

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

**CONVENIENCE TRANSLATION INTO
ENGLISH OF CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY – 31 MARCH 2022**

(ORIGINALLY ISSUED IN TURKISH)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2022 AND 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated)

ASSETS	Notes	31 March 2022	31 December 2021
Current Assets			
Cash and cash equivalents	5	14,227,056	12,810,775
Financial investments	6	2,694,166	3,265,243
Trade receivables	8,28	12,067,112	9,185,761
– Due from related parties	28	30,974	19,130
– Other trade receivables	8	12,036,138	9,166,631
Other receivables		480,333	339,499
Contract assets	12	149,343	121,875
Derivative financial assets	9	1,087,780	427,362
Inventories	10	10,180,755	7,687,597
Prepayments	11	1,196,221	741,391
Current tax assets	26	45,263	77,416
Other current assets		794,275	1,016,457
Total current assets		42,922,304	35,673,376
Non-current assets			
Financial investments	6	1,179,385	1,179,385
Trade receivables	8	38	38
Other receivables		156,754	156,754
Derivative financial assets	9	646,543	646,543
Investments accounted for using the equity method	13	1,796,042	1,796,042
Investment properties		1,468,823	1,468,823
Property, plant, and equipment	14	32,327,308	32,327,308
Right of use assets	15	525,380	525,380
Intangible assets	16, 17	16,235,289	16,235,289
– Goodwill	17	4,488,794	4,488,794
– Other intangible assets	16	11,746,495	11,746,495
Prepayments	11	735,876	735,876
Deferred tax assets	26	1,542,390	1,542,390
Other non-current assets		3,306	3,306
Total non-current assets		56,617,134	56,617,134
TOTAL ASSETS		99,539,438	88,672,511

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2022 AND 31 DECEMBER 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated)

LIABILITIES	Notes	31 March 2022	31 December 2021
Current Liabilities			
Short term borrowings	7	5,521,762	3,524,752
Short term portion of long-term borrowings	7	6,581,379	6,913,434
Trade payables	8, 28	6,070,587	5,033,187
– Due to related parties	28	164,993	163,228
– Due to third parties	8	5,905,594	4,869,959
Liabilities for employee benefits	19	325,761	255,526
Other payables	9, 28	1,828,266	347,021
– Due to related parties	28	1,299,257	5,008
– Due to third parties		529,009	342,013
Contract liabilities	12	101,788	110,857
Derivative instruments	9	25,049	29,473
Deferred income	11	774,340	405,904
Current income tax liabilities	26	430,166	868,425
Short term provisions	18, 19	801,699	906,826
Other current liabilities		1,117,298	797,447
Total current liabilities		23,578,095	19,192,852
Non-current liabilities			
Long term borrowings	7	18,830,369	17,213,186
Other payables		3,326	3,002
Derivative instruments	9	11,798	42,280
Deferred income	11	256,786	226,706
Long term provisions	19	2,321,236	2,000,551
Deferred tax liabilities	26	405,252	618,045
Other non-current liabilities		65,920	12,181
Total non-current liabilities		21,894,687	20,115,951
Total liabilities		45,472,782	39,308,803
EQUITY			
Equity holders of the parent	20	43,021,434	39,431,881
Paid capital		3,063,214	3,063,214
Adjustment to share capital differences		320,075	320,075
Treasury shares		(43,201)	(39,213)
Share premiums (discount)		167,048	167,048
Accumulated other comprehensive income/expense not to be reclassified to profit or loss		6,222,025	6,139,201
– Gains/(losses) on revaluation and remeasurement		6,222,025	6,139,201
– Revaluation gain/(loss) on tangible assets		6,321,516	6,240,309
– Gain/(loss) arising from defined benefit plans		(99,491)	(101,108)
Accumulated other comprehensive income/expense to be reclassified to profit or loss		10,366,287	8,874,058
– Currency translation differences		10,326,204	9,062,730
– Hedge reserves		40,083	(188,672)
Restricted reserves		1,517,852	1,517,852
Retained earnings		17,832,166	10,256,361
Net profit or loss for the period		3,575,968	9,133,285
Non-controlling interests	20	11,045,222	9,931,827
Total equity		54,066,656	49,363,708
TOTAL LIABILITIES AND EQUITY		99,539,438	88,672,511

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE PERIODS 1 JANUARY – 31 MARCH 2022 AND 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	1 January- 31 March 2022	1 January- 31 March 2021
Revenues	21	16,974,389	5,686,300
Cost of Sales	21	(10,121,545)	(3,750,624)
Gross profit/ (loss) from trading activity		6,852,844	1,935,676
General administrative expenses	22	(861,466)	(316,269)
Marketing expenses	22	(2,352,577)	(716,065)
Research and development expenses	22	(49,492)	(24,652)
Other operating income	23	1,404,028	612,006
Other operating expenses	23	(1,098,855)	(443,456)
Share of profit (loss) from investments accounted for using equity method	13	90,892	43,030
Operating profit/ (loss)		3,985,374	1,090,270
Income from investing activities	24	550,336	555,160
Expense from investing activities	24	(194,878)	(14,410)
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	24	(20,410)	53,345
Profit (Loss) before financing income (expense)		4,320,422	1,684,365
Financial income	25	2,705,927	1,731,441
Financial expenses	25	(3,223,669)	(1,880,612)
Profit (Loss) from continuing operations, before tax		3,802,680	1,535,194
Tax (expense) income, continuing operations		62,173	(183,022)
– Current period tax (expense) / income	26	(563,246)	(194,252)
– Deferred tax (expense) income	26	625,419	11,230
Profit (Loss)		3,864,853	1,352,172
Attributable to:			
– Non-controlling interest		288,885	3,950
– Equity holders of the parent		3,575,968	1,348,222
Earnings per share	27	1.2029	0.4402

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CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS OF 1 JANUARY – 31 MARCH 2022 AND 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	1 January- 31 March 2022	1 January- 31 March 2021
Profit / (loss) for the Period	21	3,864,853	1,352,172
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss	21	86,624	52,611
Gains (Losses) on revaluation of property, plant, and equipment		88,210	96,691
Gain / (loss) arising from defined benefit plans		9,319	30
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		(906)	576
Taxes on items that will not be reclassified to profit or loss		(9,999)	(44,686)
Items that will be reclassified to profit or loss		2,667,252	804,266
Currency translation differences		2,441,551	735,067
Cash flow hedging		282,952	91,537
Taxes on items that will be reclassified to profit or loss		(57,251)	(22,338)
Other comprehensive income/ (loss)		2,753,876	856,877
Total Comprehensive Income/ (Loss)		6,618,729	2,209,049
Attributable to:			
– Non-controlling interest		1,467,708	38,108
– Equity holders of parent		5,151,021	2,170,941
Earnings per share	27	1.7328	0.7089

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY – 31 MARCH 2022 AND 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Issued Capital	Inflation Adjustments on Capital	Treasury Shares	Share Premiums or Discounts	Other Comprehensive Income will not be reclassified to profit or loss	Other Comprehensive Income will be reclassified to profit or loss	Restricted Reserves	Previous Years Profits or Losses	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
Balance at 1 January 2021	3,063,214	320,075	-	167,048	2,564,583	3,525,321	1,517,852	8,898,265	2,138,037	22,194,395	296,838	22,491,233
Transfer	-	-	-	-	-	-	-	2,138,037	(2,138,037)	-	-	-
Total comprehensive income / (loss)	-	-	-	-	45,688	775,958	-	1,073	1,348,222	2,170,941	38,108	2,209,049
Dividends paid	-	-	-	-	-	-	-	(499,189)	-	(499,189)	(2)	(499,191)
Occurring due to share repurchase transactions incoming increase (decrease)	-	-	(4,969)	-	-	-	-	(32,104)	-	(37,073)	-	(37,073)
Balance at 31 March 2021	3,063,214	320,075	(4,969)	167,048	2,610,271	4,301,279	1,517,852	10,506,082	1,348,222	23,829,074	334,944	24,164,018

	Issued Capital	Inflation Adjustments on Capital	Treasury Shares	Share Premiums or Discounts	Other Comprehensive Income will not be reclassified to profit or loss	Other Comprehensive Income will be reclassified to profit or loss	Restricted Reserves	Previous Years Profits or Losses	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
Balance at 1 January 2022	3,063,214	320,075	(39,213)	167,048	6,139,201	8,874,058	1,517,852	10,256,361	9,133,285	39,431,881	9,931,827	49,363,708
Transfer	-	-	-	-	-	-	-	9,133,285	(9,133,285)	-	-	-
Total comprehensive income / (loss)	-	-	-	-	82,824	1,492,229	-	-	3,575,968	5,151,021	1,467,708	6,618,729
Capital increase	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Dividends paid	-	-	-	-	-	-	-	(1,247,544)	-	(1,247,544)	(354,312)	(1,601,856)
Occurring due to share repurchase transactions Increase (Decrease) through Treasury Share Transactions-	-	-	(3,988)	-	-	-	-	(309,936)	-	(313,924)	-	(313,924)
Balance at 31 March 2022	3,063,214	320,075	(43,201)	167,048	6,222,025	10,366,287	1,517,852	17,832,166	3,575,968	43,021,434	11,045,222	54,066,656

Explanations on change of equity table are presented in Note 28.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS

1 JANUARY – 31 MARCH 2022 AND 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	1 January- 31 March 2022	1 January- 31 March 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES			
		(152,950)	498,131
Net profit/(loss) for the period	28	3,864,853	1,352,172
Adjustments to reconcile profit/ (loss)		569,102	289,121
- Depreciation and amortization adjustments	14,15,16	867,076	455,200
- Impairments/(reversals) adjustments	5,6,8,10	111,720	(5,830)
- Adjustments in provisions	18,19	102,084	195,207
- Interest income and expenses adjustments	7,23,25,28	123,426	438,323
- Unrealized exchange loss/ (gain) adjustments	23,25	54,023	(421,768)
- Fair value loss/(gain) adjustments	6,24	(536,678)	(532,950)
- Income from investments accounted for under equity accounting adjustments	13	(90,892)	(43,030)
- Tax expenses adjustments	26	(62,172)	183,022
- Adjustments for losses (gains) on disposal of non-current assets	24	2,083	(7,797)
- Other adjustments related to profit/(loss) reconciliation		(1,568)	28,744
Changes in working capital		(3,027,805)	(694,841)
- (Increases)/decreases in trade receivables adjustments	8,23,28	(1,724,946)	(117,818)
- (Increases)/decreases in other receivables adjustments	11,16,32,38	(140,836)	(16,069)
- (Increases)/decreases in contract assets adjustments	12	(27,468)	(26,047)
- (Increases)/decreases in derivative financial assets	9,25	267,965	(5)
- (Increases)/decreases in stocks adjustments	10	(2,305,043)	(578,165)
- (Increases)/decreases in trade payables adjustments	8,28	195,517	(283,695)
- (Increases)/decreases in contract liabilities adjustments	12	(9,069)	(4,884)
- (Increases)/decreases in other payables adjustments	11,28	543,124	102,187
- Other (increases)/decreases in net working capital adjustments	11	172,951	229,655
Cash flows from operating activities		1,406,150	946,452
- Interest paid	7,23,25,28	(603,414)	(365,610)
- Interest received	23,25,28	64,053	21,973
- Payments for the provisions for employee benefits	19	(24,901)	(22,229)
- Taxes received / (paid)	26	(1,051,776)	(82,455)
- Other cash inflows (outflows)	19	56,938	-

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS

1 JANUARY – 31 MARCH 2022 AND 2021

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	1 January- 31 March 2022	1 January- 31 March 2021
B. CASH FLOWS FROM INVESTING ACTIVITIES		(584,088)	(257,321)
- Cash inflows from changes in ownership interests in subsidiaries that do not result in loss of control		364,530	-
- Cash outflows for obtaining control of subsidiaries purchases	3	(299,799)	-
- Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	13	-	(94,361)
- Cash inflows from sales of other entities' or fund's share	6,24	589,214	143,496
- Cash outflows from purchase of other entities or fund's share	6	(115,888)	(35,410)
- Proceeds from sales of tangible and intangible assets	14,16,24	58,934	34,118
- Purchase of tangible and intangible assets	7,14,16,24	(1,237,453)	(406,067)
- Cash advances and debts given	11	(518,758)	(94,049)
- Repayments of advances given	11	422,230	138,735
- Interest received	5,6,24,25	75,954	47,691
- Other cash inflows/ (outflows)	8	76,948	8,526
C. CASH FLOWS FROM FINANCING ACTIVITIES		965,806	(251,881)
- Payments to acquire entity's shares or other equity instruments	5	(313,924)	(37,073)
- Proceeds from borrowings	6	2,894,614	647,938
- Payments of borrowings	7,25	(1,187,020)	(836,245)
- Payments of lease liabilities	7	(73,552)	(16,435)
- Dividends paid	28	(354,312)	(10,066)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		228,768	(11,071)
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		1,140,301	1,130,649
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		1,369,069	1,119,578
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		12,819,239	9,384,819
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		14,188,308	10,504,397

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. In Group's Organization and Nature of Operations

Türkiye Şişe ve Cam Fabrikaları A.Ş. Group (the "Group") consists of a holding company, Türkiye Şişe ve Cam Fabrikaları A.Ş. (the "Company"), 56 subsidiaries, 1 joint venture 2 associates and 2 joint activities.

The Group consists of six operating segments including companies operating in architectural glass, automotive glass, glass packaging, glassware, chemicals (soda, chromium, and other chemicals), and others (export, import, energy, collection, separation, processing, recycling and acquisition of packing waste and insurance agency services). The Group's main area of activity is glass production, and it deals with complementary industrial and commercial operations for glass production, Additionally, the Group participates in management of various industrial and commercial companies.

The Group was established 86 years ago by Türkiye İş Bankası A.Ş. ("İş Bankası") in Turkey, being one of the largest Turkish private commercial banks, as of Türkiye Şişe ve Cam Fabrikaları A.Ş. Sosyeteşi was founded with the title and registered with the trade registry on January 23, 1936. And the establishment was announced in the trade registry gazette on February 5, 1936. Company's title has been registered as of Türkiye Şişe ve Cam Fabrikaları A.Ş. on April 25, 1973 and published in the trade registry gazette on May 10, 1973. The shares of the Company have been publicly traded on the Borsa İstanbul A.Ş. ("BİST"), formerly named as Istanbul Stock Exchange ("İSE"), since January 3, 1986, As of March 31, 2022, İş Bankası holds 51,06% of the shares and retains the control of the Group.

The Head Office and the Shareholder Structure of the Company

The shareholder structure of the Company is disclosed in Note 28.

The Company is registered in Turkey and the contact information is as presented below:

Address	:	İçmeler Mahallesi D-100 Karayolu Cad, No:44 A 34947, Tuzla / İstanbul / Türkiye
Telephone	:	+ 90 850 206 50 50
Fax	:	+ 90 850 206 40 40
E-mail adress	:	scmuhasebe@sisecam.com
Registered e-mail address (KEP)	:	sisecam@hs03.kep.tr
E-mail address	:	infosisecam@sisecam.com
National electronic notification address	:	25999-48162-55656
Website	:	http://www.sisecam.com
Address Code	:	3640907410

Trade Registry Information of the Company

Registered at	:	Istanbul Registry of Commerce Office
Registry no	:	:21599
Central Legal Entity Information System	:	:0-8150-0344-7300016
Nace Code	:	: 70.10.01 primary and additionally 23.11.01, 23.13.01, 20.13.07, 35.11.19, 74.10.02
Legal Entity Identifier (LEI)	:	: 789000KWOK751Q6R8875
Tax Authority	:	: Büyük Mükellefler
Tax Authority number	:	: 8150034473

Personnel structure of the Group

	31 March 2022	31 December 2021	31 March 2021
Personnel (monthly paid)	8,352	7,397	6,868
Personnel (hourly paid)	15,694	15,301	14,597
	24,046	22,698	21,465

918 employees included in the Group's total personnel structure is consisted of the personnel of joint ventures accounted under equity method (31 December 2021: 926 employees 31 March 2021; 60.).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation

The nature of operations of the companies/branches included in consolidation is presented as follows:

Flat Glass Group

a) Architectural Glass Group

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Flat Glass Group Branches (1)	Production and sales of flat glass, auto glass and processed glass	Turkey
TRSG Glass Holding B.V	Finance and investment company	Netherlands
Trakya Glass Bulgaria EAD	Production and sales of flat glass, laminated, coated glass, and mirror	Bulgaria
Sisecam Flat Glass Italy S.R.L	Production and sales of flat and laminated glass	Italy
Sisecam Flat Glass South Italy S.R.L	Production and sales of flat and laminated glass	Italy
Trakya Glass Rus AO	Production and sales of flat glass and mirror	Russia
Trakya Glass Rus Trading OOO	Importing and sales services	Russia
Sisecam Flat Glass India Private Limited	Production and sales of flat glass and mirror	India

Associate	Nature of business	Country of registration
Saint Gobain Glass Egypt S.A.E	Production and sales of flat glass	Egypt

b) Automotive Glasses Group

Subsidiaries	Nature of business	Country of registration
Şişecam Otomotiv A.Ş.	Production and sales of automotive glass	Turkey
Trakya Investment B.V.	Finance and investment company	Netherlands
Sisecam Automotive Bulgaria EAD	Production and sales of automotive glass and white goods glasses	Bulgaria
Sisecam Automotive Romania SA (*)	Production and sales of automotive glass	Romania
Sisecam Automotive Rus JSC (*)	Production and sales of automotive glass	Russia
Sisecam Automotive Rus Trading LLC (*)	Importing and sales services	Russia
Sisecam Automotive Germany GmbH	Commercial activity	Germany
Richard Fritz Prototype+Spare Parts GmbH	Glass encapsulation production and sales services	Germany
Sisecam Automotive Slovakia S.R.O. (*)	Glass encapsulation production and sales services	Slovakia
Sisecam Automotive Hungary Kft (*)	Glass encapsulation production and sales services	Hungary

(*) The company titles of the subsidiaries have changed in 2021 as presented comparatively below.

