

**(Convenience translation of the auditor's report and consolidated financial statements
originally issued in Turkish)**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Türkiye Şişe ve Cam Fabrikaları Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Türkiye Şişe ve Cam Fabrikaları Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) and adopted within the framework of Capital Markets Board (CMB) regulations. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (Code of Ethics) as issued by the POA and other ethical principles included in CMB legislation, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



EY

**Building a better
working world**

(Convenience translation of the auditor's report and consolidated financial statements originally issued in Turkish)

Key audit matter	How our audit addressed the key audit matter
Recognition of property, plant and equipment by revaluation method	
<p>The Group has continued to reflect land and buildings at their revaluated amounts in the consolidated financial statements as of December 31, 2023, based on valuation reports prepared by independent appraiser in September 2023. Since the valuation models and transactions are complex and include significant judgements and estimations, we have considered this as the key audit matter.</p> <p>The detailed explanations of tangible assets are presented in Note 2 and Note 18.</p>	<p>We have evaluated the capabilities, expertise and objectivity of the independent appraisal firm appointed by the management. In our audit, we have evaluated the appropriateness of the valuation methods used by independent valuation appraiser in the valuation of land and buildings for the fair value determination.</p> <p>Real estate valuation experts of EY Network are included in the audit team to evaluate the appropriateness of assumptions compared to market information used by independent valuation appraiser. Through the review and studies that are conducted by real estate valuation experts , we have assessed if assumptions, estimations and valuation methods used are reasonable or not.</p> <p>The average value per square meter used by valuation appraiser is compared to market information and its sensitivity on fair value assessed on a sample basis. Besides, valuation method used by the valuation appraiser firm, the information and estimations used by the valuation appraiser firm are evaluated for their reasonability.</p> <p>In addition, with respect to such accounting treatment, the compliance of the information in the consolidated financial statements and explanatory disclosures in accordance with TAS 16 have been assessed.</p>



EY

**Building a better
working world**

(Convenience translation of the auditor's report and consolidated financial statements originally issued in Turkish)

Key audit matter	How our audit addressed the key audit matter
<p>Application of the hyperinflationary accounting</p> <p>As stated in Note 2 to the consolidated financial statements, the Group has started to apply "TAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2023.</p> <p>In accordance with TAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in TAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2.</p> <p>Given the significant impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.</p>	<p>Our audit procedures included the following;</p> <p>We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed,</p> <p>We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations,</p> <p>We have audited the restatements of corresponding figures as required by TAS 29,</p> <p>We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.</p>



EY

**Building a better
working world**

(Convenience translation of the auditor's report and consolidated financial statements originally issued in Turkish)

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**Building a better
working world**

(Convenience translation of the auditor's report and consolidated financial statements originally issued in Turkish)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Building a better
working world**

(Convenience translation of the auditor's report and consolidated financial statements originally issued in Turkish)

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on March 4, 2023.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Zeynep Okuyan Özdemir.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM
Partner

March 4, 2024
İstanbul, Türkiye

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

**CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY – 31 DECEMBER 2023**

**(CONVENIENCE TRANSLATION INTO
ENGLISH OF ORIGINALLY ISSUED IN TURKISH)**

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

CONTENTS

	<u>PAGE</u>
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	1-2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....	3
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME.....	4
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	5
CONSOLIDATED STATEMENT OF CASH FLOWS.....	6-7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	8-124

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

ASSETS	Notes	31 December 2023	31 December 2022
Current Assets			
Cash and cash equivalents	6	37,759,886	41,596,612
Financial investments	7	7,093,086	6,307,414
Trade receivables	10,37	27,470,442	32,691,659
– Due from related parties	37	167,868	104,193
– Other trade receivables	10	27,302,574	32,587,466
Other receivables	11	1,011,804	744,278
Contract assets	15	211,219	177,521
Derivative financial assets	12	660,153	1,506,464
Inventories	13	32,909,644	34,410,893
Prepayments	14	2,350,450	3,125,797
Current tax assets	35	267,663	93,881
Other current assets	27	3,123,719	3,343,785
Total current assets		112,858,066	123,998,304
Non-current assets			
Financial investments	7	1,018,861	1,324,696
Trade receivables	10	35	-
Other receivables	11	25,963	167,553
Derivative financial assets	12	1,262,280	1,953,598
Investments accounted for using the equity method	16	3,854,061	3,116,458
Investment properties	17	10,954,476	9,149,114
Property, plant, and equipment	18	116,640,800	104,777,102
Right of use assets	19	2,559,797	1,865,781
Intangible assets	20,21	35,365,679	36,895,781
– Goodwill	21	1,274,353	1,338,600
– Other intangible assets	20	34,091,326	35,557,181
Prepayments	14	5,138,445	4,304,641
Deferred tax assets	35	1,499,230	1,427,845
Other non-current assets	27	34,150	4,373
Total non-current assets		178,353,777	164,986,942
TOTAL ASSETS		291,211,843	288,985,246

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

LIABILITIES	Notes	31 December 2023	31 December 2022
Current Liabilities			
Short term borrowings	8	28,984,365	23,531,570
Short term portion of long-term borrowings	8	10,272,453	7,096,176
Trade payables	10,37	16,922,253	18,671,299
– <i>Due to related parties</i>	37	540,898	357,282
– <i>Due to third parties</i>	10	16,381,355	18,314,017
Liabilities for employee benefits	25	981,991	911,453
Other payables	11,37	1,321,337	1,077,579
– <i>Due to related parties</i>	37	53,045	80,073
– <i>Due to third parties</i>	11	1,268,292	997,506
Contract liabilities	15	290,101	367,208
Derivative instruments	12	1,144,385	480,456
Deferred income	14	2,013,030	2,276,076
Current income tax liabilities	35	380,422	136,263
Short term provisions	23,25	1,803,467	1,875,652
Other current liabilities	27	2,608,069	2,185,748
Total current liabilities		66,721,873	58,609,480
Non-current liabilities			
Long term borrowings	8	46,018,555	46,670,914
Other payables	11	98,880	8,426
Derivative instruments	12	114,267	15,645
Deferred income	14	346,201	439,000
Long term provisions	25	5,298,655	6,114,248
Deferred tax liabilities	35	5,295,596	3,439,572
Other non-current liabilities	27	191,178	237,593
Total non-current liabilities		57,363,332	56,925,398
Total liabilities		124,085,205	115,534,878
EQUITY			
Equity holders of the parent			
Paid capital		3,063,214	3,063,214
Adjustment to share capital		26,779,430	26,779,430
Treasury shares		(120,352)	(126,797)
Share premiums (discount)		893,921	893,921
Accumulated other comprehensive income/expense not to be reclassified to profit or loss		17,108,659	13,770,311
– <i>Gains/(losses) on revaluation and remeasurement</i>		17,108,659	13,770,311
– <i>Revaluation gain/(loss) on tangible assets</i>		16,862,755	13,686,098
– <i>Gain/(loss) arising from defined benefit plans</i>		245,904	84,213
Accumulated other comprehensive income/expense to be reclassified to profit or loss		(18,293,939)	(1,274,679)
– <i>Currency translation differences</i>		(6,831,669)	(1,485,333)
– <i>Hedge reserves</i>		(11,462,270)	210,654
– <i>Gains (Losses) on Cash Flow Hedges</i>		(941,590)	210,654
– <i>Gains (Losses) on Hedges of Net Investment in Foreign Operations</i>		(10,520,680)	-
Restricted reserves		8,517,026	8,517,026
Retained earnings		87,285,795	68,435,922
Net profit or loss for the period		17,121,367	22,738,790
Non-controlling interests	4, 28	24,771,517	30,653,230
Total equity		167,126,638	173,450,368
TOTAL LIABILITIES AND EQUITY		291,211,843	288,985,246

