
<b>Income (Expenses) not to be Reclassified on Profit or (Loss)</b>			
- Defined Benefit Plans Re-Measurement Gains (Losses)	20	(3,085,612)	(2,416,877)
- Deferred Tax Income / (Expense)	29	617,123	483,374
<b>Other Comprehensive Income</b>		<b>(2,468,489)</b>	<b>(1,933,503)</b>
<b>Total Comprehensive Income/(Expense)</b>		<b>124,352,260</b>	<b>(65,372,354)</b>
<b>Distribution of Total Comprehensive Income</b>			
Minority Interests	23.7	2,765,868	533,179
Parent Company's Shares	30	121,586,392	(65,905,533)

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**STATEMENT OF CONSOLIDATED CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIODS OF**  
**1 JANUARY – 31 MARCH 2022**  
(Currency – Turkish Lira “TRY” unless expressed otherwise.)

	Footnotes	Paid in Capital	Adjustments of Shareholders' Equity	Ortak Kontrolde Tabi Teşebbüs veya İşletmelerin Etkisi	Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss		Share Of Other Comprehensive Income Of Investments Accounted For Using Equity Method That Will Not Be Reclassified To Profit or Loss	Restricted Reserves	Accumulated profits		Parent Company's Equity	Minority Interests	Total Equity
					Effect of Mergers Involving Undertakings or Businesses Subject to Common Control	Increase / (Decrease) on Revaluation of Tangible Assets			Accumulated Profit/Loss	Net Profit/Loss For The Period			
<b>Balances at 01.01.2021</b>		<b>250,000,000</b>	<b>485,133</b>	<b>(70,487,372)</b>	<b>638,436,962</b>	<b>5,377,107</b>	<b>42,649,562</b>	<b>10,147,245</b>	<b>(77,913,133)</b>	<b>(94,124,331)</b>	<b>704,571,173</b>	<b>16,030,972</b>	<b>720,602,145</b>
Transfers	23	-	-	-	-	-	-	-	(94,124,331)	94,124,331	-	-	-
<b>Total Comprehensive Income/(Loss)</b>						<b>(1,921,840)</b>				<b>(63,983,693)</b>	<b>(65,905,533)</b>	<b>533,179</b>	<b>(65,372,354)</b>
- Profit/(Loss) for the Period	23	-	-	-	-	-	-	-	-	(63,983,693)	(63,983,693)	544,842	(63,438,851)
- Other Comprehensive Income/(Expense)	23	-	-	-	-	(1,921,840)	-	-	-	-	(1,921,840)	(11,663)	(1,933,503)
<b>Balances at 31.03.2021</b>	<b>23</b>	<b>250,000,000</b>	<b>485,133</b>	<b>(70,487,372)</b>	<b>638,436,962</b>	<b>3,455,267</b>	<b>42,649,562</b>	<b>10,147,245</b>	<b>(172,037,464)</b>	<b>(63,983,693)</b>	<b>638,665,640</b>	<b>16,564,151</b>	<b>655,229,791</b>
<b>Balances at 01.01.2022</b>	<b>23</b>	<b>250,000,000</b>	<b>860,487</b>	<b>-</b>	<b>1,203,535,433</b>	<b>11,386,834</b>	<b>42,649,562</b>	<b>10,340,261</b>	<b>(243,093,206)</b>	<b>(267,778,497)</b>	<b>1,007,900,874</b>	<b>14,205,204</b>	<b>1,022,106,078</b>
Transfers	23	-	-	-	-	-	-	-	(267,778,497)	267,778,497	-	-	-
<b>Total Comprehensive Income/(Loss)</b>						<b>(2,434,765)</b>				<b>124,021,157</b>	<b>121,586,392</b>	<b>2,765,868</b>	<b>124,352,260</b>
- Profit/(Loss) for the Period	23	-	-	-	-	-	-	-	-	124,021,157	124,021,157	2,799,592	126,820,749
- Other Comprehensive Income/(Expense)	23	-	-	-	-	(2,434,765)	-	-	-	-	(2,434,765)	(33,724)	(2,468,489)
<b>Balances at 31.03.2022</b>	<b>23</b>	<b>250,000,000</b>	<b>860,487</b>	<b>-</b>	<b>1,203,535,433</b>	<b>8,952,069</b>	<b>42,649,562</b>	<b>10,340,261</b>	<b>(510,871,703)</b>	<b>124,021,157</b>	<b>1,129,487,266</b>	<b>16,971,072</b>	<b>1,146,458,338</b>

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIODS OF 01 JANUARY-31**  
**MARCH 2022**

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

	Footnote References	<i>Unreviewed</i> Current Period 01.01- 31.03.2022	<i>Unreviewed</i> Prior Period 01.01- 31.03.2021
<b>CASH FLOWS FROM THE OPERATING ACTIVITIES</b>		<b>(69,334,364)</b>	<b>93,968,796</b>
<b>Profit/(Loss) for the Period</b>			
<b>Current Period Operating Activity Profit / (Loss)</b>		<b>126,820,749</b>	<b>(63,438,851)</b>
<b>Adjustments Related with Net Profit/Loss for The Period</b>		<b>182,774,372</b>	<b>137,426,114</b>
Adjustments for depreciation, amortisation expenses	16-17-18	22,063,780	25,921,682
Adjustments to Impairment (Cancellation)			
- Adjustments to Impairment (Cancellation) in Receivables	6	-	(107,755)
Adjustments related to the provisions			
- Adjustments for employee termination benefits	20-29	14,615,653	940,569
- Adjustment for provision for expenses and lawsuits	20	(4,299)	-
- Adjustment for other provisions or reversals	20	3,396,115	1,895,677
Adjustments for interest income and expenses			
- Adjustments for interest expenses	7-28	1,127,425	10,626,381
- Unearned income from futures sale	26.1	7,255,393	6,153,928
- Deferred financial expense arise from forward purchasing	26.2	(5,010,185)	(6,525,437)
Adjustments for fair value income or loss			
- Adjustments for financial instruments fair value losses /(profits)	9	(1,689,582)	167,013
Adjustment for unrealized currency translation differences	7	119,802,150	111,250,680
Adjustments for retained earnings of investments subject to equity pick-up method			
- Adjustment for retained earnings of subsidiaries	27.3	(51,479)	(127,188)
Tax payments/returns	29	21,269,401	(12,769,436)
<b>Changes in the Company Capital</b>		<b>(379,165,062)</b>	<b>20,920,227</b>
Adjustments for increase/decrease in trade receivables			
- Adjustments for increase/decrease in trade receivables from related parties	5-6	(94,799,397)	21,882,797
- Adjustments for increase/decrease in trade receivables from third parties	6	(41,233,737)	715,850
Adjustments for increase/decrease in other receivables related to the operations			
- Adjustments for increase/decrease in other receivables from related parties related to the operations	5-8	42,468,643	(1,258,875)
- Adjustments for increase/decrease in other receivables from third parties related to the operations	8	(7,274,743)	3,236,148
Adjustments for increase/decrease in inventories	10	(404,241,758)	(13,935,661)
Adjustments related to the increase/decrease in biological assets	11	4,007,219	2,359,928
Adjustments for increase/decrease in prepaid expenses	12	(1,092,976)	(10,910,724)
Adjustments for increase/decrease in trade payables			
- Adjustments for increase/decrease in trade payables to related parties	5-6	390,063	768,004
- Adjustments for increase/decrease in trade payables to third parties	6	97,545,859	14,573,755
Increase/decrease in employee benefits liabilities	21	5,022,066	5,692,067
Adjustments for increase/decrease in other payables related to the operations			
- Adjustments for increase/decrease in other payables from related parties related to the operations	5-8	(247,801)	848,577
- Adjustments for increase/decrease in other payables from third parties related to the operations	8	(878,653)	(1,812,329)
Increase/decrease in deferred tax	12	21,170,153	(1,239,310)
<b>Cash Flow from Operating Activities</b>		<b>(69,569,941)</b>	<b>94,907,490</b>
Tax payments/returns	29	235,577	(938,694)

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIODS OF 01 JANUARY-31**  
**MARCH 2022**

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

	<i>Footnote References</i>	<i>Unreviewed Current Period 01.01- 31.03.2022</i>	<i>Unreviewed Prior Period 01.01- 31.03.2021</i>
<b>NET CASH FLOW PROVIDED BY INVESTMENT ACTIVITIES</b>		<b>(20,542,701)</b>	<b>(757,620)</b>
Proceeds from sale of property, plant, equipment and intangible assets			
- Proceeds from sale of tangible assets	16	22,969,650	662,118
Proceeds from purchase of property, plant, equipment and intangible assets			
- Proceeds from purchase of tangible assets	16	(39,538,778)	(1,342,278)
- Proceeds from purchase of intangible assets	18	(3,973,573)	(77,460)
<b>CASH FLOW PROVIDED BY FINANCIAL ACTIVITIES</b>		<b>65,609,195</b>	<b>(82,909,773)</b>
Cash inflows from financial liabilities			
- Cash inflows from bank loans	7	445,675,954	74,918,605
Cash outflows from financial liabilities			
- Cash outflows for bank loans	7	(378,489,859)	(155,954,332)
- Cash outflows from other financial liabilities	7	-	(64,442)
Cash outflows from finance leases	7	(1,576,900)	(1,809,604)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN EXCHANGE CURRENCY DIFFERENCES (A+B+C)</b>		<b>(24,267,870)</b>	<b>10,301,403</b>
<b>CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE</b>		<b>(24,267,870)</b>	<b>10,301,403</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD</b>	<b>4</b>	<b>118,035,517</b>	<b>47,437,939</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>93,767,647</b>	<b>57,739,342</b>

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



**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED AT 31 MARCH 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 31 March 2022, 3,366 personnel are employed by the Company and average number of personnel is 3,379 for the period of 01.01-31.03.2022.

