

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

**CONVENIENCE TRANSLATION INTO
ENGLISH OF CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY – 31 MARCH 2023**

(ORIGINALLY ISSUED IN TURKISH)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2023 AND 31 DECEMBER 2022

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

ASSETS	Notes	31 March 2023	31 December 2022
Current Assets			
Cash and cash equivalents	5	22,328,778	25,244,811
Financial investments	6	3,238,140	3,827,944
Trade receivables	8,28	20,638,580	19,840,432
– Due from related parties	28	40,034	63,234
– Other trade receivables	8	20,598,546	19,777,198
Other receivables		578,880	451,699
Contract assets	12	156,406	107,737
Derivative financial assets	9	34,239	914,267
Inventories	10	22,308,038	19,251,800
Prepayments	11	1,818,472	1,884,991
Current tax assets	26	38,649	56,976
Other current assets		2,341,222	2,029,331
Total current assets		73,481,404	73,609,988
Non-current assets			
Financial investments	6	835,378	801,221
Other receivables		109,350	101,687
Derivative financial assets	9	1,269,822	1,185,630
Investments accounted for using the equity method	13	1,997,786	1,891,365
Investment properties		5,151,242	5,151,242
Property, plant, and equipment	14	56,272,605	54,565,655
Right of use assets	15	1,255,636	996,641
Intangible assets	16, 17	22,346,366	21,742,972
– Goodwill	17	838,963	812,391
– Other intangible assets	16	21,507,403	20,930,581
Prepayments	11	2,688,367	2,332,642
Deferred tax assets	26	1,546,505	1,563,776
Other non-current assets		7,197	2,654
Total non-current assets		93,480,254	90,335,485
TOTAL ASSETS		166,961,658	163,945,473

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2023 AND 31 DECEMBER 2022

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

LIABILITIES	Notes	31 March 2023	31 December 2022
Current Liabilities			
Short term borrowings	7	16,293,446	14,281,212
Short term portion of long-term borrowings	7	4,300,998	4,306,640
Trade payables	8, 28	9,841,357	11,331,067
– Due to related parties	28	320,493	216,363
– Due to third parties	8	9,520,864	11,114,704
Liabilities for employee benefits	19	460,249	553,155
Other payables	28	2,833,960	653,978
– Due to related parties	28	2,149,159	48,596
– Due to third parties		684,801	605,382
Contract liabilities	12	236,879	222,857
Derivative instruments	9	748,691	291,587
Deferred income	11	998,805	1,335,339
Current income tax liabilities	26	1,021,921	82,697
Short term provisions	18, 19	1,554,775	1,138,326
Other current liabilities		1,283,385	1,326,997
Total current liabilities		39,574,466	35,523,855
Non-current liabilities			
Long term borrowings	7	27,590,136	28,324,384
Other payables		5,573	5,114
Derivative instruments	9	12,633	9,495
Deferred income	11	255,588	266,427
Long term provisions	19	3,486,921	3,710,712
Deferred tax liabilities		849,979	833,524
Other non-current liabilities		145,418	144,195
Total non-current liabilities		32,346,248	33,293,851
Total liabilities		71,920,714	68,817,706
EQUITY			
Equity holders of the parent	20	76,488,917	76,527,911
Paid capital		3,063,214	3,063,214
Adjustment to share capital differences		320,075	320,075
Treasury shares		(58,850)	(51,749)
Share premiums (discount)		167,048	167,048
Accumulated other comprehensive income/expense not to be reclassified to profit or loss		15,745,738	15,739,761
– Gains/(losses) on revaluation and remeasurement		15,745,738	15,739,761
– Revaluation gain/(loss) on tangible assets		15,800,724	15,797,595
– Gain/(loss) arising from defined benefit plans		(54,986)	(57,834)
Accumulated other comprehensive income/expense to be reclassified to profit or loss		17,444,388	17,502,288
– Currency translation differences		18,088,577	17,202,279
– Hedge reserves		(644,189)	300,009
Gains (Losses) on Cash Flow Hedges		(218,103)	300,009
Gains (Losses) on Hedges of Net Investment in Foreign Operations		(426,086)	-
Restricted reserves		1,135,832	1,135,832
Retained earnings		36,307,685	19,306,383
Net profit or loss for the period		2,363,787	19,345,059
Non-controlling interests	20	18,552,027	18,599,856
Total equity		95,040,944	95,127,767
TOTAL LIABILITIES AND EQUITY		166,961,658	163,945,473

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE PERIODS 1 JANUARY – 31 MARCH 2023 AND 2022

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

		1 January- 31 March 2023	Restated 1 January- 31 March 2022
	Notes		
Revenues	21	28,364,770	16,974,389
Cost of Sales	21	(18,788,837)	(10,326,001)
Gross profit/ (loss) from trading activity		9,575,933	6,648,388
General administrative expenses	22	(1,618,960)	(866,442)
Marketing expenses	22	(3,594,446)	(2,352,577)
Research and development expenses	22	(79,878)	(59,710)
Other operating income	23	1,389,844	1,404,028
Other operating expenses	23	(1,230,056)	(1,098,855)
Share of profit (loss) from investments accounted for using equity method	13	152,985	90,892
Operating profit/ (loss)		4,595,422	3,765,724
Income from investing activities	24	176,668	608,396
Expense from investing activities	24	(4,542)	(197,014)
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	24	31,812	(20,410)
Profit (Loss) before financing income (expense)		4,799,360	4,156,696
Financial income	25	1,630,853	2,705,927
Financial expenses	25	(2,269,469)	(3,221,902)
Profit (Loss) from continuing operations, before tax		4,160,744	3,640,721
Tax (expense) income, continuing operations		(1,424,710)	62,173
– Current period tax (expense) / income	26	(1,192,345)	(563,246)
– Deferred tax (expense) income	26	(232,365)	625,419
Profit (Loss)		2,736,034	3,702,894
Attributable to:			
– Non-controlling interest		372,247	132,723
– Equity holders of the parent		2,363,787	3,570,171
Earnings per share	27	0.8877	1.2010

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS OF 1 JANUARY – 31 MARCH 2023 AND 2022

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

		1 January- 31 March 2023	Restated 1 January- 31 March 2022
Profit / (loss) for the Period	Notes	2,736,034	3,702,894
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss		1,525	86,624
Gains (Losses) on revaluation of property, plant, and equipment		(12,719)	88,210
Gain / (loss) arising from defined benefit plans		4,915	9,319
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		684	(906)
Taxes on items that will not be reclassified to profit or loss		8,645	(9,999)
Items that will be reclassified to profit or loss		(220,557)	3,029,375
Currency translation differences		1,353,826	2,803,674
Other Comprehensive Income (Loss) Related with Cash Flow Hedges		(1,232,024)	282,952
Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations		(532,608)	-
Taxes on items that will be reclassified to profit or loss		190,249	(57,251)
Other comprehensive income/ (loss)		(219,032)	3,115,999
Total Comprehensive Income/ (Loss)		2,517,002	6,818,893
Attributable to:			
- Non-controlling interest		205,138	1,401,138
- Equity holders of parent		2,311,864	5,417,755
Earnings per share	27	0.8682	1.8225

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY – 31 MARCH 2023 AND 2022

(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 2022	3,063,214	320,075	(39,213)	167,048	6,139,201	9,213,439	1,517,852	10,379,285	9,040,197	39,801,098	13,128,127	52,929,225
Transfer	-	-	-	-	-	-	-	9,040,197	(9,040,197)	-	-	-
Total comprehensive income / (loss)	-	-	-	-	82,824	1,764,760	-	-	3,570,171	5,417,755	1,401,138	6,818,893
Capital Increase	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Dividends paid	-	-	-	-	-	-	-	(1,247,542)	-	(1,247,542)	(354,312)	(1,601,854)
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	10,978,199	1,517,852	17,862,004	3,570,171	43,657,387	14,174,952	57,832,339
	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 2023	3,063,214	320,075	(51,749)	167,048	15,739,761	17,502,288	1,135,832	19,306,383	19,345,059	76,527,911	18,599,856	95,127,767
Transfer	-	-	-	-	-	-	-	19,345,059	(19,345,059)	-	-	-
Total comprehensive income / (loss)	-	-	-	-	5,977	(57,900)	-	-	2,363,787	2,311,864	205,138	2,517,002
Dividends paid (*)	-	-	-	-	-	-	-	(2,059,655)	-	(2,059,655)	(252,967)	(2,312,622)
Increase (decrease) through treasury share transactions	-	-	(7,101)	-	-	-	-	(284,102)	-	(291,203)	-	(291,203)
Balance at 31 March 2023	3,063,214	320,075	(58,850)	167,048	15,745,738	17,444,388	1,135,832	36,307,685	2,363,787	76,488,917	18,552,027	95,040,944

The relevant dividend payment will be made on 31 May 2023.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 31 MARCH 2023 AND 2022

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

		1 January- 31 March 2023	Restated 1 January- 31 March 2022
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES		574,638	1,010,760
Net profit/(loss) for the period		2,736,034	3,702,894
Adjustments to reconcile profit/ (loss)		3,434,980	1,291,357
- Adjustments for depreciation and amortisation expense	14,15,16	1,425,319	1,052,037
- Adjustments for Impairment Loss (Reversal of Impairment Loss)	5,6,8,10	(94,116)	111,720
- Adjustments for provisions	18,19	576,827	102,084
- Adjustments for bargain purchase gain	24	-	(58,060)
- Adjustments for Interest (Income) Expenses		467,718	123,426
- Adjustments for unrealised foreign exchange losses (gains)	23,25	645,084	647,241
- Adjustments for fair value losses (gains)	6,24	(856,449)	(536,678)
- Adjustments for Undistributed Profits of Investments accounted for Using Equity Method	13	(152,985)	(90,892)
- Adjustments for Tax (Income) Expenses		1,424,710	(62,173)
- Adjustments for losses (gains) on disposal of non-current assets		(3,689)	4,219
- Other adjustments to reconcile profit (loss)		2,561	(1,567)
Changes in working capital		(4,979,446)	(3,027,805)
- (Increases)/decreases in trade receivables adjustments		115,267	(1,724,946)
- (Increases)/decreases in other receivables adjustments		(127,106)	(140,836)
- (Increases)/decreases in contract assets adjustments		(48,669)	(27,468)
- (Increases)/decreases in derivative financial assets		749,934	267,965
- (Increases)/decreases in inventories adjustments		(2,992,639)	(2,305,043)
- (Increases)/decreases in trade payables adjustments		(2,143,712)	195,517
- (Increases)/decreases in contract liabilities adjustments		14,022	(9,069)
- (Increases)/decreases in other payables adjustments		(309,113)	543,124
- Other (increases)/decreases in net working capital adjustments		(237,430)	172,951
Cash flows from operating activities		1,191,568	1,966,446
- Interest received		82,081	64,053
- Payments for the provisions for employee benefits	19	(404,243)	(24,901)
- Taxes received / (paid)		(294,768)	(1,051,776)
- Other cash inflows (outflows)		-	56,938

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY – 31 MARCH 2023 AND 2022

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

		1 January- 31 March 2023	Restated 1 January- 31 March 2022
	Notes		
B. CASH FLOWS FROM INVESTING ACTIVITIES		(1,821,712)	(584,091)
- Cash Flows Used in Obtaining Control of Subsidiaries or Other Businesses		-	364,530
- Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	3	-	(299,799)
- Cash Receipts from Sales of Equity or Debt Instruments of Other Entities		251,281	589,214
- Cash Payments to Acquire Equity or Debt Instruments of Other Entities		(34,420)	(115,888)
- Proceeds from sales of tangible and intangible assets		114,832	58,934
- Purchase of tangible and intangible assets		(2,803,887)	(1,232,478)
- Advances given	11	(1,029,997)	(518,758)
- Repayments of advances given	11	722,490	422,266
- Interest received		470,607	75,954
- Cash Outflows From Participation (Profit) Shares or Other Financial Instruments		(1,259,693)	-
- Other inflows (outflows) of cash		1,747,075	71,934
C. CASH FLOWS FROM FINANCING ACTIVITIES		(1,893,089)	362,394
- Payments to Acquire Entity's Shares or Other Equity Instruments		(291,203)	(313,924)
- Proceeds from borrowings	7	2,943,212	2,894,614
- Payments of borrowings	7	(3,216,432)	(1,187,020)
- Payments of lease liabilities	7	(146,988)	(73,552)
- Dividends paid		(252,967)	(354,312)
- Interest paid		(928,711)	(603,412)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		(3,140,163)	789,063
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		226,122	580,006
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(2,914,041)	1,369,069
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	25,240,755	12,819,239
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	22,326,714	14,188,308

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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”), 57 subsidiaries, 1 joint venture 2 associates and 1 joint activity.

The Group consists of six operating segments including companies operating in architectural glass, industrial glass (automotive, white goods glasses, glass fiber) , glass packaging, glassware, chemicals ,energy and others (import, export, packaging waste recovery and non-hazardous waste recovery, production and sale of cast AZS refractory block for glass production, holding activities and insurance brokerage 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 87 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. Sobyetesi 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 İstanbul Stock Exchange (“ISE”), since January 3, 1986, As of March 31, 2023, 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 20.

The Company is registered in Turkey and the address is İçmeler Mahallesi D-100 Karayolu Cad, No:44 A 34947, Tuzla / İstanbul / Türkiye

Personnel structure of the Group

	31 March 2023	31 December 2022	31 March 2022
Personnel (monthly paid)	9,688	8,859	8,352
Personnel (hourly paid)	15,215	16,072	15,694
	24,903	24,931	24,046

986 employees included in the Group’s total personnel structure is consisted of the personnel of joint ventures accounted under equity method (31 December 2022: 962 employees, 31 March 2022: 918 employees).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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:

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

Industrial 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
Şişecam Elyaf Sanayii A.Ş.	Production and sales of glass fiber	Turkey

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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

<u>Subsidiaries/Branches</u>	<u>Nature of business</u>	<u>Country of registration</u>
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
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

<u>Subsidiaries/Branches</u>	<u>Nature of business</u>	<u>Country of registration</u>
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Glass Packaging Group Branches (1)	Production and sales of glass packaging	Turkey
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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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

Subsidiaries/Branches	Nature of business	Country of registration
Türkiye Şişe ve Cam Fabrikaları A.Ş.- Şişecam Chemicals Group Branches (1)	Production and sales of soda and chromium chemicals	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 Chemicals Newco LLC (*)	Finance and investment company	USA
Sisecam Resources General Partners LLC	Natural soda goods trade	USA
Sisecam Wyoming LLC	Production and sales of natural soda	USA

(*) It was established on 31 January 2023. As of 31 March 2023, the company has not any activity

Denmar US LLC, 100% owned by Denmar Holdings LLC, to Sisecam Chemicals USA Inc. has become a 50% shareholder by capital increase method and in return for 12 Million US Dollars. It was decided that Ciner Group would participate in the Stockton Port Management Project by 50%, and as of 31 March 2023, the transactions have not been completed yet.