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

	Notes	1 January- 31 December 2023	1 January- 31 December 2022
Revenues	29	151,994,022	170,655,164
Cost of Sales	29	(110,055,800)	(116,072,653)
Gross profit/ (loss) from trading activity		41,938,222	54,582,511
General administrative expenses	30,31	(9,892,248)	(8,640,212)
Marketing expenses	30,31	(21,110,880)	(23,429,238)
Research and development expenses	30,31	(479,304)	(566,507)
Other operating income	32	15,980,119	10,111,309
Other operating expenses	32	(11,808,980)	(7,734,154)
Share of profit (loss) from investments accounted for using equity method	16	1,091,500	581,250
Operating profit/ (loss)		15,718,429	24,904,959
Income from investing activities	33	6,773,344	9,685,824
Expense from investing activities	33	(1,303,627)	(2,116,034)
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	33	10,623	(111,230)
Profit (Loss) before financing income (expense)		21,198,769	32,363,519
Financial income	34	18,257,753	17,923,899
Financial expenses	34	(19,898,368)	(23,399,822)
Gains (losses) on net monetary position		4,031,790	(1,182,415)
Profit (Loss) from continuing operations, before tax		23,589,944	25,705,181
Tax (expense) income, continuing operations		(4,611,969)	(1,672,048)
– Current period tax (expense) / income	35	(2,198,117)	(2,269,383)
– Deferred tax (expense) income	35	(2,413,852)	597,335
Profit (Loss)		18,977,975	24,033,133
Attributable to:			
– Non-controlling interest	28	1,856,608	1,294,343
– Equity holders of the parent	28	17,121,367	22,738,790
Earnings per share	36	5.8457	7.7704

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

		1 January- 31 December 2023	1 January- 31 December 2022
Profit / (loss) for the Period	Notes 28	18,977,975	24,033,133
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss	28	3,377,213	8,355,113
Gains (Losses) on revaluation of property, plant, and equipment		4,928,173	9,460,719
Gain / (loss) arising from defined benefit plans		254,557	192,037
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		9,502	6,006
Taxes on items that will not be reclassified to profit or loss		(1,815,019)	(1,303,649)
Items that will be reclassified to profit or loss	28	(20,569,464)	(13,150,098)
Currency translation differences		(7,607,338)	(14,673,412)
Other Comprehensive Income (Loss) Related with Cash Flow Hedges		(2,717,543)	1,625,650
Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations		(14,027,573)	-
Taxes on items that will be reclassified to profit or loss		3,782,990	(102,336)
Other comprehensive income/ (loss)		(17,192,251)	(4,794,985)
Total Comprehensive Income/ (Loss)		1,785,724	19,238,148
Attributable to:			
- Non-controlling interest	4	(1,662,032)	(2,933,718)
- Equity holders of parent		3,447,756	22,171,866
Earnings per share	36	1.1772	7.5766

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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	Retained Earnings	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
Balance at 1 January 2022	3,063,214	26,779,430	(124,807)	893,921	5,530,392	7,533,317	8,517,026	70,348,382	-	122,540,875	35,571,703	158,112,578
Total comprehensive income / (loss)	-	-	-	-	8,239,919	(8,807,996)	-	1,153	22,738,790	22,171,866	(2,933,718)	19,238,148
Dividends paid	-	-	-	-	-	-	-	(2,681,989)	-	(2,681,989)	(1,984,755)	(4,666,744)
Increase (decrease) through treasury share transactions	-	-	(1,990)	-	-	-	-	768,376	-	766,386	-	766,386
Balance at 31 December 2022	3,063,214	26,779,430	(126,797)	893,921	13,770,311	(1,274,679)	8,517,026	68,435,922	22,738,790	142,797,138	30,653,230	173,450,368

	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	Retained Earnings	Net Profit or loss	Attributable to Equity holders of the parent	Non Controlling Interests	Equity
Balance at 1 January 2023	3,063,214	26,779,430	(126,797)	893,921	13,770,311	(1,274,679)	8,517,026	68,435,922	22,738,790	142,797,138	30,653,230	173,450,368
Transfer	-	-	-	-	-	-	-	22,738,790	(22,738,790)	-	-	-
Total comprehensive income / (loss)	-	-	-	-	3,337,578	(17,011,189)	-	-	17,121,367	3,447,756	(1,662,032)	1,785,724
Dividends paid	-	-	-	-	-	-	-	(3,069,128)	-	(3,069,128)	(2,102,674)	(5,171,802)
Increase (decrease) through treasury share transactions	-	-	6,445	-	-	-	-	(180,853)	-	(174,408)	-	(174,408)
Transaction with non-controlling shareholders	-	-	-	-	770	(8,071)	-	(638,936)	-	(646,237)	(2,117,007)	(2,763,244)
Balance at 31 December 2023	3,063,214	26,779,430	(120,352)	893,921	17,108,659	(18,293,939)	8,517,026	87,285,795	17,121,367	142,355,121	24,771,517	167,126,638