Company shares are traded in the Borsa Istanbul since 2000.

**Production Capacity (Textile)**

According to the capacity report from Denizli Industrial Chamber dated 16 June 2020, numbered 238 and valid until 22 June 2022, the Company annual production capacity is as follows: (Companies production capacity has been calculated with daily 8 hours, yearly 300 days. Company works for 3 shifts in a day):

<b>Products</b>	<b>Unit</b>	<b>Quantity</b>
Cotton yarn (is used in its production)	Kg	5,438,718
Raw fabric woven (is used in its production))	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 31 MARCH 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:

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

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	<i>Geothermal</i>	155,200,000
Tosunlar	Menderes	Denizli	<i>Geothermal</i>	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 1 (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:

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

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

As of 31 March 2022, 261 personnel are employed by the Company and the average number of personnel is 260 for the period of 01.01-31.03.2022.

**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 İzmir.

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**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2. a. Basis of Presentation**

**Compliance Statement**

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

**The Preparation of Financial Statements**

The accompanying consolidated financial statements 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 31 March 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 10 May 2022 Boards of Directors have authority to change financial statements.

**Currency Measurement and Reporting Currency**

As of 31 March 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	31 March 2022	31 December 2021
Smyrna Seracılık Ticaret A.Ş.	Full Consolidation	79.17%	79.17%

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Consolidation Method	Consolidation Method	31 March 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 31 March 2022 and 31 December 2021, the capital structure of subsidiaries and participations are as follows:

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Public Offered Shares	46.78	46.78
Akça Holding A.Ş.	50.83	50.83
Other	2.39	2.39
	<b>%100</b>	<b>%100</b>

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	53.57	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	3.10
	<b>%100</b>	<b>%100</b>

Smyrna Seracılık Ticaret A.Ş. (Subsidiary)

	<b>31.03.2022</b>	<b>31.12.2021</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	79.17	79.17
Rıza Akça	10.31	10.31
Ahmet Bilge Göksan	5.16	5.16
Dilek Göksan	5.16	5.16
Other	0.20	0.20
	<b>%100</b>	<b>%100</b>

Aktur İzmir Gayrimenkul A.Ş. (Participation)

	<b>31.03.2022</b>	<b>31.12.2021</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Zeybekçi Holding A.Ş.	50.00	50.00
Menderes Tekstil Sanayi ve Ticaret A.Ş.	48.00	48.00
Akça Holding A.Ş.	2.00	2.00
	<b>%100</b>	<b>%100</b>

## 2.b. Comparative Information and Previous Periods Adjustments

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

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**2.c. Changes in Accounting Estimates and Errors**

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

**2.d. Changes in Accounting Policies**

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

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

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

The accounting policies implemented in the financial statements are same as those implemented in the financial statements as of 31 December 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 consolidated financial statements as at 31 March 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 01 January 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 and interpretations applicable as at 31 March 2022:**

**Amendments to IFRS 7 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 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.

**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

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**Standards, amendments and interpretations that are issued but not effective as at 31 March 2022:**

**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’.

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

### **Revenue Recognition**

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

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

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

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

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

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

### Interest Income

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

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

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



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**Inventories**

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

**Biological Assets**

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

**Tangible Assets**

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

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

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Economic useful lives of assets approximately are as follows:

	Year
Land improvements	10-40
Buildings	30-50
Machinery, plant and 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 31 March 2022, such payments are calculated on the basis of 30 days’ pay limited to a maximum of TRY 10,849 (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:

	31.03.2022	31.12.2021
Discount rate	3.90%	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 5).

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

*Akça Holding A.Ş. “Akça Holding”*

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

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

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

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

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

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

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

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

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

Akçamen Tekstil Sanayi ve Ticaret A.Ş.

Selin Tekstil Sanayi ve Ticaret A.Ş.

Menderes Tekstil Pazarlama A.Ş.

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.

As a result of the evaluation, deferred tax assets have been recognized for deferred R&D deductions amounting to TRY 87,816,750 and deferred tax losses amounting to TRY 114,073,959, which were concluded to be utilized within the time allowed by tax laws as of 31 March 2022.

***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***

Lands, buildings and land improvements are revaluated to their fair values in accordance with TAS 16, Property, Plant and Equipment by Rota Taşınmaz Değerleme ve Danışmanlık A.Ş. and Metas Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi, 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 (Akça Enerji and Tan Elektrik) . These segments are managed separately because they are affected by the economic conditions and geographical positions in terms of risks and returns. When evaluating the segments’ performance, Group Management is utilizing the financial statements prepared in accordance with TFRS (Note 3).

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

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

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

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**NOTE 3 – SEGMENT REPORTING**

<b>31 March 2022</b>	<b>Textile Sector</b>	<b>Agricultural Sector</b>	<b>Energy Sector</b>	<b>Elimination</b>	<b>Total</b>
Revenue	428,189,278	198,677,688	90,433,020	-	717,299,986
Cost of Sales (-)	(260,721,362)	(125,561,785)	(33,818,821)	469,632	(419,632,336)
<b>GROSS PROFIT/LOSS</b>	<b>167,467,916</b>	<b>73,115,903</b>	<b>56,614,199</b>	<b>469,632</b>	<b>297,667,650</b>
General Administrative Expenses (-)	(14,730,775)	(1,100,546)	(668,870)	15,196	(16,484,995)
Marketing Expenses (-)	(12,527,626)	(518,155)	-	-	(13,045,781)
Research and Development Expenses (-)	(2,565,154)	-	-	-	(2,565,154)
Other Operating Income	99,408,585	29,321,965	8,090,052	(484,828)	136,335,774
Other Operating Expenses (-)	(97,186,248)	(812,484)	(9,510)	-	(98,008,242)
<b>OPERATING PROFIT/LOSS</b>	<b>139,866,698</b>	<b>100,006,683</b>	<b>64,025,871</b>	<b>-</b>	<b>303,899,252</b>
Income from Investing Activities	10,038,400	-	-	-	10,038,400
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	51,479	-	-	-	51,479
<b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>	<b>149,956,577</b>	<b>100,006,683</b>	<b>64,025,871</b>	<b>-</b>	<b>313,989,131</b>
Financial Income (+)	22,660,158	2,157,145	1,773	(452,372)	24,366,704
Financial Expenses (-)	(125,629,343)	(32,064)	(62,476,011)	452,372	(187,685,046)
<b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>	<b>46,987,392</b>	<b>102,131,764</b>	<b>1,551,633</b>	<b>-</b>	<b>150,670,789</b>
<b>Operating Activity Tax Income / (Expense)</b>					
- Income/Expense Tax for the period	-	(1,963,516)	-	-	(1,963,516)
- Deferred Tax Income/Expense	(24,750,322)	2,863,798	-	-	(21,886,524)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>22,237,070</b>	<b>103,032,046</b>	<b>1,551,633</b>	<b>-</b>	<b>126,820,749</b>

  

<b>31 March 2021</b>	<b>Textile Sector</b>	<b>Agricultural Sector</b>	<b>Energy Sector</b>	<b>Elimination</b>	<b>Total</b>
Revenue	231,548,713	115,422,025	47,489,196	(193,177)	394,266,757
Cost of Sales (-)	(195,233,987)	(107,833,299)	(21,040,469)	209,247	(323,898,508)
<b>GROSS PROFIT/LOSS</b>	<b>36,314,726</b>	<b>7,588,726</b>	<b>26,448,727</b>	<b>16,070</b>	<b>70,368,249</b>
General Administrative Expenses (-)	(11,994,602)	(317,710)	(448,816)	68,985	(12,692,143)
Marketing Expenses (-)	(9,564,855)	(306,312)	-	19	(9,871,148)
Research and Development Expenses (-)	(6,036,867)	-	-	-	(6,036,867)
Other Operating Income	17,204,009	19,771,826	480,636	(89,977)	37,366,494
Other Operating Expenses (-)	(25,760,239)	(7,938,444)	(358,502)	4,903	(34,052,282)
<b>OPERATING PROFIT/LOSS</b>	<b>162,172</b>	<b>18,798,086</b>	<b>26,122,045</b>	<b>-</b>	<b>45,082,303</b>
Income from Investing Activities	1,772,286	-	407	-	1,772,693
Expense from Investing Activities (-)	-	-	-	-	-
Shares of Profit/(Loss) from Investments Valued by Equity Pick-up Method	127,188	-	-	-	127,188
<b>OPERATING PROFIT/LOSS BEFORE FINANCING EXPENSES</b>	<b>2,061,646</b>	<b>18,798,086</b>	<b>26,122,452</b>	<b>-</b>	<b>46,982,184</b>
Financial Income (+)	16,018,702	110,652	2,378,054	(311,703)	18,195,705
Financial Expenses (-)	(83,849,913)	(125,117)	(56,531,174)	311,703	(140,194,501)
<b>OPERATING ACTIVITY PROFIT/(LOSS) BEFORE TAXATION</b>	<b>(65,769,565)</b>	<b>18,783,621</b>	<b>(28,030,668)</b>	<b>-</b>	<b>(75,016,612)</b>
<b>Operating Activity Tax Income / (Expense)</b>					
- Income/Expense Tax for the period	-	(708,301)	-	-	(708,301)
- Deferred Tax Income/Expense	8,292,215	276,701	3,717,146	-	12,286,062
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(57,477,350)</b>	<b>18,352,021</b>	<b>(24,313,522)</b>	<b>-</b>	<b>(63,438,851)</b>