Joint Activities	Nature of business	Country of registration
Pacific Soda LLC	Soda goods trade	USA

Associate	Nature of business	Country of registration
Solvay Sisecam Holding AG	Finance and investment company	Austria

Energy Group

Subsidiaries	Nature of business	Country of Registration
Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Energy Group Branch (1)	Electricity and steam generation	Turkey
Şişecam Enerji A.Ş.	Storage and sales of natural gas and electricity Trade	Turkey
Camiş Elektrik Üretim A.Ş.	Production and sales of electricity	Turkey

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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

Companies included in consolidation (continued)

Other Group

a) Recycling Group

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

b) Mining Group

Subsidiaries	Nature of business	Country of registration
Camış Madencilik A.Ş.	Production and sales of raw materials in glass	Turkey
Camis Egypt Mining Ltd. Co.	Sand mining and sales	Egypt

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

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
SC Glass Trading B.V.	Import, sales, finance and investment company	Netherlands
Sisecam Investment B.V.	Import, sales, financing and investment company	Netherlands
Camış Ambalaj Sanayii A.Ş.	Production and sales of paper packaging	Turkey
Oxyvit Kimya Sanayii ve Tic. A.Ş.	Vitamin K-3 and derivatives manufacturer	Turkey
Refel S.p.A.	Production and sale of cast AZS refractory Block for glass production	Italy

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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 Düzcamlar Tarsus Fabrikası Branch (*)

(*) Registered on 23 November 2022

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. 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

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Energy Group Branch

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

The shares of Şişecam Resources LP subsidiary are traded on the New York Stock Exchange with the code "SIRE". Applications for withdrawal from the stock market continue.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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

Companies included in consolidation (continued)

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 96.01 (9.60 out of 10) as of 16 December 2022, 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 2022	16 December 2021
Shareholders	%25	95.49	95.49
Public disclosure and transparency	%25	97.51	97.48
Stakeholders	%15	99.48	99.48
Board of directors	%35	93.82	92.42
Average Rating	%100	96.01	95.51

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:

Architectural Glass Group

a) Subsidiaries of Architectural Glass Group

Company/Branch Name	31 March 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Düzcam Grubu Şubeleri	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 İtaly 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

b) Associate of Architectural Glass Group

Company's Name	31 March 2023		31 December 2022	
	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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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 Industrial Glass Group

Company's Name	31 March 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective 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
Şişecam Elyaf Sanayii A.Ş.	99.999	99.999	99.999	99.999

Subsidiaries of Glassware Group

Company/Branch Name	31 March 2023		31 December 2022	
	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
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 (Shangai) 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 2023

(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 2023		31 December 2022	
	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
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	100.00	100.00

Chemicals Group

a) Subsidiaries of Chemicals Group

Company/Branch Name	31 March 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Türkiye Şişe ve Cam Fabrikaları A.Ş.-				
Şişecam Kimyasallar Grubu Şubeleri	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 Chemicals Newco LLC	100.00	100.00	-	-
Sisecam Resources General 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

b) Production Partnership of Chemicals Group

Company's Name	31 March 2023		31 December 2022	
	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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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

Companies included in consolidation (continued)

c) Associate of Chemicals Group

Company's Name	31 March 2023		31 December 2022	
	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

Energy Group

Company's Name	31 March 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Enerji A.Ş.	100.00	100.00	100.00	100.00
Camiş Elektrik Üretim A.Ş.	100.00	100.00	100.00	100.00

Other Group

a) Subsidiaries of Recycling Group

Company's Name	31 March 2023		31 December 2022	
	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

b.1) Subsidiaries of the Mining Group

Company's Name	31 March 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Camiş Madencilik A.Ş.	100.00	100.00	100.00	100.00
Camis Egypt Mining Ltd. Co.	99.70	99.70	99.70	99.70

b.2) Associate of the Mining Group

Company's Name	31 March 2023		31 December 2022	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Rudnik Krecnjaka Vijenac D.O.O.	50.00	50.00	50.00	50.00

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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

Companies included in consolidation (continued)

c) Subsidiaries of Other Services Group

Company's Name	31 March 2023		31 December 2022	
	Direct and indirect ownership 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
Şişecam Investment B.V.	100.00	100.00	100.00	100.00
Camiş Ambalaj Sanayii A.Ş.	100.00	100.00	100.00	100.00
Oxyvit Kimya Sanayii ve Tic. A.Ş.	100.00	100.00	100.00	100.00
Refel S.p.A.	100.00	100.00	100.00	100.00

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"), In addition, it has been presented in accordance with the formats determined in the "Announcement on TMS Taxonomy" published by the KGK on October 4, 2022 and the Financial Statement Examples and User Guide published by the CMB.

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 2022.

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. Currencies other than TRY are also expressed in thousands.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.1 Basis of presentation (continued)

Preparation of Financial Statements in Hyperinflationary Periods

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 March 2023 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the condensed financial statements as of March 31, 2023.

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.

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.

Due to the acquisition of American companies and Refel S.p.A., the calculations made on the temporary amounts became final on 31 December 2022 and the adjustments were made as of the date of purchase. Accordingly, the footnotes on the consolidated profit or loss statement, other comprehensive income statement, statement of changes in equity and cash flow statement for the period between January 1 and March 31, 2022, which are presented comparatively with the consolidated financial statements for the period 1 January-31 March 2023, have been restated.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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(continued)

Group' s restated balance sheet as of 31 March 2022 is stated below:

Balance Sheet

	Previously				Restated
	Reported	31 March	Sisecam	Pacific	31 March
ASSETS	2022	2022	Chemicals Resources	Soda LLC (*)	2022
Current Assets					
Cash and cash equivalents	14,227,056	-	-	-	14,227,056
Financial investments	2,694,166	-	-	-	2,694,166
Trade receivables	12,067,112	-	-	-	12,067,112
- <i>Due from related parties</i>	30,974	-	-	-	30,974
- <i>Other trade receivables</i>	12,036,138	-	-	-	12,036,138
Other receivables	480,333	-	-	-	480,333
Contract assets	149,343	-	-	-	149,343
Derivative financial assets	1,087,780	-	-	-	1,087,780
Inventories	10,180,755	29,069	-	-	10,209,824
Prepayments	1,196,221	(5,229)	-	-	1,190,992
Current tax assets	45,263	-	-	-	45,263
Other current assets	794,275	-	-	-	794,275
Total current assets	42,922,304	23,840	-	-	42,946,144
Non-current assets					
Financial investments	1,179,385	-	-	-	1,179,385
Trade receivables	38	-	-	-	38
Other receivables	156,754	-	-	-	156,754
Derivative financial assets	646,543	-	-	-	646,543
Investments accounted for using the equity method	1,796,042	-	-	-	1,796,042
Investment properties	1,468,823	-	-	-	1,468,823
Property, plant, and equipment	32,327,308	2,590,780	-	107,873	35,025,961
Right of use assets	525,380	15,929	-	-	541,309
Intangible assets	16,235,289	699,543	397,419	43,603	17,375,854
- <i>Goodwill</i>	4,488,794	(815,272)	(2,875,360)	(111,264)	686,898
- <i>Other intangible assets</i>	11,746,495	1,514,815	3,272,779	154,867	16,688,956
Prepayments	735,876	(18,343)	-	-	717,533
Deferred tax assets	1,542,390	-	-	-	1,542,390
Other non-current assets	3,306	-	-	-	3,306
Total non-current assets	56,617,134	3,287,909	397,419	151,476	60,453,938
TOTAL ASSETS	99,539,438	3,311,749	397,419	151,476	103,400,082

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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(continued)

	Previously Reported	Sisecam			Restated
	31 March 2022	Chemicals Resources	Pacific Soda LLC (*)	Refel S.p.A	31 March 2022
LIABILITIES					
Current Liabilities					
Short term borrowings	5,521,762	-	-	-	5,521,762
Short term portion of long-term borrowings	6,581,379	-	-	-	6,581,379
Trade payables	6,070,587	-	-	-	6,070,587
– Due to related parties	164,993	-	-	-	164,993
– Due to third parties	5,905,594	-	-	-	5,905,594
Liabilities for employee benefits	325,761	-	-	-	325,761
Other payables	1,828,266	-	-	-	1,828,266
– Due to related parties	1,299,257	-	-	-	1,299,257
– Due to third parties	529,009	-	-	-	529,009
Contract liabilities	101,788	-	-	-	101,788
Derivative instruments	25,049	-	-	-	25,049
Deferred income	774,340	-	-	-	774,340
Current income tax liabilities	430,166	-	-	-	430,166
Short term provisions	801,699	-	-	-	801,699
Other current liabilities	1,117,298	-	-	-	1,117,298
Total current liabilities	23,578,095	-	-	-	23,578,095
Non-current liabilities					
Long term borrowings	18,830,369	-	-	-	18,830,369
Other payables	3,326	-	-	-	3,326
Derivative instruments	11,798	-	-	-	11,798
Deferred income	256,786	-	-	40,771	297,557
Long term provisions	2,321,236	-	-	-	2,321,236
Deferred tax liabilities	405,252	-	-	54,190	459,442
Other non-current liabilities	65,920	-	-	-	65,920
Total non-current liabilities	21,894,687	-	-	94,961	21,989,648
Total liabilities	45,472,782	-	-	94,961	45,567,743

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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(continued)

	Previously Reported	Sisecam			Restated
	31 March 2022	Chemicals Resources	Pacific Soda LLC (*)	Refel S.p.A	31 March 2022
EQUITY					
Equity holders of the parent	43,021,434	182,019	397,419	56,515	43,657,387
Paid capital	3,063,214	-	-	-	3,063,214
Adjustment to share capital differences	320,075	-	-	-	320,075
Treasury shares	(43,201)	-	-	-	(43,201)
Share premiums (discount)	167,048	-	-	-	167,048
Accumulated other comprehensive income/expense not to be reclassified to profit or loss	6,222,025	-	-	-	6,222,025
- Gains/(losses) on revaluation and remeasurement	6,222,025	-	-	-	6,222,025
- Revaluation gain/(loss) on tangible assets	6,321,516	-	-	-	6,321,516
- Gain/(loss) arising from defined benefit plans	(99,491)	-	-	-	(99,491)
Accumulated other comprehensive income/expense to be reclassified to profit or loss	10,366,287	227,868	381,886	2,158	10,978,199
- Currency translation differences	10,326,204	227,868	381,886	2,158	10,938,116
- Hedge reserves	40,083	-	-	-	40,083
Restricted reserves	1,517,852	-	-	-	1,517,852
Retained earnings	17,832,166	-	29,838	-	17,862,004
Net profit or loss for the period	3,575,968	(45,849)	(14,305)	54,357	3,570,171
Non-controlling interests	11,045,222	3,129,730	-	-	14,174,952
Total equity	54,066,656	3,311,749	397,419	56,515	57,832,339
TOTAL LIABILITIES AND EQUITY	99,539,438	3,311,749	397,419	151,476	103,400,082

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC..

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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)

Comparatives and Restatement of Prior Periods Financial Statements(continued)

Group's restated Profit/Loss for the period 1 January and 31 March 2022 is stated below:

	Previously Reported				Restated
	31 March 2022	Sisecam Chemicals Resources	Pacific Soda LLC (*)	Refel S.p.A	31 March 2022
Revenues	16,974,389	-	-	-	16,974,389
Cost of Sales	(10,121,545)	(200,753)	-	(3,703)	(10,326,001)
Gross profit/ (loss) from trading activity	6,852,844	(200,753)	-	(3,703)	6,648,388
General administrative expenses	(861,466)	(889)	(4,087)	-	(866,442)
Marketing expenses	(2,352,577)	-	-	-	(2,352,577)
Research and development expenses	(49,492)	-	(10,218)	-	(59,710)
Other operating income	1,404,028	-	-	-	1,404,028
Other operating expenses	(1,098,855)	-	-	-	(1,098,855)
Share of profit (loss) from investments accounted for using equity method	90,892	-	-	-	90,892
Operating profit/ (loss)	3,985,374	(201,642)	(14,305)	(3,703)	3,765,724
Income from investing activities	550,336	-	-	58,060	608,396
Expense from investing activities	(194,878)	(2,136)	-	-	(197,014)
Impairment gain and reversal of impairment loss determined	(20,410)	-	-	-	(20,410)
Profit (Loss) before financing income (expense)	4,320,422	(203,778)	(14,305)	54,357	4,156,696
Financial income	2,705,927	-	-	-	2,705,927
Financial expenses	(3,223,669)	1,767	-	-	(3,221,902)
Profit (Loss) from continuing operations, before tax	3,802,680	(202,011)	(14,305)	54,357	3,640,721
Tax (expense) income, continuing operations	62,173	-	-	-	62,173
- Current period tax (expense) / income	(563,246)	-	-	-	(563,246)
- Deferred tax (expense) income	625,419	-	-	-	625,419
Profit (Loss)	3,864,853	(202,011)	(14,305)	54,357	3,702,894
Attributable to:					
- Non-controlling interest	288,885	(156,162)	-	-	132,723
- Equity holders of the parent	3,575,968	(45,849)	(14,305)	54,357	3,570,171
Earnings per share	1.2029	(0.0154)	(0.0048)	0.0183	1.2010

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC..

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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(continued)

Group' s restated other comprehensive income for the period 1 January and 31 March 2022 is stated below:

	Previously Reported				Restated
	31 March 2022	Sisecam Chemicals Resources	Pacific Soda LLC (*)	Refel S.p.A	31 March 2022
Profit / (loss) for the Period	3,864,853	(202,011)	(14,305)	54,357	3,702,894
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss	86,624	-	-	-	86,624
Gains (Losses) on revaluation of property, plant, and equipment	88,210	-	-	-	88,210
Gain / (loss) arising from defined benefit plans	9,319	-	-	-	9,319
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	(906)	-	-	-	(906)
Taxes on items that will not be reclassified to profit or loss	(9,999)	-	-	-	(9,999)
Items that will be reclassified to profit or loss	2,667,252	323,244	36,721	2,158	3,029,375
Currency translation differences	2,441,551	323,244	36,721	2,158	2,803,674
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income	282,952	-	-	-	282,952
Taxes on items that will be reclassified to profit or loss	(57,251)	-	-	-	(57,251)
Other comprehensive income/ (loss)	2,753,876	323,244	36,721	2,158	3,115,999
Total Comprehensive Income/ (Loss)	6,618,729	121,233	22,416	56,515	6,818,893
Attributable to:					
- Non-controlling interest	1,467,708	(66,570)	-	-	1,401,138
- Equity holders of parent	5,151,021	187,803	22,416	56,515	5,417,755
Earnings per share	1.7328	0.0632	0.0075	0.0190	1.8225

(*) Atlantic Soda LLC and Pacific Soda LLC; The reorganization effect of the two joint activity is shown collectively under Pacific Soda LLC, as they were merged under Pacific Soda LLC.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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(continued)

Interest paid amounting to TL 603,413 thousand reported in cash flows from operating activities in the prior period cash flow statement which is reclassified to cash flows from financing activities in the current period. In cash flow statement prior period Currency translation differences amounting to TL 1,051,511 thousand reported in the line on the effect of foreign currency translation differences on cash and cash equivalents is reclassified to cash flow from operating activities' translation differences.