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

	Notes	1 January- 31 December 2023	1 January- 31 December 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		37,758,301	20,901,032
Net profit/(loss) for the period	28	18,977,975	24,033,133
Adjustments to reconcile profit/ (loss)		11,064,074	5,735,819
- Adjustments for depreciation and amortisation expense	18,19,20	10,271,220	11,830,993
- Adjustments for Impairment Loss (Reversal of Impairment Loss)		(146,272)	396,231
- Adjustments for provisions	23,25	1,704,536	1,915,177
- Adjustments for bargain purchase gain	33	-	(106,323)
- Adjustments for Interest (Income) Expenses	32,33,34	5,201,361	1,457,978
- Adjustments for unrealised foreign exchange losses (gains)		(5,212,100)	(975,143)
- Adjustments for fair value losses (gains)		(3,555,239)	(8,714,900)
- Adjustments for Undistributed Profits of Investments accounted for Using Equity Method	16	(1,091,500)	(581,250)
- Adjustments for Tax (Income) Expenses	35	4,611,969	1,672,048
- Adjustments for losses (gains) on disposal of non-current assets	33	(25,761)	27,702
- Other adjustments to reconcile profit (loss)		(604,984)	(58,872)
- Gains (losses) on net monetary position		(89,156)	(1,127,822)
Changes in working capital		9,979,696	(4,988,658)
- (Increases)/decreases in trade receivables adjustments		16,793,059	475,645
- (Increases)/decreases in other receivables adjustments		(107,173)	572,614
- (Increases)/decreases in contract assets adjustments		(33,698)	152,361
- (Increases)/decreases in derivative financial assets		164,953	4,598,275
- (Increases)/decreases in inventories adjustments		1,607,879	(10,165,754)
- (Increases)/decreases in trade payables adjustments		(10,906,727)	(860,906)
- (Increases)/decreases in contract liabilities adjustments		(77,107)	67,150
- (Increases)/decreases in other payables adjustments		50,421	1,313,262
- Other (increases)/decreases in net working capital adjustments		2,488,089	(1,141,305)
Cash flows from operating activities		40,021,745	24,780,294
- Interest received		777,149	1,280,884
- Payments for the provisions for employee benefits	25	(670,409)	(206,701)
- Taxes received / (paid)	35	(2,370,184)	(4,953,445)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

	Notes	1 January- 31 December 2023	1 January- 31 December 2022
B. CASH FLOWS FROM INVESTING ACTIVITIES		(20,611,188)	(11,003,997)
- Cash Flows Used in Obtaining Control of Subsidiaries or Other Businesses	3	-	(493,988)
- Cash Outflows from Purchase of Additional Shares of Subsidiaries		(2,763,244)	-
- Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	16	(238,375)	(31,857)
- Cash Receipts from Sales of Equity or Debt Instruments of Other Entities	7	3,592,386	6,435,402
- Cash Payments to Acquire Equity or Debt Instruments of Other Entities	7	(584,488)	(2,226,487)
- Proceeds from sales of tangible and intangible assets		2,002,365	1,828,744
- Purchase of tangible and intangible assets		(20,991,172)	(12,899,566)
- Cash inflows from sales of investment property		-	304,937
- Cash advances made to other parties		(3,517,955)	(3,760,263)
- Repayments of advances given		3,016,688	1,331,255
- Dividends received	16,27	459,624	594,924
- Interest received		2,087,440	1,507,247
- Cash Outflows From Participation (Profit) Shares or Other Financial Instruments		(3,178,941)	(3,252,276)
- Other inflows (outflows) of cash		(495,516)	(342,069)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(8,545,789)	4,298,502
- Payments to Acquire Entity's Shares or Other Equity Instruments	28	(1,025,038)	(2,353,789)
- Cash Inflows from Sale of Acquired Entity's Shares	28	850,631	3,120,168
- Proceeds from borrowings	8	40,212,734	54,943,129
- Payments of borrowings	8	(34,680,855)	(41,445,097)
- Payments of lease liabilities	8	(796,000)	(717,748)
- Dividends paid		(5,171,802)	(4,666,744)
- Interest paid		(7,935,459)	(4,581,417)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		8,601,324	14,195,537
D. EFFECT OF NET MONETARY POSITION DIFFERENCES GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS		(16,351,801)	(13,566,469)
E. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		3,908,752	6,253,167
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		(3,841,725)	6,882,235
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	41,589,928	34,707,693
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	6	37,748,203	41,589,928

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

1. In Group's Organization and Nature of Operations

Türkiye Şişe ve Cam Fabrikaları A.Ş. Group (the "Group") consists of a holding company, Türkiye Şişe ve Cam Fabrikaları A.Ş. (the "Company"), 56 subsidiaries, 1 joint venture 3 associates and 2 joint activities.

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. Sosyeteşi was founded with the title and registered with the trade registry on January 23, 1936. And the establishment was announced in the trade registry gazette on February 5, 1936. Company's title has been registered as of Türkiye Şişe ve Cam Fabrikaları A.Ş. on April 25, 1973 and published in the trade registry gazette on May 10, 1973. The shares of the Company have been publicly traded on the Borsa İstanbul A.Ş. ("BİST"), formerly named as İstanbul Stock Exchange ("İSE"), since January 3, 1986, As of December 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 28.

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

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

Trade Registry Information of the Company

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

Personnel structure of the Group

	31 December 2023	31 December 2022
Personnel (monthly paid)	9,500	8,859
Personnel (hourly paid)	15,632	16,072
	25,132	24,931

1,004 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.).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

Companies included in consolidation

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

Flat Glass Group

a) Architectural Glass Group

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

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

b) 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.	Glass fiber production and sales	Turkey

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

Companies included in consolidation (continued)

Glassware Group

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

Glass Packaging Group

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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 USA Inc.	Finance, investment and sales company	USA
Sisecam Chemicals Resources LLC	Production and sales of soda	ABD
Sisecam Chemicals Wyoming LLC	Production and sales of natural soda	ABD
Sisecam Wyoming LLC	Production and sales of natural soda	ABD

Joint Activities	Nature of business	Country of registration
Pacific Soda LLC	Soda goods trade	USA
Stockton Soda Ash Port LLC (*)	Logistics(**)	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 Branches (1)	Electrical energy and steam production	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

(*) In Denmar US LLC, Sisecam Chemicals USA Inc. became a partner on May 11, 2023, by capital increase method. Denmar US LLC is 100% owned by Denmar Holdings LLC The company's name has been changed to Stockton Soda Ash Port LLC as of August 29, 2023.