Previous Title	Current Title
Glasscorp S.A.	Sisecam Automotive Romania SA
Automotive Glass Alliance Rus AO	Sisecam Automotive Rus JSC
Automotive Glass Alliance Rus Trading OOO	Sisecam Automotive Rus Trading LLC
Richard Fritz Holding GmbH	Sisecam Automotive Germany GmbH
Richard Fritz Spol S.R.O.	Sisecam Automotive Slovakia S.R.O.
Richard Fritz Kft	Sisecam Automotive Hungary Kft

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Glassware Group

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Glassware Group Branches (1)	Automatic production and sales of glassware	Turkey
Paşabahçe Mağazaları A.Ş.	Retail sales of glassware	Turkey
Camiş Ambalaj Sanayii A.Ş.	Production and sales of paper packaging	Turkey
Pasabahçe Bulgaria EAD	Automatic production and sales of glassware	Bulgaria
OOO Posuda	Automatic production and sales of glassware	Russia
Pasabahçe SRL	Sales and marketing services	Italy
Pasabahçe Spain SL	Sales and marketing services	Spain
Pasabahçe Glass GmbH	Sales and marketing services	Germany
Pasabahçe USA Inc.	Sales and marketing services	USA
Pasabahçe (Shanghai) Trading Co. Ltd.	Sales and marketing services	China
Pasabahçe Egypt Glass Manufacturing S.A.E	Automatic production and sales of glassware	Egypt

Glass Packaging Group

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Glass Packaging Group Branches (1)	Production and sales of glass packaging	Turkey
Sisecam Glass Packaging B.V. (*)	Import, sales, finance and investment company	Netherlands
OOO Ruscam Management Company	Finance and investment company	Russia
OOO Ruscam Glass Packaging Holding	Production and sales of glass packaging	Russia
OOO Energosystems	Leasing of industrial materials	Russia
CJSC Brewery Pivdenna	Production and sales of glass packaging	Ukraine
Merefa Glass Company Ltd.	Production and sales of glass packaging	Ukraine
JSC Mina	Production and sales of glass packaging	Georgia
Sisecam Glasspackaging Hungary Kft. (**)	Production of all kinds of glass and glass products' processing and shaping	Hungary

(*) The subsidiaries residing in the Netherlands, Sisecam Flat Glass Holding BV from the "Architectural Glasses" group, Pasabahçe Investment BV from the Glassware group and Sisecam Chem Investment BV from the "Chemicals" group has merged, and dissolved as a whole with all its assets and liabilities under Sisecam Glass Packaging BV, one of the subsidiaries of "Glass Packaging" group, on 30 June 2021. In note 5 "Reporting by Segments" of the consolidated financial statements, under the heading "Reporting by activity groups", the financial position and performance of the merged companies and their subsidiaries are separated by taking into account the segments in which they operate, and they continue to be reported under the heading of the relevant operating segment.

The name of the company has been changed as of 3 January 2022, Şişecam Investment B.V.

(**) The Company was established on 1 July 2021.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Chemicals Group

a) Soda, Chromium and Other Chemicals Group

<u>Subsidiaries/Branches</u>	<u>Nature of business</u>	<u>Country of registration</u>
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Chemicals Group Branches (1)	Production and sales of soda and chromium chemicals	Turkey
Oxyvit Kimya Sanayii ve Tic. A.Ş.	Vitamin K-3 and derivatives manufacturer	Turkey
Sisecam Bulgaria EOOD	Soda goods trade	Bulgaria
Sisecam Soda Lukavac D.O.O.	Production and sales of soda	Bosnia-Herzegovina
Cromital S.p.A.	Production and sales of chromium sub products	Italy
Sisecam Trading Co.	Commercial activity	China
Sisecam Chemicals USA Inc.	Finance, investment and sales company	USA
Sisecam Chemicals Resources LLC	Production and sales of soda	USA
Sisecam Chemicals Wyoming LLC	Production and sales of natural soda	USA
Sisecam Resources LP (*)	Natural soda goods trade	USA
Sisecam Resources Partners LLC (**)	Natural soda goods trade	USA
Sisecam Wyoming LLC (***)	Production and sales of natural soda	USA

(*) The name of Ciner Resources LP was changed to Sisecam Resources LP on February 18, 2022.

(**)The name of Ciner Resources Partners LLC was changed to Sisecam Resources Partners LLC on February 18, 2022.

(***)The name of Ciner Wyoming LLC was changed to Sisecam Wyoming LLC on February 18, 2022.

<u>Joint Activities</u>	<u>Nature of business</u>	<u>Country of registration</u>
Pacific Soda LLC	Soda goods trade	USA
Atlantic Soda LLC	Soda goods trade	USA

<u>Associate</u>	<u>Nature of business</u>	<u>Country of registration</u>
Solvay Sisecam Holding AG	Finance and investment company	Austria

b) Mining Group

<u>Subsidiaries</u>	<u>Nature of business</u>	<u>Country of registration</u>
Camış Madencilik A.Ş. (*)	Production and sales of raw materials in glass	Turkey
Camis Egypt Mining Ltd. Co.	Sand mining and sales	Egypt

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

b) Mining Group (continued)

Joint ventures	Nature of business	Country of registration
Rudnik Krechnjaka Vijenac D.O.O.	Production and sales of lime stone	Bosnia-Herzegovina

c) Glass Fiber Group

Subsidiaries	Nature of business	Country of registration
Şişecam Elyaf Sanayii A.Ş. (**)	Production and sales of glass fiber	Turkey

Other Group

a) Energy Group

Subsidiaries	Nature of business	Country of Registration
Şişecam Enerji A.Ş.	Storage and sales of natural gas and electricity	Turkey
Camiş Elektrik Üretim A.Ş.	Trade Production and sales of electricity	Turkey

b) Recycling Group

Subsidiaries	Nature of business	Country of Registration
Şişecam Çevre Sistemleri A.Ş.	Collection, sorting, processing, recycling and recovery of glass	Turkey

c) Other Services Group (*)

Subsidiaries	Nature of business	Country of Registration
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	Insurance agency	Turkey
Şişecam Dış Ticaret A.Ş.	Exportation of group products	Turkey
Refel S.p.A. (*)	Cast AZS refractory for glass production block production and sales	Italy
SC Glass Trading B.V.	Import, sales, finance and investment company	Netherlands

(*) Purchased on February 3, 2022

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

(1) Branches of activity groups are as follows:

Branch Title

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Kırklareli Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Mersin Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Kocaeli Processed Glass Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Bursa Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Flat Glass Ankara Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Eskişehir Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Group Kırklareli Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Denizli Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Mersin Warehouse Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Machine Maintenance Business Istanbul Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Ankara Regional Directorate Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware İzmir Regional Directorate Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware Adana Regional Directorate Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glass Packaging Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Cam Ambalaj Mersin Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Cam Ambalaj Eskişehir Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glass Packaging Yenişehir Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Mersin Warehouse Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Group Branches

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Mersin Soda Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Mersin Kromsan Plant Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Chemicals Cogeneration Plant Operation Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Chemical Salt Business Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Leather Application Laboratory Branch

Türkiye Şişe ve Cam Fabrikaları A.Ş. Karadiken Kalker Business Branch

The Group's publicly-traded company, Türkiye Şişe ve Cam Fabrikaları A.Ş.'s share information are as follows:

Share Information	BIST Code	Reuters code	Bloomberg code
Türkiye Şişe ve Cam Fabrikaları A.Ş.	SISE	SISE.IS	SISE.TI

As of 31 March 2022, Türkiye Şişe ve Cam Fabrikaları A.Ş. is traded on "Financial Institutions, Holdings and Investment Companies" sectors "Star Market" in Borsa İstanbul A.Ş. (BIAS), and the indexes that the Company's included are as follows: BIST BANKA DIŞI LİKİT 10 / BIST İSTANBUL / BIST 30 / BIST TEMETTÜ / BIST 50 / BIST SÜRDÜRÜLEBİLİRLİK / BIST KURUMSAL YÖNETİM / BIST HOLDİNG VE YATIRIM / BIST YILDIZ / BIST TÜM / BIST MALİ / BIST 100.

In addition, the Company's shares have been included in the "Medium Market Value Stocks Index" of Morgan Stanley Capital International (MSCI) as of October 1, 2020.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

In addition, the Company's shares have been added to the Morgan Stanley Capital International (MSCI) "Middle Market Value Shares Index" as of October 1, 2020.

Periodic Revision Report on Corporate Governance Rating has been completed by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. ("SAHA"), which is officially authorised to carry out rating processes in Turkey in line with Capital Markets Board Corporate Governance Principles, The Corporate Governance Rating Score of 95.51 (9.55 out of 10) as of 16 December 2021, Following the continuous improvement efforts made in the area of application of corporate governance principles. In its rating work SAHA used the new methodology based on Corporate Governance Principles published by the CMB in January 2014.

Main Sections	Weight	16 December 2021	16 December 2020
Shareholders	%25	95,49	95,49
Public disclosure and transparency	%25	97,48	96,98
Stakeholders	%15	99,48	99,48
Board of directors	%35	92,42	92,39
Average Rating	%100	95,51	95,38

Türkiye Şişe ve Cam Fabrikaları A.Ş. is included in the BIST "Corporate Governance Index" since 31 December 2014. The company is placed in the first group according to the World Corporate Governance Index (WCGI) which was published by SAHA on 10 March 2021.

The following are the direct and effective shareholder share rates within the capital of the companies that are included in the consolidation of the Group:

Flat Glass Group

a.1) Subsidiaries of Architectural Glass Group

Company/Branch Name	31 March 2022		31 December 2021	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Flat Glass Group Branches	100.00	100.00	100.00	100.00
TRSG Glass Holding B.V.	70.00	70.00	70.00	70.00
Trakya Glass Bulgaria EAD	100.00	100.00	100.00	100.00
Sisecam Flat Glass Italy S.R.L	100.00	100.00	100.00	100.00
Sisecam Flat Glass South Italy S.R.L	100.00	100.00	100.00	100.00
Trakya Glass Rus AO	100.00	70.00	100.00	70.00
Trakya Glass Rus Trading OOO	100.00	70.00	100.00	70.00
Sisecam Flat Glass India Private Limited	100.00	100.00	100.00	100.00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

a.2) Associate of Architectural Glass Group

Company's Name	31 March 2022		31 December 2021	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Saint Gobain Glass Egypt S.A.E.	30.00	30.00	30.00	30.00

b) Subsidiaries of Automotive Glass Group

Company's Name	31 March 2022		31 December 2021	
	Effective ownership (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)
Şişecam Otomotiv A.Ş.	100.00	100.00	100.00	100.00
Trakya Investment B.V.	100.00	100.00	100.00	100.00
Sisecam Automotive Bulgaria EAD	100.00	100.00	100.00	100.00
Sisecam Automotive Romania SA	100.00	100.00	100.00	100.00
Sisecam Automotive Rus JSC	100.00	100.00	100.00	100.00
Sisecam Automotive Rus Trading LLC	100.00	100.00	100.00	100.00
Sisecam Automotive Germany GmbH	100.00	100.00	100.00	100.00
Richard Fritz Prototype+Spare Parts GmbH	100.00	100.00	100.00	100.00
Sisecam Automotive Slovakia S.R.O.	100.00	100.00	100.00	100.00
Sisecam Automotive Hungary Kft	100.00	100.00	100.00	100.00

Subsidiaries of Glassware Group

Company/Branch Name	31 March 2022		31 December 2021	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Glassware Group Branches	100.00	100.00	100.00	100.00
Paşabahçe Mağazaları A.Ş.	100.00	100.00	100.00	100.00
Camiş Ambalaj Sanayii A.Ş.	100.00	100.00	100.00	100.00
Pasabahçe Bulgaria EAD	100.00	100.00	100.00	100.00
OOO Posuda	100.00	100.00	100.00	100.00
Pasabahçe SRL	100.00	100.00	100.00	100.00
Pasabahçe Spain SL	100.00	100.00	100.00	100.00
Pasabahçe Glass GmbH	100.00	100.00	100.00	100.00
Pasabahçe USA Inc.	100.00	100.00	100.00	100.00
Pasabahçe (Shanghai) Trading Co. Ltd.	100.00	100.00	100.00	100.00
Pasabahçe Egypt Glass Manufacturing S.A.E.	100.00	100.00	100.00	100.00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

Subsidiaries of Glass Packaging Group

Company's/Branch Name	31 March 2022		31 December 2021	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Glass Packaging Group Branches	100.00	100.00	100.00	100.00
Sisecam Glass Packaging B.V.	100.00	100.00	100.00	100.00
OOO Ruscam Management Company	100.00	100.00	100.00	100.00
OOO Ruscam Glass Packaging Holding	100.00	100.00	100.00	100.00
OOO Energosystems	100.00	100.00	100.00	100.00
CJSC Brewery Pivdenna	100.00	100.00	100.00	100.00
Merefa Glass Company Ltd.	100.00	100.00	100.00	100.00
JSC Mina	100.00	100.00	100.00	100.00
Sisecam Glasspackaging Hungary Kft.	100,00	100,00	-	-

Chemicals Group

a.1) Subsidiaries of Soda, Chromium and Other Chemicals Group

Company/Branch Name	31 March 2022		31 December 2021	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Chemicals Group Branches	100.00	100.00	100.00	100.00
Oxyvit Kimya Sanayii ve Tic. A.Ş.	100.00	100.00	100.00	100.00
Sisecam Bulgaria EOOD	100.00	100.00	100.00	100.00
Sisecam Soda Lukavac D.O.O.	100.00	100.00	100.00	100.00
Cromital S.p.A.	100.00	100.00	100.00	100.00
Sisecam Trading Co.	100.00	100.00	100.00	100.00
Sisecam Chemicals USA Inc.	100.00	100.00	100.00	100.00
Sisecam Chemicals Resources LLC	60.00	60.00	60.00	60.00
Sisecam Chemicals Wyoming LLC	60.00	60.00	60.00	60.00
Sisecam Resources Partners LLC	60.00	60.00	60.00	60.00
Sisecam Resources LP	74.00	44.40	74.00	44.40
Sisecam Wyoming LLC	51.00	22.64	51.00	22.64

a.2) Production Partnership of Soda, Chromium and Other Chemicals Group

Company's Name	31 March 2022		31 December 2021	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Pacific Soda LLC	60,00	60,00	60,00	60,00
Atlantic Soda LLC	60,00	60,00	60,00	60,00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1. Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

a.3) Associate of Soda, Chromium and Other Chemicals Group

Company's Name	31 March 2022		31 December 2021	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Solvay Sisecam Holding AG	25.00	25.00	25.00	25.00

b.1) Subsidiaries of the Mining Group

Company's Name	31 March 2022		31 December 2021	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Camış Madencilik A.Ş.	100.00	100.00	100.00	100.00
Camis Egypt Mining Ltd. Co.	99.70	99.70	99.70	99.70

Chemicals Group

b.2) Joint Venture of Mining Group

Company's Name	31 March 2022		31 December 2021	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Rudnik Krechnjaka Vijenac D.O.O.	50.00	50.00	50.00	50.00

c) Subsidiaries of Glass Fiber Group

Company's Name	31 March 2022		31 December 2021	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Elyaf Sanayii A.Ş.	99.999	99.999	99.999	9.999

Other Group

a) Subsidiaries of Energy Group

Company's Name	31 March 2022		31 December 2021	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Enerji A.Ş.	100.00	100.00	100.00	100.00
Camış Elektrik Üretim A.Ş.	100.00	100.00	100.00	100.00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

1.Group's Organization and Nature of Operations (Continued)

Companies included in consolidation (continued)

b) Subsidiaries of Recycling Group

Company's Name	31 March 2022		31 December 2021	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Çevre Sistemleri A.Ş.	90.00	90.00	90.00	90.00

c) Subsidiaries of Other Services Group

Company's Name	31 March 2022		31 December 2021	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	100.00	100.00	100.00	100.00
Şişecam Dış Ticaret A.Ş.	100.00	100.00	100.00	100.00
SC Glass Trading B.V.	100.00	100.00	100.00	100.00
Refel S.p.A.	100.00	100.00	-	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira (“TRY”) unless otherwise indicated.)

2. Basis of Presentation of Consolidated Financial Statements

2.1 Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No: 14,1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standard issued by Public Oversight Accounting and Auditing Standards Authority (“POA/ASA”), TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations (“IFRIC”), The accompanying consolidated financial statements are prepared in accordance with resolution No, 30 TAS taxonomy published by POA/ASA on 2 June 2016 and in accordance with the TAS taxonomy announced by POA/ASA as current “2019 TFRS” including TFRS-15 Revenue from contracts with customers and TFRS-16 Leases on 15 April 2019.

In accordance with the Turkish Accounting Standard No: 34 “Interim Financial Reporting”, enterprises are free to prepare their interim financial statements as a full set or as a summary. In this context, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Therefore, these interim condensed consolidated financial statements should be read together with the Group’s consolidated financial statements as of 31 December 2021.

Interim condensed consolidated financial statements are presented in accordance with the formats specified in the “Announcement on TMS Taxonomy” published by the POA on April 15, 2019 and the Financial Statement Examples and User Guide published by the CMB.

The Company (and its subsidiaries, Joint Activities and Joint Ventures registered in Turkey) maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the “TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance, subsidiaries, joint ventures, associates and joint activities operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations of the country in which they operate. The year end consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. This year end consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS.