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:

Currency	31 March 2023			31 December 2022		
	Period End-Buy	Period End-Sale	Period Average	Period End-Buy	Period End-Sale	Period Average
USD Dollar	19.15320	19.18780	18.87192	18.69830	18.73200	16.58086
Euro	20.84500	20.88250	20.24334	19.93490	19.97080	17.39318
Bulgarian Lev	10.65788	10.67705	10.35026	10.19255	10.21091	8.89299
Egyptian Pound	0.62109	0.62221	0.63018	0.75696	0.75833	0.86516
Russian Ruble	0.24650	0.24972	0.25883	0.25948	0.26288	0.25138
Georgian Lari	7.48055	7.49406	7.15775	6.92017	6.93264	5.68689
Ukrainian Gryvnia	0.52376	0.52471	0.51607	0.51132	0.51224	0.51226
Bosnian Mark	10.65788	10.67705	10.35026	10.19255	10.21091	8.89299
Romanian Leu	4.18750	4.24230	4.11544	4.00620	4.05860	3.52805
Hungarian Forint	0.05471	0.05481	0.05208	0.04981	0.04990	0.04446
Chinese Yuan	2.77160	2.80790	2.75749	2.68060	2.71570	2.45651
Indian Rupee	0.23296	0.23338	0.22948	0.22600	0.22640	0.21094

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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 2023 and 31 December 2022.

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 2023 and 31 December 2022. Joint Ventures are accounted for under equity accounting method.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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 operations and included in the consolidation. Atlantic Soda LLC and Pacific Soda LLC companies were merged into Pacific Soda LLC on 30 June 2022.

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 2023, and 31 December 2022, 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 March 2023 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.

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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 2023 are consistent with those applied in the preparation of the consolidated financial statements of 31 December 2022 except for the following matters,

Hedging Net Investment Risk in Foreign Operations

For subsidiaries, joint ventures and abroad branches, Within the scope of TAS 21, the the group determines the currencies used in the main economic environments in which the enterprises abroad operate as the functional currency of the said enterprises. While the Group translates the operating results and financial position of its foreign operations into the currency used in the presentation of the consolidated financial statements, the Group accounts for foreign exchange differences as foreign currency translation differences in the consolidated statement of comprehensive income until it disposes of the foreign operation.

Currency hedge accounting arising from a net investment in a foreign operation is applied only if the net assets of that foreign enterprise are included in the financial statements. The amount of the foreign exchange hedged item arising from a net investment in a foreign operation may be equal to or less than the book value of the net assets of the foreign operation.

In TFRS 9 and TFRS Interpretation 16, an appropriate hedged item and appropriate hedging instruments must be defined within the hedge accounting relationship. In the case of a defined hedging relationship for the hedging of the net investment, the gain or loss on a hedging instrument that is determined to effectively hedge the net investment is recognized in the consolidated statement of comprehensive income and is recognized with exchange differences resulting from the translation of the results of operations and financial position of the foreign operation displayed together.

As of January 1, 2023, the Group has decided to apply a net investment hedging strategy in foreign operations in order to hedge foreign exchange risk in its consolidated financial statements. This strategy is the hedging item of companies in Turkey, Euro loans and some of the US Dollar bonds used for their foreign investments, and Şişecam Investment B.V. as a hedging instrument and Sisecam Chemicals USA Inc. companies net asset value in foreign currency is associated with the net investment hedging method. Changes in foreign currency borrowings related to the subject are accounted for under "Other Accumulated Comprehensive Income or Expenses to be Reclassified in Profit or Loss" and "Gains (Losses) on Hedges of Net Investment in Foreign Operations" under equity. In the event of the disposal of the foreign subsidiary, the amount recognized in the equity of the hedging instrument is recognized as profit or loss.

Segment Reporting

The Group has seven operating segments that contain information used by management to evaluate their performance and decide on resource allocation. These activity groups of the Group include architectural glass, industrial glass (automotive, white goods and glass fiber), glassware, packaging, energy, chemicals and other group (import, export, packaging waste recovery and non-hazardous waste recycling, production and sales of cast AZS refractory blocks, holding activities and insurance brokerage services).

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 2023 are consistent with those used in the preparation of financial statements for the year ended 31 December 2022.

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

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)

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

The accounting policies adopted in preparation of the consolidated financial statements as of March 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023 and thereafter. The effects of these standards and interpretations on 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 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, 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 amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

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

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. 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 amendments did not have a significant impact on the financial position or performance of the Group.

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

In August 2021, 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 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 amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

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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)

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

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

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

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

TFRS 17 - The new Standard for insurance contracts

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. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

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

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

In January 2021 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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2. Basis of Presentation of Financial Statements (continued)

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

ii) Standards issued but not yet effective and not early adopted(continued)

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

2.6 Summary of Significant Accounting Policies

Condensed consolidated interim financial statements for the period ending on 31 March 2023 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 period ended 31 March 2023 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 2022, except for the matter stated in Note 2.3. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2022.

2.7 Critical accounting estimates, judgments, and assumptions

The preparation of the consolidated financial statements requires the disclosure of the amounts of assets and liabilities reported as of the report date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. Accounting evaluations, estimates and assumptions are constantly evaluated by taking into account past experience, other factors, and reasonable expectations about future events under current conditions. Although these estimates and assumptions are based on management's best knowledge of current events and transactions, actual results may differ from the assumptions. Significant accounting, estimates and assumptions have been applied consistently with the financial statements prepared as of 31 December 2022.

3. Business Combinations

Transactions Related to the year 2023

As of 31 March 2023, there are no business combinations

Transactions Related to the year 2022

Business combinations as of 31 December 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 valuation studies of the subsidiary residing in Italy, which has been consolidated with temporary amounts in accordance with the TFRS-3 "Business Combinations" standard since February 3, 2022, have been completed and the effects of the final amounts have been reflected in the financial statements dated December 31, 2022.

The calculation made on the temporary amounts since 31 January 2022 has been finalized on 31 December 2022. Adjustments have been made from the date of purchase.

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

3. Business Combinations (Continued)

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	233,573
Intangible assets	151,408
Other non-current Assets	7,703
Total Non-current assets	392,684
TOTAL ASSETS	767,286
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	66,854
Other Long-Term Liabilities	11,155
Deferred Tax Liabilities	51,026
Total Non- Current liabilities	129,035
Total liabilities	377,941
Net Total Assets	389,345
Shares received	%100
Total cash paid	332,744
Currency difference	264
Bargain purchase profit	(56,865)
Goodwill on the purchase day	(56,865)
Currency difference gain (loss)	(1,195)
Reported (Note 24)	(58,060)
Purchase Price	332,744
Amount of Cash and Cash Equivalents of the Company	32,945
Net Cash Flow	299,799

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

4. Segment Reporting

a) Operating Segments

1 January-31 March 2023	Architectural	Industrial	Glassware	Glass Packaging	Chemicals	Energy	Other	Consolidation adjustments	Consolidated
Net sales – third parties	5,725,758	2,817,935	3,414,572	4,633,660	7,638,059	3,650,599	484,187	-	28,364,770
Intergroup sales	509,228	-	1,058	117,196	701,733	847,149	642,765	(2,819,129)	-
Total net sales	6,234,986	2,817,935	3,415,630	4,750,856	8,339,792	4,497,748	1,126,952	(2,819,129)	28,364,770
Cost of sales	(3,947,729)	(2,343,306)	(2,091,900)	(3,229,462)	(4,711,314)	(4,440,215)	(843,059)	2,818,148	(18,788,837)
Gross profit	2,287,257	474,629	1,323,730	1,521,394	3,628,478	57,533	283,893	(981)	9,575,933
Operating expenses	(1,147,314)	(468,477)	(849,472)	(979,318)	(2,035,197)	(15,603)	(773,830)	975,927	(5,293,284)
Other operating income	393,532	113,100	188,937	133,692	373,085	8,354	1,179,762	(1,000,618)	1,389,844
Other operating expenses	(249,779)	(99,448)	(161,021)	(55,715)	(242,069)	(6,081)	(424,765)	8,822	(1,230,056)
Share of profit (loss) from investments accounted for using equity method	32,514	-	-	-	121,027	-	(556)	-	152,985
Operating profit/ (loss)	1,316,210	19,804	502,174	620,053	1,845,324	44,203	264,504	(16,850)	4,595,422
Income from investing activities	28,803	-	2,701	(158,656)	116,972	-	286,848	(100,000)	176,668
Loss from investing activities	(2,089)	(328)	(2,125)	-	-	-	-	-	(4,542)
Other valuation gains / (losses)	1,598	477	52	586	1,904	(181)	27,376	-	31,812
Operating profit before financial income and expense	1,344,522	19,953	502,802	461,983	1,964,200	44,022	578,728	(116,850)	4,799,360
Purchases of tangible and intangible assets	995,547	192,516	110,302	1,110,096	229,017	145	166,264	-	2,803,887
Right of use assets	25,428	6,840	37,235	-	182,099	-	1,199	-	252,801
Depreciation and amortization charges (-)	(264,363)	(109,290)	(131,521)	(290,086)	(545,126)	(3,644)	(81,289)	-	(1,425,319)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1,608,885	129,243	634,323	752,069	2,509,326	47,666	660,017	(116,850)	6,224,679

(*) EBITDA is not defined by TAS, The Group defined EBITDA as profit before interest, depreciation and tax, The EBITDA amounts disclosed are shown separately by the Group management for a better understanding and measurement of the Group's operational performance,

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

4. Segment Reporting (Continued)

a) Operating Segments (Continued)

1 January-31 March 2022	Architectural	Industrial	Glassware	Glass Packaging	Chemicals	Energy	Other	Consolidation adjustments	Consolidated
Net sales – third parties	4,871,415	1,550,638	1,780,294	2,644,898	4,482,600	1,256,011	388,533	-	16,974,389
Intergroup sales	213,519	20,437	5,478	76,721	360,559	404,945	736,459	(1,818,118)	-
Total net sales	5,084,934	1,571,075	1,785,772	2,721,619	4,843,159	1,660,956	1,124,992	(1,818,118)	16,974,389
Cost of sales	(2,830,579)	(1,245,431)	(1,078,853)	(1,835,387)	(2,704,639)	(1,477,327)	(505,109)	1,351,324	(10,326,001)
Gross profit	2,254,355	325,644	706,919	886,232	2,138,520	183,629	619,883	(466,794)	6,648,388
Operating expenses	(754,074)	(286,567)	(395,985)	(519,645)	(1,300,676)	(46,803)	(391,420)	416,441	(3,278,729)
Other operating income	207,166	162,948	159,967	168,499	390,504	3,088	324,931	(13,075)	1,404,028
Other operating expenses	(203,527)	(90,105)	(171,719)	(103,673)	(345,725)	(4,766)	(202,973)	23,633	(1,098,855)
Share of profit (loss) from investments accounted for using equity method	62,506	-	-	-	29,864	-	(1,478)	-	90,892
Operating profit/ (loss)	1,566,426	111,920	299,182	431,413	912,487	135,148	348,943	(39,795)	3,765,724
Income from investing activities	138,768	-	900	45,710	352,048	-	120,970	(50,000)	608,396
Loss from investing activities	-	-	(2,996)	(12)	(194,006)	-	-	-	(197,014)
Other valuation gains / (losses)	1,715	91	818	255	(2,768)	62	(20,583)	-	(20,410)
Operating profit before financial income and expense	1,706,909	112,011	297,904	477,366	1,067,761	135,210	449,330	(89,795)	4,156,696
Purchases of tangible and intangible assets	235,506	110,886	260,171	306,356	252,892	-	66,667	-	1,232,478
Right of use assets	293	-	-	-	45,779	-	5	-	46,077
Depreciation and amortization charges (-)	(205,329)	(79,862)	(93,713)	(197,725)	(413,877)	(32,797)	(28,734)	-	(1,052,037)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1,912,238	191,873	391,617	675,091	1,481,638	168,007	478,064	(89,795)	5,208,733

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

4. Segment Reporting (Continued)

b) Geographical segments

1 January-31 March 2023	Turkey	Russia, Ukraine and Georgia	Europe	America	Other	Total	Adjustments	Consolidated
Net sales – third parties	15,911,885	2,077,561	5,981,035	3,919,631	474,658	28,364,770	-	28,364,770
Intergroup sales	1,028,741	-	647,510	159	81,989	1,758,399	(1,758,399)	-
Total net sales (*)	16,940,626	2,077,561	6,628,545	3,919,790	556,647	30,123,169	(1,758,399)	28,364,770
Cost of sales	(11,984,417)	(1,449,231)	(4,810,932)	(1,950,389)	(433,160)	(20,628,129)	1,839,292	(18,788,837)
Gross profit	4,956,209	628,330	1,817,613	1,969,401	123,487	9,495,040	80,893	9,575,933
Operating expenses	(2,407,005)	(528,458)	(1,129,747)	(1,525,660)	(131,561)	(5,722,431)	429,147	(5,293,284)
Other operating income	1,404,827	44,742	466,843	472	14,630	1,931,514	(541,670)	1,389,844
Other operating expense	(943,707)	(55,677)	(196,996)	(24,431)	(15,947)	(1,236,758)	6,702	(1,230,056)
Share of profit (loss) from investments accounted for using equity method	(556)	-	153,541	-	-	152,985	-	152,985
Operating profit/ (loss)	3,009,768	88,937	1,111,254	419,782	(9,391)	4,620,350	(24,928)	4,595,422
Income from investing activities	166,137	4,549	898	-	5,084	176,668	-	176,668
Loss from investing activities	(4,214)	-	(328)	-	-	(4,542)	-	(4,542)
Other valuation gains / (losses)	31,829	-	(17)	-	-	31,812	-	31,812
Operating profit before financial income and expense	3,203,520	93,486	1,111,807	419,782	(4,307)	4,824,288	(24,928)	4,799,360
Purchases of tangible and intangible assets	1,777,953	314,641	285,818	146,245	279,230	2,803,887	-	2,803,887
Right of use assets	86,627	-	658	165,516	-	252,801	-	252,801
Depreciation and amortization charges (-)	(392,213)	(233,986)	(306,112)	(457,831)	(35,177)	(1,425,319)	-	(1,425,319)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3,595,733	327,472	1,417,919	877,613	30,870	6,249,607	(24,928)	6,224,679