(**) Stockton Soda Ash Port LLC is the logistics company that will operate for the export of natural soda ash investment in the USA after the completion of construction.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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
Camiş 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 Glass Packaging B.V.	Import, sales, finance and investment company	Netherlands
Camiş 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
Sisecam UK Limited (*)	Foreign Trade Operations	England and Wales
Refel S.p.A.	Production and sale of cast AZS refractory Block for glass production	Italy

Associate	Nature of business	Country of registration
ICRON Teknoloji Bilişim Anonim Şirketi (**)	Computer programming activities	Turkey

(*) It was established on November 1, 2023, in order to carry out the company's foreign trade operations effectively.

(**) In accordance with the Share Purchase Agreement through Participation in Capital Increase signed between Şişecam Investment B.V. and Icron Teknoloji Bilişim A.Ş. on 23 October 2023, and in line with the Competition Board's permission dated 21 December 2023, 3% of ICRON's shares have been transferred from its existing partners to Şişecam Investment BV for cash payment of 3 million USD on 15 January 2024. On January 30, 2024, the capital increase of Icron Teknoloji Bilişim AŞ was completed with the participation of only Şişecam Investment BV for 5 million USD.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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 Düzcam Tarsus Fabrikası Branch

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

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

Türkiye Şişe ve Cam Fabrikaları A.Ş. Şişecam Glassware 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 Branchi

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Group's only 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 process of purchasing the public shares of Sisecam Resources LP, a subsidiary traded on the New York Stock Exchange under the symbol "SIRE", by Sisecam Chemicals Wyoming LLC at a price of 25 USD/share and closing the company to the public was completed on May 26, 2023.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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 96.40 (9.64 out of 10) as of 15 December 2023, 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	15 December 2023	16 December 2022
Shareholders	%25	95.96	95.49
Public disclosure and transparency	%25	97.58	97.51
Stakeholders	%15	99.48	99.48
Board of directors	%35	94.56	93.82
Average Rating	%100	96.40	96.01

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

Flat Glass Group

a) Subsidiaries of Architectural Glass Group

Company/Branch Name	31 December 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 Italy S.R.L	100.00	100.00	100.00	100.00
Sisecam Flat Glass South Italy S.R.L	100.00	100.00	100.00	100.00
Trakya Glass Rus AO	100.00	70.00	100.00	70.00
Trakya Glass Rus Trading OOO	100.00	70.00	100.00	70.00
Sisecam Flat Glass India Private Limited	100.00	100.00	100.00	100.00

b) Associate of Architectural Glass Group

Company's Name	31 December 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

Companies included in consolidation (continued)

b) Subsidiaries of Industrial Glass Group

Company's Name	31 December 2023		31 December 2022	
	Direct and indirect ownership (%)	Effective ownership rate (%)	Direct and indirect ownership rate (%)	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 Decemebr 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
Camiş Ambalaj Sanayii A.Ş.	100.00	100.00	100.00	100.00
Pasabahçe Bulgaria EAD	100.00	100.00	100.00	100.00
OOO Posuda	100.00	100.00	100.00	100.00
Pasabahçe SRL	100.00	100.00	100.00	100.00
Pasabahçe Spain SL	100.00	100.00	100.00	100.00
Pasabahçe Glass GmbH	100.00	100.00	100.00	100.00
Pasabahçe USA Inc.	100.00	100.00	100.00	100.00
Pasabahçe (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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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 December 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
Sisecam Glass Packaging B.V.	100.00	100.00	100.00	100.00
OOO Ruscam Management Company	100.00	100.00	100.00	100.00
OOO Ruscam Glass Packaging Holding	100.00	100.00	100.00	100.00
OOO Energosystems	100.00	100.00	100.00	100.00
CJSC Brewery Pivdenna	100.00	100.00	100.00	100.00
Merefa Glass Company Ltd.	100.00	100.00	100.00	100.00
JSC Mina	100.00	100.00	100.00	100.00
Sisecam Glasspackaging Hungary Kft.	100.00	100.00	100.00	100.00

Chemicals Group

a) Subsidiaries of Chemicals Group

Company/Branch Name	31 December 2023		31 December 2023	
	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 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 Wyoming LLC	51.00	30.60	51.00	22.64

b) Production Partnership of Chemicals Group

Company's Name	31 December 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
Stockton Soda Ash Port LLC	50.00	50.00	-	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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 December 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 December 2023		31 December 2022	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Enerji A.Ş.	100.00	100.00	100.00	100.00
Camiş Elektrik Üretim A.Ş.	100.00	100.00	100.00	100.00

Other Group

a) Subsidiaries of Recycling Group

Company's Name	31 December 2023		31 December 2022	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Çevre Sistemleri A.Ş.(*)	100.00	100.00	90.00	90.00

(*) Şişecam became the sole shareholder of the company by completing the option to purchase EBRD's 10% stake in Şişecam Çevre Sistemleri A.Ş. on 24 April 2023.

b.1) Subsidiaries of the Mining Group

Company's Name	31 December 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) Joint Venture of Mining Group

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

Companies included in consolidation (continued)

c.1) Subsidiaries of Other Services Group

Company's Name	31 December 2023		31 December 2022	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	100.00	100.00	100.00	100.00
Şişecam Dış Ticaret A.Ş.	100.00	100.00	100.00	100.00
SC Glass Trading B.V.	100.00	100.00	100.00	100.00
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
Sisecam UK Limited	100.00	100.00	-	-

c.2) Associate of Other Services Group

Company's Name	31 December 2023		31 December 2022	
	Direct and indirect rate (%)	Effective ownership rate (%)	Direct and indirect ownership (%)	Effective ownership rate (%)
ICRON Teknoloji Bilişim Anonim Şirketi	15.66	15.66	-	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Consolidated Financial Statements

2.1 Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No: 14,1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standard issued by Public Oversight Accounting and Auditing Standards Authority ("POA/ASA"), TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC"), In addition, it has been presented in accordance with the formats determined in the "Announcement on TAS Taxonomy" published by the KGK on October 4, 2022 and the Financial Statement Examples and User Guide published by the CMB.

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

Presentation and Functional Currency

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

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.