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<b>31 March 2022</b>	<b>Textile Sector</b>	<b>Agricultural Sector</b>	<b>Energy Sector</b>	<b>Elimination</b>	<b>Total</b>
Total Assets	2,965,053,417	580,401,061	829,961,125	(106,655,306)	4,268,760,297
Total Liabilities	1,936,933,183	409,345,906	811,246,855	(35,223,985)	3,122,301,959
<b>Assets by Segments</b>					
Investment Property	139,757,592	-	-	-	139,757,592
Total Tangible Assets (Net Book Value)	1,078,170,999	55,925,807	829,940,204	-	1,964,037,010
Total Intangible Assets (Net Book Value)	20,367,909	9,875	20,921	-	20,398,705
Purchases of Tangible and Intangible Assets	43,391,974	120,377	-	-	43,512,351
Depreciation Expenses	11,594,179	656,673	9,812,928	-	22,063,780
Detail of the Group's foreign currency assets and liabilities by segments					
Total Assets	495,128,342	50,277,636	-	-	545,405,978
Total Liabilities	1,402,155,348	2,192,460	811,246,855	-	2,215,594,663
Net Foreign Currency Asset/ Liabilities	(907,027,006)	48,085,176	(811,246,855)	-	(1,670,188,685)
Detail of the Group's financial liabilities by division in currency					
<b>Financial Payables</b>	<b>1,439,640,052</b>	<b>16,315,438</b>	<b>811,246,855</b>	<b>-</b>	<b>2,267,202,345</b>
- USD	530,611,920	-	159,556,045	-	690,167,965
- EUR	635,805,019	-	651,690,810	-	1,287,495,829
- TRY	273,223,113	16,315,438	-	-	289,538,551
Export	316,582,669	37,063,652	-	-	353,646,321
İmport	318,848,836	-	-	-	318,848,836
Total Debt	1,936,933,183	409,345,906	811,246,855	(35,223,985)	3,122,301,959
Cash Equivalents	(92,858,178)	(909,469)	-	-	(93,767,647)
Net Debt	1,844,075,005	408,436,437	811,246,855	(35,223,985)	3,028,534,312
Total Equity	1,046,834,504	171,055,155	-	(71,431,321)	1,146,458,338
Total Capital	2,890,909,509	579,491,592	811,246,855	(106,655,306)	4,174,992,650
Net Debt/Total Capital Ratio	63.79%	70.48%	100.00%	-	72.54%

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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
<b>Assets by Segments</b>					
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					
<b>Financial Payables</b>	<b>1,278,763,824</b>	<b>16,314,754</b>	<b>785,584,997</b>	<b>-</b>	<b>2,080,663,575</b>
- 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
İmport	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:

<b>Region</b>	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Germany	49%	51%
Italy	22%	10%
U.S.A.	8%	1%
Poland	6%	4%
Netherlands	5%	8%
France	2%	4%
England	2%	10%
Russia	1%	5%
Lithuania	1%	0%
UAE	1%	0%
Other	3%	7%
	<b>100%</b>	<b>100%</b>

**Information About Major Clients**

The sales activities of the Group are determined according to fluctuations in the domestic and overseas markets and competition conditions. It is taken care of to not to concentrate on a specific sector, country, person and Group in terms of dissolving risks. Even so, as of 31 March 2022, the share of the largest buyer in the revenue from textile sector operations is 51.81% (31 March 2021: 45.56%). 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 81.03%. (31 March 2021: 86.57%) Domestic sales of dried fruits (grape, fig and apricot) produced by Menderes as subcontractors are made in accordance with the "Sales Agreement" signed between Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş., the related party of the Group and Osman Akça exports these products to different customers abroad.

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**NOTE 4 – CASH AND CASH EQUIVALENTS**

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Cash	387,530	241,638
<b>Banks</b>	<b>93,380,117</b>	<b>117,793,879</b>
<i>Demand deposits</i>	44,653,021	26,556,472
<i>Time deposits</i>	48,727,096	91,237,407
	<b>93,767,647</b>	<b>118,035,517</b>

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Within 1 month	48,727,096	91,237,407
	<b>48,727,096</b>	<b>91,237,407</b>

As of 31 March 2022, effective interest rates of time deposits in TRY 16.05% ,(31 December 2021: TRY 18.80 %,USD 0.10%,EUR 0.05% , GBP 0.05% )

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

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**NOTE 5 – RELATED PARTY TRANSACTIONS**

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

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	279,030,874	185,378,793
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	6,058,738	4,485,870
Aktur Araç Muayene İstasyon İşletmesi A.Ş.	21,600	21,600
Menderes Tekstil Pazarlama A.Ş.	10,603	7,431
Akçamen Tekstil A.Ş.	4,846	1,986
Unearned Interests	(1,785,445)	(1,353,861)
	<b>283,341,216</b>	<b>188,541,819</b>

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Selin Tekstil Sanayi ve Ticaret A.Ş.	145,519	-
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	251,421	-
Unearned Interests	(6,877)	-
	<b>390,063</b>	<b>-</b>

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	109,593,504	129,889,774
Akça Holding A.Ş.	150	357,921
Rıza Akça	-	21,814,602
	<b>109,593,654</b>	<b>152,062,297</b>

(\* ) It consists of the receivable with a due date of 31 December 2022 after the transfer of the shares of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. (As of 29.04.2022, the remaining part of the outstanding debt is 86,488,997 TL).

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Selin Tekstil Sanayi ve Ticaret A.Ş.	3,617,418	3,617,418
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	-	247,801
	<b>3,617,418</b>	<b>3,865,219</b>

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

**a) Sales to related parties:**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	155,797,628	100,208,629
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	5,046,438	878,783
	<b>160,844,066</b>	<b>101,087,412</b>

**b) Purchases from related parties:**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	23,361,037	15,863,906
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	-	5,728
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	1,779	1,288
	<b>23,362,816</b>	<b>15,870,922</b>

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

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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Benefits provided to senior management	600,313	278,784
	<b>600,313</b>	<b>278,784</b>

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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Akça Holding A.Ş.	155,122	230,695
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	240,836	77,146
	<b>395,958</b>	<b>307,841</b>

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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	56,245	48,258
Akça Holding A.Ş.	48,745	40,758
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	43,912	36,714
Menderes Tekstil Pazarlama A.Ş.	2,014	1,683
Akçamen Tekstil Sanayi Ticaret A.Ş.	2,014	1,683
	<b>152,930</b>	<b>129,096</b>

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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	7,945	61,186
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	7,800	8,693
	<b>15,745</b>	<b>69,879</b>

**e) Foreign exchange income from related parties (Note 26.1):**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	26,687,082	81,676
	<b>26,687,082</b>	<b>81,676</b>

**f) Maturity difference received from related parties(Note 26.1):**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	1,510,231	584,926
	<b>1,510,231</b>	<b>584,926</b>

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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	14,395,013	3,530,463
Akça Holding A.Ş.	3,650	5,619
	<b>14,398,663</b>	<b>3,536,082</b>

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**h) Foreign exchange paid to related parties (Note 26.2):**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	-	7,370,250
	-	<b>7,370,250</b>

**i) Interest expences paid to related parties(Note 28.2):**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Osman Akça Tar. Ürün. İth. İhr. San. ve Tic. A.Ş.	245,440	102,214
Akça Holding A.Ş.	-	17,214
	<b>245,440</b>	<b>119,428</b>

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

**Short Term Trade Receivables**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Trade receivables	173,270,448	154,319,840
Cheques and notes	9,725,699	2,905,936
Unearned interest on trade receivables	(710,977)	(506,151)
Doubtful trade receivables	494,770	494,770
Provision for doubtful receivables (-)	(494,770)	(494,770)
Income accruals	37,092,478	28,679,679
<b>Trade Receivables From Third Parties</b>	<b>219,377,648</b>	<b>185,399,304</b>
Trade receivables from related parties (Note 5)	284,779,059	189,815,386
Income accruals from related parties (Note 5)	347,602	80,294
Unearned interests on related party receivables (Note 5)	(1,785,445)	(1,353,861)
<b>Trade Receivables From Related Parties</b>	<b>283,341,216</b>	<b>188,541,819</b>
<b>Total Short-Term Trade Receivables</b>	<b>502,718,864</b>	<b>373,941,123</b>

As of 31 March 2022, the average maturity of trade receivables are 55 days (31 December 2021: 54 days).