(*) Net sales according to the geographical regions are represented based on the countries where the companies are operating

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

4. Segment Reporting (Continued)

b) Geographical segments (Continued)

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)	(3,257,405)	(1,186,929)	(356,974)	(11,657,962)	1,331,961	(10,326,001)
Gross profit	4,123,386	489,348	864,759	1,100,775	151,567	6,729,835	(81,447)	6,648,388
Operating expenses	(1,374,377)	(289,708)	(769,011)	(964,602)	(115,913)	(3,513,611)	234,882	(3,278,729)
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	278,676	118,764	24,925	3,788,548	(22,824)	3,765,724
Income from investing activities	544,277	133	58,851	-	5,135	608,396	-	608,396
Loss from investing activities	(194,849)	(12)	-	(2,136)	(17)	(197,014)	-	(197,014)
Other valuation gains / (losses)	(20,426)	16	-	-	-	(20,410)	-	(20,410)
Operating profit before financial income and expense	3,471,284	224,038	337,527	116,628	30,043	4,179,520	(22,824)	4,156,696
Purchases of tangible and intangible assets	626,805	125,878	289,795	110,709	79,291	1,232,478	-	1,232,478
Right of use assets	5	-	293	45,779	-	46,077	-	46,077
Depreciation and amortization charges (-)	(271,717)	(145,883)	(238,330)	(361,939)	(34,168)	(1,052,037)	-	(1,052,037)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3,743,001	369,921	575,857	478,567	64,211	5,231,557	(22,824)	5,208,733

(*) Net sales according to the geographical regions are represented based on the countries where the companies are operating.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

5. Cash and Cash Equivalents

	31 March 2023	31 December 2022
Cash on hand	788	1,122
Cash at banks	19,632,669	20,169,363
– Demand deposits	12,460,124	6,763,881
– Time deposits with a maturity of three months or less	7,172,545	13,405,482
Other liquid assets (*)	2,715,004	5,120,915
Provision for impairment	(19,683)	(46,589)
	22,328,778	25,244,811

(*) As of 31 March 2023, a portion of TL 2,440,845 thousand is liquid funds. (31 December 2022: 4,828,248 thousand TL),

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

Currency	Interest Rate %	Maturity	31 March 2023	31 December 2022
Euro	%0.10-%2.3	May 2023	524,338	1,015,687
US Dollars	%1.25 - %4.30	May 2023	3,014,826	852,605
Turkish Lira	%28.00-%30.00	April - May 2023	1,561,453	9,324,067
Russian Rubles	%3.75	May 2023	1,739,407	1,891,640
Other currencies converted TRY			332,521	321,483
			7,172,545	13,405,482

Cash and cash equivalents in the consolidated cash flow statements as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 March 2022
Cash and cash equivalents	22,328,778	14,227,056
Effect of impairment loss	19,683	19,398
Interest accrual	(21,747)	(58,146)
	22,326,714	14,188,308

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

6. Financial Investments

a) Current financial investments

	31 March 2023	31 December 2022
Current financial investment		
Financial assets measured at amortized cost	1,883,613	2,051,474
Time deposits	31,287	29,919
Provision for impairment on financial assets	(5,452)	(7,780)
	1,909,448	2,073,613
	31 March 2023	31 December 2022
Financial assets at fair value through profit or loss		
Currency protected deposit	1,328,692	1,754,331
	1,328,692	1,754,331
Total current financial assets	3,238,140	3,827,944

b) Non-current financial investment

	31 March 2023	31 December 2022
Financial assets at fair value through other comprehensive income		
Financial investments not traded in an active market	16,605	16,605
	31 March 2023	31 December 2022
Long term financial investments measured at amortized cost		
Financial investments measured by amortized cost	854,696	823,116
Impairment provision	(35,923)	(38,500)
	818,773	784,616
Total non-current financial assets	835,378	801,221

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

	31 March 2023	31 March 2022
Beginning of the period - 1 January	16,605	2
Additions	-	16,603
	16,605	16,605

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

6. Financial Investments (Continued)

b) Non-current financial investment (Continued)

Financial investment not traded in an active market	Rate of Share (%)	31 March 2023	Rate of Share	31 December 2022
Bosen Enerji Elek.Üret. Oto. Pro.Grb. A.Ş.	<1	2	<1	2
7Cbasalia Global AG	10	16,603	10	16,603
		16,605		16,605

Financial assets measured at amortized cost

Bond issuer	31 March 2023	31 December 2022
Turkcell İletişim Hizmetleri A.Ş.	706,474	680,618
Arçelik A.Ş.	598,360	576,603
Bank of America Corp.	496,086	487,061
Morgan Stanley	487,901	487,248
Yapı ve Kredi Bankası A.Ş.	174,542	167,877
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	165,611	159,161
Türkiye İş Bankası A.Ş.	23,569	22,666
Securities, US Dollar currency	2,652,543	2,581,234
Securities, Indian Rupee currency	85,766	293,356
	2,738,309	2,874,590

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

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

Collection periods	31 March 2023	31 December 2022
Less than three months	713,773	19,146
3 - 12 months	1,169,840	2,032,328
1 - 5 years	854,696	823,116
	2,738,309	2,874,590

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

6. Financial Assets (Continued)

b) Non-current financial investment (Continued)

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 2023	31 December 2022
Turkcell İletişim Hizmetleri A.Ş.	669,235	638,204
Arçelik A.Ş.	598,318	576,217
Bank of America Corp.	502,396	478,789
Morgan Stanley	488,436	486,278
Yapı ve Kredi Bankası A.Ş.	172,242	166,150
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	166,304	160,802
Türkiye İş Bankası A.Ş.	23,325	22,549
	2,620,256	2,528,989

There is no active market for securities issued in India.

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

	31 March 2023	31 March 2022
1 January- Beginning of period	2,874,590	3,981,610
Valuation difference	96,450	357,541
Received within the period	34,420	115,888
Currency translation differences	5,982	44,664
Interest collected within the period	(21,852)	(24,298)
Principal collected during the period	(251,281)	(589,214)
	2,738,309	3,886,191

The movement of impairment on financial investments is as follows:

	31 March 2023	31 March 2022
1 January- Beginning of period	(46,280)	(24,032)
Cancellation of allowance	4,922	-
Expense for the period	(17)	(13,038)
	(41,375)	(37,070)

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 5.78% (2022: 5.73%).

Bond issuer	ISIN Code	Coupon Interest Rate (%)	Maturity Date
Arçelik A.Ş.	XS0910932788	5.000	03.04.2023
Morgan Stanley	XS1414117645	8.200	05.07.2023
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	XS1496463297	5.375	24.10.2023
Bank of America	XS2550927078	10.95	20.12.2023
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

There are no financial investments in US Dollar currency which have been fully redeemed during the period.

Additionally, 1,095,000 thousand Indian Rupee financial investment have amortized during the period.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

7. Borrowings

	31 March 2023	31 December 2022
Current financial borrowings		
Short term borrowings	8,285,278	8,085,541
Principal and installments of bonds issued	8,013,468	6,203,248
Discount differences and commissions of bonds issued	(5,300)	(7,577)
Total current financial borrowings	16,293,446	14,281,212
	31 March 2023	31 December 2022
Short term portion of long-term borrowings		
Short-term principal installments and interests of long- term borrowings	3,788,266	3,644,880
Liabilities from leasing transactions	470,727	390,461
Principal and installments of bonds issued	43,600	272,458
Discount differences and commissions of bonds issued	(1,595)	(1,159)
Total short-term portion of long-term borrowings	4,300,998	4,306,640
Total current financial borrowings	20,594,444	18,587,852
	31 March 2023	31 December 2022
Long term borrowings		
Long term portion of long-term borrowings	12,911,224	14,177,511
Bonds issued	13,431,460	13,112,400
Liabilities from leasing transactions	1,273,891	1,063,194
Discount differences and commissions of bonds issued	(26,439)	(28,721)
Total long-term borrowings	27,590,136	28,324,384
Total financial borrowings	48,184,580	46,912,236

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

	31 March 2023	31 December 2022
Repricing dates for loans		
Shorter than 3 months	7,101,714	2,833,869
3 – 12 months	7,413,870	11,242,738
1 – 5 years	10,352,799	11,626,284
5 years and more	116,385	205,041
	24,984,768	25,907,932

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 97.97 (31 December 2022: 97.02). Coupon interest payments of bond are paid every six months in equal installments.

Within the framework of the capital market legislation, the application made by our Company to the Capital Markets Board for the issuance of debt instruments a total amount up to 10,000,000 thousand TL for sale to domestic qualified investors and private placement without public offering was approved by the decision of the Board of Directors dated 08 September 2022 and numbered 49/1317.

It has been announced in PDP On 31 March 2023, Within the framework of the capital market legislation, it has been decided by our Company to issue debt instruments up to TL 20,000,000 thousand in total, without public offering, to qualified investors through sales and private placement methods. General Directorate has been authorized to determine the conditions other than those specified in the decision regarding the debt instruments to be issued and making the necessary applications to the Capital Markets Board and Borsa İstanbul A.Ş. In this context, an application has been made to the Capital Markets Board for the issuance of 20,000,000 thousand Turkish lira debt instruments domestically by our Company.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

7. Borrowings (Continued)

Transactions as of the report date are as follows:

ISIN	Debt Instrument Type	Redemption Date	Simple Interest Rate	Nominal Value (thousand TL)
TRFSISE62310	Short Term Bond	13.06.2023	27.50	1,500,000
TRSSISE92310	Long Term Bond	26.09.2023	30.00	700,000
TRFSISE42312	Short Term Bond	4.04.2023(*)	25.00	1,300,000
TRFSISE42320	Short Term Bond	14.04.2023(*)	25.00	1,350,000
TRFSISE42338	Short Term Bond	26.04.2023(*)	26.00	1,000,000
TRFSISE92317	Short Term Bond	27.09.2023	28,00	760,000
TRFSISEK2316	Short Term Bond	27.11.2023	30,00	650,000
				7,260,000

(*) Relevant borrowings have been paid at maturity.

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 2023 are summarized as below:

Bank loans	Principal	Interest	Commission	Total
Beginning of the period - 1 January	25,688,094	307,649	(87,811)	25,907,932
Borrowed –accrued during the period	1,560,415	410,851	(23,501)	1,947,765
Currency translation differences	160,582	(39)	(35)	160,508
Foreign exchange (gain)/loss (*)	499,443	-	-	499,443
Payments-reversals during the period	(3,216,432)	(372,390)	57,942	(3,530,880)
As of 31 March 2023	24,692,102	346,071	(53,405)	24,984,768

Bonds issued	Principal	Interest	Discount on bond	Commission	Total
Beginning of the period - 1 January	18,962,401	625,705	(27,343)	(10,114)	19,550,649
Foreign exchange (gain)/loss (*)	319,060	-	-	-	319,060
Borrowed –accrued during the period	1,410,000	632,014	-	(3,702)	2,038,312
Payments-reversals during the period	-	(460,652)	2,582	5,243	(452,827)
As of 31 March 2023	20,691,461	797,067	(24,761)	(8,573)	21,455,194

Operational lease liabilities	Total
Beginning of the period - 1 January	1,453,655
Additions	188,443
Currency translation differences	28,768
Foreign exchange (gain)/loss	2,905
Revaluation differences (**)	217,835
Payments during the period	(146,988)
As of 31 March 2023	1,744,618

(*) Foreign exchange losses of TL 380,216 thousand on bank loans and TL 152,392 thousand arising from bonds, TL 532,608 thousand in total, are classified under consolidated other comprehensive income within the scope of net investment hedge accounting.

(**) The Group has remeasured the lease liability to reflect the changes arising from the index-related price increase in the lease payments, and the resulting effect is reflected in the financial statements as an adjustment to the right to use asset (Note 15). The interest effect has been reported by adding up the interest amount specified in the additions line during the period together with the new lease agreements.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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7. Borrowings (Continued)

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

Bank Loans	Principal	Interest	Commission	Total
Beginning of the period - 1 January	17,227,131	136,944	(12,221)	17,351,854
Subsidiary acquisition effect	43,370	-	-	43,370
Borrowed –accrued during the period	4,263,800	222,978	(6,798)	4,479,980
Currency translation differences	(1,129,139)	1,073	(125)	(1,128,191)
Foreign exchange (gain)/loss	412,038	-	-	412,038
Payments – reversals during the period	(1,236,954)	(204,800)	15,135	(1,426,619)
As of 31 March 2022	19,580,246	156,195	(4,009)	19,732,432

Bond issued	Principal	Interest	Discount on bond	Commission	Total
Beginning of the period - 1 January	9,347,101	194,575	(34,456)	(4,004)	9,503,216
Foreign exchange (gain)/loss	917,350	-	-	-	917,350
Borrowed –accrued during the period	-	197,643	-	-	197,643
Payments-reversals during the period	-	(358,636)	1,484	530	(356,622)
As of 31 March 2022	10,264,451	33,582	(32,972)	(3,474)	10,261,587

Operational lease liabilities	Total
Beginning of the period - 1 January	814,767
Additions during the period	54,014
Currency translation differences	65,167
Foreign exchange (gain)/loss	2,740
Revaluation differences (*)	76,355
Payments during the period	(73,552)
As of 31 March 2022	939,491

(*) The Group has remeasured the lease liability in a way to reflect the changes arising from the index-related price increase in the lease payments, and the resulting effect is reflected in the financial statements as an adjustment to the right to use asset (Note 15). The interest effect of this effect has been reported by adding up the interest amount specified in the additions line during the period together with the new lease contracts.

In the period of 1 January-31 March 2023, there is no interest expense capitalized on property, plant and equipment (1 January-31 March 2022: TRY 96 thousand interest expense was capitalized on tangible fixed assets).