The relevant figures for the previous reporting period are restated by applying the general price index so that comparative financial statements are presented in the unit of measurement valid at the end of the reporting period. Information disclosed for previous periods is also expressed in the measurement unit valid at the end of the reporting period.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of presentation (continued)

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 December 2023			31 December 2022		
	Period End-Buy	Period End-Sale	Period Average	Period End-Buy	Period End-Sale	Period Average
USD Dollar	29.43820	29.49130	23.79906	18.69830	18.73200	16.58086
Euro	32.57390	32.63260	25.74298	19.93490	19.97080	17.39318
Bulgarian Lev	16.65477	16.68478	13.16218	10.19255	10.21091	8.89299
Egyptian Pound	0.95493	0.95665	0.77736	0.75696	0.75833	0.86516
Russian Ruble	0.32611	0.33038	0.27747	0.25948	0.26288	0.25138
Georgian Lari	10.94601	10.96575	9.05648	6.92017	6.93264	5.68689
Ukrainian Gryvnia	0.77505	0.77645	0.65069	0.51132	0.51224	0.51226
Bosnian Mark	16.65477	16.68478	13.16218	10.19255	10.21091	8.89299
Romanian Leu	6.51130	6.59650	5.20132	4.00620	4.05860	3.52805
Hungarian Forint	0.08510	0.08525	0.06740	0.04981	0.04990	0.04446
Chinese Yuan	4.12120	4.17510	3.34872	2.68060	2.71570	2.45651
Indian Rupee	0.35418	0.35482	0.28816	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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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 December 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 December 2023 and 31 December 2022. Joint Ventures are accounted for under equity accounting method.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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. Stockton Soda Ash Port LLC, in which the Group became a partner through capital increase method in 2023, was evaluated as a joint operation and was included in the consolidated financial statements with the proportional consolidation method.

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 December 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.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of Presentation (continued)

Financial reporting in hyperinflationary economy

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

The accompanying financial statements are prepared on a historical cost basis, except for financial investments, derivative instruments measured at fair value and fixed assets and investment properties measured at revalued amounts

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 December 2023 as per TAS 29.

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

Year end	Index	Index %	Conversion Factor
2004	113.86	13.86	16.33041
2005	122.65	7.72	15.16005
2006	134.49	9.65	13.82541
2007	145.77	8.39	12.75557
2008	160.44	10.06	11.58925
2009	170.91	6.53	10.87929
2010	181.85	6.40	10.22480
2011	200.85	10.45	9.25756
2012	213.23	6.16	8.72007
2013	229.01	7.40	8.11921
2014	247.72	8.17	7.50597
2015	269.54	8.81	6.89835
2016	292.54	8.53	6.35599
2017	327.41	11.92	5.67906
2018	393.88	20.30	4.72068
2019	440.50	11.84	4.22107
2020	504.81	14.60	3.68333
2021	686.95	36.08	2.70672
2022	1128.45	64.27	1.64773
2023	1859.38	64.77	1.00000

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2023. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2023 were restated by applying the conversion factors. The restated amount of a non monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 31 December 2023.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

2.1 Basis of Presentation (continued)

Financial reporting in hyperinflationary economy(continued)

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

The financial statements of subsidiaries whose functional currencies are not in the hyperinflationary economy are subject to IAS 21. In this context, TAS 29 has been applied only to subsidiaries resident in Turkey, and other subsidiaries and affiliates have been evaluated and accounted within the scope of TAS 21.

2.2 Statement of Compliance to TAS

The Group prepared the accompanying consolidated financial statements as of 31 December 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.

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 December 2023 are consistent with those applied in the preparation of the consolidated financial statements of 31 December 2022 except for the subjects below.

Hedging Net Investment Risk in Foreign Operations

As detailed in footnote 2.6 Summary of Significant Accounting Policies, the group has started to apply hedging net investment risk in foreign operations accounting policy as of 1 January 2023.

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).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

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 December 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.

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

The accounting policies adopted in preparation of the consolidated financial statements as of December 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 do 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 do 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 do not have a significant impact on the financial position or performance of the Group.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (continued)

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

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

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

The amendments impact on the financial position or performance of the Group is in the phase of evaluation.

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.

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

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 do 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. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. 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 amendments do not have a significant impact on the financial position or performance of the Group.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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(continued)

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

In January 2020 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 do not have a significant impact on the financial position or performance of the Group.

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 issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, 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. Earlier application is permitted.

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

The amendments do 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 issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The 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 do not have a significant impact on the financial position or performance of the Group.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 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(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 do not have a significant impact on the financial position or performance of the Group.

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

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. the Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

2.6 Summary of Significant Accounting Policies

Revenue

Revenue, goods, or services related to performance obligations in the form of goods or service turnover are accounted for as they fulfil their performance obligations by transferring them to their customers.

The Group evaluates the transfer of control of the goods or services sold to the customer.

- Ownership of the Group's right to collect goods or services.
 - The ownership of the property of the customer.
 - Transfer of the possession of the goods or services.
 - Ownership of significant risks and rewards arising from the ownership of the goods or services.
 - It takes into account the conditions for the customer to accept the goods or services.
-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Revenue (Continued)

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

Interest Income

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

Interest income and income from exchange rate differences that are related to commercial transactions are accounted under Other Operating Income.

Dividend Income

Dividend income from resulted from stock investments are recorded in the financial statements when the shareholders are entitled to receive the dividend. Dividends payables are accounted as liability in the financial statements after the approval of the general assembly.

Inventories

Inventories are valued at the lower of cost or net realizable value, The cost of inventories is determined on the weighted average basis for each purchase. Cost elements included in inventories are materials, labor and an appropriate amount for factory overheads, The cost of borrowings is not included in the costs of inventories, Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Inventories consist of raw material, semi-finished goods, finished goods, commercial goods, and goods in transit and other stocks (Note 13).

Tangible Assets

Property, plant and equipment except for land and buildings are carried at cost less accumulated depreciation and any impairment in value. Land and buildings are carried at fair value as of revaluation date less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Land and buildings were accounted for under the net method in accordance with revaluation method, the change of accounting policy was applied with the financial statements as of 31 December 2015. it is routinely revalued every three years.

However, due to both the high inflation rate in the current year and the increase in the housing price index, a revaluation was made for the land and buildings as of 31 December 2023

The assets used in the production of goods and services or used for administrative purposes and are under construction, are shown by deducting the impairment loss, if any, from the cost values. Legal fees are also included in the cost. In the case of assets that require considerable time to be ready for use or sale, borrowing costs are capitalized in accordance with the Group's accounting policy. Such assets are depreciated when they are ready for use, as in the depreciation method used for other fixed assets. Cost amounts of tangible assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. There is no depreciation due to the fact that they have unlimited lives for land. The estimated useful life, residual value and depreciation method are reviewed every year for the possible effects of the changes in the estimates and they are accounted for on a prospective basis if there is a change in the estimates (Note 18).