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
1-30 days	3,112,901	-
31-60 days	2,559,847	2,255,414
61-90 days	1,947,491	199,935
91-120 days	1,867,252	199,935
121-150 days	140,208	250,652
151-180 days	98,000	-
	<b>9,725,699</b>	<b>2,905,936</b>

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Opening balance	494,770	425,842
Collections made during the period	-	68,928
<b>Closing Balance</b>	<b>494,770</b>	<b>494,770</b>



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**Short Term Trade Payables**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Trade payables	321,942,513	227,057,364
Notes payables	45,432,804	28,809,259
Unearned interests on payables	(5,388,504)	(2,513,763)
Expense accruals	24,461,706	40,559,985
<b>Trade Payables To Third Parties</b>	<b>386,448,519</b>	<b>293,912,845</b>
Payables to related parties (Note 5)	396,940	-
Unearned interests on notes payables to related parties (Note 5)	(6,877)	-
<b>Trade Payables to Related Parties</b>	<b>390,063</b>	<b>-</b>
<b>Total Short Term Trade Payables</b>	<b>386,838,582</b>	<b>293,912,845</b>

As of 31 March 2022 ,the average maturity of trade payables are 73 days (31 December 2021: 51 days).

As of 31 March 2022, the surety bond amounting to USD 10,380,281 (TRY 151,937,216) and EUR 318,420 (TRY 5,185,629) 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 19).

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
1 – 30 days	12,588,547	13,868,356
31 – 60 days	15,659,382	10,562,008
61 – 90 days	11,045,382	4,220,614
91 – 120 days	4,562,506	158,281
121 – 150 days	979,330	-
151 – 180 days	80,198	-
210 – 240 days	517,459	-
	<b>45,432,804</b>	<b>28,809,259</b>

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**NOTE 7 – FINANCIAL BORROWINGS**

	<b>31.03.2022</b>	<b>31.12.2021</b>
<b>Short Term Borrowings:</b>		
TRY borrowings	226,433,708	73,806,298
USD borrowings	364,398,926	357,308,110
EUR borrowings	243,176,650	273,585,903
Credit card liabilities (TRY)	157,057	69,268
<b>Short Term Financial Borrowings</b>	<b>834,166,341</b>	<b>704,769,579</b>
<b>Lease Payables:</b>		
TRY lease payables, net	4,725,927	4,527,682
EUR lease payables, net	641,362	1,180,347
<b>Bank Borrowings:</b>		
TRY borrowings	37,126,601	35,081,041
USD borrowings	161,713,533	139,162,322
EUR borrowings	406,893,235	419,149,303
<b>Current Installments of Long-Term Borrowings</b>	<b>611,100,658</b>	<b>599,100,695</b>
<b>Long Term Lease Payables:</b>		
TRY lease payables, net	15,396,567	16,632,727
<b>Long Term Bank Borrowings:</b>		
TRY borrowings	5,698,691	15,284,190
USD borrowings	164,055,506	127,948,999
EUR borrowings	636,784,582	616,927,385
<b>Long Term Financial Borrowings</b>	<b>821,935,346</b>	<b>776,793,301</b>
<b>Total Financial Liabilities</b>	<b>2,267,202,345</b>	<b>2,080,663,575</b>

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Within 3 months	711,427,357	364,657,761
Between 3 - 12 months	728,472,353	933,504,484
Between 1 - 5 years	586,634,257	547,974,277
More than 5 years	219,904,522	212,186,297
	<b>2,246,438,489</b>	<b>2,058,322,819</b>

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Between 1-2 years	212,241,482	194,146,284
Between 2-3 years	162,575,111	150,016,074
Between 3-4 years	118,476,802	117,546,204
Between 4-5 years	93,340,862	86,265,715
Between 5-6 years	86,891,048	85,770,089
Between 6-7 years	29,833,928	31,155,501
Between 7-8 years	25,239,692	23,292,321
Between 8-9 years	24,481,089	22,592,497
Between 9-10 years	15,734,282	14,532,587
Between 10-11 years	15,364,154	14,190,728
Between 11-12 years	14,996,499	13,851,152
Between 12-13 years	7,363,830	6,801,422
	<b>806,538,779</b>	<b>760,160,574</b>

As of 31 March 2022, effective interest rates for TRY, USD and EUR bank loans are 12.43%, 2.77 % and 2.67% (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 1,975,276,645), 25,000,000 EUR (TRY407,137,500) and 132,310,000 TRY.

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Short term lease payables	8,182,569	8,713,708
Cost of deferred lease payables (-)	(2,815,280)	(3,005,679)
	<b>5,367,289</b>	<b>5,708,029</b>

	<b>31.03.2022</b>	<b>31.12.2021</b>
Long term lease payables	18,697,679	20,567,444
Cost of deferred lease payables (-)	(3,301,112)	(3,934,717)
	<b>15,396,567</b>	<b>16,632,727</b>

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

	<b>Lease payables</b>	<b>Cost of deferred lease payables</b>	<b>Total liabilities</b>
Between 0 – 1 years	8,182,569	(2,815,280)	5,367,289
Between 1 – 2 years	7,479,059	(2,025,894)	5,453,165
Between 2 – 3 years	7,479,060	(1,110,469)	6,368,591
Between 3 – 4 years	3,739,560	(164,749)	3,574,811
	<b>26,880,248</b>	<b>(6,116,392)</b>	<b>20,763,856</b>

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

	<b>Lease payables</b>	<b>Cost of deferred lease payables</b>	<b>Total liabilities</b>
Between 0 – 1 years	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
	<b>29,281,152</b>	<b>(6,940,396)</b>	<b>22,340,756</b>

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**NOTE 8 – OTHER RECEIVABLES AND PAYABLES**

**Other Current Receivables**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Deposit and guarantees given	437,278	445,446
VAT return receivables	9,834,707	8,544,046
Other receivables	138,559	724,005
<b>Other Receivables from Third Parties</b>	<b>10,410,544</b>	<b>9,713,497</b>
Receivables from shareholders (Note 5)	109,593,654	152,062,297
<b>Other Receivables From Related Parties</b>	<b>109,593,654</b>	<b>152,062,297</b>
<b>Total Other Current Receivables</b>	<b>120,004,198</b>	<b>161,775,794</b>

**Other Non-Current Receivables**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Deposits and guarantees given	145,448	142,248
	<b>145,448</b>	<b>142,248</b>

**Other Current Payables**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Deposit and guarantees received	34,400	34,400
Taxes and funds payable	3,188,887	4,080,234
Other various debts	17,546	4,852
<b>Other Payables to Third Parties</b>	<b>3,240,833</b>	<b>4,119,486</b>
Payables to shareholders (Note 5)	-	247,801
Payables to related parties (Note 5 )	3,617,418	3,617,418
<b>Other Payables to Related Parties</b>	<b>3,617,418</b>	<b>3,865,219</b>
<b>Total Other Current Payables</b>	<b>6,858,251</b>	<b>7,984,705</b>

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**NOTE 9 – DERIVATIVE INSTRUMENTS**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Income accrual from forward Exchange	1,689,582	-
	<b>1,689,582</b>	<b>-</b>

**NOTE 10 – INVENTORIES**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Raw materials	281,944,668	151,259,335
Semi-finished products	136,711,373	46,029,527
Finished goods	507,669,122	330,386,688
Agricultural products (Figs, Apricot and Grape)	161,068,287	155,476,142
	<b>1,087,393,450</b>	<b>683,151,692</b>

All inventories of the Group are covered by insurance coverage.

**NOTE 11 – BIOLOGICAL ASSETS**

**Current Biological Assets**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Biological assets (Tomato)	5,378,434	9,385,653
	<b>5,378,434</b>	<b>9,385,653</b>

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

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

**Short Term Prepaid Expenses**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Order advances given	15,890,662	19,073,087
Prepaid expenses	5,627,482	1,839,048
Advances given for business purposes	615,951	530,667
	<b>22,134,095</b>	<b>21,442,802</b>

**Long Term Prepaid Expenses**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Advances given for purchases of tangible assets	1,626,673	1,200,829
Prepaid expenses	461,090	485,251
	<b>2,087,763</b>	<b>1,686,080</b>

**Short Term Deferred Income**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Advances received	46,998,109	23,816,691
Deferred income	140,975	2,152,240
	<b>47,139,084</b>	<b>25,968,931</b>

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Prepaid taxes and funds	167,283	1,868,281
	<b>167,283</b>	<b>1,868,281</b>

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

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

	<b>31.03.2022</b>	<b>Share (%)</b>	<b>31.12.2021</b>	<b>Share (%)</b>
Aktur İzmir Gayrimenkul A.Ş.	83,617,817	48%	83,566,338	48%
	<b>83,617,817</b>		<b>83,566,338</b>	