Debts from lease transactions amounting to TL 1,744,618 thousand are paid in equal monthly installments. (31 December 2022: TL 1,453,655 thousand)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

7. Borrowings (Continued)

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

31 March 2023

Currency	Maturity	Interest range (%)	Short Term	Long Term	Total
Euro	2023-2026	Euribor+1.10-5.70	6,883,816	8,892,503	15,776,319
US Dollar	2023-2028	Libor+2.15-2.90	495,953	17,223,504	17,719,457
Turkish Lira	2023-2024	11.75-30.00	12,577,114	206,955	12,784,069
Russian Rubles	2023-2024	7.40-11.62	546,060	1,253,814	1,799,874
Egyptian Pound	2023	8.00-17.75	82,087	397	82,484
Indian Rupee	2023-2024	5.50	4,836	8,003	12,839
Chinese Yuan	2023-2024	4.00	2,288	2,797	5,085
Bulgarian Lev	2023-2024	8.00	1,383	1,670	3,053
Hungarian Forint	2023-2024	4.00	628	493	1,121
Romanian Leu	2023-2024	2.40	279	-	279
			20,594,444	27,590,136	48,184,580

31 December 2022

Currency	Maturity	Interest range (%)	Short Term	Long Term	Total
Euro	2023-2026	Euribor+1.10-5.70	6,264,429	9,854,077	16,118,506
US Dollar	2023-2028	Libor+2.15-3.98	771,212	16,938,861	17,710,073
Turkish Lira	2023-2024	11.75-33.00	10,863,795	163,438	11,027,233
Russian Rubles	2023-2024	7.40-11.62	581,978	1,355,475	1,937,453
Bulgarian Lev	2023-2024	4.00	853	1,790	2,643
Egyptian Pound	2023	8.00	97,221	613	97,834
Indian Rupi	2023-2024	5.50	4,908	6,291	11,199
Chinese Yuan	2023-2024	2.40	2,213	3,238	5,451
Romanian Leu	2023-2024	4.00	659	-	659
Hungarian Forint	2023-2024		584	601	1,185
			18,587,852	28,324,384	46,912,236

The redemption schedule of the financial liabilities is as follows:

	31 March 2023	31 December 2022
Within 1 year	20,594,444	18,587,852
Within 1-2 years	2,417,939	2,548,188
Within 2-3 years	18,483,421	1,342,729
Within 3-4 years	5,681,195	22,315,586
Within 4-5 years	346,419	1,383,957
More than 5 years	661,162	733,924
	48,184,580	46,912,236

The weighted average maturity of the financial liabilities is 783 days (31 December 2022: 827 days).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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8. Trade Receivables and Payables

Trade Receivables

	31 March 2023	31 December 2022
Current trade receivables		
Trade receivables	20,524,062	19,660,608
Other trade receivables	244,956	283,904
Notes receivables and cheques	178,004	181,113
Due from related parties (Note 28)	40,034	63,234
Unearned finance income (-)	(78,481)	(86,258)
Provision for doubtful receivables and expected credit loss (-)	(269,995)	(262,169)
	20,638,580	19,840,432

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

	31 March 2023	31 March 2022
Beginning of the period - 1 January	(262,169)	(172,216)
Current year charge	(31,121)	(72,534)
Currency translation differences	(3,579)	(3,971)
Collections	26,874	14,681
	(269,995)	(234,040)

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

	31 March 2023	31 March 2022
Beginning of the period - 1 January	-	(486)
Currency translation differences	-	(38)
Current year charge	-	(11)
	-	(535)

The Group has received the following collaterals for trade receivables:

	31 March 2023	31 December 2022
Credit Insurance	5,119,857	4,662,412
Letters of guarantees	2,254,513	2,343,045
Direct debit system	1,563,422	1,069,781
Mortgages	204,617	91,003
Cash	29,605	1,347
Confirmed Letter of Credit	21,841	13,336
Promissory notes and bills	116,234	84,044
	9,310,089	8,264,968

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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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 2023	31 December 2022
1- 30 days overdue	1,577,393	1,402,023
1-3 months overdue	694,257	321,996
3-12 months overdue	156,288	139,330
1- 5 years overdue	111,931	70,794
Total overdue receivables	2,539,869	1,934,143
The portion under guarantee with collaterals and similar guarantees (-)	(941,751)	(717,703)

Trade Payables

	31 March 2023	31 December 2022
Short term trade payables		
Trade payables	9,475,732	11,100,488
Due to related parties (Note 28)	320,493	216,363
Other trade payables	74,600	46,516
Deferred finance expense (-)	(29,468)	(32,300)
	9,841,357	11,331,067

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9. Derivative Instruments

The distribution of derivative instruments is as follows:

	31 March 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Short-term foreign exchange transactions	6,790	-	18,604	143,208
Long-term foreign exchange transactions	321,182	-	237,682	-
For Trading Purposes	327,972	-	256,286	143,208
Short-term swap contracts	27,449	748,691	895,663	148,379
Long-term swap contracts and options	948,640	12,633	947,948	9,495
Cash flow hedging	976,089	761,324	1,843,611	157,874
Short-term contracts	34,239	748,691	914,267	291,587
Long-term contracts and options	1,269,822	12,633	1,185,630	9,495
Total	1,304,061	761,324	2,099,897	301,082

The transactions related to derivative instruments are as follows:

	31 March 2023	31 March 2022
Beginning of the period - 1 January	1,798,815	1,002,937
Other comprehensive income that will be reclassified to profit or loss	(1,240,163)	295,479
- Cash flow hedging	(1,232,024)	287,404
- Currency translation differences	(8,139)	8,075
Valuation differences accounted in profit or loss	734,019	671,475
Realized cash (inflows)/outflows	(749,934)	(272,415)
Net asset/ (liability)	542,737	1,697,476

Derivative instruments are initially recorded at their acquisition cost, which reflects their fair value at the contract date, and are valued at their fair value in the following periods. The derivative instruments of the Group mainly consist of forward foreign currency purchase and sale contracts, foreign currency and interest rate swap transactions, and gas, coal, silver, tin and palladium transactions. In this period, only natural gas transactions are continuing among commodity transactions. Although these derivative instruments provide an effective protection against risks for the Group economically, if they do not meet the necessary conditions in terms of risk accounting, they are accounted for as trading derivatives in the consolidated financial statements and the fair value changes related to them are reflected in the profit or loss statement.

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10. Inventories

	31 March 2023	31 December 2022
Finished goods	12,389,693	10,357,003
Raw materials	7,253,132	6,595,927
Trade goods	1,358,970	1,179,723
Other inventories	718,653	641,835
Work in progress	702,990	620,792
Supplies	165,714	131,221
Goods in transit	142,539	212,551
Provision for inventory impairment (-)	(423,653)	(487,252)
	22,308,038	19,251,800

The movement of provision for inventory impairment is as follows:

	31 March 2023	31 March 2022
Beginning of the period - 1 January	(487,252)	(342,437)
Provisions during the period	(29,127)	(5,727)
Currency translation differences	(2,953)	(9,902)
Released provision	95,679	11,581
Subsidiary acquisition effect	-	(2,947)
	(423,653)	(349,432)

11. Prepaid Expenses and Deferred Income

Prepaid expenses

	31 March 2023	31 December 2022
Prepaid expenses in current assets		
Advances given for inventories	1,205,547	1,490,251
Prepaid expenses	612,925	394,740
	1,818,472	1,884,991

	31 March 2023	31 December 2022
Prepaid expenses in non-current assets		
Advances given for tangible and intangible assets	2,547,582	2,179,243
Prepaid expenses	140,785	153,399
	2,688,367	2,332,642

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

	31 March 2023	31 March 2022
Beginning of the period-1 January	2,179,243	521,434
Advances given during the period	1,029,997	518,758
Currency translation differences	60,832	(21,774)
Released	(722,490)	(422,230)
Subsidiary acquisition effect	-	2,578
	2,547,582	598,766

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11. Prepaid Expenses and Deferred Income (continued)

Deferred income

	31 March 2023	31 December 2022
Short term deferred income		
Advances received from customers	953,758	1,274,510
Other advances received	38,141	58,711
Deferred income	6,906	2,118
	998,805	1,335,339

	31 March 2023	31 December 2022
Long term deferred income		
Deferred income	255,588	266,427

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 2023	31 December 2022
Till 1 month	11,723	7,543
1-3 month	36,101	19,776
3-6 month	108,582	80,418
	156,406	107,737

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 2023	31 December 2022
Till 1 month	236,879	222,857

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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 2023	31 December 2022
Rudnik Krechnjaka Vijenac D.O.O.	143,234	137,528
	143,234	137,528

Associates

	31 March 2023	31 December 2022
Solvay Sisecam Holding AG	1,336,710	1,161,767
Saint Gobain Glass Egypt S.A.E.	517,842	592,070
	1,854,552	1,753,837
	1,997,786	1,891,365

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

Joint Ventures

	31 March 2023	31 March 2022
Rudnik Krechnjaka Vijenac D.O.O.	(556)	(1,478)
	(556)	(1,478)

Associates

	31 March 2023	31 March 2022
Solvay Sisecam Holding AG	121,027	29,864
Saint Gobain Glass Egypt S.A.E.	32,514	62,506
	153,541	92,370
	152,985	90,892

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

	31 March 2023	31 March 2022
Beginning of the period - 1 January	1,891,365	1,652,925
Currency translation differences (net)	(46,564)	53,131
Net income for the period from joint ventures and associates (net)	152,985	90,892
Revaluation increases of tangible assets	-	(906)
	1,997,786	1,796,042

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14. Property, Plant and Equipment

Cost	Land	Land improvements	Buildings	Machinery and equipments	Vehicles	Fixtures	Other fixed assets	Construction in progress	Total
Beginning of the period – 1 January	10,635,095	2,093,239	17,093,645	40,501,748	437,693	1,592,040	3,948,585	5,419,776	81,721,821
Currency translation differences	20,768	(7,377)	98,984	488,362	5,075	21,754	1,020	40,947	669,533
Additions	16,000	606	107,005	71,411	18,130	2,210	68,470	2,468,532	2,752,364
Disposals	-	(48)	(18,863)	(41,511)	(9,173)	(6,666)	(80,928)	(46,975)	(204,164)
Transfers from construction in progress	-	2,235	22,782	473,437	-	40,382	94,026	(792,805)	(159,943)
31 March 2023 closing balance	10,671,863	2,088,655	17,303,553	41,493,447	451,725	1,649,720	4,031,173	7,089,475	84,779,611
Accumulated depreciation and impairment									
Beginning of the period – 1 January	-	(907,712)	(377,799)	(22,717,874)	(292,204)	(939,381)	(1,906,348)	(14,848)	(27,156,166)
Currency translation differences	-	12,274	(8,790)	(267,450)	(6,516)	(12,441)	16,827	-	(266,096)
Charge for the period (*)	-	(39,864)	(211,180)	(785,863)	(9,306)	(29,170)	(102,029)	(353)	(1,177,765)
Disposals	-	48	-	31,529	8,441	444	52,559	-	93,021
31 March 2023 closing balance	-	(935,254)	(597,769)	(23,739,658)	(299,585)	(980,548)	(1,938,991)	(15,201)	(28,507,006)
Net Book Value as of March 31, 2023	10,671,863	1,153,401	16,705,784	17,753,789	152,140	669,172	2,092,182	7,074,274	56,272,605
Net Book Value as of December 31, 2022	10,635,095	1,185,527	16,715,846	17,783,874	145,489	652,659	2,042,237	5,404,928	54,565,655

(*) The allocation of period depreciation expense is given in Note 21 and Note 22.

The Group has no mortgage over lands and buildings due to bank borrowings, (January 1– December 31, 2022: None).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

14. Property, Plant and Equipment (Continued)

Cost	Land	Land improvements	Buildings	Machinery and equipments	Vehicles	Fixtures	Other fixed assets	Construction in progress	Total
Beginning of the period – 1 January	3,783,910	1,333,627	10,226,590	30,395,064	264,017	1,210,038	2,792,895	2,357,958	52,364,099
Classifications (*)	-	-	-	(12)	-	-	12	-	-
Currency translation differences	49,889	39,738	438,699	1,368,994	12,808	41,140	111,158	45,235	2,107,661
Additions	2,607	5,360	86,204	132,276	791	3,519	28,956	908,466	1,168,179
Disposals	(39)	(533)	-	(230,661)	(192)	(27,689)	(14,923)	(47,232)	(321,269)
Transfers from construction in progress	-	39,277	9,115	325,708	346	16,420	70,168	(461,224)	(190)
Revaluation increase	-	-	-	-	-	-	-	30,127	30,127
Subsidiary acquisition effect	29,117	1,163	74,602	86,836	-	44,544	-	2,233	238,495
31 March 2022 closing balance	3,865,484	1,418,632	10,835,210	32,078,205	277,770	1,287,972	2,988,266	2,835,563	55,587,102
Accumulated depreciation and impairment									
Beginning of the period – 1 January	-	(647,386)	(73,185)	(16,203,082)	(211,007)	(781,901)	(1,314,884)	-	(19,231,445)
Classifications (*)	-	-	-	-	41	65	(409)	-	(303)
Currency translation differences	-	(8,257)	(16,821)	(628,529)	(11,842)	(28,273)	(24,401)	-	(718,123)
Charge for the period (**)	-	(21,351)	(121,181)	(626,331)	(4,287)	(23,615)	(73,206)	-	(869,971)
Disposals	-	520	-	223,671	192	27,166	7,152	-	258,701
31 March 2022 closing balance	-	(676,474)	(211,187)	(17,234,271)	(226,903)	(806,558)	(1,405,748)	-	(20,561,141)
Net Book Value as of 31 March 2022	3,865,484	742,158	10,624,023	14,843,934	50,867	481,414	1,582,518	2,835,563	35,025,961
Net Book Value as of 31 December 2021	3,783,910	686,241	10,153,405	14,191,982	53,010	428,137	1,478,011	2,357,958	33,132,654

(*) The Group has reassessed its tangible assets and has made related account classifications and netting including the assets which have been fully amortized. Amounts integrated with intangible assets are separated. Such changes do not have any effect on profit / (loss).

(**) The allocation of period depreciation expense is given in Note 21 and Note 22.

The Group has no mortgage over lands and buildings due to bank borrowings (January 1 - December 31, 2021: None).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

15. Right-of-Use Assets

Cost	Land	Building	Machinery and equipments	Vehicles	Fixtures	Total
Beginning of the period – 1 January	22,598	329,919	797,505	259,238	-	1,409,260
Reclassifications	(53)	58,426	43,283	13,548	-	115,204
Currency translation differences	503	3,897	17,617	1,477	-	23,494
Additions	-	52,612	199,209	980	-	252,801
Disposals (*)	(54)	(37,680)	(50,778)	(2,696)	-	(91,208)
31 Mart 2023 closing balance	22,994	407,174	1,006,836	272,547	-	1,709,551
Accumulated Amortization						
Beginning of the period – 1 January	(1,320)	(139,421)	(219,481)	(52,397)	-	(412,619)
Reclassifications (*)	45	17,846	(9,898)	(9,547)	-	(1,554)
Currency translation differences	(8)	(1,116)	(3,530)	(684)	-	(5,338)
Charge for the period (**)	(89)	(24,984)	(58,742)	(22,443)	-	(106,258)
Disposals	22	19,427	50,631	1,774	-	71,854
31 Mart 2023 closing balance	(1,350)	(128,248)	(241,020)	(83,297)	-	(453,915)
Net Book Value as of 31 Mart 2023	21,644	278,926	765,816	189,250	-	1,255,636
Net Book Value as of 31 December 2022	21,278	190,498	578,024	206,841	-	996,641

(*) Disposals occurred due to the fact that termination of the lease transactions prior to the expected maturity.