Presentation and Functional Currency

The individual financial statements of each Group entity are presented in its currency where the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in thousand Turkish Lira (TRY), which is the functional of the Company and the presentation currency of the Group. The currencies other than TRY are also expressed in thousands.

Preparation of Financial Statements in Hyperinflationary Periods

In accordance with the CMB’s resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of IFRS) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, IAS 29 “Financial Reporting in Hyperinflationary Economies” is not applied in the accompanying consolidated financial statements.

Going Concern

The consolidated financial statements including the accounts of the parent company, its subsidiaries, joint ventures, joint activities and associates have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Comparatives and Restatement of Prior Periods Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified where necessary, to conform to changes in presentation in the current period consolidated financial statements.

Financial Statements of subsidiaries that operate in foreign countries

The financial statements of subsidiaries, partnerships, joint activities and affiliates operating in foreign countries are prepared in accordance with the laws and regulations applicable in the countries in which they operate and are regulated according to Group accounting policies and whereas assets and liabilities are translated into Turkish lira using the exchange rate as of the consolidated report date income and expenses are translated into Turkish lira using the average exchange rate. The differences arising from the use of closing and average exchange are followed under the cumulative translation difference account within the shareholders' equity.

The rates used in the cycle of overseas activities within the scope of consolidation are as follows:

Döviz Cinsi	31 March 2022			31 December 2021		
	Period End-Buy	Period End- Sale	Period Average	Period End Buy	Period End Sale	Period Average
ABD Dollar	14.63710	14.66350	13.95139	13.3290	13.3533	8.87793
Euro	16.28550	16.31480	15.64984	15.0867	15.1139	10.46496
Bulgarian Lev	8.32664	8.34162	8.00164	7.71371	7.72761	5.35065
Egyptian Pound	0.80428	0.80573	0.87365	0.85144	0.85297	0.56765
Russian Ruble	0.17727	0.17959	0.16303	0.17697	0.17929	0.12058
Georgian Lari	4.71967	4.72818	4.48081	4.30301	4.31076	2.75633
Ukrainian Hryvina	0.50033	0.50123	0.48859	0.48863	0.48951	0.32540
Bosnian Mark	8.32664	8.34162	8.00164	7.71371	7.72761	5.35065
Romanian Leu	3.27350	3.31630	3.16380	3.03160	3.07130	2.12537
Hungarian Forint	0.04406	0.04414	0.04290	0.04089	0.04096	0.02919
Chinese Yuan	2.29480	2.32480	2.19771	2.08400	2.11120	1.37781
Indian Rupee	0,19308	0,19493	0,18543	0.17939	0.17971	0.12009

Consolidation Principles

The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with Turkish Accounting Standards applying uniform accounting policies and presentation. The results of subsidiaries and joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

Subsidiaries

Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.

Subsidiaries are companies over which the parent company controls the financial and operating policies for the benefit of the parent company and exposed to variable yield due to their relationship with the entity, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies and sustain variable income because of the relationship with this companies.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Note 1 presents all subsidiaries included in the scope of consolidation and effective interest ownership as of 31 March 2022 and 31 December 2021.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases, where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The result of operations of subsidiaries are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively. The expenses related to acquisitions are accounted for under profit/loss statement once occurred.

The statements of financial position and statements of profit or loss of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between the Company and its Subsidiaries are eliminated during the consolidation. The cost and the dividends arising from shares held by the Company in its Subsidiaries are eliminated from equity and income for the period, respectively.

The non-controlling interests shares in the consolidated subsidiaries net assets are separately disclosed in the equity of the Group, the non-controlling interests represent the sum of the shares issued during the initial business combinations and the non-controlling interests' shares in the equity changes from the date of business combination.

When the losses attributable to the non-controlling portion exceed the non-controlling interest in the equity of the subsidiary, the excess loss, and the further losses attributable to the non-controlling are recognized as non-controlling interest.

Joint Ventures

Joint Ventures are the companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Company and one or more other parties. The Company exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly held by itself. The table in Note 1 sets out all Joint Ventures included in the scope of consolidation and shows their ownership and effective interests as of 31 March 2022 and 31 December 2021. Joint Ventures are accounted for under equity accounting method.

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2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of Presentation (continued)

Joint Activities

A joint activities occurs when the parties to the arrangement that have joint control have rights to the assets and obligations for the liabilities related to the arrangement. A joint venture participant is evaluated according to its assets, liabilities, revenues and costs. Assets, liabilities, equity items, income and expense accounts and cash flow movements of joint operations are included in the financial statements using the proportional consolidation method, and intra-group transactions, balances and unrealized profits/losses from these joint operations are eliminated from the consolidated financial statements. Atlantic Soda LLC and Pacific Soda LLC, which the Group has jointly controlled with its share purchases in 2021, are considered as joint activities and included in the consolidation.

Associates

The equity method is used for accounting of associates, Associates are companies in which the Group has an interest which is more than 20% and less than 50% of the voting rights and over which a significant influence is exercised. As of 31 March 2022, and 31 December 2021, the details of the Group's associates are disclosed in Note 1. Affiliates are included in the scope of consolidation by using the equity method.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables or the significant influence ceases the Group does not continue to apply the equity method, unless it has incurred obligations or made payments on behalf of the associate. Subsequent to the date of the cessation of the significant influence the investment is carried either at fair value when the fair values can be measured reliably or otherwise at cost when the fair values cannot be reliably measured.

Since profit/loss from investment in associates and joint ventures is related with the Group's main operations, they are presented under "Operating Profit" in the consolidated statement of profit or loss.

Financial investments at fair value through other comprehensive income

The financial investments are accounted for in accordance with IFRS 9. "Financial Instruments" effective from 1 January 2018, The Group has a preference for the equity investment that is not held for trading purposes and held for the first time and that the subsequent amendment to fair value would not be reversible for presentation in other comprehensive income, gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised or reclassified.

Financial investments, in which the Group has controlling interests equal to or above 20%, or over which are either immaterial or where a significant influence is not exercised by the Group, that do not have quoted market prices in active markets and whose fair values cannot be reliably measured are measured by its costs carried at cost less any provision for impairment.

Available-for-sale investments, in which the Group has an interest that is below 20% or in which a significant influence is not exercised by the Group, that have quoted market prices in active markets and whose fair values can be reliably measured, are carried at their fair values in the consolidated financial statements.

2.2 Statement of Compliance to TAS

The Group prepared the accompanying consolidated financial statements as of 31 December 2021 in accordance with Communiqué Serial II, No: 14,1 and the related announcements. The accompanying consolidated financial statements and explanatory notes were disclosed in compliant with reporting formats recommended by Capital Markets Board (CMB), including the compulsory explanations.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.3 Changes in Accounting Policies

Significant changes in the accounting policies are applied to prior periods and financial statements of prior periods are restated. The accounting policies applied in the preparation of the consolidated financial statements as of 31 March 2022 are consistent with those applied in the preparation of the consolidated financial statements of 31 December 2021.

2.4 Restatement and Errors in the Accounting Policies and Estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates used in the preparation of these consolidated financial statements for the period ended 31 March 2022 are consistent with those used in the preparation of financial statements for the year ended 31 December 2021.

Material changes in accounting policies or material errors are applied, retrospectively by restating the prior period consolidated financial statements.

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS")

The accounting policies adopted in preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2021. The effects of these standards and interpretations on the Company / the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as of 1 January 2021 are as follows:

Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed.

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

The new standards, amendments and interpretations which are effective as of 1 January, 2021 are as follows (continued):

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Additional disclosures

Amendments need additional TFRS 7 Financial Instruments disclosures such as How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.

The amendment did not have a significant impact on the financial position and performance of the Group.

Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 31 December 2021

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. On April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 April 2021. Early application of the amendments is permitted.

The amendment did not have a significant impact on the financial position and performance of the Group.

Standards issued but not yet effective and not early adopted effective from 31 March 2022

Standards, interpretations, and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows.

The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

TFRS 10 and TAS 28: Sale or contribution of assets between an investor and its associate or joint venture (Amendments)

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

Standards issued but not yet effective and not early adopted effective from 31 December 2021 (continued)

Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent asset do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (March 2018).

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

Amendments to TAS 16 – Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant, and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant, and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for the first-time adopters.

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

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

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

TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The amendment did not have a significant impact on the financial position and performance of the Group.

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2. Basis of Presentation of Financial Statements (Continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

Standards issued but not yet effective and not early adopted effective from 31 December 2021 (continued)

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

The amendment did not have a significant impact on the financial position and performance of the Group.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The amendment did not have a significant impact on the financial position and performance of the Group.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA.

The amendment did not have a significant impact on the financial position and performance of the Group.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendment did not have a significant impact on the financial position and performance of the Group.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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2. Basis of Presentation of Financial Statements (Continued)

2.5 Amendments in Turkish Financial Reporting Standards ("TFRS") (continued)

Standards issued but not yet effective and not early adopted effective from 31 December 2021 (continued)

Annual Improvements – 2018–2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

-TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.

-TFRS 9 Financial Instruments – Fees in the “10 percent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.

-TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

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

2.6 Summary of Significant Accounting Policies

Condensed consolidated interim financial statements for the period ended 31 March 2022 have been prepared in accordance with TAS 34 for the preparation of interim financial statements of TFRS. In addition, the interim condensed consolidated financial statements for the year ended 31 March 2022 have been prepared by applying the accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2021. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2021.

2.7 Critical accounting estimates, judgments, 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.

Significant accounting, estimates and assumptions have been applied consistently with the financial statements prepared as of 31 December 2021.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

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3. Business Combinations

Transactions Related to the year 2022

Business combinations as of 31 March 2022 are as follows.:

a)Refel S.p.A.

Within the scope of TFRS-3 "Business Combinations" standard, the entire company named Refel S.p.A, which is engaged in the production and sale of cast AZS refractory block for glass production, located in Italy, was purchased for EUR 22.000.000.

The calculation made on the provisional amounts will be completed within twelve months following the purchase date, and if necessary, adjustments will be made as of the purchase date.

Current Assets	31 January 2022
Cash and cash equivalents	32,945
Trade receivables	113,951
Inventories	203,744
Other Current Assets	23,962
Total Current Assets	374,602
Non-current assets	
Tangible assets	130,847
Intangible assets	3,669
Other non-current Assets	7,703
Total Non-current assets	142,219
TOTAL ASSETS	516,821
Current liabilities	
Trade Payables	89,933
Payables within the scope of employee benefits	28,025
Deferred income	101,151
Other current liabilities	29,797
Total current liabilities	248,906
Non- Current liabilities	
Long-term borrowings	28,550
Other Long-Term Liabilities	11,154
Total Non- Current liabilities	39,704
Total liabilities	288,610
Net Total Assets	228,211
Shares received	100%
Total cash paid	332,744
Goodwill (provisionally calculated)	104,533
Goodwill on the purchase day	104,533
Currency difference gain	6,731
Reported	111,264
Purchase Price	332,744
Amount of Cash and Cash Equivalents of the Company	32,945
Net Nakit hareketi	299,799

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

3. Business Combinations(continued)

Transactions Related to the year 2021

In order to become the world leader in the Group's existing soda production investments, with additional soda ash production investments to be made until 2026, it has purchased three companies to incorporate the American natural soda operations belonging to Ciner Group. With these acquisitions, the Group aims to expand its operations in the United States, primarily to become the leader in natural soda production in the United States, and to expand its other glass business operations in this geography.

Details of the relevant purchases are shown below.

	Pacific Soda LLC	Atlantic Soda LLC	Sisecam Chemicals Resources	Total
Purchase Price	306,567	1.692,783	3,998,700	5,998,050
Cash and cash equivalents	21,138	-	67,185	88,323
Net Cash Flow	285,429	1,692,783	3,931,515	5,909,727

a)Pacific Soda LLC

While the Group has been consolidating Pacific Soda LLC's joint venture in the United States with a 50% shareholding method since October 24, 2019, 10% of Pacific Soda LLC's shares were purchased on December 21, 2021 for a cash consideration of USD 23,000,000. The shares have been transferred to Sisecam Chemicals USA Inc.

The fair values of the identifiable assets and liabilities of the business combination as of 31 December 2021 closest to the acquisition are as follows. In the 10-day period between December 31, 2021, the financial results of which are taken into account, and December 21, 2021, which is the share purchase day, there are no significant transactions affecting the financial statement items. Imperial Natural Resources Trona Mining Inc., the other partner of Pacific Soda with a 40% stake. It has been evaluated as a joint operation according to the articles of association signed with the Company and has been included in the consolidated financial statements with the proportional consolidation method.

This calculation made on the provisional amounts will be completed within twelve months following the purchase date and, if necessary, correction entries will be made as of the purchase date. It is anticipated that a significant portion of the goodwill calculated over the provisional amounts will be mineral rights.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

3. Business Combinations(continued)

	Note	31 December 2021
Current Assets		
Cash and cash equivalents		21,138
Due from related parties		271,444
Other receivables		120
Total current assets		292,702
Non-current assets		
Tangible assets		87,747
Intangible assets		567,076
Right of use assets		16,448
Total non-current assets		671,271
TOTAL ASSETS		963,973
LIABILITIES		
Current liabilities		
Short term portion of long-term borrowings		34,544
Trade payables		80,428
- Due to related parties		1,505
- Due to third parties		78,923
Total current liabilities		114,972
Long term borrowings		316,288
Total non-current liabilities		316,288
Total liabilities		431,260
EQUITY		
Paid capital		657,368
Accumulated other comprehensive income/expense		
to be reclassified to profit or loss		(1,733)
- Currency translation differences		(1,733)
Retained earnings/loss		(122,924)
Total equity		532,711
TOTAL LIABILITIES		963,971
a. i) Transferred amount		306,567
a. ii) Fair value of the pre-purchase shares at the merger date		1,226,268
- Value of net identifiable assets before acquisition		444,569
- Business development cost considered as affiliate cost(note 27)		439,598
- Fair value change before acquisition(note 33)		342,101
a. (i+ii)		1,532,835
Net identifiable assets		532,711
Translation differences		69,206
b. Total		601,917
(a - b) Goodwill at the acquisition date (provisionally calculated)		930,918

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

3. Business Combinations(continued)

b) Atlantic Soda LLC

As part of the acquisition of 60% of Ciner Group's soda operations in the United States, 60% from the Group titled "Atlantic Soda LLC" was purchased from Imperial Natural Resources Trona Mining Inc., a resident of the USA, for USD 127,000,000. Joint operations have been evaluated according to the articles of association signed between the partners and have been included in the consolidated financial statements using the proportional consolidation method.

The calculation made on the provisional amounts will be completed within twelve months following the purchase date, and if necessary, adjustments will be made as of the purchase date. It is anticipated that a significant portion of the goodwill calculated over the provisional amounts will be mineral rights.

Non-Current assets		31 Aralık 2021
Tangible assets	18	86,372
Intangible assets	20	195,961
Total non-current assets		282,333
TOTAL ASSETS		282,333
Trade payables to related parties		271,444
Trade payables to third parties		147
Total current liabilities		271,591
Total liabilities		271,591
EQUITY		
Paid capital		196,313
Accumulated other comprehensive income/expense to be reclassified to profit or loss - <i>Currency translation differences</i>		(20) (20)
Retained earnings / loss		(185,552)
Total equity		10,741
TOTAL LIABILITIES		282,332
NET TOTAL ASSETS		10,741
Total Cash Paid		1,692,783
Goodwill (provisionally calculated)		1,682,041

c) Sisecam Chemicals Resources

As part of the acquisition of 60% of Ciner Group's soda business operations in the United States, 60% of the company titled "Ciner Resources Corporation" was purchased from Ciner Enterprise Incorporation, a resident of the United States, on 21 December 2021 for USD 300.000.000, and The company's title was changed to Sisecam Chemicals Resources on the same day. Between the date of 31 December 2021, when the financial results are taken into account, and the acquisition date, there was no significant transaction that would affect the financial statements.