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Current assets	2,924,510	1,593,345
Non-current assets	189,661,829	190,107,092
<b>Total Assets</b>	<b>192,586,339</b>	<b>191,700,437</b>
Current liabilities	1,527,344	754,852
Non-current liabilities	16,855,210	16,849,047
Parent company’s equity	174,203,785	174,096,538
<b>Total Liabilities</b>	<b>192,586,339</b>	<b>191,700,437</b>
Sales, net	721,671	2,005,989
Net profit / (loss)	107,247	63,776,442



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**NOTE 15 – INVESTMENT PROPERTIES**

<b>Cost Value</b>	<b>Land</b>	<b>Total</b>
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	-	-
31 March 2022 closing balance	139,757,592	139,757,592
<b>31.12.2021, Net Book Value</b>	<b>139,757,592</b>	<b>139,757,592</b>
<b>31.03.2022, Net Book Value</b>	<b>139,757,592</b>	<b>139,757,592</b>

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

	<b>Manisa</b>	<b>İzmir</b>
<b>As of 01 January 2021</b>	3,000,000	76,365,000
Value Decrease/increase	1,230,000	59,162,592
<b>As of 31 December 2021</b>	<b>4,230,000</b>	<b>135,527,592</b>
Value Decrease/increase	-	-
<b>As of 31 March 2022</b>	<b>4,230,000</b>	<b>135,527,592</b>

As of 31 March 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 16 – TANGIBLE ASSETS**

<b>Cost Value</b>	<b>Land</b>	<b>Land Improvements</b>	<b>Buildings</b>	<b>Property, plant and equipment</b>	<b>Vehicles</b>	<b>Fixtures and fittings</b>	<b>Construction in progress</b>	<b>Special costs</b>	<b>Total</b>
01 January 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)
Transfers	-	-	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	324,207	2,685,363	45,944	13,483,264	-	39,538,778
Disposals	-	-	(23,000,000)	(25,866)	-	(46,934)	-	-	(23,072,800)
31 March 2022 closing balance	107,180,000	115,430,000	366,344,999	1,352,153,342	12,432,551	20,978,667	27,021,019	-	2,001,540,578
<b>Accumulated Depreciation</b>									
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	-	1,158,994	3,068,938	16,046,305	319,048	492,451	-	-	21,085,736
Disposals	-	-	(38,333)	(17,883)	-	(46,934)	-	-	(103,150)
31 March 2022 closing balance	-	1,158,994	3,030,605	16,028,422	1,891,613	15,393,934	-	-	37,503,568
<b>31.12.2021, Net Book Value</b>	<b>107,180,000</b>	<b>115,430,000</b>	<b>366,344,999</b>	<b>1,351,855,001</b>	<b>8,174,623</b>	<b>6,031,240</b>	<b>13,537,755</b>	<b>-</b>	<b>1,968,553,618</b>
<b>31.03.2022, Net Book Value</b>	<b>107,180,000</b>	<b>114,271,006</b>	<b>363,314,394</b>	<b>1,336,124,920</b>	<b>10,540,938</b>	<b>5,584,733</b>	<b>27,021,019</b>	<b>-</b>	<b>1,964,037,010</b>

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As of 31 March 2022, the depreciation expense of tangible assets for the period is TRY 21,085,736 (31 December 2021: TRY 110,422,755)

As of 31 March 2022, fixed assets are insured by TRY 43,182,455 , EUR 37,958,700 (TRY 618,176,409), USD 165,778,010 (TRY 2,426,509,310). (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 1,975,276,645), EUR 25,000,000 (TRY 407,137,500) and TRY 132,310,000.

As of 31 March 2022, net book value of leasing machines is TRY 49,208,377 (31.12.2021: 62,550,000 TRY).

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

**NOTE 17 – RIGHT OF USE ASSETS**

<b>Cost Value</b>	<b>Lands</b>	<b>Buildings</b>	<b>Plants</b>	<b>Vehicles</b>
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)
31 March 2022 closing balance	-	-	-	-
<b>Accumulated Depreciation</b>				
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
Çıkışlar	(419,777)	(158,360)	(1,180,687)	(1,758,824)
31 March 2022 closing balance	-	-	-	-
<b>31.12.2021, Net Book Value</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>31.03.2022, Net Book Value</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

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**NOTE 18 – INTANGIBLE ASSETS**

<b>Cost Value</b>	<b>Rights</b>	<b>Research and Development Expenses</b>	<b>Other Intangible Assets</b>	<b>Total</b>
01 January 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
31 March 2022 closing balance	5,160,431	21,241,440	1,053,553	27,455,424
<b>Birikmiş Amortismanlar</b>				
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	380,825	592,634	4,585	978,044
31 March 2022 closing balance	1,119,556	4,983,664	953,499	7,056,719
<b>31.12.2021, Net Book Value</b>	<b>448,127</b>	<b>16,850,410</b>	<b>104,639</b>	<b>17,403,176</b>
<b>31.03.2022, Net Book Value</b>	<b>4,040,875</b>	<b>16,257,776</b>	<b>100,054</b>	<b>20,398,705</b>

As of 31 March 2022, the amortization expense of intangible assets for the period is TRY 978,044 (31 December 2021: TRY 2,111,771).

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

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

<b>Guarantees, security and mortgage “(GSM)” given by the Group</b>	<b>31.03.2022</b>	<b>31.12.2021</b>
A. Total Amount of GSM given on behalf of legal entity	5,572,619,982	5,121,607,956
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
<b>Total</b>	<b>5,572,619,982</b>	<b>5,121,607,956</b>

As of 31 March 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	TL	97,310,000	1.0000	97,310,000
Türkiye Vakıflar Bankası T.A.O	USD	134,950,000	14.6371	1,975,276,645
Türkiye Vakıflar Bankası T.A.O	EURO	25,000,000	16.2855	407,137,500
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	TL	35,000,000	1.0000	35,000,000
				<b>2,514,724,145</b>

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As of 31 March 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	8,189,258	1.0000	8,189,258
Energy Market Regulatory Authority	TRY	262,239	1.0000	262,239
Customs Administration	TRY	17,399,370	1.0000	17,399,370
Credit Guarantee	USD	30,821,250	14.6371	451,133,718
Credit Guarantee	EUR	23,573,460	16.2855	383,905,583
Credit Guarantee	TRY	8,250,000	1.0000	8,250,000
Food, Agriculture Livestock Directorate	TRY	625,669	1.0000	625,669
Public Institutions	TRY	6,125,372	1.0000	6,125,372
				<b>875,891,209</b>

As of 31 March 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	40,531,908	1.0000	40,531,908
Türkiye Vakıflar Bankası T.A.O.	EUR	10,471,160	16.2855	170,528,076
Türkiye Vakıflar Bankası T.A.O.	USD	20,250,000	14.6371	296,401,275
Halk Bank A.Ş.	USD	10,571,250	14.6371	154,732,443
Halk Bank A.Ş.	EUR	13,102,300	16.2855	213,377,507
İşbankası A.Ş.	TRY	320,000	1.0000	320,000
				<b>875,891,209</b>

As of 31 March 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	10,380,281	14.6371	151,937,216
Türkiye Vakıflar Bankası T.A.O	EUR	318,420	16.2855	5,185,629
				<b>157,122,844</b>

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As of 31 March 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	14.6371	131,733,900
Eximbank A.Ş	USD	25,000,000	14.6371	365,927,500
Halk Bankası A.Ş.	TRY	10,000,000	1.0000	10,000,000
İşbankası A.Ş	USD	9,500,000	14.6371	139,052,450
Şekerbank A.Ş.	USD	3,750,000	14.6371	54,889,125
Şekerbank A.Ş.	TRY	2,500,000	1.0000	2,500,000
Şekerbank A.Ş.	EUR	7,500,000	16.2855	122,141,250
Türkiye Finans katılım Bankası A.Ş	TRY	30,000,000	1.0000	30,000,000
Vakıfbank A.Ş	USD	65,000,000	14.6371	951,411,500
Arap Türk Bankası A.Ş.	USD	2,000,000	14.6371	29,274,200
				<b>1,836,929,925</b>

As of 31 March 2022, details of the guarantee notes given are as follows:

Guarantee Notes Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Eximbank	USD	617,500	14.6371	9,038,409
Eximbank	EURO	1,346,000	16.2855	21,920,283
				<b>30,958,692</b>

As of 31 March 2022, bank details of the bonds are as follows:

Bond	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türk Eximbank	USD	2,858,429	14.6371	41,839,111
Türk Eximbank	EUR	1,487,837	16.2855	24,230,169
Türkiye Cumhuriyeti Merkez Bankası	USD	5,300,000	14.6371	77,576,630
Türkiye Cumhuriyeti Merkez Bankası	EUR	6,200,000	16.2855	100,970,100
Türkiye Cumhuriyeti Merkez Bankası	TRY	69,500,000	1.0000	69,500,000
				<b>314,116,011</b>

There is no guarantee given by the Group for the loans in favor of related parties. For credit contracts of the Group USD 114,250,000 (TRY 1,672,288,675), EUR 7,500,000 (TRY 122,141,250) and TRY 42,500,000 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 20 – PROVISIONS**

**Other Short Term Provisions**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Provision for the lawsuits	4,274,001	4,278,300
Provision for unused vacation	13,094,852	9,698,737
	<b>17,368,853</b>	<b>13,977,037</b>