(**) The allocation of period amortization expense is given in Note 21 and Note 22.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

15. Right-of-Use Assets (Continued)

Cost	Land	Building	Machinery and equipments	Vehicles	Fixtures	Total
Beginning of the period – 1 January	15,511	232,367	382,332	36,344	-	666,554
Reclassifications (*)	529	40,752	(18,180)	7,645	-	30,746
Currency translation differences	1,532	4,788	30,182	1,036	-	37,538
Additions	-	-	44,450	1,627	-	46,077
Disposals (**)	-	(4,468)	(8,625)	(2,230)	-	(15,323)
31 March 2022 closing balance	17,572	273,439	430,159	44,422	-	765,592
Accumulated Amortization						
Beginning of the period – 1 January	(154)	(105,128)	(78,356)	(16,830)	-	(200,468)
Reclassifications (*)	(538)	7,391	31,050	(6,729)	-	31,174
Currency translation differences	(56)	(2,092)	(2,807)	236	-	(4,719)
Charge for the period (***)	(83)	(17,956)	(42,518)	(5,018)	-	(65,575)
Disposals	-	4,466	8,625	2,214	-	15,305
31 March 2022 closing balance	(831)	(113,319)	(84,006)	(26,127)	-	(224,283)
Net Book Value as of 31 March 2022	16,741	160,120	346,153	18,295	-	541,309
Net Book Value as of 31 December 2021	15,357	127,239	303,976	19,514	-	466,086

(*) The Group has made related account classifications and netting with respect to the assets without the right of use since the lease agreements are expired, such changes do not have any effect on profit / (loss).

(**) The disposals occurred due to the termination of lease transactions before the expected maturity.

(***) The allocation of period amortization expense is given in Note 21 and Note 22.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

16. Intangible Assets

Cost	Rights	Mine assets	Mining Rights	Capitalized Development Cost	Other	Total
Beginning of the period -1 January	911,549	159,202	20,274,436	349,457	766,447	22,461,091
Currency translation differences	15,975	-	493,245	-	27,074	536,294
Transfers from construction in progress	1,309	-	-	155,699	2,935	159,943
Additions	103	-	-	-	51,420	51,523
Disposals	(238)	-	-	-	-	(238)
31 March 2023 closing amount	928,698	159,202	20,767,681	505,156	847,876	23,208,613
Accumulated amortization						
Beginning of the period -1 January	(678,944)	(30,028)	(377,168)	(224,232)	(220,138)	(1,530,510)
Currency translation differences	(15,587)	-	(6,078)	-	(7,977)	(29,642)
Period expenses (*)	(22,382)	(271)	(88,618)	(14,943)	(15,082)	(141,296)
Disposals	238	-	-	-	-	238
31 March 2023 closing amount	(716,675)	(30,299)	(471,864)	(239,175)	(243,197)	(1,701,210)
Net Book Value as of 31 March 2023	212,023	128,903	20,295,817	265,981	604,679	21,507,403
Net Book Value as of 31 December 2022	232,605	129,174	19,897,268	125,225	546,309	20,930,581

Cost	Rights	Mine assets	Mining Rights	Capitalized Development Cost	Other	Total
Beginning of the period -1 January	731,900	159,202	14,452,542	295,428	307,890	15,946,962
Subsidiary acquisition effect	-	-	-	-	149,431	149,431
Currency translation differences	21,333	-	1,418,363	-	51,382	1,491,078
Transfers from construction in progress	136	-	-	-	46	182
Additions	53,086	-	-	1,651	9,562	64,299
Disposals	(844)	-	-	-	(530)	(1,374)
31 March 2022 closing amount	805,611	159,202	15,870,905	297,079	517,781	17,650,578
Accumulated amortization						
Beginning of the period -1 January	(486,654)	(27,205)	-	(173,756)	(122,811)	(810,426)
Classification	-	-	-	-	303	303
Currency translation differences	(20,672)	-	(3,169)	-	(12,000)	(35,841)
Period expenses (*)	(24,824)	-	(68,770)	(10,724)	(12,173)	(116,491)
Disposals	303	-	-	-	530	833
31 March 2022 closing amount	(531,847)	(27,205)	(71,939)	(184,480)	(146,151)	(961,622)
Net Book Value as of 31 March 2022	273,764	131,997	15,798,966	112,599	371,630	16,688,956
Net Book Value as of 31 December 2021	245,246	131,999	14,452,542	121,672	185,077	15,136,536

(*) Allocation of amortisation expense is disclosed in Note 21 and Note 22.

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17. Goodwill

The movement of goodwill balance is as follows:

	31 March 2023	31 March 2022
Beginning of the period -1 January	812,391	639,201
Currency translation differences	26,572	47,697
	838,963	686,898

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

	31 March 2023	31 December 2022
Sisecam Flat Glass India Private Limited	627,567	608,440
Sisecam Automotive Romania SA	107,901	103,229
Cromital S.p.A.	49,111	46,967
Sisecam Automotive Germany GmbH	30,329	29,005
Oxyvit Kimya Sanayii ve Ticaret A.Ş.	10,862	10,862
OOO Ruscam Glass Packaging Holding	13,193	13,888
	838,963	812,391

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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 2023, according to the opinions of independent legal and tax advisors, apart from the cases for which provision amounting to TRY 72,656 thousand (31 December 2022: TRY 87,523 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 2023 and 31 December 2022 are as follows:

The CPMs given by the Company	31 March 2023				
	TRY Equivalents	USD	EUR	RUB	TRY and TRY equivalent of other Currencies
A. CPM's given in the behalf of own company	831,610	288	846	-	808,417
B. CPM's given on behalf of the fully consolidated subsidiaries	25,446,282	96,923	911,189	5,525,000	3,178,936
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	26,277,892	97,211	912,035	5,525,000	3,987,353

Percentage of other CPM's given by the Company to the Company's equity is nil as of 31 March 2023.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

18. Provisions, Contingent Assets and Liabilities (Continued)

The CPMs given by the Company	31 December 2022				
	TRY Equivalents	USD	EUR	RUB	TRY and TRY equivalent of other Currencies
A. CPM's given in the behalf of own company	653,626	7,276	693	-	503,492
B. CPM's given on behalf of the fully consolidated subsidiaries	26,308,854	101,538	936,124	9,168,820	3,301,400
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	26,962,480	108,814	936,817	9,168,820	3,804,892

The percentage of other CPM's given by the Company to the Company's equity is nil as of 31 December 2022.

Short-term provisions

	31 March 2023	31 December 2022
Provisions of cost	830,719	778,063
Turnover premium provision	482,042	135,858
Litigation provisions	72,656	88,157
Provisions for employee benefits (Note 19)	155,608	104,952
Other short-term provisions	13,750	31,296
	1,554,775	1,138,326

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19. Employee benefits (continued)

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

	31 March 2023	31 December 2022
Domestic	1,906,661	2,191,778
Foreign	104,933	100,447
	2,011,594	2,292,225

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 Kurus).

All 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 2023	31 December 2022
The limit of registered capital	5,000,000	5,000,000
Approved paid-in capital	3,063,214	3,063,214

Shareholders	31 March 2023		31 December 2022	
	Amount TRY	Share (%)	Amount TRY	Share (%)
Türkiye İş Bankası A.Ş.	1,563,976	51.06	1,563,976	51.06
Efes Holding A.Ş.	186,594	6.09	185,094	6.04
Anadolu Hayat Emeklilik A.Ş.	1,411	0.05	1,411	0.05
Bought Back Shares	58,850	1.92	51,749	1.69
Other (*)	1,252,383	40.88	1,260,984	41.16
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

Within the scope of the buyback program, initiated based on the Board of Directors decision dated February 26, 2021, allowing the Company to buy back its shares up to 4.90% of the issued capital with a total fund of TRY 1,200,000,000, Şişecam has repurchased 8,545,076,900 shares with the nominal value of TRY 85,450,769. The funds used for share repurchases have reached 99% of the maximum amount allocated for this buyback program.

Pursuant to the Capital Markets Board's announcements dated 21.07.2016 and 25.07.2016, in addition to the buyback program in effect, on June 30, 2022 the Board of Directors has taken the following decisions for the purpose of repurchasing the Company's own shares from the stock market;

- To initiate a new buyback program, in addition to the existing program, for the repurchase of maximum 15,000,000,000 shares with the nominal value of TRY 150,000,000, corresponding to 4.90% of the Company's issued capital,
- To determine the maximum amount of funds to be allocated for the new share buyback program as TRY 3,000,000,000, and to finance respective share repurchases from the Company's internal resources,
- To submit the share buyback program to the shareholders' approval at the upcoming General Assembly Meeting.

Share buyback program was discussed and accepted at the Ordinary General Assembly meeting dated March 29, 2023.

Within the scope of the decision taken, the shares with a nominal value of 108,850 thousand, which corresponds to 3.55% of the company's capital, were bought back by paying a total amount of TRY 1,833,136 thousand, including the transaction costs, based on the transactions whose clearing was completed as of 31 March 2023 (31 December 2022: TRY 101,749 thousand)

50,000,000 of the repurchased shares were sold to foreign institutional investors with the block sale method on Borsa Istanbul, at a price of 36.96 TL as dated 29 November 2022.

c) Share Premium (Discounts)

It consists of the difference between the nominal price and the sales price of the shares publicly traded. As of 31 March 2023, TRY 36,307,685 thousand (31 December 2022: TRY 13,496,261 thousand).

Dividends Distribution

Dividends are distributed according to Communiqué Serial: II-19,1 on "Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law" principles on corporate articles and dividend distribution policy which is declared by Companies. In addition to the CMB, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements, that will be prepared and announced to the public in accordance with the Communiqué II-14,1 as long as sufficient reserve exist in the unconsolidated statutory books.

In publicly traded companies, dividends are distributed equally to all existing shares as of the date of distribution, regardless of their date of issue and acquisition.

At the Shareholders Ordinary General Assembly Meeting of the Company held on March 29, 2023, the gross dividend amounting to TL 2,100,000 thousand, corresponding to 68,55544% 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 2023.

As of March 31, 2023, the Company bought back shares with a nominal value of TL 58,850 thousand from the Borsa Istanbul Equity Market within the framework of the share buyback program. Therefore, 40,345 thousand Turkish liras of the 2,100,000 thousand Turkish lira profit distribution decided to be distributed remained within the company. As of 31 March 2023, a dividend payment of 2,059,655 thousand Turkish Liras will be made to the partners outside the Company at 31 May 2023. 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 2023	1 January- 31 March 2022
Revenue		
Revenue	29,868,028	17,669,214
Other income	7,491	13,650
Sales discounts	(1,310,631)	(626,375)
Sales returns	(75,369)	(27,549)
Other sales discounts	(124,749)	(54,551)
	28,364,770	16,974,389
Cost of Sales		
Direct materials	(7,820,797)	(4,549,140)
Direct labor	(5,807,855)	(3,663,927)
Production overheads	(1,383,912)	(781,375)
Amortization and depreciation	(1,200,036)	(905,771)
Change in work-in progress inventories	76,549	172,544
Change in finished goods inventories	2,032,690	1,189,622
Cost of goods sold	(14,103,361)	(8,538,047)
Cost of merchandise sold	(4,662,654)	(1,803,486)
Cost of services rendered (*)	(16,325)	(8,275)
Other costs	(6,497)	23,807
	(18,788,837)	(10,326,001)

(*) Depreciation and amortization expenses recognized in the cost of service rendered during the period between 1 January – 31 March 2023 is amounting to TRY 843 thousand (1 January – 31 March 2022: TRY 856 thousand).

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

	1 January- 31 March 2023	1 January- 31 March 2022
Net sales		
Turkey	11,877,800	5,871,326
Europe	7,192,302	5,200,288
Russia, Ukraine and Georgia	2,197,730	1,379,983
America	3,359,296	2,730,924
Other	3,737,642	1,791,868
	28,364,770	16,974,389

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

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22. General Administrative Expenses, Marketing Expenses, Research and Development Expenses and Expenses by Nature

	1 January- 31 March 2023	1 January- 31 March 2022
General administrative expenses	(1,618,960)	(866,442)
Marketing expenses	(3,594,446)	(2,352,577)
Research and development expenses	(79,878)	(59,710)
	(5,293,284)	(3,278,729)
	1 January- 31 March 2023	1 January- 31 March 2022
Indirect material costs	(52,602)	(36,936)
Salaries and wages expenses	(939,263)	(452,177)
Outsourced service	(2,936,899)	(1,382,678)
Other expenses	(1,140,080)	(1,261,528)
Amortization and depreciation expenses	(224,440)	(145,410)
	(5,293,284)	(3,278,729)

23. Other Operating Income and Expenses

	1 January- 31 March 2023	1 January- 31 March 2022
Other operating income		
Foreign currency exchange gains	643,049	1,011,715
Term difference interest income	82,081	64,053
Gain on sale of raw materials	94,886	60,500
Gain on sale of scraps	32,960	36,619
Insurance claim income	4,139	23,873
Government grants	193,891	21,450
Provisions no longer required	26,100	14,681
Discount interest income on operating activities	16,112	6,431
Commission income	778	1,165
Other operating incomes	295,848	163,541
	1,389,844	1,404,028
	1 January- 31 March 2023	1 January- 31 March 2022
Other operating expense		
Foreign currency exchange loss	(484,838)	(705,154)
Donations (*)	(224,596)	(943)
Provision expenses	(31,121)	(74,937)
Loss on sale of raw materials	(101,952)	(50,364)
Term difference interest expense	(58,708)	(21,233)
Loss on sale of scrap	(36,588)	(16,057)
Discount interest expense on operating activities	(12,235)	(6,217)
Government right – mining fund	(6,000)	-
Commission expense	(8,655)	(1,149)
Other operating expenses	(265,363)	(222,801)
	(1,230,056)	(1,098,855)

(*) Includes donations made to the relevant institutions regarding the earthquake disaster that occurred on February 6, 2023 and affected many of our eastern provinces.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

24. Income and Expense from Investing Activities

	1 January- 31 March 2023	1 January- 31 March 2022
Income from Investing Activities		
Valuation gain of held to maturity financial assets	96,450	549,411
Currency protected deposit interest and foreign exchange difference income	71,987	-
Gain on sale of property, plant and equipment	8,231	925
Bargain purchase gain	-	58,060
	176,668	608,396

	1 January- 31 March 2023	1 January- 31 March 2022
Expense from Investing Activities		
Loss on sale of property, plant and equipment	(4,542)	(5,144)
Valuation difference of held to maturity financial assets	-	(191,870)
	(4,542)	(197,014)