The calculation made on the provisional amounts will be completed within twelve months following the purchase date, and if necessary, adjustments will be made as of the purchase date. It is anticipated that a significant portion of the goodwill calculated over the provisional amounts will be mineral rights.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

3 Business Combinations(continued)

	31 Aralık 2021
Current Assets	
Cash and cash equivalents	67,185
Trade receivables	1,599,184
Other receivables	37,630
Derivative instruments	113,247
Inventories	367,731
Prepayments	40,945
Total Current Assets	2,225,922
Non-current assets	
Tangible assets	4,650,813
Intangible assets	9,393,942
Prepayments	39,620
Right of use assets	271,240
Total Non-Current Assets	14,355,615
Total Assets	16,581,537
Current Liabilities	
Short term portion of long-term borrowings	229,217
Trade payables	183,745
Liabilities for employee benefits	106,325
Other payables	236,306
Derivative instruments	32,590
Short term provisions	368,246
Other current liabilities	70,788
Total current liabilities	1,227,217
Non-current liabilities	
Long term borrowings	1.707.961
Long term provisions	1.109,980
- Long-term provisions for employee benefits	558,764
- Other long term provisions (*)	551,216
Total non-current liabilities	2,817,941
Total liabilities	4,045,158
EQUITY	
Paid capital	1,505,994
Accumulated other comprehensive income/expense	
to be reclassified to profit or loss	(29,856)
- Currency translation differences	(29,856)
Profit reserves	6,177,134
Retained earnings/loss	(2,246,209)
Total equity	5,407,063
Non-controlling interests	7,129,317
TOTAL EQUITY	16,581,538
(*)Other long-term provisions consist of environmental rehabilitation provisions.	
Net assets total	12.536.379
Translation differences	20.084
Non-controlling interests (-)	(7.129.317)
Total	5.427.146
Received share	%60

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

3 Business Combinations(continued)

Non-controlling interests arising from the purchase	2,174,767
Total cash paid	3,998,700
Goodwill (provisionally calculated)	742,412

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

4. Segment Reporting

a) Operating Segments

1 January-31 March 2022	Architectural	Automotive	Glassware	Glass Packaging	Chemicals	Other	Consolidation adjustments	Consolidated
Net sales – third parties	4,871,415	1,234,082	1,838,173	2,698,942	5,065,296	1,266,481	-	16,974,389
Intergroup sales	213,519	20,414	5,478	1,326	753,756	683,098	(1,677,591)	-
Total net sales	5,084,934	1,254,496	1,843,651	2,700,268	5,819,052	1,949,579	(1,677,591)	16,974,389
Cost of sales	(2,830,579)	(1,067,934)	(1,096,634)	(1,813,119)	(3,182,270)	(1,323,433)	1,192,424	(10,121,545)
Gross profit	2,254,355	186,562	747,017	887,149	2,636,782	626,146	(485,167)	6,852,844
Operating expenses	(754,074)	(243,128)	(410,668)	(530,800)	(1,419,173)	(331,731)	426,039	(3,263,535)
Other operating income	207,166	150,162	165,002	177,304	435,203	281,225	(12,034)	1,404,028
Other operating expenses	(203,527)	(82,006)	(172,872)	(103,667)	(370,365)	(190,044)	23,626	(1,098,855)
Share of profit (loss) from investments accounted for using equity method	62,506	-	-	-	28,386	-	-	90,892
Operating profit/ (loss)	1,566,426	11,590	328,479	429,986	1,310,833	385,596	(47,536)	3,985,374
Income from investing activities	138,768	-	900	45,710	302,048	62,910	-	550,336
Loss from investing activities	-	-	(2,996)	(12)	(191,870)	-	-	(194,878)
Other valuation gains / (losses)	1,715	93	818	255	(2,845)	(20,446)	-	(20,410)
Operating profit before financial income and expense	1,706,909	11,683	327,201	475,939	1,418,166	428,060	(47,536)	4,320,422
Purchases of tangible and intangible assets	235,506	110,886	260,171	306,356	257,869	66,665	-	1,237,453
Right of use assets	293	-	-	-	45,780	4	-	46,077
Depreciation and amortization charges (-)	(209,011)	(64,933)	(94,670)	(197,725)	(259,932)	(40,805)	-	(867,076)
Earnings before interest, taxes, depreciation and amortization (EBITDA) (*)	1,915,920	76,616	421,871	673,664	1,678,098	468,865	(47,536)	5,187,498

(*) EBITDA; It is not defined by TMS. The Group has defined EBITDA as profit before interest, depreciation and tax. The disclosed EBITDA amounts have been presented separately by the Group management for a better understanding and measurement of the Group's operating performance.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

4. Segment Reporting (Continued) a) Operating Segments (Continued)

1 January-31 March 2021	Architectural	Automotive	Glassware	Glass Packaging	Chemicals	Other	Consolidation adjustments	Consolidated
Net sales – third parties	1,639,564	747,125	793,436	1,225,235	1,143,070	137,870	-	5,686,300
Intergroup sales	101,415	84	345	20	259,612	256,877	(618,353)	-
Total net sales	1,740,979	747,209	793,781	1,225,255	1,402,682	394,747	(618,353)	5,686,300
Cost of sales	(1,087,373)	(637,096)	(468,460)	(792,481)	(897,695)	(413,426)	545,907	(3,750,624)
Gross profit	653,606	110,113	325,321	432,774	504,987	(18,679)	(72,446)	1,935,676
Operating expenses	(322,714)	(122,236)	(212,991)	(253,725)	(188,029)	(43,467)	86,176	(1,056,986)
Other operating income	100,664	50,676	104,816	47,779	161,041	162,400	(15,370)	612,006
Other operating expenses	(83,953)	(18,192)	(49,374)	(10,941)	(114,750)	(167,620)	1,374	(443,456)
Share of profit (loss) from investments accounted for using equity method	10,688	-	-	-	32,342	-	-	43,030
Operating profit/ (loss)	358,291	20,361	167,772	215,887	395,591	(67,366)	(266)	1,090,270
Income from investing activities	247,813	1,127	3,396	64,238	183,379	113,116	(57,909)	555,160
Loss from investing activities	(1,999)	-	(1)	(37)	(12,400)	-	27	(14,410)
Other valuation gains / (losses)	18,995	1,210	2,020	6,240	18,973	5,907	-	53,345
Operating profit before financial income and expense	623,100	22,698	173,187	286,328	585,543	51,657	(58,148)	1,684,365
Purchases of tangible and intangible assets	87,410	14,780	48,854	163,216	71,000	20,939	-	406,199
Right of use assets	6,291	-	92	-	1,252	-	-	7,635
Depreciation and amortization charges (-)	(128,817)	(36,338)	(55,701)	(138,701)	(61,839)	(33,804)	-	(455,200)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	751,917	59,036	228,888	425,029	647,382	85,461	(58,148)	2,139,565

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

4 Segment Reporting (Continued)

b) Geographical segments

1 January-31 March 2022	Turkey	Russia, Ukraine and Georgia	Europe	America	Other	Total	Adjustments	Consolidated
Net sales – third parties	9,191,230	1,343,972	3,695,061	2,287,704	456,422	16,974,389	-	16,974,389
Intergroup sales	918,530	15,656	427,103	-	52,119	1,413,408	(1,413,408)	-
Total net sales (*)	10,109,760	1,359,628	4,122,164	2,287,704	508,541	18,387,797	(1,413,408)	16,974,389
Cost of sales	(5,986,374)	(870,280)	(3,253,702)	(986,176)	(356,974)	(11,453,506)	1,331,961	(10,121,545)
Gross profit	4,123,386	489,348	868,462	1,301,528	151,567	6,934,291	(81,447)	6,852,844
Operating expenses	(1,374,377)	(289,708)	(769,011)	(949,408)	(115,913)	(3,498,417)	234,882	(3,263,535)
Other operating income	1,339,191	66,857	158,597	193	16,747	1,581,585	(177,557)	1,404,028
Other operating expense	(944,440)	(42,596)	(68,039)	(17,602)	(27,476)	(1,100,153)	1,298	(1,098,855)
Share of profit (loss) from investments accounted for using equity method	(1,478)	-	92,370	-	-	90,892	-	90,892
Operating profit/ (loss)	3,142,282	223,901	282,379	334,711	24,925	4,008,198	(22,824)	3,985,374
Income from investing activities	544,277	133	791	-	5,135	550,336	-	550,336
Loss from investing activities	(194,849)	(12)	-	-	(17)	(194,878)	-	(194,878)
Other valuation gains / (losses)	(20,426)	16	-	-	-	(20,410)	-	(20,410)
Operating profit before financial income and expense	3,471,284	224,038	283,170	334,711	30,043	4,343,246	(22,824)	4,320,422
Purchases of tangible and intangible assets	626,709	125,878	289,795	115,780	79,291	1,237,453	-	1,237,453
Right of use assets	5	-	293	45,779	-	46,077	-	46,077
Depreciation and amortization charges (-)	(271,717)	(145,883)	(234,628)	(180,680)	(34,168)	(867,076)	-	(867,076)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3,743,001	369,921	517,798	515,391	64,211	5,210,322	(22,824)	5,187,498

(*) Distribution of net sales by geographical regions is given according to the countries where the sales companies are located.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

5 Segment Reporting (Continued)

b) Geographical segments (Continued)

1 January-31 March 2021	Turkey	Russia, Ukraine Georgia	Europe	Other	Total	Adjustments	Consolidated
Net sales – third parties	3,410,635	715,475	1,373,889	186,301	5,686,300	-	5,686,300
Intergroup sales	232,752	2,862	194,739	34,740	465,093	(465,093)	-
Total net sales (*)	3,643,387	718,337	1,568,628	221,041	6,151,393	(465,093)	5,686,300
Cost of sales	(2,322,700)	(477,320)	(1,197,455)	(149,291)	(4,146,766)	396,142	(3,750,624)
Gross profit	1,320,687	241,017	371,173	71,750	2,004,627	(68,951)	1,935,676
Operating expenses	(604,666)	(157,638)	(336,529)	(57,705)	(1,156,538)	99,552	(1,056,986)
Other operating income	561,819	10,329	77,490	6,014	655,652	(43,646)	612,006
Other operating expenses	(388,659)	(9,335)	(48,113)	(4,516)	(450,623)	7,167	(443,456)
Share of profit (loss) from investments accounted for using equity method	(263)	-	48,151	(4,858)	43,030	-	43,030
Operating profit/ (loss)	888,918	84,373	112,172	10,685	1,096,148	(5,878)	1,090,270
Income from investing activities	553,649	-	120	1,683	555,452	(292)	555,160
Loss from investing activities	(14,383)	-	(27)	-	(14,410)	-	(14,410)
Other valuation gains/(losses)	53,342	3	-	-	53,345	-	53,345
Operating profit before financial income and expense	1,481,526	84,376	112,265	12,368	1,690,535	(6,170)	1,684,365
Purchases of tangible and intangible assets	308,548	65,537	28,049	4,065	406,199	-	406,199
Right of use assets	6,636	52	947	-	7,635	-	7,635
Depreciation and amortization charges (-)	(221,341)	(81,355)	(135,261)	(17,243)	(455,200)	-	(455,200)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1,702,867	165,731	247,526	29,611	2,145,735	(6,170)	2,139,565

(*) Distribution of net sales by geographical regions is given according to the countries where the sales companies are located.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

5. Cash and Cash Equivalents

	31 March 2022	31 December 2021
Cash on hand	469	502
Cash at banks	14,190,350	12,740,494
– Demand deposits	3,375,356	2,233,174
– Time deposits with a maturity of three months or less	10,814,994	10,507,320
Other liquid assets	55,635	81,806
Provision for impairment	(19,398)	(12,027)
	14,227,056	12,810,775

The maturity, interest rates and foreign currency position of time deposits are as follows:

Currency	Interest Rate %	Maturity	31 March 2022	31 December 2021
Euro	0.01%-0.05%	April-May 2022	4,669,422	6,178,653
US Dollars	0.20%-2.70%	April 2022	2,170,057	3,075,022
Turkish Lira	15,00%-20.80%	April-August 2022	2,229,945	101,357
Russian Rubles	3.75%	April 2022	1,537,319	1,006,456
Other currencies converted TRY		April 2022	208,251	145,832
			10,814,994	10,507,320

Cash and cash equivalents as of 31 March 2022, 31 December 2021, 31 March 2021 presented in the consolidated statement of cash flows are as follows:

	31 March 2022	31 December 2021	31 March 2021
Cash and cash equivalents	14,227,056	12,810,775	10,498,410
Effect of impairment loss	19,398	12,027	10,873
Interest accrual	(58,146)	(3,563)	(4,886)
	14,188,308	12,819,239	10,504,397

6. Financial Investments

a) Current financial investments

Current financial investment	31 March 2022	31 December 2021
Financial assets measured at amortized cost (*)	2,679,472	2,897,569
Time deposits (**)	24,428	377,551
Provision for impairment on financial assets	(9,734)	(9,877)
	2,694,166	3,265,243

(*) TRY 2,067,184 thousand of the regarding amount represents the short-term portion of long-term, semi-annual fixed-income US dollar securities, and TRY 612,288 thousand consists of SBI Liquid Fund Regular Growth ("SBI") mutual fund (ISIN Code: INF200K01MA1) securities traded in India. (On 31 December 2021, for TRY 2,291,532 thousand and TRY 606,037 thousand respectively in return).

(**) It refers to time deposits with maturities between three months and one year.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

6. Financial Investments (Continued)

b) Non-current financial investment

	31 March 2022	31 December 2021
Financial assets at fair value through other comprehensive income		
Financial investments not traded in an active market	2	2
	2	2
Long term financial investments measured at amortized cost		
Financial investments measured by amortized cost	1,206,719	1,084,041
Impairment provision	(27,336)	(14,155)
	1,179,383	1,069,886
Total non-current financial assets	1,179,385	1,069,888

The movement of financial investments at fair value through other comprehensive income are as follows:

	31 March 2022	31 December 2021
Beginning of the period - 1 January	2	2
	2	2

Financial investment not traded in an active market	Rate of Share (%)	31 March 2022	Rate of Share (%)	31 December 2021
Bosen Enerji Elek.Üret.Oto.Pro.Grb. A.Ş.	<1	2	<1	2
				2

Financial assets measured at amortized cost

	31 March 2021	31 December 2021
Bond issuer		
Türkiye İş Bankası A.Ş.	530,510	475,720
Türkiye Vakıflar Bankası T.A.O.	606,281	544,251
Yapı ve Kredi Bankası A.Ş.	133,057	543,778
Turkcell İletişim Hizmetleri A.Ş.	541,237	486,382
Arçelik A.Ş.	455,803	409,708
Türkiye Garanti Bankası A.Ş.	447,379	412,740
Ziraat Bankası A.Ş.	253,881	228,298
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.	161,819	145,605
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	125,317	112,341
Finansbank A.Ş.	18,619	16,750
Securities, US Dollar currency	3,273,903	3,375,573
Securities, Indian Rupee currency	612,288	606,037
	3,886,191	3,981,610

(*) Fixed yield securities were accounted for by using effective interest rate at amortized costs. Securities denominated in US Dollars pay fixed interest rate coupon payment every 6-month. Securities denominated in Indian Rupees pay fixed interest rate coupon payment every 3-month.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

6. Financial Investments (Continued)

b) Non-current financial investment (Continued)

The expiry dates of financial investments measured at amortized cost are as follows:

Collection periods	31 March 2022	31 December 2021
Less than three months	1,213,127	434,965
3 - 12 months	1,466,345	2.462.604
1 - 5 years	1,206,719	1.084.041
	3,886,191	3.981.610

Financial assets denominated in US Dollars measured at amortized cost have an active market and the values according to market prices (dirty prices) are as follows:

Bond issuer	31 March 2022	31 December 2021
Türkiye İş Bankası A.Ş.	532,107	484,969
Türkiye Vakıflar Bankası T.A.O.	608,597	557,160
Yapı ve Kredi Bankası A.Ş.	131,641	553,417
Turkcell İletişim Hizmetleri A.Ş.	513,413	478,486
Arçelik A.Ş.	458,451	413,436
Türkiye Garanti Bankası A.Ş.	449,454	414,512
Ziraat Bankası A.Ş.	254,590	231,599
Anadolu Efes Biracılık ve Malt Sanayii A.Ş.	161,761	147,989
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	125,663	111,071
Finansbank A.Ş.	18,669	16,796
	3,254,346	3,409,435

There is no active market for securities issued in India.

Movements of financial investments measured at amortized cost are as follows:

	31 March 2022	31 March 2021
1 January- Beginning of period	3,981,610	3,942,811
Valuation difference	357,541	532,953
Received within the period	115,888	35,410
Currency translation differences	44,664	30,107
Interest collected within the period	(24,298)	(23,011)
Principal collected during the period	(589,214)	(143,496)
	3,886,191	4,374,774

The movement of impairment on financial investments is as follows:

	31 March 2022	31 March 2021
1 January- Beginning of period	(24,032)	(66,783)
Expense for the period	(13,038)	-
Cancellation of allowance	-	31,325
	(37,070)	(35,458)

The held to maturity investments are kept in the portfolios of İş Yatırım Menkul Değerler A.Ş., and İş Portföy Yönetimi A.Ş. and are measured by the effective interest rate method. The amount per company is as follows:

	31 March 2022	31 December 2021
İş Portföy Yönetimi A.Ş.	3,052,762	3,177,424
İş Yatırım Menkul Değerler A.Ş.	221,141	198,149
	3,273,903	3,375,573

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

6. Financial Investments (Continued)

b) Non-current financial investment (Continued)

Coupon interest rates and the redemption dates for financial assets measured at amortized cost denominated in USD are as follows. Effective interest rate of marketable securities is 5.64% (2021: 5.61%).

Bond issuer	ISIN Code	Coupon Interest Rate (%)	Maturity Date
Türkiye İş Bankası A.Ş.	XS1508390090	5.500	21.04.2022
Ziraat Bankası A.Ş.	XS1605397394	5.125	03.05.2022
Finansbank A.Ş.	XS1613091500	4.875	19.05.2022
Türkiye Vakıflar Bankası T.A.O.	XS1622626379	5.625	30.05.2022
Türkiye Garanti Bankası A.Ş.	USM8931TAF68	5.250	13.09.2022
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.	XS0848940523	3.375	01.11.2022
Türkiye Vakıflar Bankası T.A.O.	XS0849728190	6.000	01.11.2022
Arçelik A.Ş.	XS0910932788	5.000	03.04.2023
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	XS1496463297	5.375	24.10.2023
Türkiye İş Bankası A.Ş.	XS1578203462	6.125	25.04.2024
Yapı ve Kredi Bankası A.Ş.	XS1634372954	5.850	21.06.2024
Turkcell İletişim Hizmetleri A.Ş.	XS1298711729	5.750	15.10.2025

Coupon interest rates and the redemption dates for fully amortized financial assets that are denominated in USD are as follows:

Bond Issuer	Nominal value (Thousand USD)	ISIN Code	Coupon Interest Rate (%)	Redemption Date
Türkiye İhracat Kredi Bankası A.Ş.	1.100	XS1345632811	5.375	08.02.2021
Türkiye Halk Bankası A.Ş.	16.233	XS1188073081	4.750	11.02.2021
Ziraat Bankası A.Ş.	3.500	XS1223394914	4.750	29.04.2021
Türkiye Sınai Kalkınma Bankası A.Ş.	38.830	XS1412393172	4.875	18.05.2021
T.C. Hazine ve Maliye Bakanlığı	25.000	TRT280521F12	3.500	28.05.2021
Türkiye İş Bankası A.Ş.	33.924	XS1079527211	5.000	25.06.2021
Türkiye Halk Bankası A.Ş.	27.950	XS1439838548	5.000	13.07.2021
T.C. Hazine ve Maliye Bakanlığı	25.000	TRT160721F14	2.500	16.07.2021
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	1.000	XS1028943089	5.000	23.09.2021
Türkiye İş Bankası A.Ş.	45.464	XS1390320981	5.375	06.10.2021
Türkiye Vakıflar Bankası T.A.O.	37.111	XS1508914691	5.500	27.10.2021
Yapı ve Kredi Bankası A.Ş.	31.200	XS1571399754	5.750	24.02.2022
	286,312			

Additionally, 860,000 thousand Indian Rupee financial investment have amortized during the period.