Assets held under finance leases are depreciated over the expected useful life and the shorter of the lease term in the same way as other tangible assets.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Useful Life</u>
Land and improvements	2–50 Year
Buildings	2–50 Year
Plant, machinery, and equipment	1–64 Year
Vehicles	3–15 Year
Fixtures	2–50 Year
Other Tangible Assets	1–20 Year

Property, plant, and equipment are reviewed for impairment losses, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset net selling price or value in use. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Costs of property plant and equipment are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statements of income during the financial period in which they were incurred. Gain or losses on disposal of property, plant and equipment are included in the "Income/Expense from Investing Activities" and are determined as the difference between the carrying value and amounts received.

The gain on revaluation on tangible assets presented in the equity is transferred directly to the retained earnings when the asset is retired from use or disposed of or fully depreciated.

Intangible Assets

Intangible assets acquired

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives, estimated useful life and amortization method are reviewed at the end of each year and the effect of any change in the estimate is accounted for on a prospective basis. Purchase costs are included in the related assets and are amortized at between 2 and 15 years based on their economic lives (Note 20).

Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3-15 years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Software development costs include employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding fifteen years) (Note 20).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible asset, and their fair value can be measured reliably. Cost of such intangible assets is the fair value at the acquisition date, after initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets acquired separately (Note 20).

Mining assets

Development costs incurred to evaluate and develop new ore bodies, or to define mineralization in existing ore bodies, or to establish or expand productive capacity or to maintain production are capitalized. Mine development costs are capitalized to the extent they provide probable access to mine bearing reefs; have future economic benefits and they are attributable to an area of interest or those that can be reasonably allocated to the area of interest. Costs incurred during commissioning period which are directly attributable to developing the operating capability of the mine, are capitalized and only the costs that represent costs of producing mine are recognized in the consolidated statement of comprehensive income.

In cases where it is difficult to separate the research phase from the development phase in a project, the entire project is treated as research and recorded as expense to the statement of comprehensive income. Depreciation starts when the asset is in a location and condition necessary for it to be capable of operating in the manner intended by the Group management.

Development costs incurred during the production phase are capitalized and depreciated to the extent that they have future economic benefits. The development cost is allocated at initial recognition to its significant components and each component is depreciated separately by units of production method, considering the attributable area of interest. The major overhauls that extend the future economic benefits throughout the life of mine are capitalized as future benefits will flow to the Company. Other than major overhauls, repairs are expensed as incurred. In accordance with the unit of production method, the depreciation charge of development costs is calculated by dividing the number of tons of ore extracted during the period by the remaining proven and probable mine reserves in terms of tons for attributable area of interest.

Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves which can be recovered in future from known mineral deposits in the attributable area of interest.

Mineral and surface rights are recorded at acquisition cost and amortized principally by the units of production method based on estimated proven and probable reserves. In accordance with the unit of production method, the amortisation charge of mineral and surface rights are calculated by dividing the amount of ore extracted during the period to the remaining proven and probable mine reserves in terms of tons (Note 20).

Mining Rights

Mineral reserves include trona reserves, which at the time they are determined can be economically and legally mined and processed into soda ash or sodium bicarbonate. Mining reserves are initially recognized at fair value. Mining reserves are then shown at the initial value less accumulated amortization and accumulated impairment losses.

The Group amortizes its mineral rights according to the consumption life of the total mineral reserves determined by independent experts according to the production amount based on the management's estimates. The average lifetime of mineral rights is between 40-50 years.

Development costs

Costs incurred on development projects related to the design and testing of new or improved products are recognized as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognized as an expense as incurred. Development expenditures previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis in projected project life. Expense of current period amortisation and depreciation are recognized with cost of goods sold and operational expenses (Note 29 and Note 31).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Investment Properties

Land and buildings those are held for long term rental yields or capital appreciation or both, rather than in the production of supply of goods and services or administrative purposes or for the sale in the ordinary course of business are classified as "Investment property". Investment properties are accounted for using the fair value model at the financial statements. If an owner-occupied property becomes an investment property that will be carried at fair value, an entity shall apply TAS 16 "Property, Plant and Equipment" up to the date of change in use. The entity treats any difference at that date between the carrying amount of the property in accordance with TAS 16 and its fair value as a revaluation in accordance with TAS 16 and revaluation differences are accounted for under equity. Fair value of investment property has been calculated at the end of each year by the Capital Market Board (CMB) licensed independent valuation firms that have required professional experience (Note 17). In subsequent periods, profit or loss due to the revaluation of fair value of investment property are accounted for under current period's profit or loss. If the value of the asset is reduced as a result of revaluation, the decrease is accounted as an expense, However, this decrease should be accounted in the scope of other comprehensive income to the extent of any receivables revaluation related to that asset. The corresponding decrease, accounted in other comprehensive income, reduces the amount accumulated in equity under the revaluation surplus heading.

Non-Current Assets Classified as Held for Sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets are classified as assets held for sale when their carrying amount is considered to be recovered principally through a sale transaction instead of usage. The assets can be a business unit, sales group, or a separate tangible asset. The sale of assets held for sale is expected to be settled within 12 months after the end of balance sheet date, Various events or circumstances can extend the completion time more than one year. If there is no sufficient evidence supporting that the delay is beyond the control of entity and sales plan of sales transaction of the asset (or disposal asset group) continues; the delay does not prevent the classification of assets (or disposal asset group) as assets held for sale.

Assets held for sale are stated at the lower of carrying amount or fair value. The impairment loss is recognised as expense under consolidated profit or loss statement of the period, at when the carrying value is less than the fair value. No amortisation is recognized for these assets.

Derivative Instruments and Hedging Instruments

Derivative financial instruments are initially recognised at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered and are subsequently remeasured at fair value. The derivative instruments of the Group mainly consist of foreign exchange forward contracts, currency/interest rate swap instruments, purchase and sale of gas, coal, silver, tin, and palladium. These derivative transactions, even though providing effective economic hedges under the Group risk management position, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the consolidated financial statements. The fair value changes for these derivatives are recognised in the consolidated profit or loss statement. The hedging transactions of the Group that qualify for hedge accounting are accounted for as follows:

Fair Value Hedges

The changes in the fair value of derivative transactions determined as fair value hedges are recorded in the profit or loss statement together with the changes in the fair value of the hedged asset or liability.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Cash flow hedge

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 and USD 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.