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

	1 January- 31 March 2023	1 January- 31 March 2022
Impairment loss/reversals		
Impairment/reversal of financial investment (net)	4,905	(13,038)
Impairment/reversal of cash and equivalents (net)	26,907	(7,372)
	31,812	(20,410)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

25. Financial Income and Expenses

	1 January- 31 March 2023	1 January- 31 March 2022
Financial Income		
Foreign exchange gain	980,157	2,077,197
- Cash and cash equivalents	402,934	1,426,680
- Bank Loans	71,216	33,859
- Bonds issued	227,815	232,638
- Derivative instruments	-	262,261
- Others	278,192	121,759
Interest Income	650,696	628,730
- Time deposits	403,823	106,239
- Derivative instruments	246,873	522,483
- Operating lease rent privilege incomes	-	8
	1,630,853	2,705,927

	1 January- 31 March 2023	1 January- 31 March 2022
Financial Expense		
Foreign exchange loss	(1,068,629)	(2,437,781)
- Cash and cash equivalents	(176,812)	(846,674)
- Bank Loans	(190,443)	(445,897)
- Bonds issued	(394,483)	(1,149,988)
- Derivative instruments	(134,822)	35,763
- Leasing expenses	(2,905)	(2,740)
- Others	(169,164)	(28,245)
Interest Expense	(1,200,840)	(784,121)
- Bank Loans	(410,851)	(222,882)
- Bonds issued	(632,014)	(197,643)
- Leasing expenses	(35,936)	(18,452)
- Derivative instruments	(85,078)	(328,167)
- Other	(36,961)	(16,977)
	(2,269,469)	(3,221,902)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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 2023	31 December 2022
Deferred tax assets	1,546,505	1,563,776
Deferred tax liabilities (-)	(849,979)	(833,524)
Deferred tax assets (net)	696,526	730,252
	31 March 2023	31 December 2022
Temporary differences		
Useful life and valuation differences on tangible and intangible assets	10,558,374	10,331,400
Valuation of investment property	6,618,610	6,618,610
Derivative financial valuation	696,526	839,155
Revaluation of inventory	(807,441)	(877,775)
Employment termination benefits	(1,965,870)	(2,065,209)
Carry forward tax losses	(4,593,859)	(4,495,703)
Corporate tax allowances	(6,862,728)	(6,701,000)
Other	(983,164)	(850,345)
	2,660,448	2,799,133
	31 March 2023	31 December 2022
Deferred tax assets/ (liabilities)		
Useful life and valuation differences on tangible and intangible assets	(1,574,848)	(1,470,694)
Valuation of investment property	(680,028)	(680,028)
Derivative instruments	(139,305)	(167,831)
Revaluation of inventory	148,358	166,465
Employment termination benefits	390,859	410,898
Carry forward tax losses	925,257	907,895
Corporate tax allowances	1,383,472	1,352,186
Other	242,761	211,361
	696,526	730,252

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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 2023	31 December 2022
Within one year	63,423	60,677
Within two years	33,988	32,527
Within three years	8,850	8,467
Within four years	132,423	1,553,572
Within five years	1,713,375	236,430
Within six years	102,798	98,348
Within seven years	269,229	104,473
Indefinite life	2,269,773	2,401,209
	4,593,859	4,495,703

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 2,955,194 thousand (31 December 2022: TRY 2,158,556 thousand).

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

	31 March 2023	31 March 2022
Beginning of the period -1 January	730,252	540,073
Currency translation differences	(255)	34,608
Recognized in equity	198,894	(67,250)
Recognized in statement of profit or loss	(232,365)	625,419
Subsidiary acquisition effect	-	(49,902)
	696,526	1,082,948

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

(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 20% as of 31 March 2023 (31 December 2022: 23%).

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

Country	31 March 2023	31 December 2022
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 (****)	15.0-25.8	15.0-25.0
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

(*) 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.

(****) 15.0% of tax rate for the profit up to EUR 200,000 and 25.8% 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 the deferred tax calculation for the period from January 1 to March 31, 2023; in the measurement heading of TMS-12 "Income Taxes" standard included "deferred tax assets" or debts effective at the end of the reporting period or assets are converted into income based on tax rates (and tax laws) that are nearly certain to come into force or is calculated using tax rates expected to be applied in the periods when debts are paid according to the verdict, the rate of 20% has been taken into account in the deferred tax calculation of the Company and its subsidiaries in Turkey.

There is no definitive and strict reconciliation procedure regarding tax assessment in Turkey. Companies prepare their tax returns between 1-25 April of the year following the accounting closing period of the relevant year (between 1-25th of the fourth month following the closing of the period for those with a special accounting period). These declarations and the accounting records that are the basis for this can be reviewed by the Tax Office within 5 years and the corporate tax that the company must pay can be changed.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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

Income Tax Withholding

	31 March 2023	31 December 2022
Corporate tax provision (*)	1.195.343	1.605.388
Prepaid taxes and funds (-)	(173.422)	(1.522.691)
Tax provision in the statement of the financial position	1.021.921	82.697

(*) Within the scope of the Law No. 7440 on the Restructuring of Certain Receivables and Amendments to Certain Laws published on 12 March 2023, the discount and exemption amounts benefited from the Corporate Tax Declaration of 2022 in accordance with the Corporate Tax Law and other laws, and the discounted institutions in accordance with Article 32/A of the Corporate Tax Law It has been reported that an additional tax of 10% will be charged over the tax base. An additional provision of TL 951,082 thousand calculated over the discount and exemption from corporate tax provisions reflected in the 31 December 2022 consolidated financial statements was reflected in the 31 March 2023 consolidated financial statements. Related amount may change due to the finalized with the corporate tax return The remaining amount includes the corporate tax provision calculated based on 2023 profit.

27. Earnings per share

	1 January- 31 March 2023	1 January- 31 March 2022
Earnings per share		
Average number of shares existing during the period (1/1000 value)	2,662,724	2,972,664
Net profit for the period attributable to equity holders of the parent	2,363,787	3,570,171
Earnings per share	0.8877	1.2010
Total comprehensive income attributable to equity holders of the parent	2,311,864	5,417,755
Earnings per share obtained from total comprehensive income	0.8682	1.8225

In the Group, there is no debt instruments that can be converted into shares. 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 2023

(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 2023, 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

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

Parent company

Company's name	Registered Country
Türkiye İş Bankası A.Ş.	Turkey

Parent company's subsidiaries, joint ventures and associates

Company's name	Registered Country
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

Joint Ventures

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

28. Related Party Disclosures (Continued)

<u>Company name</u>	<u>Registered Country</u>
Pacific Soda LLC	USA

Joint Activity

<u>Company's name</u>	<u>Registered Country</u>
Imperial Natural Resources Trona Mining Inc.	USA

Joint Ventures' shareholder

<u>Company's name</u>	<u>Registered Country</u>
Saint Gobain Glass Egypt S.A.E.	Egypt
Solvay Sisecam Holding AG	Austria

Partner of Joint Activity

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

Available for sale investment

<u>Company's name</u>	<u>Registered Country</u>
Bosen Enerji Elektrik üret. Oto Pro. Grb. A.Ş.	Turkey
7C Basalia Global AG	Switzerland

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

Deposit and loans regarding related parties:

	31 March 2023	31 December 2022
Deposits held on related parties		
Türkiye İş Bankası A.Ş.		
- Time Deposit	4,220,318	11,396,641
- Demand deposit	837,280	1,218,934
	5,057,598	12,615,575
İşbank AG		
- Time Deposit	8,526	8,158
- Demand deposits	16,480	43
	25,006	8,201
	5,082,604	12,623,776
	31 March 2023	31 December 2022
Provision for impairment of deposits held at related parties		
Türkiye İş Bankası A.Ş.	17,900	46,196
	31 March 2023	31 December 2022
Loans received from related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	3,126,000	3,126,000
	31 March 2023	31 December 2022
Fair value of derivative transactions with related parties		
Türkiye İş Bankası A.Ş.	-	7,398

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

28. Related Party Disclosures (Continued)

	31 March 2023	31 December 2022
Currency protected deposits with related parties		
Türkiye İş Bankası A.Ş.	1,129,524	1,500,000
Other current assets to related parties		
İş Portföy Yönetimi A.Ş.	1,832,107	4,350,443
Carrying value of financial investments measured at amortized cost:		
Financial investments measured at amortized cost – Gross value		
Türkiye İş Bankası A.Ş.	23,569	22,666
Impairment of financial investments measured at amortized cost		
Türkiye İş Bankası A.Ş.	990	990

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

Bond issuer	ISIN code	Coupon Interest Rate (%)	31 March 2023 Nominal Amount (thousand USD)	31 December 2022 Nominal Amount (thousand USD)
Türkiye İş Bankası A.Ş.	XS1578203462	6.125	1,200	1,200
Türkiye İş Bankası A.Ş.	XS1508390090	5.500	-	34,200
			1,200	35,400

Due from related parties:

	31 March 2023	31 December 2022
Trade receivables from related parties		
Saint Gobain Glass Egypt S.A.E.	16,433	10,087
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	8,152	12,692
İş Merkezleri Yönetim ve İşletim A.Ş.	6,799	19,900
Solvay Sisecam Holding AG	6,561	13,670
İş Portföy Yönetimi A.Ş.	1,394	-
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik Ve Yardımlaşma Vakfı	303	-
Türkiye İş Bankası A.Ş. ve İşbank AG	212	6,470
Fabrika Cementa Lukavac D.D. (FCL)	102	415
İş Yatırım Menkul Değerler A.Ş.	73	-
Anadolu Anonim Türk Sigorta A.Ş.	5	-
	40,034	63,234

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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28. Related Party Disclosures (Continued)

	31 March 2023	31 December 2022
Trade payables to related parties		
Solvay Sisecam Holding AG	283,188	184,873
Anadolu Anonim Türk Sigorta Şirketi	21,792	13,450
Saint Gobain Glass France S.A.	2,069	-
İş Merkezleri Yönetim ve İşletim A.Ş.	3,824	7,364
Rudnik Krecnjaka Vijenac D.O.O.	7,944	6,477
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	448	536
Türkiye İş Bankası A.Ş.	-	57
İş Portföy Yönetimi A.Ş.	-	27
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	46	67
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İlet. Hiz. A.Ş.	-	23
Saint Gobain Glass Egypt S.A.E.	-	2,674
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik Ve Yardımlaşma Vakfı	-	815
Softtech Yazılım Tekn A.Ş.	1,162	-
Kültür Yayınları İş-Türk Ltd. Şti.	20	-
	320,493	216,363

	31 March 2023	31 December 2022
Other payables to related parties		
The founder shares and Dividends to be paid to shareholders (*)	2,149,159	48,596
	2,149,159	48,596

(*) The Ordinary General Assembly of Shareholders for 2022 was held on March 29, 2023 and a decision was made to distribute a gross cash dividend of 2,100,000 thousand Turkish Liras. In line with the decision taken, the cash payment date has been determined as 31 May 2023.

Income and expenses from/ to related parties:

	1 January- 31 March 2023	1 January- 31 March 2022
Interest income from related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	204,509	74,168
	204,509	74,168

	1 January- 31 March 2023	1 January- 31 March 2022
Interest expenses to related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	42,162	31,993
Türkiye Sınai Kalkınma Bankası A.Ş.	-	1
	42,162	31,994

	1 January- 31 March 2023	1 January- 31 March 2022
Valuation gain of held to maturity financial assets		
Türkiye İş Bankası A.Ş.	903	54,790
	903	54,790

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

28. Related Party Disclosures (Continued)

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

	1 January- 31 March 2023	1 January- 31 March 2022
Other income from related parties		
Solvay Sisecam Holding AG	6,693	2,275
Rudnik Krencjaka Vijenac D.O.O.	563	248
Fabrika Cementa Lukavac D.D.	372	52
Türkiye İş Bankası A.Ş. ve İşbank AG	355	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	599
	7,983	3,174

	1 January- 31 March 2023	1 January- 31 March 2022
Other expenses to related parties		
Solvay Sisecam Holding AG ⁽¹⁾	372,579	200,684
Rudnik Krencjaka Vijenac D.O.O. ⁽²⁾	17,913	8,630
İş Merkezleri Yönetim ve İşletim A.Ş. ⁽³⁾	17,100	9,390
Anadolu Anonim Türk Sigorta Şirketi	5,814	1,420
Saint Gobain Glass France S.A.	4,716	-
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güv. ve Yard. Vakfı	2,335	1,227
Türkiye İş Bankası A.Ş. ve İşbank AG	1,827	140
İş Gayrimenkul Yatırım Ortaklığı A.Ş. ⁽⁴⁾	790	428
İş Yatırım Menkul Değerler A.Ş.	464	-
Anadolu Hayat Emeklilik Sigorta A.Ş.	378	2,810
İş Portföy Yönetimi A.Ş.	96	142
Kültür Yayınları İş-Türk Ltd. Şti.	20	-
İş Net Elektronik Bilgi Üretim Dağ. Tic. Ve İlet. Hiz. A.Ş.	7	-
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	-	13
Saint Gobain Glass Egypt S.A.E.	-	1,343
	424,039	226,227

(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 Şişecam Headquarters and İş Kuleleri.

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

	1 January- 31 March 2023	1 January- 31 March 2022
Benefits provided to key management		
Parent (Holding)	34,058	5,661
Consolidated entities	57,040	33,241
	91,098	38,902

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.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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 20, cash and cash equivalents disclosed in Note 5

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 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 2023, and 31 December 2022 the Group's net debt / total equity ratios are as follows:

	31 March 2023	31 December 2022
Financial liabilities and trade payables	58,025,937	58,243,303
Less: cash and cash equivalents and financial investments	(26,402,296)	(29,873,976)
Net debt	31,623,641	28,369,327
Total equity	95,040,944	95,127,767
Net debt / total equity ratio	33%	30%

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

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.