	<b>31.03.2022</b>	<b>31.12.2021</b>
Unused vacation provisions at beginning of period	9,698,737	6,213,323
Provisions during the period	3,396,115	3,485,414
<b>Closing balance</b>	<b>13,094,852</b>	<b>9,698,737</b>

**Long Term Provisions for Employee Benefits**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Provision for severance pay	95,714,372	78,630,230
	<b>95,714,372</b>	<b>78,630,230</b>

For the period of 01 January – 31 March 2022, the average personnel number including subcontractors employed by the Group is 3,639 (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 31 March 2022 and 31 December 2021 the movement schedule of severance pay provision is as follows:

	<b>31.03.2022</b>	<b>31.12.2021</b>
Balance of 01 January	78,630,230	57,822,309
Increase in the period	16,157,313	32,434,734
Interest cost	693,708	2,656,422
Payments during the period	(2,852,491)	(6,709,441)
Actuarial profit/(loss)	3,085,612	(7,573,794)
<b>Balance at the end of the period</b>	<b>95,714,372</b>	<b>78,630,230</b>



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**NOTE 21 – EMPLOYEE BENEFIT LIABILITIES**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Due to personnel	24,467,291	20,820,464
Social security deductions payable	7,157,921	5,782,682
	<b>31,625,212</b>	<b>26,603,146</b>

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

**Other Current Assets**

	<b>31.03.2022</b>	<b>31.12.2021</b>
VAT carried forward	93,654,206	85,378,712
	<b>93,654,206</b>	<b>85,378,712</b>

**NOTE 23 – SHARE CAPITAL**

**23.1 Paid in Capital**

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

<b>Shareholders:</b>	<b>31.03.2022</b>		<b>31.12.2021</b>	
	<b>Share (%)</b>	<b>TRY</b>	<b>Share (%)</b>	<b>TRY</b>
Public Offered Shares	46.78%	116,949,944	46.78%	116,949,944
Akça Holding A.Ş.	50.83%	127,069,501	50.83%	127,069,501
Other	2.39%	5,980,555	2.39%	5,980,555
<b>Total</b>	<b>100.00%</b>	<b>250,000,000</b>	<b>100.00%</b>	<b>250,000,000</b>

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

**23.2 Inflation Adjustments of Shareholders’ Equity**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Inflation adjustment of shareholders’ equity	860,487	860,487
	<b>860,487</b>	<b>860,487</b>

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

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

**23.3.1 Gain on revaluation of properties**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Gain on revaluation of properties	1,203,535,433	1,203,535,433
	<b>1,203,535,433</b>	<b>1,203,535,433</b>

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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.12.2021</b>
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)
	<b>1,203,535,433</b>	<b>1,203,535,433</b>

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

The fair value increases TRY 1,203,535,433 (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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**23.3.2 Defined Benefit Plans Re-Measurement Gains (Losses)**

	<b>31.03.2022</b>	<b>31.12.2021</b>
Defined Benefit Plans Re-Measurement Gains (Losses)	8,952,069	11,386,834
	<b>8,952,069</b>	<b>11,386,834</b>

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

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Shares of Other Comprehensive Income of Investments Valued by Equity Pick Up Method Not to be Classified in Profit or Loss	42,649,562	42,649,562
	<b>42,649,562</b>	<b>42,649,562</b>

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

**23.5 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.

	<b>31.03.2022</b>	<b>31.12.2021</b>
Legal reserves	10,340,261	10,340,261
	<b>10,340,261</b>	<b>10,340,261</b>

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

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**Profit Distribution**

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

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

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

**23.6 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.

	<b>31.03.2022</b>	<b>31.12.2021</b>
Previous Years Profits/(Losses)	(510,871,703)	(243,093,206)
	<b>(510,871,703)</b>	<b>(243,093,206)</b>

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**23.7 Minority Interest**

The details of the minority interests as of 31 March 2022 are as follows

<b>31 March 2022</b>	<b>Total Shareholders' Equity</b>	<b>Profit/(Loss) of the Period</b>	<b>Parent Group Share</b>	<b>Minority Interest</b>	<b>Minority part of Shareholders' Equity</b>	<b>Minority part of Profit/(Loss)</b>	<b>Minority Total comprehensive income / (loss)</b>
Smryna	81,461,152	13,438,043	79.17%	20.83%	16,971,072	2,799,592	2,765,868
					<b>16,971,072</b>	<b>2,799,592</b>	<b>2,765,868</b>

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

<b>31 December 2021</b>	<b>Total Shareholders' Equity</b>	<b>Profit/(Loss) of the Period</b>	<b>Parent Group Share</b>	<b>Minority Interest</b>	<b>Minority part of Shareholders' Equity</b>	<b>Minority part of Profit/(Loss)</b>	<b>Minority Total comprehensive income / (loss)</b>
Smryna	68,184,983	10,986,309	79.17%	20.83%	14,205,204	2,288,814	(1,825,768)
					<b>14,205,204</b>	<b>2,288,814</b>	<b>(1,825,768)</b>

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Shares in capital	2,500,000	2,500,000
Revaluation fund	7,433,739	7,433,739
Actuarial loss / (gain)	41,818	75,542
Shares in accumulated profit / ( losses)	4,195,923	1,907,109
Share in profit / (loss) for the period	2,799,592	2,288,814
	<b>16,971,072</b>	<b>14,205,204</b>

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**NOTE 24 – SALES AND COST OF SALES**

**24.1 Sales**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Domestic sales	374,012,005	199,487,484
Export sales	353,646,321	191,813,600
Other sales	3,659,539	5,431,857
	<b>731,317,865</b>	<b>396,732,941</b>
Sales returns	(395,560)	(678,145)
Other discounts	(13,622,319)	(1,788,039)
<b>Sales Income, (net)</b>	<b>717,299,986</b>	<b>394,266,757</b>

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**24.2 Cost of Sales**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Direct material expenses	347,966,951	152,772,300
Direct labor expenses	55,791,409	40,848,965
General production expenses	108,304,491	15,368,401
Depreciation expenses	10,629,466	16,319,241
<u>Change in semi-finished goods</u>		
1. Beginning semi-finished goods(+)	46,029,527	149,816,954
2. Ending semi-finished goods (-)	(136,711,373)	(188,041,921)
Cost of finished goods produced	432,010,471	187,083,940
<u>Changes in finished goods inventory</u>		
1. Beginning inventory (+)	330,386,688	52,339,286
2. Ending inventory (-)	(507,669,122)	(45,380,105)
Cost of finished goods sold	254,728,037	194,043,121
<u>Cost of merchandises</u>		
1. Beginning merchandise inventory (+)	-	762,416
2. Purchases during the period (+)	704,194	662,416
3. Ending merchandise inventory (-)	-	(430,272)
Cost of merchandises sold	704,194	994,560
Cost of other service rendered	-	257,748
Cost of other sales	106,815,978	95,402,941
Cost of biological assets	22,908,633	10,528,910
Depreciation of biological assets	656,673	1,685,356
Energy costs	24,005,893	13,410,495
Energy depreciation	9,812,928	7,575,377
<b>Cost of sales, net</b>	<b>419,632,336</b>	<b>323,898,508</b>

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As of 01 January – 31 March 2022 and 2021, for each main production group, quantities of goods and services:

	Unit	01.01.- 31.03.2022	01.01.- 31.03.2021
Yarn	Kg	2,517,922	2,847,183
Raw Clothing	Mt2	42,974,198	30,231,185
Finishing Cloth	Mt2	27,566,230	26,646,263
Lining	Mt2	3,575,035	4,158,184
Linens, Sheets, Curtains, Pillows.	Quantity	3,363,246	3,215,244
Electricity	Kwh	75,390,686	81,959,886
Cotton Waste	Kg	110,700	67,526
Piece of Cloth	Kg	356,198	441,809
Yarn Waste	Kg	157,193	176,020
Textile Trash Powder	Kg	187,331	42,360
Tomato	Kg	748,428	674,586
Dried Figs	Kg	794,043	2,477,654
Dried Apricot	Kg	219,714	264,565
Dried Grape	Kg	4,201,010	3,514,689

As of 01 January- 31 March 2022 and 2021, for each main sales group, quantities of goods and services

	Unit	01.01.- 31.03.2022	01.01.- 31.03.2021
Yarn	Kg	122,644	78,097
Raw Clothing	Mt2	3,027,096	4,173,178
Finishing Cloth	Mt2	3,529,011	3,573,394
Lining	Quantity	2,478,701	3,510,160
Linens, Sheets, Curtains, Pillows	Kwh	64,959,184	65,167,716
Electricity	Kg	50,200	81,320
Cotton Waste	Kg	187,400	468,630
Piece of Cloth	Kg	133,150	176,020
Yarn Waste	Kg	-	32,860
Textile Trash Powder	Kg	5,263	-
Tomato	Kg	1,056,212	915,371
Dried Figs	Kg	794,043	2,477,654
Dried Apricot	Kg	219,714	264,565
Dried Grape	Kg	4,201,010	3,514,689