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7. Borrowings

	31 March 2022	31 December 2021
Current financial borrowings		
Short term borrowings	5,521,762	3,524,752
	31 March 2022	31 December 2021
Short term portion of long-term borrowings		
Short-term principal installments and interests of long- term borrowings	6,273,693	6,498,628
Liabilities from leasing transactions	275,698	221.677
Principal and installments of bonds issued	33,583	194,576
Discount differences and commissions of bonds issued	(1.595)	(1,447)
Total short-term portion of long-term borrowings	6,581,379	6,913,434
Total current financial borrowings	12,103,141	10,438,186
	31 March 2022	31 December 2021
Long term borrowings		
Long term portion of long-term borrowings	7,935,445	7,310,009
Bonds issued	10,264,450	9,347,100
Liabilities from leasing transactions	663,793	593,090
Discount differences and commissions of bonds issued	(34,851)	(37,013)
Other financial borrowings	1,532	-
Total long-term borrowings	18,830,369	17.213.186
Total financial borrowings	30,933,510	27.651.372

Although the Group has financial commitments regarding the loans received, there is no breach of these financial commitments as of the reporting date.:

As of the balance sheet date, risk of changes in interest rates on loans and contractual repricing dates of the Group is as follows.

	31 March 2022	31 December 2021
Repricing dates for loans		
Shorter than 3 months	9,658,756	3.521.277
3 – 12 months	5,313,411	10.353.935
1 – 5 years	4,621,531	2.918.594
5 years and more	138,734	539.583
	19,732,432	17.333.389

Coupon interest payments of bond which is TRY 10,261,587 thousand notional are paid every six months in equal installments. (31 December 2021: TRY 9,503,216 thousand). The bond which was issued on 14 March 2019, and which will redeem on 14 March 2026, is USD 700,000 thousand notional and its coupon rate %6,95 (effective rate of interest 6.95%). Issued bonds are quoted on the Irish Stock Exchange and the stock exchange base price is USD 98.01 (31 December 2021: USD 111.50).

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7. Borrowings (Continued)

The lease obligations in the amount of TRY 939,491 thousand are paid up in equal monthly installments (31 December 2021: TRY 814,767 thousand).

Since the effect of the discounting is not significant, the carrying values of the short-term loans is estimated to converge to the fair value. The fair values are determined using the average effective annual interest rates. The long-term financial liabilities are generally subject to repricing within three- and six-month periods and a large amount of those liabilities consists of foreign currency denominated loans. Therefore, it is expected that the carrying value of the financial liabilities that are calculated by effective interest rate method converge to their fair values.

Financial borrowings movements for the period between 1 January and 31 March 2022 are summarized as below:

Bank loans	Principal	Discount on			Total
		Interest	Bond	Commission	
Beginning of the period - 1 January	27,370,534	331,519	(34,456)	(16,225)	27,651,372
Affiliate acquisition effect	43,370	-	-	-	43,370
Borrowed –accrued during the period	2,955,426	420,621	-	(6,798)	3,369,249
Currency translation differences	316,881	1,073	-	(125)	317,829
Foreign exchange (gain)/loss	1,332,128	-	-	-	1,332,128
Revaluation effect	76,355	-	-	-	76,355
Payments-reversals during the period	(1,310,506)	(563,436)	1,484	15,665	(1,856,793)
As of 31 March 2022	30,784,188	189,777	(32,972)	(7,483)	30,933,510

Financial borrowings movements for the period between 1 January - 31 March 2021 are summarized on the below:

Bank loans	Principal	Discount on			Total
		Interest	Bond	Commission	
Beginning of the period - 1 January	17,022,764	176,091	(40,105)	(16,511)	17,142,239
Additions during the period	656,900	287,917	-	(1,327)	943,490
Borrowed –accrued during the period	504,782	2,530	-	(218)	507,094
Currency translation differences	891,826	-	-	-	891,826
Foreign exchange (gain)/loss	4,434	-	-	-	4,434
Revaluation effect	(6,813)	-	-	-	(6,813)
Payments-reversals during the period	(852,680)	(347,126)	1,607	4,696	(1,193,503)
As of 31 March 2022	18,221,213	119,412	(38,498)	(13,360)	18,288,767

In the period of 1 January-31 March 2022, TRY 96 thousand interest expense was capitalized on tangible fixed assets (1 January-31 March 2021: TRY 4 thousand foreign exchange expense TRY 128 thousand interest expense was capitalized on tangible fixed assets).

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7. Borrowings (Continued)

Short and long-term bank borrowings are summarized as below:

31 March 2022

Currency	Maturity	Interest range (%) (*)	Short Term	Long Term	Total
Euro	2022–2026	Euribor+1,10-2,95	7,407,180	3,516,087	10,923,267
US Dollar	2022–2028	Libor+2,15-2,90	381,920	13,348,227	13,730,147
Turkish Lira	2022–2023	11,75-18,80	3,019,882	852,817	3,872,699
Russian Rubles	2022–2024	6,90-22,00	1,277,188	1,108,012	2,385,200
Bulgarian Lev	2022-2023	8,00	5,312	1,055	6,367
Egyptian Pound	2022	4,00	6,743	1,924	8,667
Indian Rupee	2022-2023	5,50	2,226	2,039	4,265
Chinese Yuan	2022-2022	2,40	477	208	685
Rumen Leu	2022	4,00	2,213	-	2,213
			12,103,141	18,830,369	30,933,510

(*) Interest range represent the lower and upper bounds and the weighted average costs are, Libor + 2.72% for the US Dollar, TLref + 2.41% for TRY, Euribor + 2.16% for Euro (average effective annual interest rates for EUR, USD, RUB, EGP and TRY are 2.16%, 6.72%, 9.37%, 8.00% and 15.54% respectively).

31 December 2021

Currency	Maturity	Interest range (%) (*)	Short Term	Long Term	Total
Euro	2022–2026	Euribor+1,10-2,95	6,728,948	3,334,499	10,063,447
US Dollar	2022–2028	Libor+2,15-2,90	474,598	11,764,776	12,239,374
Turkish Lira	2022–2023	11,75-17,00	2,123,942	838,972	2,962,914
Russian Rubles	2022–2024	6,90-10,13	1,101,258	1,268,195	2,369,453
Bulgarian Lev	2022-2023	4,00	2,822	2,047	4,869
Egyptian Pound	2022	8,00-12,25	1,549	1,350	2,899
Indian Rupee	2022-2023	5,50	1,907	2,654	4,561
Chinese Yuan	2022-2022	2,40	862	-	862
Rumen Leu	2022	4,00	2,300	693	2,993
			10,438,186	17,213,186	27,651,372

(*) Interest range represent the lower and upper bounds and the weighted average costs are, Libor + 2.84% for the US Dollar, TLref + 1.12% for TRY, Euribor + 2.18% for Euro, (average effective annual interest rates for EUR, USD, RUB, EGP and TRY are 2.16%, 6.72%, 7,22%, 8.37% and 14.19% respectively).

The redemption schedule of the financial liabilities is as follows:

	31 March 2022	31 December 2021
Within 1 year	12,103,141	10,438,186
Within 1-2 years	2,395,687	2,247,569
Within 2-3 years	1,741,228	1,763,389
Within 3-4 years	6,666,008	494,129
Within 4-5 years	7,427,480	11,740,530
More than 5 years	599,966	967,569
	30,933,510	27,651,372

The weighted average maturity of the financial liabilities is 748 days (31 December 2021: 824 days).

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8. Trade Receivables and Payables

Trade Receivables

	31 March 2022	31 December 2021
Current trade receivables		
Trade receivables	12,151,190	9,205,050
Other trade receivables	152,839	140,059
Notes receivables and cheques	29,204	42,278
Due from related parties (Note 28)	30,974	19,130
Unearned finance income (-)	(63,055)	(48,540)
Provision for doubtful receivables and expected credit loss (-)	(234,040)	(172,216)
	12,067,112	9,185,761

	31 March 2022	31 December 2021
Non- Current trade receivables		
Trade receivables	573	512
Provision for doubtful receivables and expected credit loss (-)	(535)	(486)
	38	26

The movement of provision for short-term doubtful trade receivables and expected credit loss is as follows:

	31 March 2022	31 March 2021
Beginning of the period - 1 January	(172,216)	(108,901)
Current year charge	(72,534)	(20,147)
Currency translation differences	(3,971)	(3,893)
Disposals	14,681	6,304
	(234,040)	(126,637)

Provision for long-term doubtful trade receivables' and expected credit loss realized movements are as follows:

	31 March 2022	31 March 2021
Beginning of the period - 1 January	(486)	(1,099)
Currency translation differences	(38)	(44)
Current year charge	(11)	(2)
Collections	-	832
	(535)	(313)

The Group has received the following collaterals for trade receivables:

	31 March 2022	31 March 2021
Credit Insurance	2,012,955	2,450,653
Letters of guarantees	1,319,092	867,623
Direct debit system	679,117	446,031
Mortgages	28,830	53,991
Cash	65,861	64,245
Confirmed Letter of Credit	21,346	40,241
Promissory notes and bills	22,664	18,720
	4,149,865	3,941,504

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8. Trade Receivables and Payables (Continued)

The aging analysis of trade receivable that are past due but for which no provisions are made is as follows, this is related to various independent customers with no recent history of default.

	31 March 2022	31 December 2021
1- 30 days overdue	545,096	496,628
1-3 months overdue	118,031	88,244
3-12 months overdue	66,570	41,704
1- 5 years overdue	204,214	77,823
Total overdue receivables	933,911	704,399
The portion under guarantee with collaterals and similar guarantees (-)	(379,964)	(238,385)

Trade Payables

	31 March 2022	31 December 2021
Short term trade payables		
Trade payables	5,404,849	4,885,144
Due to related parties (Note 28)	164,993	163,228
Other trade payables	523,685	26,306
Deferred finance expense (-)	(22,940)	(41,491)
	6,070,587	5,033,187

9. Derivative Instruments

The distribution of derivative instruments is as follows:

	31 March 2021		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
Short-term foreign exchange transactions	80,212	15,186	73,847	-
Long-term foreign exchange transactions	-	-	-	-
For Trading Purposes	80,212	15,186	73,847	-
Short-term swap contracts	416,683	9,863	101,198	-
Long-term swap	45,896	-	-	20,114
Fair Value Hedging	462,579	9,863	101,198	20,114
Short-term swap contracts	590,885	-	252,317	29,473
Long-term swap and option contracts	600,647	11,798	647,328	22,166
Cash Flow Hedging	1,191,532	11,798	899,645	51,639
Total short-term	1,087,780	25,049	427,362	29,473
Total long-term	646,543	11,798	647,328	42,280
	1,734,323	36,847	1,074,690	71,753

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9. Derivative Instruments (continued)

The transactions related to derivative instruments are as follows:

	31 March 2022	31 March 2021
Beginning of the period - 1 January	1,002,937	(57,029)
Other comprehensive income that will be reclassified to profit or loss	295,479	91,887
Valuation differences accounted in profit or loss	671,475	184,610
Realized cash (inflows)/outflows	(272,415)	5
Net asset/ (liability)	1,697,476	219,473

10. Inventories

	31 March 2022	31 December 2021
Finished goods	4,905,319	3,661,295
Raw materials	3,904,442	3,012,472
Trade goods	637,051	544,908
Other inventories	419,827	310,128
Work in progress	495,016	285,218
Supplies	110,339	99,429
Goods in transit	58,193	46,584
Provision for inventory impairment (-)	(349,432)	(342,437)
	10,180,755	7,687,597

The movement of provision for inventory impairment is as follows:

	31 March 2022	31 March 2021
Beginning of the period - 1 January	(342,437)	(152,333)
Affiliate acquisition effect	(2,947)	-
Provisions during the period	(5,727)	(27,366)
Currency translation differences	(9,902)	(4,220)
Released provision	11,581	4,553
	(349,432)	(179,366)

11. Prepaid Expenses and Deferred Income

Prepaid expenses

	31 March 2022	31 December 2021
Prepaid expenses in current assets		
Advances given for inventories	862,483	546,747
Prepaid expenses	333,738	194,644
	1,196,221	741,391

	31 March 2022	31 December 2021
Prepaid expenses in non-current assets		
Advances given for tangible and intangible assets	598,766	521,434
Prepaid expenses	137,110	152,645
	735,876	674,079

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11. Prepaid Expenses and Deferred Income(continued)

The movement of advances given for tangible and intangible assets is as follows;

	31 March 2022	31 March 2021
Beginning of the period-1 January	521,434	288,422
Affiliate acquisition effect	2,578	-
Advances given during the period	518,758	94,049
Currency translation differences	(21,774)	2,037
Released	(422,230)	(138,735)
	598,766	245,773

Deferred income

	31 March 2022	31 December 2021
Short term deferred income		
Advances received from customers	730,598	368,229
Other advances received	37,316	32,006
Deferred income	6,426	5,669
	774,340	405,904

	31 March 2022	31 December 2021
Long term deferred income		
Deferred income (*)	256,786	226,706

12. Customer Contract Assets and Liabilities

In accordance with TFRS-15 "Revenue from contracts with customers" standard, the Group recognized as asset for the contracts whereas the obligation fulfilled and liability for the contracts whereas the obligation to be fulfilled.

Customer Contract Assets

The Group recognized receivables for the contracted manufacturer products and the expected collection periods for these receivables are as follows:

	31 March 2022	31 December 2021
Till 1 month	2,488	1,348
1-3 month	70,512	59,529
3-6 month	76,343	60,998
	149,343	121,875

Customer Contract Liabilities

The Group recognized liability for the transactions to fulfill the obligation amounting and the expected payment periods for these liabilities are as follows:

	31 March 2022	31 December 2021
Till 1 month	101,788	110,857

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13. Joint Ventures and Associates

Net asset values of joint ventures and associates accounted for using equity method presented in the financial position are as follows:

Joint Ventures

	31 March 2022	31 December 2021
Rudnik Krechnjaka Vijenac D.O.O.	109,798	103,141
	109,798	103,141

Associates

	31 March 2022	31 December 2021
Solvay Sisecam Holding AG	1,101,179	991,330
Saint Gobain Glass Egypt S.A.E.	585,065	558,454
	1,686,244	1,549,784
	1,796,042	1,652,925

The Group's shares in investments accounted for using equity method profit/loss are as follows:

Joint Ventures

	31 March 2022	31 March 2021
Rudnik Krechnjaka Vijenac D.O.O.	(1,478)	(263)
Pacific Soda LLC(*)	-	(4,858)
	(1,478)	(5,121)

Associates

	31 March 2022	31 March 2021
Solvay Sisecam Holding AG	29,864	37,463
Saint Gobain Glass Egypt S.A.E.	62,506	10,688
	92,370	48,151
	90,892	43,030

(*) While the Group has been consolidating Pacific Soda LLC joint venture, located in the United States of America, using the equity method with 50% share since October 24, 2019, on December 21, 2021, an additional 10% share of Pacific Soda LLC is USD 23,000 thousand in cash. purchased at a cost. It has been considered as a joint operation since 31 December 2021 and its financial results have been consolidated using the proportional consolidation method.

The movements of the investments accounted for under equity accounting method during the period are as below:

	31 March 2022	31 March 2021
Beginning of the period - 1 January	1,652,925	1,001,163
Currency translation differences (net)	53,131	119,897
Net income for the period from joint ventures and associates (net)	90,892	43,030
Share payment for capital	-	94,361
Revaluation increases of tangible assets	(906)	576
	1,796,042	1,259,027

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14. Tangible Assets

	2022	2021
As of January 1;		
Cost	50,185,594	29,658,028
Accumulated depreciation	(19,231,445)	(13,417,510)
Net book value	30,954,149	16,240,518
Net book value at the beginning of the period	30,954,149	16,240,518
Purchases	1,168,679	403,618
Affiliate acquisition effect	620,934	-
Disposals	(322,050)	(44,985)
Transfers (*)	3,707,675	-
Currency translation differences	1,398,268	1,472,568
Transfers from ongoing investments	(683)	(33,699)
Current period depreciation movement	(5,199,664)	(1,053,870)
Net book value at the end of the period	32,327,308	16,984,150
As of 31 March;		
Cost	56,758,417	31,455,530
Accumulated depreciation	(24,431,109)	(14,471,380)
Net book value	32,327,308	16,984,150

There is no mortgage on land and buildings due to bank loans (1 January-31 March 2021: None).

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15. Right of use assets

	2022	2021
As of 1 January;		
Cost	650,291	370,060
Accumulated amortization and exhaustion	(200,468)	(199,142)
Net book value	449,823	170,918
Net book value at the beginning of the period	449,823	170,918
Purchases	46,077	7,635
Disposals	(40,577)	(10,649)
Transfers (*)	341,146	(72,766)
Revaluation (**)	-	4,434
Currency translation differences	65,165	8,944
Current period amortization movement(*)	(336,254)	59,667
Net book value at the end of the period	525,380	168,183
As of 31 March;		
Cost	1,062,102	307,658
Accumulated amortization and exhaustion	(536,722)	(139,475)
Net book value	525,380	168,183

(*) The Group has made account nettings for non-usable assets due to the expiry of their lease terms. These offsets have no effect on profit/(loss).