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

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29. Financial Instruments and Financial Risk Management (continued)

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

	Receivables				Cash and Cash equivalents & Derivatives	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 2023 (*) (A+B+C+D+E)	40,034	20,598,546	-	688,230	22,328,778	5,377,579
- The part of maximum risk under guarantee with collaterals etc.	-	(9,310,089)	-	-	-	-
- Net book value of financial assets that are neither overdue not impaired	40,034	18,058,677	-	688,230	22,328,778	5,377,579
- The part under guarantee with collaterals. etc.	-	(8,368,338)	-	-	-	-
A. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	-	-	-	-	-
- The part under guarantee with collaterals. etc.	-	-	-	-	-	-
B. Carrying value of financial assets that are overdue but not impaired	-	2,539,869	-	-	-	-
- The part under guarantee with collaterals. etc.	-	(941,751)	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part under guarantee with collaterals. etc.	-	-	-	-	-	-
- Not overdue (gross carrying amount)	-	-	-	1,428	19,683	41,375
- Impairment (-)	-	-	-	(1,428)	(19,683)	(41,375)
- The part under guarantee with collaterals. etc.	-	-	-	-	-	-
D. Off-balance sheet items with credit risk	-	-	-	-	-	-

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

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29. Financial Instruments and Financial Risk Management (continued)

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

	Receivables				Cash and Cash equivalents & Derivatives	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 December 2022 (*) (A+B+C+D+E)	63,234	19,777,198	-	553,386	25,244,811	6,729,062
– The part of maximum risk under guarantee with collaterals etc.	-	(8,264,968)	-	-	-	-
A. Net book value of financial assets that are neither overdue not impaired	63,234	17,843,055	-	553,386	25,244,811	6,729,062
– The part under guarantee with collaterals, etc.	-	(7,547,265)	-	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	-	-	-	-	-
– The part under guarantee with collaterals, etc.	-	-	-	-	-	-
C. Carrying value of financial assets that are overdue but not impaired	-	1,934,143	-	-	-	-
– The part under guarantee with collaterals, etc.	-	(717,703)	-	-	-	-
D. Net book value of impaired assets-	-	-	-	-	-	-
– Overdue (gross carrying amount)	-	-	-	-	-	-
– Impairment (-)	-	-	-	-	-	-
– The part under guarantee with collaterals, etc.	-	-	-	-	-	-
– Not overdue (gross carrying amount)	-	-	-	1,503	46,589	46,280
– Impairment (-)	-	-	-	(1,503)	(46,589)	(46,280)
– 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.

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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 2023	31 December 2022
Credit Insurance	5,119,857	4,662,412
Letters of guarantees	2,254,513	2,343,045
Direct debit system	1,563,422	1,069,781
Cash	29,605	1,347
Mortgages	204,617	91,003
Confirmed Letter of Credit	21,841	13,336
Promissory notes and bills	116,234	84,044
	9,310,089	8,264,968

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

	31 March 2023	31 December 2022
1-30 days overdue	1,577,393	1,402,023
1-3 months overdue	694,257	321,996
3-12 months overdue	156,288	139,330
1-5 years overdue	111,931	70,794
Total overdue receivables	2,539,869	1,934,143
Secured with collaterals (-)	(941,751)	(717,703)

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.

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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 2023						
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	24,984,768	29,352,995	4,613,858	10,489,412	14,062,024	187,701
Bonds issued	21,455,194	24,245,387	5,911,637	3,035,317	15,298,433	-
Lease liabilities	1,744,618	1,778,225	57,874	421,922	814,276	484,153
Trade payables	9,520,864	9,550,332	9,300,804	249,528	-	-
Due to related parties	2,469,652	2,469,652	2,469,652	-	-	-
Other payables	690,374	690,374	684,801	-	5,573	-
Total liabilities	60,865,470	68,086,965	17,126,989	20,107,816	30,180,306	671,854

31 December 2022						
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	1,304,061	6,165,484	4,657	492,696	5,668,131	-
Cash outflows	(761,324)	(5,922,298)	(283,998)	(792,868)	(4,845,432)	-
	542,737	243,186	(279,341)	(300,172)	822,699	-

31 December 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)
Bank loans	25,907,932	30,489,978	1,962,010	13,046,011	15,207,295	274,662
Bonds issued	19,550,649	24,381,682	8,535,346	455,656	15,390,680	-
Lease liabilities	1,453,655	1,532,186	47,521	364,034	634,971	485,660
Trade payables	11,114,704	11,147,004	11,055,621	91,383	-	-
Due to related parties	264,959	264,959	264,959	-	-	-
Other payables	610,496	610,496	605,382	-	5,114	-
Total liabilities	58,902,395	68,426,305	22,470,839	13,957,084	31,238,060	760,322

31 December 2022						
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	2,099,897	6,921,576	1,027,371	346,952	5,547,253	-
Cash outflows	(301,082)	(5,347,070)	(211,739)	(404,681)	(4,730,650)	-
	1,798,815	1,574,506	815,632	(57,729)	816,603	-

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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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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 2023</u>			
	TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1. Trade Receivables	4,018,948	102,355	90,606	169,856
2a. Monetary financial assets, (cash and banks included)	9,275,645	374,831	62,231	799,225
2b. Non-monetary financial assets	1,174,814	61,338	-	-
3. Other	535,412	13,507	13,268	134
4. Current assets (1+2+3)	15,004,819	552,031	166,105	969,215
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	854,696	44,624	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	1,370,792	7,292	54,203	101,272
8. Non-current assets (5+6+7)	2,225,488	51,916	54,203	101,272
9. Total Assets (4+8)	17,230,307	603,947	220,308	1,070,487
10. Trade payables	2,269,599	44,846	64,431	67,593
11. Financial liabilities	1,922,960	5,255	87,422	-
12a. Other monetary liabilities	362,608	11,594	5,647	22,818
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	4,555,167	61,695	157,500	90,411
14. Trade payables	-	-	-	-
15. Financial liabilities	22,321,439	732,235	398,023	-
16a. Other monetary liabilities	204	1	9	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	22,321,643	732,236	398,032	-
18. Total liabilities (13+17)	26,876,810	793,931	555,532	90,411
19. Net items of off balance sheet derivative asset/ (liability) position (19a - 19b)	17,221,587	700,000	182,986	-
19a. Total amount of assets hedged	22,115,748	700,000	417,774	-
19b. Total amount of liabilities hedged	4,894,161	-	234,788	-
20. Net foreign assets / (liability) position (9-18+19)	7,575,084	510,016	(152,238)	980,076
21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a)	(12,727,521)	(272,121)	(402,695)	878,670
22. Fair value of financial instruments used in foreign currency hedge	542,737	28,337	-	-
23. Export	5,195,832	115,269	140,115	184,083
24. Import	2,102,129	32,958	69,954	64,052

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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 Position as of 31 December 2022			
	TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1. Trade Receivables	4,916,645	116,011	129,741	161,052
2a. Monetary financial assets, (cash and banks included)	8,579,373	329,090	98,813	456,115
2b. Non-monetary financial assets	-	-	-	-
3. Other	325,424	3,995	11,864	14,212
4. Current assets (1+2+3)	13,821,442	449,096	240,418	631,379
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	823,579	44,021	23	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	885,572	8,661	34,524	35,401
8. Non-current assets (5+6+7)	1,709,151	52,682	34,547	35,401
9. Total Assets (4+8)	15,530,593	501,778	274,965	666,780
10. Trade payables	2,201,364	50,950	61,683	19,045
11. Financial liabilities	4,681,883	21,730	214,477	-
12a. Other monetary liabilities	360,788	11,732	5,488	32,005
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	7,244,035	84,412	281,648	51,050
14. Trade payables	-	-	-	-
15. Financial liabilities	22,177,786	732,235	425,697	-
16a. Other monetary liabilities	195	1	9	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	22,177,981	732,236	425,706	-
18. Total liabilities (13+17)	29,422,016	816,648	707,354	51,050
19. Net items of off balance sheet derivative asset/ (liability) position (19a - 19b)	9,541,100	590,000	(74,788)	-
19a. Total amount of assets hedged	14,221,581	590,000	160,000	-
19b. Total amount of liabilities hedged	4,680,481	-	234,788	-
20. Net foreign assets / (liability) position (9-18+19)	(4,350,323)	275,130	(507,177)	615,730
21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a)	(15,102,419)	(327,526)	(478,777)	566,117
22. Fair value of financial instruments used in foreign currency hedge	1,798,815	96,202	-	-
23. Export	18,344,288	607,504	460,906	254,731
24. Import	6,632,823	183,854	190,994	262,369

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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 2023			
	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	(521,201)	521,201	2,422,448	(2,422,448)
2- USD hedged from risks (-)	1,340,724	(1,340,724)	-	-
3- USD net effect (1+2)	819,523	(819,523)	2,422,448	(2,422,448)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	(839,419)	839,419	4,272,055	(4,272,055)
5- EUR hedged from risks (-)	381,435	(381,435)	-	-
6- EUR net effect (4+5)	(457,984)	457,984	4,272,055	(4,272,055)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	87,867	(87,867)	1,137,676	(1,137,676)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	87,867	(87,867)	1,137,676	(1,137,676)
Total (3+6+9)	449,406	(449,406)	7,832,179	(7,832,179)

(*) 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 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	(612,417)	612,417	2,335,412	(2,335,412)
2- USD hedged from risks (-)	1,103,200	(1,103,200)	-	-
3- USD net effect (1+2)	490,783	(490,783)	2,335,412	(2,335,412)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	(954,436)	954,436	4,002,014	(4,002,014)
5- EUR hedged from risks (-)	(149,090)	149,090	-	-
6- EUR net effect (4+5)	(1,103,526)	1,103,526	4,002,014	(4,002,014)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	56,612	(56,612)	1,166,437	(1,166,437)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	56,612	(56,612)	1,166,437	(1,166,437)
Total (3+6+9)	(556,131)	556,131	7,503,863	(7,503,863)

(*) 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 12,394 thousand as of 31 March 2023 (31 December 2022: TRY 49,053 thousand).

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

Categories of Financial Instruments

31 March 2023	Financial assets or liabilities measured with amortized cost method	Financial assets or liabilities fair value through other comprehensive income	Financial assets or liabilities fair value through profit or loss	Book Value
Financial assets	45,695,579	992,694	1,656,664	48,344,937
Cash and cash equivalents	22,328,778	-	-	22,328,778
Trade receivables	20,598,546	-	-	20,598,546
Due from related parties	40,034	-	-	40,034
Derivative financial assets	-	976,089	327,972	1,304,061
Financial investments	2,728,221	16,605	1,328,692	4,073,518
Financial liabilities	60,175,096	761,324	-	60,936,420
Financial liabilities	48,184,580	-	-	48,184,580
Trade payables	9,520,864	-	-	9,520,864
Due to related parties	2,469,652	-	-	2,469,652
Derivative financial liabilities	-	761,324	-	761,324
31 December 2022	Financial assets or liabilities measured with amortized cost method	Financial assets or liabilities fair value through other comprehensive income	Financial assets or liabilities fair value through profit or loss	Book Value
Financial assets	47,943,472	1,860,216	2,010,617	51,814,305
Cash and cash equivalents	25,244,811	-	-	25,244,811
Trade receivables	19,777,198	-	-	19,777,198
Due from related parties	63,234	-	-	63,234
Derivative financial assets	-	1,843,611	256,286	2,099,897
Financial investments	2,858,229	16,605	1,754,331	4,629,165
Financial liabilities	58,291,899	157,874	143,208	58,592,981
Financial liabilities	46,912,236	-	-	46,912,236
Trade payables	11,114,704	-	-	11,114,704
Due to related parties	264,959	-	-	264,959
Derivative financial liabilities	-	157,874	143,208	301,082

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

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

Fair Value of Financial Instruments

Financial assets	31 March 2023			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	16,605	-	-	16,605
Derivative financial assets	1,304,061	-	1,304,061	-
Total	1,320,666	-	1,304,061	16,605

Financial assets	31 December 2022			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	16,605	-	-	16,605
Derivative financial assets	2,099,897	-	2,099,897	-
Total	2,116,502	-	2,099,897	16,605

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

- The 2022 Shareholders Ordinary General Assembly meeting resolutions held by the Company on March 29, 2023 were registered on April 19, 2023 and published in the Turkish Trade Registry Gazette numbered 10818 on April 25, 2023.
- It has been announced in PDP On 4 April 2023, Within the issuance ceiling of 10.000.000.000-TL dated 08.09.2022, The bond with a nominal value of TL 270,000,000 with a maturity of 183 days, which was offered for sale to qualified investors without being offered to the public via İş Yatırım Menkul Değerler A.Ş., was realized with a maturity start date of 4 April 2023 and maturity date 4 October 2023.
- It has been announced in PDP On 4 April 2023, The redemption payment of the Bill with the ISIN code TRFSISE42312 and a nominal amount of TRY 1.300.000.000 with a maturity date of 04.04.2023 has been made.
- It has been announced in PDP On 19 April 2023, Within the scope of ongoing Collective Bargaining Agreement negotiations between our Company and Petrol-İş Union, of which Soda, Kojen, Chromium factories' and Salt facility's employees are members, in accordance with the legal procedure, a strike decision has been taken on 19 April 2023 by Petrol-İş Union. The strike will start on 12 May 2023 if the parties cannot reach an agreement. The collective bargaining negotiations are still ongoing.
- It has been announced in PDP On 19 April 2023, In our Board of Directors' meeting held on April 19, 2023, in accordance with the terms of the share sale and purchase agreement between our Company and the European Bank for Reconstruction and Development ('EBRD') on June 28, 2016 with respect to the shares of our subsidiary Şişecam Çevre Sistemleri A.Ş., it has been decided to acquire 10% of the shares of Şişecam Çevre Sistemleri A.Ş., thus consummate the option agreement and become the sole shareholder of Şişecam Çevre Sistemleri A.Ş.. The relevant information will be shared once the required procedure with respect to the disclosed process is finalized.
- It has been announced in PDP On 26 April 2023, Within the issuance ceiling of 10.000.000.000-TL dated 08.09.2022, The bond with a nominal value of TL 450,000,000 with a maturity of 182 days, which was offered for sale to qualified investors without being offered to the public via İş Yatırım Menkul Değerler A.Ş., was realized with a maturity start date of 26 April 2023 and maturity date 25 October 2023.
- It has been announced in PDP On 26 April 2023, The redemption payment of the Bill with the ISIN code TRFSISE42338 and a nominal amount of TRY 1.000.000.000 with a maturity date of 26.04.2023 has been made.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 MARCH 2023

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

32. Other Issues that Significantly Affect the Financial Statements or Other Issues, Required for the Clear Understanding of Financial Statements

Approval of Financial Statements

The condensed consolidated statements of financial position, profit or loss, comprehensive income, cash flow and changes in equity (Financial Statements) for the period ended 31 March 2023 of the Group which have been prepared in compliance with format that has been determined by Capital Market Board ("CMB") and Public Oversight Authority ("POA") in accordance with the Communiqué on Principles Regarding Financial Reporting in Capital Markets Turkish Accounting Standards / Turkish Financial Reporting Standards (TAS / TFRS) by CMB by taking into consideration the opinion of the Audit Committee, and it is decided on Board of Directors meeting held on 28 April 2023 that the consolidated financial statements have been fairly presented, the result of operations are accurately presented, the accounting principles applied by the Company are accurate and in compliance with the regulations of the Capital Markets Board by approving of financial statements on electronic platform for public announcement and by making required notifications in the scope of CMB regulations.