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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Research and development expenses	2,565,154	6,036,867
Marketing, sales and distribution expenses	13,045,781	9,871,148
General administrative expenses	16,484,995	12,692,143
	<b>32,095,930</b>	<b>28,600,158</b>

**25.1 Research and Development Expenses**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Direct Material expenses	429,610	1,819,612
Personnel expenses	1,916,067	3,522,663
Other expenses	219,477	694,592
	<b>2,565,154</b>	<b>6,036,867</b>

**25.2 Marketing Expenses**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Personnel expenses	5,344,087	2,694,842
Export expenses	4,314,433	6,451,905
Domestic sales transportation expense	588,233	225,216
Depreciation expenses	175,584	32,205
Other expenses	1,547,090	466,980
Fair expense	1,076,354	-
	<b>13,045,781</b>	<b>9,871,148</b>

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**25.3 General Administrative Expenses**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Personnel expenses	8,495,254	8,645,676
Insurance expenses	177,174	498,448
Education and consultancy expenses	2,425,447	728,525
Office expenses	38,261	138,335
Capital market expenses	217	85,516
Repair and maintenance expenses	113,504	17,637
Travelling expenses	65,078	65,874
Membership expenses	837,069	119,124
Tax and duty expenses	976,339	1,024,044
Shares in holding cost (*)	155,122	287,291
Provision for litigation expenses	13,547	6,704
Provision for severance pay expense	234,804	27,089
Provision for unused personnel leave	769,308	108,712
Depreciation expenses	789,129	309,503
Other expenses	1,394,742	629,665
	<b>16,484,995</b>	<b>12,692,143</b>

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

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

**26.1 Other Income From Operating Activities**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Power transmission line transfer fee	2,688,489	-
Reversal of unnecessary provision	-	107,755
Carbon credit sales revenues	5,313,357	-
Foreign exchange gains related to commercial activities	89,594,251	29,522,962
Discount income / expenses on payables, net	7,255,393	6,153,928
Foreign exchange gains from related parties related to commercial activities (Note 5)	1,510,231	584,926
Turnover premium income	186,943	70,371
Foreign exchange gains from related parties related to commercial activities (Note 5)	26,687,082	81,676
Rental income	510,717	259,764
Other income and profit	2,589,311	585,112
	<b>136,335,774</b>	<b>37,366,494</b>

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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Foreign exchange expenses from related parties related to commercial activities(Note 5)	-	7,370,250
Foreign exchange expenses related to commercial activities	91,723,038	19,269,710
Discountincome/expenses on receivables,net	5,010,185	6,525,437
Other expenses and losses	1,006,019	852,267
Donation expenses	269,000	34,618
	<b>98,008,242</b>	<b>34,052,282</b>

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

**27.1 Income from Investment Activities**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Profit on sale of fixed assets	10,038,400	1,772,693
	<b>10,038,400</b>	<b>1,772,693</b>

**27.2 Expense from Investment Activities**

None.

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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Shares related with investment valued by equity pick-up method	51,479	127,188
	<b>51,479</b>	<b>127,188</b>

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**NOTE 28 – FINANCIAL INCOME / EXPENSES**

**28.1 Financial Income**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Interest income	1,352,872	431,566
Interest income from related parties (Note 5)	14,398,663	3,536,082
Foreign exchange income regarding financial activities	6,925,587	13,934,050
Foreign exchange income from forward contracts	1,689,582	294,007
	<b>24,366,704</b>	<b>18,195,705</b>

**28.2 Financial Expenses (-)**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Interest expenses	16,517,532	13,898,816
Interest expenses paid to related parties(Note 5)	245,440	119,428
Foreign exchange losses regarding financial activities	165,711,489	123,394,301
Commission expenses of credit	4,051,786	1,684,951
Financial expenses from right of use assets	-	5,158
Maturity difference expenses	278,848	-
Foreign exchange losses arising from forward contracts	-	416,087
Other financial expenses	879,951	675,760
	<b>187,685,046</b>	<b>140,194,501</b>

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**NOTE 29 – TAX ASSETS AND LIABILITIES**

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

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

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 1-25 Aprils coming after the related year’s balancing period (for the companies having special account period, between 1-25 of fourth month following the closing of period). These tax returns and related accounting records may be inspected and changed by tax department in five years.

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

*Taxable losses*

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.

*Issue Premium Exemption*

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:

	31.03.2022		31.12.2021	
	Cumulative temporary differences	Deferred tax / (liability)	Cumulative temporary differences	Deferred tax / (liability)
<u>Deferred tax assets:</u>				
Unearned interests on receivables	2,496,422	574,178	1,860,012	427,803
Transferred R&D discount	87,816,750	17,563,350	61,983,606	12,396,721
Severance pay provision	95,714,372	19,142,875	78,630,230	15,726,046
Unused vacation provisions	13,094,852	3,011,816	9,698,737	2,230,709
Reversal of capitalized financial expenses (except land, buildings)	247,747,106	49,549,421	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)	42,604,894	8,520,979	25,467,954	5,093,591
Deferred maturity difference income	-	-	2,121,611	487,971
Provisions of legal claims	4,274,001	983,021	4,274,001	983,021
Impairment of tangible fixed assets	7,754,809	775,481	7,754,809	775,481
Deductible retained losses	114,073,959	22,814,792	261,086,031	52,217,206
Foreign exchange	20,803	4,785	47,974,351	11,034,101
Effect of other corrections	20,525,425	4,720,844	35,435,710	8,150,213
<b>Deferred tax assets</b>		<b>131,808,203</b>		<b>139,263,915</b>
<u>Deferred tax liabilities:</u>				
Tangible assets (land, building, land improvements and depreciations), net	81,095,582	16,219,116	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	965,158,323	193,031,664	899,262,124	179,852,424
Unearned interests on payables	5,395,381	1,240,938	2,513,763	578,166
Adjustments related to financial debts	1,613,063	371,004	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	3,523,249	810,348	42,800,743	9,844,172
Adjustment of foreign exchange	3,729,775	857,848	269,697	62,029
<b>Deferred tax liabilities</b>		<b>267,591,744</b>		<b>253,778,055</b>
<b>Deferred tax assets / (liabilities), net</b>		<b>(135,783,541)</b>		<b>(114,514,140)</b>

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

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For the period ended at 31 March 2022 and 2021 movements of deferred tax assets and liabilities are as follows

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Current corporation tax	(1,963,516)	(708,301)
Deferred tax assets/(liabilities), net	(21,886,524)	12,286,062
	<b>(23,850,040)</b>	<b>11,577,761</b>

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

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Opening balance	(114,514,140)	(81,610,705)
Deferred tax income / (expense)	(21,886,524)	12,286,062
Actuarial (gain) / loss effect prior periods	617,123	483,374
<b>Closing balance</b>	<b>(135,783,541)</b>	<b>(68,841,269)</b>

**NOTE 30 – EARNINGS PER SHARE**

	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
Net profit / (loss) for the period	124,021,157	(63,983,693)
Weighted-average number of shares outstanding (per share with TRY 1 value)	250,000,000	250,000,000
<b>Simple earnings and divided earnings per share (TRY)</b>	<b>0.4961</b>	<b>(0.2559)</b>

**NOTE 31 – FINANCIAL INSTRUMENTS**

	<b>31.03.2022</b>	<b>31.12.2021</b>
<b>Financial assets</b>		
Liquid assets	93,767,647	118,035,517
Trade receivables	502,718,864	373,941,123
Other receivables	120,149,646	161,918,042
<b>Financial liabilities</b>		
Financial borrowings	2,246,438,489	2,058,322,819
Lease payables	20,763,856	22,340,756
Other payables	6,858,251	7,984,705
Trade payables	386,838,582	293,912,845



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

**Financial Instruments**

**Credit Risk**

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

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

31 March 2022	Trade Receivables		Other Receivables		Bank
	Related Party	Third Party	Related Party	Third Party	Deposit
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>	283,341,216	219,377,648	109,593,654	10,555,992	93,380,117
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	283,341,216	219,377,648	109,593,654	10,555,992	93,380,117
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	-	-	-	-	-
Teminat vs ile güvence altına alınmış kısım	-	-	-	-	-
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.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

31 December 2021	Trade Receivables		Other Receivables		Bank
	Related Party	Third Party	Related Party	Third Party	Deposit
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>	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	-	-
Teminat vs ile güvence altına alınmış kısım	-	-	-	-	-
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.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

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**Liquidity risk**

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

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

<b>Maturities according to agreement</b>	<b>Book Value</b>	<b>Contractual total cash outflow (=I+II+III+IV)</b>	<b>Less than 3 months (I)</b>	<b>3 – 12 months (II)</b>	<b>1- 5 Years (III)</b>	<b>More than 5 Years (IV)</b>
<b>Financial Liabilities Non Derivatives</b>	<b>2,739,663,474</b>	<b>2,897,944,150</b>	<b>930,558,739</b>	<b>1,025,219,349</b>	<b>678,921,225</b>	<b>263,244,837</b>
Financial borrowings	2,246,438,489	2,393,207,391	712,842,338	756,896,670	660,223,546	263,244,837
Financial leasing	20,763,856	26,880,248	2,573,111	5,609,458	18,697,679	-
Trade payables	386,838,582	392,233,964	203,619,690	188,614,274	-	-
- <i>Related parties</i>	390,063	396,940	396,940	-	-	-
- <i>Other parties</i>	386,448,519	391,837,024	203,222,750	188,614,274	-	-
Other liabilities	85,622,547	85,622,547	11,523,600	74,098,947	-	-
- <i>Related parties</i>	3,617,418	3,617,418	-	3,617,418	-	-
- <i>Other parties</i>	82,005,129	82,005,129	11,523,600	70,481,529	-	-
	<b>2,739,663,474</b>	<b>2,897,944,150</b>	<b>930,558,739</b>	<b>1,025,219,349</b>	<b>678,921,225</b>	<b>263,244,837</b>