Hedge Accounting:

The Group determined all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under TFRS 9. As TFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of TFRS 9 did not have a significant impact on Group's financial statements.

Impairment of Assets

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Right-of-Use Assets

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

The cost of right-of-use asset includes:

- the amount of lease liabilities recognised,
- lease payments made at or before the commencement date less any lease incentives received,
- initial direct costs incurred

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

Right-of-use assets are subject to impairment.

Lease Liabilities

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

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

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

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

The Group discounts the lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

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

- the amount of lease liabilities is increased to reflect the accretion of interest, and
- reduced for the lease payments made

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

Short-term leases and leases of low-value assets

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Borrowing costs

Borrowings are recognized initially at the proceeds received; net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized under consolidated statement of comprehensive income over the period of the borrowings (Note 8 and Note 34).

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are recognized under consolidated statement of comprehensive income in the period in which they are incurred.

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

Related Parties

For the purpose of these consolidated financial statements, shareholders, key management personnel (general manager, vice general managers, coordinator of general management, and factory managers) Board members, and senior executives (chairman and coordinator) reporting to the company's board of directors in each case together with the companies controlled by/or affiliated with them, are considered and referred to as related parties (Note 37).

Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements, Insignificant amounts are grouped and presented by means of items having similar substance and function, When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting.

Financial Assets

Classification

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

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Recognition and Measurement

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

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

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

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

Derecognition

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

Impairment

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

Provision for loss measured as below:

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

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

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies (Continued)

Trade receivables

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

Group has preferred to apply "simplified approach" defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach. Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income (Note 10 and Note 32).

Unearned finance income/expense due to commercial transactions are accounted for under "Other Operating Income/Expenses" in the consolidated statement of income or loss (Note 10 and Note 32).

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

Cash and Cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 6).

Bank deposits with original maturities of more than three months and shorter than 1 year are classified under short-term financial investments (Note 7).

Financial liabilities

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

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Trade payables

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

Business Combinations and Goodwill

A business combination is the bringing together of separate entities or business into one reporting entity. Business combinations are accounted for using the purchase method in the scope of TFRS 3 (Note 3).

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquired business and in addition, any costs directly attributable to the business combination. The cost of the business combination at the date of the acquisition is adjusted if a business combination contract includes clauses that enable adjustments to the cost of business combination depending on events after acquisition date, and the adjustment is measurable more probable than not. Costs of the acquisition are recognized in the related period. Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities, and contingent liabilities of the acquire and the fair value of the non-controlling interest in the acquire.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell, any impairment is recognized immediately as an expense and is not subsequently reversed.

Legal mergers arising between companies controlled by the Group are not considered within the scope of TFRS 3. Consequently, no goodwill is recognized in these transactions. Similarly, the effects of all transactions between the legally merged enterprises, whether occurring before or after the legal merger, are corrected in the preparation of the consolidated financial statements.

The Group remeasures its previously held equity interest in the acquired business to fair value at the acquisition date (ie the date the Group takes control), in a business combination that takes place in stages and the resulting gain/loss, if any, Associates, Joint Controlled Accounts in Other Income (Expenses) from Businesses and Subsidiaries. Amounts arising from the share of the acquired business recognized in other comprehensive income before the acquisition date are transferred to profit or loss for the period or retained earnings, assuming that the said interests are disposed of.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Business combinations and Goodwill (Continued)

Customer Relations

Customer relations and contracts that are acquired as a result of the merger are accounted with their fair values on the acquisition date. Customer relations that are binded with contracts are depreciated using straight line depreciation method through their useful lifes (10 years) and carried with the value, which is obtained by subtracting the redemption from acquisition cost. Customer relations are subject to impairment tests when conditions for impairment are observed. When there is impairment, registered value of the customer relations is brought to its recoverable rate and related amount is recorded as cost in respective term's results.

Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded under equity.

Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira (TRY), which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in foreign currencies (currencies other than TRY or the currency other than the functional currency of the related entity) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRY using exchange rates prevailing at the balance sheet date.

Revenue and expense items are translated using the average exchange rates for the period when the exchange rates in the period in which the transactions are to be made do not fluctuate significantly (in the case of significant fluctuations, the exchange rates at the transaction date are used). The resulting exchange differences are classified as equity and transferred to the Group's currency translation differences fund. Such conversion differences are recognized in profit or loss in the period in which the foreign operation is derecognized. Goodwill and fair value adjustments arising from acquisitions of operations abroad are treated as assets and liabilities of the foreign operation and translated using the period end exchange rate.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at period end rates.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Earnings per Share

Earnings per share disclosed in the accompanying consolidated statement of profit or loss is determined by dividing net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation (Note 36).

Events after the Reporting Date

The Group adjusts the amounts recognized in its financial statements to reflect adjusting events occurring after the reporting date. If non-adjusting events after the reporting date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation, Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably (Note 23).

Segment reporting

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). These segments are managed separately because they are affected by the economic conditions and geographical positions in terms of risks and returns. The evaluation of geographical performance by the management is performed in terms of "Turkey", "Russia, Ukraine, Georgia", "Europe", "America" and "Other", When evaluating the segments' performance, Group Management is utilizing the financial statements prepared in accordance with TFRS (Note 5).

Operating segments are reported in a manner consistent with the reporting provided to the Group's chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. As the sectors merged under "Other" do not meet the required quantitative thresholds to be a reportable segment, these have been merged for the purpose of segment reporting.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Segment reporting (Continued)

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

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

Government grants

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all the required conditions (Note 22).

Government grants related to costs are accounted as income on a consistent basis over the related periods with the costs.

Government grants relating to property, plant and equipment are included in "deferred income" under the non-current liabilities as deferred government grants and are credited to the statement of profit or loss on a straight-line basis over the expected lives of the related assets.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized directly in equity (Note 35), In such case, the transaction including tax is recognized in shareholders' equity.

The current period tax on income is calculated for the Group's subsidiaries, associates and joint ventures considering the tax laws that are applicable in the countries where they operate.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Employee Benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Group is obliged to pay employment termination benefit to all personnel in cases of termination of employment without due cause, retirement or death upon the completion of a minimum one-year service. The provision which is allocated by using the defined benefit pension's current value is calculated by using the estimated liability method. All actuarial profits and losses are recognized in the consolidated statements of changes in equity (Note 25).

The liabilities related to unused vacation days are accrued when they are earned.

The Group has defined benefit plans and post-retirement benefits in its operations in the United States, with business combinations in 2021. Details of the relevant plans are given below.