(**) It expresses the changes in rent payments arising from the price increase/(decrease) depending on the index.

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16. Intangible Assets

	2022	2021
As of 1 January;		
Cost	11,578,523	1,050,655
Accumulated amortization and exhaustion	(810,426)	(510,984)
Net book value	10,768,097	539,671
Net book value at the beginning of the period	10,768,097	539,671
Purchases	68,870	2,581
Affiliate acquisition effect	21,334	-
Disposals	(1,374)	(9,332)
Transfers (*)	1,134,794	-
Currency translation differences	1,149,119	29,662
Transfers from ongoing investments	683	33,699
Current period amortization and depletion shares (*)	(1,395,028)	(52,514)
Net book value at the end of the period	11,746,495	543,767
As of 31 March;		
Cost	13,951,949	1,107,265
Accumulated amortization and exhaustion	(2,205,454)	(563,498)
Net book value	11,746,495	543,767

(*) The Group has reviewed its intangible assets, including those at the end of their useful life, and made the relevant account classifications and offsets. Amounts integrated with tangible fixed assets are separated. These changes have no effect on profit/(loss).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

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17. Goodwill

The movement of goodwill balance is as follows:

	31 March 2022	31 March 2021
Beginning of the period -1 January	3,994,571	368,483
Currency translation differences	389,690	45,334
Goodwill arising from the purchase during the period	104,533	-
	4,488,794	413,817

The detail of goodwill in terms of subsidiaries is as follows:

	31 March 2022	31 December 2021
Sisecam Flat Glass India Private Limited	520,134	483,255
Sisecam Automotive Romania SA	84,350	78,116
Cromital S.p.A	38,369	35,544
Sisecam Automotive Germany GmbH	23,695	21,951
Oxyvit Kimya Sanayii ve Tic. A.Ş.	10,862	10,862
OOO Ruscam Glass Packaging Holding	9,488	9,472
Atlantic Soda LLC	1,847,115	1,682,041
Refel S.p.A	111,264	-
Pacific Soda LLC	1,028,245	930,918
Sisecam Chemicals Resources LLC	815,272	1,682,041
	4,488,794	3,994,571

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

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18. Provisions, Contingent Assets and Liabilities

The Group has been defendant and plaintiff of various cases within the ordinary operations during the period. As of 31 March 2022, according to the opinions of independent legal and tax advisors, apart from the cases for which provision amounting to TRY 82,494 thousand (31 December 2021: TRY 78,978 thousand) have been allocated. The Group considers the possibility of incurring loss from the cases as low.

Lawsuits filed against the Company are related to more than one issue, but a significant part of them are labor law cases and lawsuits filed by the Competition Authority.

Collaterals pledges and mortgages ("CPM") given by the Company as of 31 March 2022 and 31 December 2021 are as follows:

The CPMs given by the Company	31 March 2022				
	TRY Equivalents	USD	EUR	RUB	TRY and TRY equivalent of other Currencies
A. CPM's given in the behalf of own company	586,534	8,163	597	-	457,096
B. CPM's given on behalf of the fully consolidated subsidiaries	8,522,195	40,962	340,457	11,551,650	292,500
C. CPM's given on behalf of third parties or ordinary course of business	-	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-	-
i. Total amount of CPM's given on behalf of the parent	-	-	-	-	-
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	-	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-
Total	9,108,729	49,125	341,054	11,551,650	749,596

Percentage of other CPM's given by the Company to the Company's equity is nil as of 31 March 2022..

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

The CPMs given by the Company	31 December 2021					TRY and TRY equivalent of other Currencies
	TRY Equivalents	USD	EUR	RUB		
A. CPM's given in the behalf of own company	404,972	1,856	632	-		370,637
B. CPM's given on behalf of the fully consolidated subsidiaries	8,051,020	38,224	350,937	11,914,150		100,500-
C. CPM's given on behalf of third parties or ordinary course of business	-	-	-	-		-
D. Total amount of other CPM's given	-	-	-	-		-
i. Total amount of CPM's given on behalf of the parent	-	-	-	-		-
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	-	-	-	-		-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-		-
Total	8,455,992	40,080	351,569	11,914,150		471,137

Percentage of other CPM's given by the Company to the Company's equity is nil as of 31 December 2021.

Short-term provisions

	31 March 2022	31 December 2021
Provisions of cost	430,402	683,081
Turnover premium provision	212,606	76,137
Litigation provisions	82,494	78,978
Provisions for employee benefits (Note 19)	60,888	59,713
Other short-term provisions	15,309	8,917
	801,699	906,826

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

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19. Employee Benefits

Short-term provisions and short-term employee benefits

	31 March 2022	31 December 2021
Due to personnel	325,761	255,526

Short term provisions for employee benefits

	31 March 2022	31 December 2021
Pension funds(*)	-	21,114
Unused vacation provision	60,888	38,599
	60,888	59,713

Long term provisions for employment benefits

	31 March 2022	31 December 2021
<u>Long term provisions for employee benefits</u>		
Provisions for severance pay	1,066,579	890,571
Pension funds(*)	646,503	558,764
Environmental rehabilitation provision	608,154	551,216
	2,321,236	2,000,551

(*) Result from US operations companies.

The Group's defined benefit plans include plan benefits for its employees. In this context, the Group determines its liabilities with the calculations of the actuaries.

The movement of the employment termination benefits is as follows:

	31 March 2022	31 March 2021
Beginning of the period - 1 January	890,570	614,167
Affiliate acquisition effect	10,777	-
Service costs	148,184	4,904
Interest costs	30,700	19,406
Currency translation differences	5,782	3,093
Payments made during the period	(19,435)	(22,229)
	1,066,579	580,529

The movement in response to defined benefit plans are as follows:

	31 March 2022	31 March 2021
Beginning of the period - 1 January	558,764	-
Currency translation differences	64,878	-
Service costs	9,295	-
Interest costs	19,032	-
Payments made during the period	(5,466)	-
	646,503	-

The domestic and international distribution of provisions for severance pay is as follows:

	31 March 2022	31 December 2021
Domestic	988,403	829,442
Foreign	78,176	61,128
	1,066,579	890,570

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

20. Capital, Reserves and Other Equity Items

Equity components, "Paid-in Share Capital", "Restricted Reserves" and "Share Premiums" are accounted as legal reserves in accordance with related Article of the Turkish Commercial Code and are presented with in the statutory financial statements. The differences, that are recognized through the valuation made in accordance with CMB Reporting Standards and cannot be subject to dividend distribution or capital increase as of reporting date (such as inflation adjustment differences) and relevant to the paid-in share capital, are associated with "Adjustments to Share Capital" which is under paid-in share capital and the differences resulting from the "Restricted Reserves" and "Share Premiums" are associated with "Retained Earnings".

a) Paid in Capital / Adjustment to Share Capital

The issued capital of the Company is TRY 3,063,214,056.17, each of this capital is divided into shares with a nominal value of Kr 1 (One Kuruş).

All of the shares of the company are registered. The company cannot issue bearer shares, except for those that will be issued to be traded on the stock exchange. It shall be monitored within the framework of dematerialization principles shares representing the capital, there are no privileges granted to share groups and there is no restriction.

	31 March 2022	31 December 2021
The limit of registered capital	5,000,000	5,000,000
Approved paid-in capital	3,063,214	3,063,214

Shareholders	31 March 2022		31 December 2021	
	Amount TRY	Share (%)	Amount TRY	Share (%)
Türkiye İş Bankası A.Ş.,	1,563,976	51.06	1,563,980	51.06
Efes Holding A.Ş.,	185,094	6.04	185,094	6.04
Anadolu Hayat Emeklilik A.Ş.,	1,411	0.05	1,411	0.05
Bought Back Shares	43,201	1.41	39,213	1.28
Other (*)	1,269,532	41.44	1,273,516	41.57
Nominal capital	3,063,214	100.00	3,063,214	100.00
Adjustment to share capital	320,075		320,075	
Total share capital	3,383,289		3,383,289	

(*) Refers to the other publicly traded part of the Company.

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20. Capital, Reserves and Other Equity Items (Continued)

b) Repurchased Shares

Pursuant to the decision of the Board of Directors of the Company on February 26, 2021, share repurchase procedures have been initiated. Within the scope of the decision taken, the shares with a nominal value of 43,201 thousand, which corresponds to 1.41% of the company's capital, were bought back by paying a total amount of TRY 395,953 thousand, including the transaction costs, based on the transactions whose clearing was completed as of 31 March 2022 (31 December 2021: TRY 347,149 thousand). As of the report date, there has been no sale of repurchased shares. Information on share repurchases after the balance sheet date is presented in the Post-Balance Sheet Events footnote (Note 31)..

c) Retained Earnings

As of the report date, the extraordinary reserves of the parent company included in the consolidated retained earnings amounting to TRY 17,832,166 thousand (31 December 2021: TRY 10,256,361 thousand) is TRY 10,447,169 thousand (December 31, 2021: TRY 10,447,169 thousand).).

Profit Distribution

It has been decided to distribute profits within the framework of the principles in the "Dividend Communiqué" Serial: II-19.1 of the CMB, the provisions in the articles of association of partnerships and the profit distribution policies announced to the public by the companies. In addition, in the aforementioned Communiqué, companies that are obliged to prepare consolidated financial statements are required to calculate the net distributable profit amount, as long as it can be met from their sources in their legal records, taking into account the net profits for the period included in the consolidated financial statements that they will prepare and publicly announce in accordance with the Communiqué Serial: II-14.1. edited.

In publicly held corporations, dividends are distributed equally to all existing shares as of the distribution date, regardless of their issuance and acquisition dates.

At the Shareholders Ordinary General Assembly Meeting of the Company held on March 28, 2022, the gross dividend amounting to TL 1,250,000 thousand, corresponding to 40.806812 % of the current issued capital, will be distributed in cash, and income tax on the cash dividend to the shareholders who are subject to profit share withholding. After withholding tax, it has been decided to pay the net cash dividend payment date as 31 May 2022.

As of March 31, 2022, the Company bought back shares with a nominal value of TL 43,201 thousand from the Borsa Istanbul Equity Market within the framework of the share buyback program. Therefore, 2,456 thousand Turkish liras of the 1,250,000 thousand Turkish lira profit distribution decided to be distributed remained within the company. As of 31 March 2022, a dividend payment of 1,247,544 thousand Turkish Liras will be made to the partners outside the Company. The company may purchase shares until the dividend distribution date within the framework of the share buyback program. For this reason, the amount of profit share outside the Company may change until the day of dividend distribution.

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21. Revenue and Cost of Sales

	1 January- 31 March 2022	1 January- 31 March 2021
Revenue		
Revenue	17,669,214	6,046,902
Other income	13,650	2,520
Sales discounts	(626,375)	(269,512)
Sales returns	(27,549)	(23,410)
Other sales discounts	(54,551)	(70,200)
	16,974,389	5,686,300
Cost of Sales		
Direct materials	(4,483,394)	(1,806,812)
Direct labor	(563,221)	(310,991)
Production overheads	(3,967,796)	(1,068,449)
Amortization and depreciation	(736,604)	(367,530)
Change in work-in progress inventories	172,544	29,385
Change in finished goods inventories	1,244,024	293,097
Cost of goods sold	(8,334,447)	(3,231,300)
Cost of merchandise sold	(1,803,486)	(389,897)
Cost of services rendered (*)	(8,275)	(127,555)
Other costs	24,663	(1,872)
	(10,121,545)	(3,750,624)

(*) Depreciation and amortization expenses recognized in the cost of service rendered during the period between 1 January – 31 March 2022 is amounting to TRY 856 thousand (1 January – 31 March 2021: TRY 20,079 thousand).

Revenues divided into geographical segments with respect of the customers location is shown below:

	1 January- 31 March 2022	1 January- 31 March 2021
Net sales		
Turkey	5,871,326	2,288,968
Europe	5,200,288	1,937,443
Russia, Ukraine and Georgia	1,379,983	739,680
America	2,730,924	164,021
Other	1,791,868	556,188
	16,974,389	5,686,300

The Group does not have any significant remaining performance obligations related to the ongoing noncancellable agreements.

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22. Operating Expenses and Expenses by Nature

	1 January- 31 March 2022	1 January- 31 March 2021
General administrative expenses	(861.466)	(316.269)
Marketing expenses	(2.352.577)	(716.065)
Research and development expenses	(49.492)	(24.652)
	(3.263.535)	(1.056.986)
	1 January- 31 March 2022	1 January- 31 March 2021
Indirect material costs	(36,936)	(18,133)
Salaries and wages expenses	(452,177)	(217,282)
Outsourced service	(1,382,678)	(438,173)
Other expenses	(1,262,128)	(315,807)
Amortization and depreciation expenses	(129,616)	(67,591)
	(3,263,535)	(1,056,986)

23. Other Operating Income and Expenses

	1 January- 31 March 2022	1 January- 31 March 2021
Other operating income		
Foreign currency exchange gains	1,011,715	433,153
Term difference interest income	64,053	21,973
Gain on sale of raw materials	60,500	9,192
Incentives related to Covid 19 Pandemic	-	19,519
Gain on sale of scraps	36,619	16,238
Discount interest income on operating activities	6,431	23,513
Provisions no longer required	14,681	7,136
Insurance claim income	23,873	1,797
Investment incentive income	7,318	8,403
Royalty income	-	1,307
Commission income	1,165	29
Brand incentive (Turquality) income	1,316	-
Government grants	21,450	6,246
Other operating incomes	154,907	63,500
	1,404,028	612,006
	1 January- 31 March 2022	1 January- 31 March 2021
Other operating expense		
Foreign currency exchange loss	(705,154)	(306,553)
Loss on sale of raw materials	(50,364)	(12,907)
Provision expenses	(74,937)	(20,149)
Revaluation tax expense according to law no. 7338	(62,842)	-
Term difference interest expense	(21,233)	(6,202)
Discount interest expense on operating activities	(6,217)	(26,965)
Loss on sale of scrap	(16,057)	(10,238)
Government right – mining fund	-	(2,375)
Commission expense	(1,149)	(1,026)
Other operating expenses	(160,902)	(57,041)
	(1,098,855)	(443,456)

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24. Income and Expense from Investing Activities

	1 January- 31 March 2022	1 January- 31 March 2021
Income from Investing Activities		
Valuation gain of held to maturity financial assets	549,411	545,353
Gain on sale of property, plant and equipment	925	9,807
	550,336	555,160
Expense from Investing Activities		
Valuation difference of held to maturity financial assets	(191,870)	(12,400)
Loss on sale of property, plant and equipment	(3,008)	(2,010)
	(194,878)	(14,410)

Impairment gain (loss) and reversal of impairment loss determined in accordance with TFRS 9:

	1 January- 31 March 2022	1 January- 31 March 2021
Impairment loss/reversals		
Impairment/reversal of financial investment (net)	(13,038)	31,325
Impairment/reversal of cash and equivalents (net)	(7,372)	22,020
	(20,410)	53,345

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25. Financial Income and Expenses

	1 January- 31 March 2022	1 January- 31 March 2021
Financial Income		
Foreign exchange gain	2,077,197	1,643,780
- Cash and cash equivalents	1,426,680	1,201,265
- Derivative instruments	262,261	360,885
- Bonds issued	232,638	1,040
- Bank Loans	33,859	96
- Other	121,759	80,494
Interest Income	628,730	87,661
- Derivative instruments	522,483	58,422
- Time deposits	106,239	26,531
- Operating lease rent privilege incomes	8	2,708
	2,705,927	1,731,441
	1 January- 31 March 2022	1 January- 31 March 2021
Financial Expense		
Foreign exchange loss	(2,437,781)	(1,348,612)
- Cash and cash equivalents	(846,674)	(397,670)
- Bank Loans	(445,897)	(197,141)
- Bonds issued	(1,149,988)	(690,890)
- Derivative instruments	35,763	(2,765)
- Leasing expenses	(2,740)	(4,927)
- Other	(28,245)	(55,219)
Interest Expense	(785,888)	(532,000)
- Bank Loans	(222,882)	(194,532)
- Bonds issued	(197,643)	(93,257)
- Derivative instruments	(328,167)	(231,929)
- Leasing expenses	(18,452)	(5,979)
- Other	(18,744)	(6,303)
	(3,223,669)	(1,880,612)

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26. Taxes on Income (Including Deferred Tax Assets and Liabilities)

Deferred Tax Assets and Liabilities

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with TAS and its tax base of statutory financial statements. These differences usually result in the recognition of income and expense items in different periods for CMB and statutory tax purposes.

Turkish Tax Legislation does not permit a parent company, its subsidiaries and joint ventures to prepare a consolidated tax return, therefore, tax provisions have been reflected in these consolidated financial statements which have been calculated on a separate entity basis, in this respect deferred tax assets and liabilities of consolidated entities in the accompanying consolidated financial statements are not offset.