As of 31 December 2021, Group’s liquidity risk table is as follows:

<b>Maturities according to agreement</b>	<b>Book Value</b>	<b>Contractual total cash outflow (=I+II+III+IV)</b>	<b>Less than 3 months (I)</b>	<b>3 – 12 months (II)</b>	<b>1- 5 Years (III)</b>	<b>More than 5 Years (IV)</b>
<b>Financial Liabilities Non Derivatives</b>	<b>2,435,133,202</b>	<b>2,578,417,513</b>	<b>571,596,855</b>	<b>1,109,195,553</b>	<b>640,764,642</b>	<b>256,860,463</b>
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	-	-
	<b>2,435,133,202</b>	<b>2,578,417,513</b>	<b>571,596,855</b>	<b>1,109,195,553</b>	<b>640,764,642</b>	<b>256,860,463</b>

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**Foreign currency risk**

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

As of 31 March 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 167,018,868 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	(49,982,730)	49,982,730	(49,982,730)	49,982,730
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(49,982,730)	49,982,730	(49,982,730)	49,982,730
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(117,493,225)	117,493,225	(117,493,225)	117,493,225
5- Part of hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(117,493,225)	117,493,225	(117,493,225)	117,493,225
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	457,086	(457,086)	457,086	(457,086)
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	457,086	(457,086)	457,086	(457,086)
<b>TOTAL (3+6+9)</b>	<b>(167,018,868)</b>	<b>167,018,868</b>	<b>(167,018,868)</b>	<b>167,018,868</b>

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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	
	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation 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)
<b>TOTAL (3+6+9)</b>	<b>(163,575,609)</b>	<b>163,575,609</b>	<b>(163,575,609)</b>	<b>163,575,609</b>

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**Interest Rate Risk**

The Group’s financial liabilities exposure the Group to interest rate risk. The Group’s financial liabilities mainly consist of fixed rate borrowings. As of 31 March 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 6,106,386. (31 December 2021: 4,354,602 TL)

**Risk of intensification of sales**

During the reporting periods ending on 31 March 2022 and 31 December 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 31 March 2022, the share of the largest buyer in the revenue from textile sector operations is 51.81% (31 March 2021: 45.56%). 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 81.03%. (31 March 2021 86.57%) Domestic sales of dried fruits (grape, fig and apricot) produced by Menderes as subcontractors are made in accordance with the "Sales Agreement" signed between Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş., the related party of the Group and Osman Akça exports these products to different customers abroad.

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

Textile:

<b>Customer</b>	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
A Company	51.81%	45.56%
	51.81%	45.56%

Agriculture:

<b>Customer</b>	<b>01.01.- 31.03.2022</b>	<b>01.01.- 31.03.2021</b>
B Company	81.03%	86.57%
	81.03%	86.57%

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

<b>31 March 2022</b>	<b>TRY equivalent functional currency</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>
1. Trade Receivables	450,261,436	22,924,506	6,808,327	200,000
2a. Monetary Financial Assets (including cash and banks)	53,742,053	1,955,406	1,497,263	38,419
2b. Non-monetary financial assets	-	-	-	-
3. Other	40,405,742	-	2,481,087	-
<b>4. Current Assets (1+2+3)</b>	<b>544,409,231</b>	<b>24,879,912</b>	<b>10,786,677</b>	<b>238,419</b>
5. Trade Receivables	-	-	-	-
6a. Monetary financial receivables	996,747	60,754	6,600	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>996,747</b>	<b>60,754</b>	<b>6,600</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>545,405,978</b>	<b>24,940,666</b>	<b>10,793,277</b>	<b>238,419</b>
10. Trade Payables	192,690,571	11,226,268	1,720,647	113
11. Financial Liabilities	1,176,823,711	35,879,051	39,884,721	-
12a. Other monetary financial liabilities	45,240,289	688,920	2,153,769	-
12b. Other non-monetary financial liabilities	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>1,414,754,571</b>	<b>47,794,239</b>	<b>43,759,137</b>	<b>113</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	800,840,092	11,188,018	39,031,100	-
16a. Other monetary financial liabilities	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>800,840,092</b>	<b>11,188,018</b>	<b>39,031,100</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>2,215,594,663</b>	<b>58,982,257</b>	<b>82,790,237</b>	<b>113</b>
<b>19. Net asset/(liabilities) position of off-balance sheet derivative instruments(19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
<b>20. Net foreign currency asset / liabilities (9-18+19)</b>	<b>(1,670,188,685)</b>	<b>(34,041,591)</b>	<b>(71,996,960)</b>	<b>238,306</b>
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1,710,594,427)</b>	<b>(34,041,591)</b>	<b>(74,478,047)</b>	<b>238,306</b>
<b>22. Fair value of derivative instruments used in foreign currency hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Exports(*)</b>	<b>353,646,321</b>	<b>17,100,471</b>	<b>6,722,488</b>	<b>320,579</b>
<b>24. Imports(**)</b>	<b>318,848,836</b>	<b>21,872,171</b>	<b>924,021</b>	<b>812</b>

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

<b>31 December 2021</b>	<b>TRY equivalent functional currency</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>CHF</b>
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	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>456,865,082</b>	<b>24,181,066</b>	<b>8,029,081</b>	<b>747,122</b>	-
5. Trade Receivables	-	-	-	-	-
6a. Monetary financial receivables	498,709	29,945	6,600	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>498,709</b>	<b>29,945</b>	<b>6,600</b>	-	-
<b>9. Total Assets (4+8)</b>	<b>457,363,791</b>	<b>24,211,011</b>	<b>8,035,681</b>	<b>747,122</b>	-
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	-	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>1,348,243,501</b>	<b>47,585,091</b>	<b>47,164,516</b>	-	-
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	-	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>744,876,384</b>	<b>9,582,041</b>	<b>40,818,544</b>	-	-
<b>18. Total Liabilities</b>	<b>2,093,119,885</b>	<b>57,167,132</b>	<b>87,983,060</b>	-	-
<b>19. Net asset/(liabilities) position of off-balance sheet derivative instruments(19a-19b)</b>	-	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-
<b>20. Net foreign currency asset / liabilities (9-18+19)</b>	<b>(1,635,756,093)</b>	<b>(32,956,121)</b>	<b>(79,947,379)</b>	<b>747,122</b>	-
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1,635,756,093)</b>	<b>(32,956,121)</b>	<b>(79,947,379)</b>	<b>747,122</b>	-
<b>22. Fair value of derivative instruments used in foreign currency hedge</b>	-	-	-	-	-
<b>23. Exports(*)</b>	<b>1,237,660,119</b>	<b>52,829,210</b>	<b>42,088,921</b>	<b>5,919,394</b>	-
<b>24. Imports(**)</b>	<b>567,722,891</b>	<b>60,212,200</b>	<b>3,371,225</b>	<b>1,633</b>	<b>26,280</b>

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

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

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

Financial Assets

Monetary assets for which fair value approximates carrying value:

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

Financial Liabilities

Monetary liabilities for which fair value approximates carrying value:

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



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Capital Risk Management

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

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

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

	<b>31.03.2022</b>	<b>31.12.2021</b>
Total debts	3,122,301,959	2,783,246,463
Liquid assets	(93,767,647)	(118,035,517)
Net debt	3,028,534,312	2,665,210,946
Total equity	1,146,458,338	1,022,106,078
Total capital	4,174,992,650	3,687,317,024
Net Debt/Total Capital	73%	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:

<b>31.03.2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Land	-	107,180,000	-	107,180,000
Underground and above ground layouts	-	114,271,006	-	114,271,006
Buildings	-	363,314,394	-	363,314,394
Machinery, plant and devices	-	1,336,124,920	-	1,336,124,920
Derivative Instruments	-	1,689,582	-	1,689,582

<b>31.12.2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Land	-	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 31 March 2022, the classes and fair values of financial instruments are as follows;

31.03.2022	Financial assets and liabilities shown at amortized value	Financial assets at fair value differences in income statement	Book Value	Note
<b>Financial Assets</b>				
Cash and cash equivalents	93,767,647	-	93,767,647	4
Trade receivables	502,718,864	-	502,718,864	6
Other receivables	120,149,646	-	120,149,646	8
<b>Financial Liabilities</b>				
Financial borrowings	2,267,202,345	-	2,267,202,345	7
Trade payables	386,838,582	-	386,838,582	6
Other payables	6,858,251	-	6,858,251	8

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
<b>Financial Assets</b>				
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
<b>Financial Liabilities</b>				
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