	31 March 2022	31 December 2021
Deferred tax assets	1,542,390	1,158,118
Deferred tax liabilities (-)	(405,252)	(618,045)
Deferred tax assets (net)	1,137,138	540,073
	31 March 2022	31 December 2021
Temporary differences		
Useful life and valuation differences		
on tangible and intangible assets	3,414,235	6,113,990
Valuation of investment property	1,468,823	1,468,823
Derivative financial valuation	1,383,904	762,095
Revaluation of inventory	(479,220)	(463,601)
Employment termination benefits	(915,770)	(781,961)
Carry forward tax losses	(3,533,411)	(3,577,227)
Corporate tax allowances	(5,170,129)	(3,728,483)
Other	(722,645)	(453,084)
	(4,554,213)	(659,448)
	31 March 2022	31 December 2021
Deferred tax assets/ (liabilities)		
Useful life and valuation differences		
on tangible and intangible assets	(778,928)	(1,345,192)
Valuation of investment property	(165,306)	(165,306)
Derivative instruments	(318,748)	(174,703)
Revaluation of inventory	95,543	92,198
Employment termination benefits	207,824	177,699
Carry forward tax losses	717,687	814,144
Corporate tax allowances	1,189,130	1,060,796
Other	189,936	80,437
	1,137,138	540,073

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26. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Deferred Tax Assets and Liabilities (Continued)

The maturity of carry forward tax losses are as follows:

	31 March 2022	31 December 2021
Within one year	49,580	108,188
Within two years	20,358	45,916
Within three years	49,137	166,472
Within four years	1,364,427	247,120
Within five years	156,312	1,068,619
Within six years	80,361	108,234
Within seven years	141,476	85,693
Indefinite life	1,671,760	1,746,985
	3,533,411	3,577,227

Deferred Tax Assets and Liabilities (Continued)

Carry forward tax losses can be carried for maximum 5 years in Turkey, Hungary, Slovakia, Egypt, and China; 7 years in Romania; indefinite in Russia and Ukraine, to be deducted from the taxable profits that will occur in the coming years (In Russia it has been indefinite since 30 November 2016). However, loss cannot be deducted retrospectively from retained earnings.

The amount of carry forward tax losses that are not subject to deferred tax calculation is TRY 1,547,564 thousand (31 December 2021: TRY 1.524.827 thousand).

The movements of deferred tax assets and liabilities are as follows:

	31 March 2022	31 March 2021
Beginning of the period -1 January	540,073	894,894
Affiliate acquisition effect	4,288	-
Currency translation differences	34,608	16,045
Associated with equity	(67,250)	(67,024)
Recognized in statement of profit or loss	625,419	11,230
	1,137,138	855,145

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

26. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Corporate Tax

The Group is subject to Turkish corporate taxes. Tax legislation in Turkey does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes as reflected in the accompanying consolidated financial statements are calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting the revenues exempted from tax, non-taxable revenues, and other discounts (if any previous year losses, if preferred investment allowances and also R&D center incentive) are deducted.

In Turkey, applied corporate tax rate is 23% as of 31 March 2022 (31 December 2021: 25%).

The principal tax rates (%) using to calculate deferred taxes for each country are as follows:

Country	31 March 2022	31 December 2021
Germany (*)	31.4	31.4
USA	31.4	31.4
Bosnia-Herzegovina	10.0	10.0
Bulgaria	10.0	10.0
China (**)	15.0-25.0	15.0-25.0
India	34.944	34.944
Georgia (***)	-	-
The Netherlands (****)	16.50-25.0	16.50-25.0
Spain	25.0	25.0
Italy (*)	27.9	27.9
Hungary	9.0	9.0
Egypt	22.5	22.5
Romania	16.0	16.0
Russia (*****)	2.0-20.0	2.0-20.0
Slovakia	21.0	21.0
Ukraine	18.0	18.0

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26. Taxes on Income (Including Deferred Tax Assets and Liabilities) (Continued)

Corporate Tax (Continued)

- (*) There is a progressive tax rate.
- (**) 15% of tax rate for the profit up to CNY 300,000 and 25% of tax rate for the exceeding portion are applied in China.
- (***) Corporate tax has been abolished in Georgia and tax is collected only from distributed dividend, Thus, deferred tax amount is decreased to nil.
- (****) 16.50% of tax rate for the profit up to EUR 200,000 and 25% of tax rate for the exceeding portion are applied in Netherlands.
- (*****) The general tax rate in Russia is 20%, of which 18% is allocated to the "Regional Budget" and 2% to the "General Budget", Since Our subsidiaries in Russia's Tatarstan region have been located in Special Economic Zone, they pay 2% tax for the profits from their main operations and pay 20% tax for the profits from the non-core operating income.

In Turkey, the Law on the Procedure of Collection of Public Receivables numbered 7316 and the amendments change law published on 22 April 2021, numbered 31462. With this law change, the tax rate of 20% will be taken into account for the period from January 1 - September 30, 2021. Although the advance tax periods are three months, taxation will be made by taking into account the 25% rate of the cumulative corporate tax base for the three, six, nine and twelve months, taxation will be made taking into account the rate of 25% of the cumulative corporate tax base for the whole year of 2021. For the year 2022; taxation will be made taking into account the 23% rate of the corporate tax base.

27. Earnings per share

	1 January- 31 March 2022	1 January- 31 March 2021
Earnings per share		
Average number of shares existing during the period (1/1000 value)	2,972,687	3,062,473
Net profit for the period attributable to equity holders of the parent	3,575,968	1,348,222
Earnings per share	1,2029	0,4402
Total comprehensive income attributable to equity holders of the parent	5,151,021	2,170,941
Earnings per share obtained from total comprehensive income	1.7328	0.7089

The Group has no convertible debt instruments. In all group companies, each share has equal rights to both voting rights and dividends.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures

The main shareholder of the Group is Türkiye İş Bankası A.Ş. Since the transactions between the Company and its consolidated subsidiaries are eliminated during consolidation, they are not disclosed in this note.

As of 31 March 2022, the full list of the relationship level of companies which are specified as related parties is grouped in alphabetical order as follows:

The shareholder of parent

<u>Company's name</u>	<u>Registered Country</u>
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik Ve Yardımlaşma Vakfı	Turkey

Parent company

<u>Company's name</u>	<u>Registered Country</u>
Türkiye İş Bankası A.Ş.	Turkey

Parent company's subsidiaries, joint ventures and associates

<u>Company's name</u>	<u>Registered Country</u>
Anadolu Anonim Türk Sigorta A.Ş.	Turkey
Anadolu Hayat Emeklilik Sigorta A.Ş.	Turkey
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	Turkey
Camiş Yatırım Holding A.Ş.	Turkey
Efes Yatırım Holding A.Ş.	Turkey
İş Factoring Finansman Hizmetleri A.Ş.	Turkey
İş Finansal Kiralama A.Ş.	Turkey
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	Turkey
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Turkey
İş Koray Tur.Orm. Mad. İnş. Tah. Tic. A.Ş.	Turkey
İş Merkezleri Yönetim ve İşletim A.Ş.	Turkey
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	Turkey
İş Portföy Yönetimi A.Ş.	Turkey
İş Yatırım Menkul Değerler A.Ş.	Turkey
İş Yatırım Ortaklığı A.Ş.	Turkey
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	Turkey
Kültür Yayınları İş-Türk Ltd. Şti.	Turkey
Milli Reasürans T.A.Ş.	Turkey
Mipaş Mümessillik İth. İhr. ve Paz. A.Ş.	Turkey
Topkapı Yatırım Holding A.Ş.	Turkey
Trakya Yatırım Holding A.Ş.	Turkey
TSKB Gayrimenkul Değerleme A.Ş.	Turkey
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	Turkey
Türkiye Sınai Kalkınma Bankası A.Ş.	Turkey
Yatırım Finansman Menkul Değerler A.Ş.	Turkey
İşbank AG	Germany

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures (Continued)

Joint Ventures

Company name	Registered Country
Rudnik Krencjaka Vijenac D.O.O.	Bosnia-Herzegovina

Company name	Registered Country
Pacific Soda LLC	USA

Joint Activity

Company's name	Registered Country
Imperial Natural Resources Trona Mining Inc.	USA

Joint Ventures' shareholder

Company's name	Registered Country
Saint Gobain Glass Egypt S.A.E.	Egypt
Solvay Siseecam Holding AG	Austria

Partner of Joint Activity

Company's name	Registered Country
Saint Gobain Glass France S.A.	France
Société Financière D'Administration Et De Gestion SAS (SOFIAG)	Belgium

Available for sale investment

Company's name	Registered Country
Bosen Enerji Elektrik üret. Oto Pro. Grb. A.Ş.	Turkey

Details of the transactions between the Group and the related parties mentioned above are explained below.

Deposit and loans regarding related parties:

Deposits held on related parties	31 March 2022	31 December 2021
Türkiye İş Bankası A.Ş.		
- Time Deposit	8,702,332	9,299,500
- Demand deposit	1,709,669	1,034,656
	10,412,001	10,334,156

İşbank AG		
- Time Deposit	6,667	-
- Demand deposits	3	5,433
	6,670	5,433

	10,418,670	10,339,589
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Provision for impairment of deposits held at related parties	31 March 2022	31 December 2021
Türkiye İş Bankası A.Ş.	18,464	11,157

Loans received from related parties	31 March 2022	31 December 2021
Türkiye İş Bankası A.Ş. and İşbank AG	1,955,000	2,455,000

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures (Continued)

Carrying value of financial investments measured at amortized cost:

	31 March 2022	31 December 2021
Financial investments measured at amortized cost – Gross value		
Türkiye İş Bankası A.Ş.	530,510	475,720
	530,510	475,720

	31 March 2022	31 December 2021
Impairment of financial investments measured at amortized cost		
Türkiye İş Bankası A.Ş.	1,146	1,783
	1,146	1,783

Coupon interest rates and nominal values of financial investments measured at amortized cost are as follows:

			31 March 2022	31 December 2021
Bond issuer	ISIN code	Coupon Interest Rate (%)	Nominal Amount (thousand USD)	Nominal Amount (thousand USD)
Türkiye İş Bankası A.Ş.	XS1508390090	5,500	34,200	34,200
Türkiye İş Bankası A.Ş.	XS1578203462	6,125	1,200	1,200
			35,400	35,400
			35,400	35,400

Due from related parties:

	31 March 2022	31 December 2021
Trade receivables from related parties		
Saint Gobain Glass Egypt S.A.E.	9,957	11,189
İş Merkezleri Yönetim ve İşletim A.Ş.	9,009	6,004
Türkiye İş Bankası A.Ş. ve İşbank AG	2,941	1,878
Fabrika Cementa Lukavac D.D. (FCL)	-	59
Solvay Sisecam Holding AG	2,272	-
Rudnik Krechnjaka Vijenac D.O.O.	25	-
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	6,555	-
Saint Gobain Glass France S.A.	57	-
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik Ve Yardımlaşma Vakfı	158	-
	30,974	19,130

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures (Continued)

Due to related parties:

	31 March 2022	31 December 2021
Trade payables to related parties		
Solvay Sisecam Holding AG	140,778	140,859
Anadolu Anonim Türk Sigorta Şirketi	12,047	6,584
Saint Gobain Glass France S.A.	4,068	5,432
İş Merkezleri Yönetim ve İşletim A.Ş.	2,540	5,281
Rudnik Krecnjaka Vijenac D.O.O.	3,916	4,054
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	412	332
Türkiye İş Bankası A.Ş.	-	452
İş Portföy Yönetimi A.Ş.	-	196
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	130	23
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İlet. Hiz. A.Ş.	452	5
Saint Gobain Glass Egypt S.A.E.	-	-
Kültür Yayınları İş-Türk Ltd. Şti.	13	10
Softtech Yazılım Tekn A.Ş.	637	-
	164,993	163,228

Due to related parties:

	31 March 2022	31 December 2021
Other payables to related parties		
The founder shares to be paid to shareholders	49,257	5,003
Dividend to be paid to shareholders	1,250,000	5
	1,299,257	5,008

Income and expenses from/ to related parties:

	1 January- 31 March 2022	1 January- 31 March 2021
Interest income from related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	74,168	16,233
	74,168	16,233

	1 January- 31 March 2022	1 January- 31 March 2021
Interest expenses to related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	31,993	74,591
Türkiye Sınai Kalkınma Bankası A.Ş.	1	-
	31,994	74,591

	1 January- 31 March 2022	1 January- 31 March 2021
Valuation gain of held to maturity financial assets		
Türkiye İş Bankası A.Ş.	54,790	126,674
Türkiye Sınai Kalkınma Bankası A.Ş.	-	42,719
	54,790	169,393

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

28. Related Party Disclosures (Continued)

	1 January- 31 March 2022	1 January- 31 March 2021
Other income from related parties		
İş Merkezleri Yönetim ve İşletim A.Ş.	599	6,620
Solvay Sisecam Holding AG	2,275	2,061
Türkiye İş Bankası A.Ş. ve İşbank AG	-	2,031
Anadolu Anonim Türk Sigorta Şirketi	-	1
Türkiye Sınai Kalkınma Bankası A.Ş.	-	7
Yatırım Finansman Yatırım Ortaklığı A.Ş.	-	11
Anadolu Hayat Emeklilik Sigorta A.Ş.	-	1,770
Bayek Tedavi Sağlık Hizmetleri Ve İşletmeciliği A.Ş.	-	1
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	1
Rudnik Krecnjaka Vijenac D.O.O.	248	95
Fabrika Cementa Lukavac D.D.	52	-
	3,174	12,598

Income and expenses from/ to related parties (Continued):

	1 January- 31 March 2022	1 January- 31 March 2021
Other expenses to related parties		
Solvay Sisecam Holding AG ⁽¹⁾	200,684	97,869
Rudnik Krecnjaka Vijenac D.O.O. ⁽²⁾	8,630	5,305
İş Merkezleri Yönetim ve İşletim A.Ş. ⁽³⁾	9,390	4,469
Anadolu Anonim Türk Sigorta Şirketi	1,420	2,931
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güv. ve Yard. Vakfı	1,227	720
Anadolu Hayat Emeklilik Sigorta A.Ş.	2,810	103
İş Gayrimenkul Yatırım Ortaklığı A.Ş. ⁽⁴⁾	428	330
Türkiye İş Bankası A.Ş. ve İşbank AG	140	95
İş Net Elektronik Bilgi Üretim Dağ. Tic. Ve İlet. Hiz. A.Ş.	-	4
İş Portföy Yönetimi A.Ş.	142	380
İş Yatırım Menkul Değerler A.Ş.	-	87
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	13	59
Saint Gobain Glass Egypt S.A.E.	1,343	417
	226,227	112,769

(1) Consists of the purchases of soda ash from Solvay Sodi AD.

(2) Amount consists of the expenses related with purchase of glass raw materials (sand).

(3) It consists of management and operating expenses of Tuzla Sisecam Headquarters and İş Kuleleri.

(4) Royalty amount of acoustic pvb.

(5) This account consists of the lease payments for office spaces in İş Kuleleri and Pasabahce stores.

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28. Related Party Disclosures (Continued)

Sales of financial assets to related parties:

There are no transactions made in the period of 1 January-31 December 2021..

The transaction made during the period of 1 January-31 December 2020 is as follows::

The company has 225 thousand privileged İş Finansal Kiralama A.Ş. sold its shares to Trakya Yatırım Holding A.Ş., one of the related parties, on 10 December 2020, for TL 844 thousand based on the stock market price of 3.75 units. The company has decided to take the profit from this sale to a special fund pursuant to article 5/1-e of the corporate tax law.

	1 January- 31 March 2022	1 January- 31 March 2021
Benefits provided to key management		
Parent (Holding)	5,661	4,954
Consolidated entities	33,241	20,397
	38,902	25,351

Key management personnel are composed of top management, members of board of directors, senior executives (president and members and coordinator) reporting to the company's board of directors, general manager, general manager assistants, coordinator of general management and factory directors.

29. Financial Instruments and Financial Risk Management

a) Capital Risk Management

The Group manages its capital to ensure that it will maintain its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance, The capital structure of the Group consists of debt, which includes the borrowings and other debts disclosed in Notes 8 and 10, cash and cash equivalents disclosed in Note 6 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 28.

The management of the Group considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

The Group controls its capital using the net debt / total equity ratio. This ratio is the calculated as net debt divided by total equity. Net debt is calculated as total liability (comprises of financial liabilities, leasing and trade payables as presented in the statement of financial position) less cash and cash equivalents.

As of 31 March 2022, and 31 December 2021 the Group's net debt / total equity ratios are as follows:

	31 March 2022	31 March 2021
Financial liabilities and trade payables	37,004,097	32,684,559
Less: cash and cash equivalents and financial investments	(18,100,607)	(17,145,906)
Net debt	18,903,490	15,538,653
Total equity	54,066,656	49,363,708
Net debt / total equity ratio	%35	%31

The Group's general strategy is in line with prior periods.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

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29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors

The Group's activities expose it to various financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects over the Group's financial performance.

The Group manages its financial instruments centrally in accordance with the Group's risk policies via Accounting Department. The Group's cash inflows and outflows are monitored by the reports prepared on a daily, weekly and monthly basis and compared to the monthly and yearly cash flow budgets.

Risk management is carried out by the Risk Management Department under the policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors sets out written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

b.1) Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's management mitigates this risk through limitations on the contracts made with counterparties and obtaining sufficient collaterals where appropriate. The Group's credit risks mainly arise from its trade receivables. The Group manages this risk by the credit limits up to the guarantees received from customers. Use of credit limits is monitored by the Group by taking into consideration the customer's financial position, past experiences and other factors and customer's credibility is evaluated on a consistent basis. Trade receivables are evaluated based on the Group's policies and procedures and presented net in the financial statements after the provision for doubtful receivables is made (Note 10).

Trade receivables consist of many customers operating in various industries and locations, Credit risk of the receivables from counterparties is evaluated.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (Continued)
b.1) Credit Risk Management (Continued)

	Receivables				Cash and Cash equivalents	Financial Investments & Derivatives
	Trade Receivables		Other Receivables			
	Related Party	Third Party	Related Party	Third Party		
Credit risks exposed through types of financial instruments						
Maximum credit risk exposed as of 31 March 2022 (*) (A+B+C+D+E)	30,974	12,036,138	-	637,087	14,227,056	5,607,874
- The part under guarantee with collaterals etc.	-	(4,149,865)	-	-	-	-
A. Net book value of financial assets that are neither overdue not impaired The part under guarantee with collaterals. etc.	30,974	11,102,189	-	637,087	14,224,529	5,607,874
	-	(3,769,901)	-	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	38	-	-	2,527	-
- The part under guarantee with collaterals. etc.	-	-	-	-	-	-
C. Carrying value of financial assets that are overdue but not impaired	-	933,911	-	-	-	-
- The part under guarantee with collaterals. etc.	-	(379,964)	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross carrying amount)	-	535	-	-	-	-
- Impairment (-)	-	(535)	-	-	-	-
- The part under guarantee with collaterals. etc.	-	-	-	-	-	-
- Not overdue (gross carrying amount)	-	-	-	1,191	19,398	37,070
- Impairment (-)	-	-	-	(1,191)	(19,398)	(37,070)
- The part under guarantee with collaterals. etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability such as guarantees received are not considered in the calculation.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (Continued)
b.1) Credit Risk Management (Continued)

	Receivables				Cash and Cash equivalents	Financial Investments & Derivatives
	Trade Receivables		Other Receivables			
<u>Credit risks exposed through types of financial instruments</u>	Related Party	Third Party	Related Party	Third Party		
Maximum credit risk exposed as of 31 December 2020 (*) (A+B+C+D+E)	19,130	9,166,631	-	482,402	12,810,775	5,409,821
- The part of maximum risk under guarantee with collaterals etc.	-	(3,941,504)	-	-	-	-
A. Net book value of financial assets that are neither overdue not impaired	19,130	8,461,772	-	482,402	12,810,775	5,367,070
- The part under guarantee with collaterals, etc.	-	(3,703,119)	-	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	26	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
C. Carrying value of financial assets that are overdue but not impaired	-	704,399	-	-	-	-
- The part under guarantee with collaterals, etc.	-	(238,385)	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross carrying amount)	-	486	-	-	-	-
- Impairment (-)	-	(486)	-	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
- Not overdue (gross carrying amount)	-	-	-	1,189	12,027	42,751
- Impairment (-)	-	-	-	(1,189)	(12,027)	(42,751)
- The part under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Factors that increase the credit reliability such as guarantees received are not considered in the calculation.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (Continued)

b.1) Credit Risk Management (Continued)

Guarantees received from the customers are as follows:

	31 March 2022	31 December 2021
Credit Insurance	2,012,955	2,450,653
Letters of guarantees	1,319,092	867,623
Direct debit system	679,117	446,031
Cash	28,830	64,245
Mortgages	65,861	53,991
Confirmed Letter of Credit	21,346	40,241
Promissory notes and bills	22,664	18,720
	4,149,865	3,941,504

Collaterals for the trade receivables that are overdue but not impaired are as stated below:

	31 March 2022	31 December 2021
1-30 days overdue	545,096	496,628
1-3 months overdue	118,031	88,244
3-12 months overdue	66,570	41,704
1-5 years overdue	204,214	77,823
Total overdue receivables	933,911	704,399
Secured with collaterals (-)	(379,964)	(238,385)

b.2) Liquidity Risk Management

The Group manages liquidity risk by providing the continuity of sufficient funds and loan reserves by matching the maturities of financial assets and liabilities and by following cash flows regularly.

Liquidity risk

Conservative liquidity risk management requires maintaining adequate reserves in addition to having the ability to utilize adequate level of credit lines and funds as well as closing market positions.

Funding risk attributable to the current and future potential borrowing needs is managed by providing continuous access to an adequate number of high-quality creditors.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.2) Liquidity Risk Management (Continued)

Liquidity risk tables (Continued)

The following table details the Group's expected maturity for its financial liabilities. The tables below have been prepared based on the undiscounted contractual maturities and the earliest date of payment of the financial liability. Amount of interest payable to be paid on aforementioned liabilities are considered in the table.

31 March 2022						
Non derivative financial Liabilities	Carrying value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3–12 Months (II)	1–5 Years (III)	More than 5 Years (IV)
Financial borrowings	30,933,510	34,065,262	1,818,771	11,133,613	20,508,989	603,889
Trade payables	5,905,594	5,951,205	5,884,984	66,221	-	-
Due to related parties	1,464,250	1,464,250	1,464,250	-	-	-
Other payables	532,335	532,335	529,009	-	3,326	-
Total liabilities	38,835,689	42,013,052	9,697,014	11,199,834	20,512,315	603,889

Derivative financial liabilities	Carrying Value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3–12 Months (II)	1–5 Years (III)	More than 5 Years (IV)
Cash inflows	1,734,323	1,734,323	190,884	896,896	646,543	-
Cash outflows	(36,847)	(36,847)	(15,186)	(9,863)	(11,798)	-
	1,697,476	1,697,476	175,698	887,033	634,745	-

31 December 2021						
Non derivative financial Liabilities	Carrying value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3–12 Months (II)	1–5 Years (III)	More than 5 Years (IV)
Bank loans	27,651,372	34,848,789	5,678,735	9,461,432	18,713,197	995,425
Trade payables	4,869,959	4,911,450	4,626,416	285,034	-	-
Due to related parties	168,236	168,236	168,236	-	-	-
Other payables	345,015	345,015	342,013	-	3,002	-
Total liabilities	33,034,582	40,273,490	10,815,400	9,746,466	18,716,199	995,425

Derivative financial liabilities	Carrying Value	Total Contractual Cash flows (I+II+III+IV)	Less than 3 Months (I)	3–12 Months (II)	1–5 Years (III)	More than 5 Years (IV)
Cash inflows	1,074,690	1,074,690	148,415	278,947	647,328	-
Cash outflows	(71,753)	(71,753)	(7,908)	(21,565)	(42,280)	-
	1,002,937	1,002,937	140,507	257,382	605,048	-

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management

The Group is exposed to financial risks related to changes in foreign exchange and interest rates as a consequence of its operations. At the Group level market risk exposures are measured by sensitivity analysis. Comparing to previous year, there has been no change in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

b.3.1) Foreign currency risk management

Transactions in foreign currency cause the exchange rate risk to occur. The Group has adopted currencies different than the functional currencies according to the economies of the countries in which the subsidiaries and associates operate as foreign currencies.

The breakdown of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of the balance sheet date are as follows:

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

<u>Foreign Currency Position as of 31 March 2022</u>				
	TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1. Trade Receivables	3,691,141	132,971	99,934	117,364
2a. Monetary financial assets, (cash and banks included)	14,829,984	550,721	374,116	676,349
2b. Non-monetary financial assets	-	-	-	-
3. Other	274,586	8,926	7,647	19,397
4. Current assets (1+2+3)	18,795,711	692,618	481,697	813,110
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	1,206,719	82,442	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	111,155	895	5,587	7,066
8. Non-current assets (5+6+7)	1,317,874	83,337	5,587	7,066
9. Total Assets (4+8)	20,113,585	775,955	487,284	820,176
10. Trade payables	849,080	24,492	29,472	10,621
11. Financial liabilities	2,136,246	6,361	125,428	477
12a. Other monetary liabilities	307,831	13,787	6,110	6,524
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	3,293,157	44,640	161,010	17,622
14. Trade payables	-	-	-	-
15. Financial liabilities	12,486,945	732,235	108,633	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	12,486,945	732,235	108,633	-
18. Total liabilities (13+17)	15,780,102	776,875	269,643	17,622
19. Net items of off balance sheet derivative asset/ (liability) position (19a - 19b)	2,377,646	716,597	(498,066)	-
19a. Total amount of assetshedged	10,488,904	716,597	-	-
19b. Total amount of liabilities hedged	8,111,258	-	498,066	-
20. Net foreign assets / (liability) position (9–18+19)	6,711,129	715,677	(280,425)	802,554
21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10–11-12a–14–15-16a)	3,947,742	(10,741)	204,407	776,091
22. Fair value of financial instruments used in foreign currency hedge	1,697,476	115,971	-	-
23. Export	3,144,401	142,999	70,366	48,155
24. Import	1,123,974	47,776	28,687	8,492

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(Amounts expressed in thousand Turkish Lira ("TRY") unless otherwise indicated.)

29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

	Foreign Currency Position as of 31 December 2021			
	TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1. Trade Receivables	2,333,568	101,481	57,327	116,053
2a. Monetary financial assets, (cash and banks included)	16,627,963	685,456	464,276	487,116
2b. Non-monetary financial assets	-	-	-	-
3. Other	223,565	4,939	10,455	2
4. Current assets (1+2+3)	19,185,096	791,876	532,058	603,171
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	1,084,041	81,329	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	174,196	1,587	9,967	2,673
8. Non-current assets (5+6+7)	1,258,237	82,916	9,967	2,673
9. Total Assets (4+8)	20,443,333	874,792	542,025	605,844
10. Trade payables	1,077,422	34,591	38,992	28,092
11. Financial liabilities	3,626,705	15,898	226,345	-
12a. Other monetary liabilities	207,344	9,721	4,122	15,579
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	4,911,471	60,210	269,459	43,671
14. Trade payables	-	-	-	-
15. Financial liabilities	11,471,294	732,235	113,433	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	11,471,294	732,235	113,433	-
18. Total liabilities (13+17)	16,382,765	792,445	382,892	43,671
19. Net items of off balance sheet derivative asset (liability) position (19a - 19b)	1,802,873	730,378	(525,784)	-
19a. Total amount of assets hedged	9,735,214	730,378	-	-
19b. Total amount of liabilities hedged	7,932,341	-	525,784	-
20. Net foreign assets / (liability) position (9-18+19)	5,863,441	812,725	(366,651)	562,173
21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a))	3,662,807	75,821	138,711	559,498
22. Fair value of financial instruments used in foreign currency hedge	1,002,937	75,245	-	-
23. Export	10,248,835	452,575	264,902	201,891
24. Import	4,030,149	131,704	145,068	78,963

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29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

The Group is mainly exposed to EUR and USD risks. Effects of other currencies are immaterial.

The table below represents the Group's sensitivity to a 10% deviation in foreign exchange rates (especially USD and EUR), 10% is the rate used by the Group while generating exchange rate risk reports; the related rate stands for the presumed possible change in the foreign currency rates by the Group's management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates, This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit / loss before tax or equity.

Foreign Currency Sensitivity

	31 March 2022			
	Profit/(Loss)		Equity (*)	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%				
1- USD net assets / liabilities	(15,722)	15,722	1,307,124	(1,307,124)
2- USD hedged from risks (-)	1,048,890	(1,048,890)	-	-
3- USD net effect (1+2)	1,033,168	(1,033,168)	1,307,124	(1,307,124)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	332,887	(332,887)	2,761,607	(2,761,607)
5- EUR hedged from risks (-)	(811,126)	811,126	-	-
6- EUR net effect (4+5)	(478,239)	478,239	2,761,607	(2,761,607)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	77,609	(77,609)	863,233	(863,233)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	77,609	(77,609)	863,233	(863,233)
Total (3+6+9)	632,538	(632,538)	4,931,964	(4,931,964)

(*) Presents the increase or decrease in total shareholders' equity due to 10% change in currency translation to Turkish Lira of subsidiaries, associates and joint ventures operating outside of Turkey.

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29. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (Continued)

b.3) Market risk management (Continued)

b.3.1) Foreign currency risk management (Continued)

Foreign Currency Sensitivity (continued)

	31 December 2021			
	Profit/(Loss)		Equity (*)	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%				
1- USD net assets / liabilities	101,062	(101,062)	43,825	(43,825)
2- USD hedged from risks (-)	973,521	(973,521)	-	-
3- USD net effect (1+2)	1,074,583	(1,074,583)	-	(43,825)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	209,269	(209,269)	3,032,476	(3,032,476)
5- EUR hedged from risks (-)	(793,234)	793,234	-	-
6- EUR net effect (4+5)	(583,965)	583,965	3,032,476	(3,032,476)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	55,950	(55,950)	775,989	(775,989)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	55,950	(55,950)	775,989	(775,989)
Total (3+6+9)	546,568	(546,568)	3,852,290	(3,852,290)

(*) Presents the increase or decrease in total shareholders' equity due to 10% change in currency translation to Turkish Lira of subsidiaries, associates and joint ventures operating outside of Turkey.

b.3.2) Interest rate risk management

The Group's exposure to interest rate risk is related to its financial liabilities. Based on the current balance sheet composition and analysis calculated by the Group, if the TRY interest rates were increased/decreased by 1% and foreign currency interest rates were increased/decreased by 0.25% with the assumption of keeping all other variables constant. The effect on net profit/loss for the period before taxation and non-controlling interest would decrease/increase by TRY 8.906 thousand as of 31 March 2022 (31 December 2021: TRY 33.539 thousand).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2022

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30. Financial Instruments (Fair Value and Hedge Accounting Disclosures)

Categories of Financial Instruments

31 March 2022	Financial assets or liabilities measured with amortized cost method	Financial liabilities fair value through other comprehensive income	Financial assets or liabilities fair value through profit or loss	Book Value
Financial assets	30,167,755	1,191,534	542,791	31,902,080
Cash and cash equivalents	14,227,056	-	-	14,227,056
Trade receivables	12,036,176	-	-	12,036,176
Due from related parties	30,974	-	-	30,974
Derivative financial assets	-	1,191,532	542,791	1,734,323
Financial investments	3,873,549	2	-	3,873,551
Financial liabilities	38,303,354	21,661	15,186	38,340,201
Financial liabilities	30,933,510	-	-	30,933,510
Trade payables	5,905,594	-	-	5,905,594
Due to related parties	1,464,250	-	-	1,464,250
Derivative financial liabilities	-	21,661	15,186	36,847
31 December 2021	Financial assets or liabilities measured with amortized cost method	Financial liabilities fair value through other comprehensive income	Financial assets or liabilities fair value through profit or loss	Book Value
Financial assets	26,331,688	899,647	175,045	27,406,380
Cash and cash equivalents	12,810,775	-	-	12,810,775
Trade receivables	9,166,657	-	-	9,166,657
Due from related parties	19,130	-	-	19,130
Derivative financial assets	-	899,645	175,045	1,074,690
Financial investments	4,335,129	2	-	4,335,131
Financial liabilities	32,689,567	51,639	20,114	32,761,320
Financial liabilities	27,651,372	-	-	27,651,372
Trade payables	4,869,959	-	-	4,869,959
Due to related parties	168,236	-	-	168,236
Derivative financial liabilities	-	51,639	20,114	71,753

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30. Financial Instruments (Fair Value and Hedge Accounting Disclosures) (Continued)

Fair Value of Financial Instruments

Financial assets	31 March 2022			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	2	-	-	2
Derivative financial assets	1,734,323	-	1,734,323	-
Total	1,734,325	-	1,734,323	2

Financial assets	31 December 2021			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	2	-	-	2
Derivative financial assets	1,074,690	-	1,074,690	-
Total	1,074,692	-	1,074,690	2

The classification of the Group's financial assets and liabilities at fair value is as follows:

- **Category 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Category 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is as prices) or indirectly (that is derived from prices).
- **Category 3:** Inputs for the asset or liability that is not based on observable market data (that is unobservable inputs).

31. Events After Reporting Period

- By the company; As a result of the effects of the developing market and market conditions and the effects of the global economic developments on the activities and their reflections on the Turkish capital markets, it has been evaluated that the value of the Company in Borsa Istanbul does not reflect the actual performance of the Company's activities. It has been decided to initiate the repurchase of company shares from the Exchange. Based on the transactions that have been cleared as of the report date, shares with a nominal value of TRY 65,298 thousand, corresponding to 2.13% of the company's capital, were bought back by paying a total amount of TRY 786,124 thousand, including transaction costs.
- The Ordinary General Assembly of Shareholders for 2021, which was held by the Company on March 28, 2022, was registered on April 14, 2022 and published in the Turkish Trade Registry Gazette numbered 10560 on April 15, 2022.

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32. Other Matters that Materially Affect the Financial Statements or that Require Disclosure for the Financial Statements to be Clear, Interpretable and Understandable

Effects of Russia Ukraine Crisis Effects

All of our factories within the scope of our company's subsidiaries located in Russia continue to operate, and there are no significant input restrictions affecting the operations of the companies or restricting their production activities. There was no significant turnover loss due to the fact that the customer portfolio mainly consists of the Russian market.

Likewise, the Russia-Ukraine crisis has not had a significant impact on our operations, as Merefa Glass Company Ltd and CJSC Brewery Pivdenna companies located in Ukraine have been inactive for a long time.

Approval of Financial Statements

In accordance with the Capital Markets Board's (CMB) Communiqué No. II-14.1 on Principles Regarding Financial Reporting in the Capital Markets for the interim accounting period ending on March 31, 2022, our company, in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (TMS/TFRS), CMB and Public Oversight Agency Condensed Consolidated statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of cash flow and statement of changes in shareholders' equity (Financial Statements), along with their interim unaudited footnotes prepared in accordance with TAS 34 Interim Financial Reporting formats determined by POA, Audit Committee It has been examined taking into account the opinion of; that the aforementioned condensed consolidated financial statements reflect the actual situation of the operating results, that the accounting principles followed by our Company and the regulations of the Capital Markets Board are appropriate and correct, that the financial reports are signed electronically by Gökhan Güralp, Assistant General Manager of Financial Affairs, and Sibel Koç Karacaoğlu, Director of Financial Control, and that they are signed by the Capital Markets Board. It was decided at the meeting of the Board of Directors of the Company on 5 May 2022 to make the necessary notifications within the scope of the regulations.