Defined benefit plans

(i) Benefit Plan

Pension Plan and Hourly Employee Pension Plan benefits are based on years of service and average remuneration for the highest 60 consecutive months of the employee's last 120 months of service as defined. Each plan primarily covers Ciner Wyoming LLC and Sisecam Chemicals Resources LLC all full-time employees hired before May 1, 2001. The Group's funding policy contributes the minimum required amount of funding and the funding amount that will provide the highest tax advantage.

(ii) Savings Plans

Covers all eligible and hourly employees of Ciner Wyoming LLC and Sisecam Chemicals Resources LLC. The savings plan is limited to all domestic and foreign employees residing in the United States indefinitely. While the related plan allows employees to contribute with their own contribution rate, the Group contributes to the plan with certain percentages based on the contribution amounts of the employees. The savings plan has been changed for employees hired after May 1, 2001, making it possible for the Group to make an additional contribution at certain rates depending on the contribution rates of the employees.

The Group's defined benefit plans (benefit plan and savings plan) are funded. The Group measures the planned asset plans for the defined benefit plans at their fair value. As of the reporting period, the Group offsets assets and presents net liabilities within the scope of its liabilities related to defined benefit plans and the planned asset plan for these liabilities. Defined benefit plans are calculated based on an estimate of the present value of the company's probable future obligation and the probabilities that the benefits will be paid. TAS 19 "Employee Benefits" stipulates that the liabilities of the enterprise are calculated using actuarial valuation methods within the scope of defined benefit plans.

Post Retirement Benefits

Some employees of Sisecam Resources LLC are subject to a post-retirement benefit plan. Post-retirement benefits provide additional health and life benefits, unlike the defined benefit and savings plans outlined above. Post-retirement benefits apply if the employee is still employed by the company when they reach retirement age. The Group has the right to change and cancel post-retirement benefits. Post-retirement benefits are not funded. Post-retirement benefits are calculated based on an estimate of the present value of the company's probable future obligation. TAS 19 "Employee Benefits" requires the entity to calculate its liabilities under post-retirement benefit plans using actuarial valuation methods.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

Statement of Cash Flows

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

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

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

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

2.7 Critical accounting estimates, judgments, and assumptions

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

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TFRS and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither an accounting nor taxable profit/ (loss). The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, current period losses, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations.

As a result of the assessment of Group Management, a tax asset of TRY 911,750 thousand (31 December 2022: TRY 1,495,965 thousand) results from temporary differences as of 31 December 2023 that are arising from the tax allowances and can be used since the tax advantage continue. The Group is entitled with corporate tax allowances in accordance with Corporate Tax Law No, 5520, article 32/A. The amount of corporate tax allowances related to temporary differences and that can be utilized during the period of corporate tax allowance advantage is TRY 3,765,127 thousand (31 December 2022: TRY 2,228,036 thousand) (Note 35).

The Group reviews the amount of goodwill on its books every single year, or more often when there are signs of impairment. Recoverable amounts of the cash generating assets are determined based on use value calculations. Several estimations are made with respect to these calculations (Note 21), As a result of these processes, no impairment has been detected.

The Group, Turkey Accounting Standards (TAS) 16 under "revaluation method" to evaluate the real estate (land, land improvements and buildings), taking into account the value on September 30, 2023, re-valuated that is, to be finalized valuation results after disclosure of September 30, 2023 period operating results, effects have been reflected to 31 December 2023 dated financial statements with three-months indexed effects

Land and buildings are stated at revalued amounts in accordance with IAS 16 revaluation method. Fair values in the financial statements dated 31 December 2023 are based on the appraisal reports prepared by independent valuation firms.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

2.7 Critical accounting estimates, judgments, and assumptions (Continued)

As there were recent similar buying/ selling transactions nearby, revaluations of land were based on the method of reference comparison whereas if there were recent similar buying/ selling transactions nearby revaluations of buildings were based on of market reference comparison if not the method of cost approach.

In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m² sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the estate market, also, current information and experience of the professional independent valuation company was utilized.

In the cost approach method, fair value of the buildings and land improvements was calculated by considering recent re-construction costs and related depreciation, In the cost approach method, above explained market reference comparison method was used in calculation of the land value, one of the components. The carrying values of land, land improvements and buildings do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties.

As of initial recognition and as of balance sheet date, Group performs impairment assessment for lands and buildings of which valuations are based on market value and cost approach, in accordance with the "TAS 36 Impairment of Assets", and impairment has been recognized in income statement. Net book values of related assets have been adjusted to reflect the revalued amounts and the gain has been accounted for under the revaluation reserve in equity, net-off relevant deferred tax impact.

Revaluation gains from land and buildings were accounted for under "Gain/loss on revaluation" in equity and revaluation loss were accounted if any, is deducted in the Revaluation and Measurement Earnings / Losses account, which is previously recognized in equity, the undue value decrease is more; recognized in "Expenses from investing activities (-)" under the statement of profit or loss.

The Group has revalued the investment properties accounted for within the scope of TAS 40 "Investment Property" and revaluation gain was accounted for under income from investment activities in the consolidated income statement, and (Note 28 and 33). Deferred tax liability was calculated from the amount which is recognized in the income statement by considering the possibility of sale in the subsequent period and tax exemption of profit on sale in accordance with the current Corporate Tax Law ("CTL") article 5/1-e and accounted for under deferred tax expense for the period (Note 35).

3. Business Combinations

Transactions Related to the year 2023

Business combinations as of 31 December 2023 are as follows:

a) Stockton Soda Ash Port LLC

Within the scope of TFRS-3 "Business Combinations" standard, Stockton Soda Ash Port LLC (formerly Denmar US LLC), which will operate for logistics activities in USA on May 11, 2023, became a 50% shareholder in return for 12,200,000 USD by capital increase method. Stockton Soda Ash Port LLC, which is a shareholder with the capital increase method, is included in the consolidated financial statements with the proportional consolidation method.

After the capital increase, the total capital of the company as of 11 May 2023 is 24,400,000 USD.

Due to the acquisition of Stockton Soda Ash Port LLC, calculations based on provisional amounts were finalized on December 31, 2023, and corrections were made from the date of purchase.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

3. Business Combinations (Continued)

a) Stockton Soda Ash Port LLC (Continued)

	30 April 2023	Acquisition through Capital Increase (*)	Other Shareholder Capital Increase (*)	Capital Increase Result
Curent Asset				
Cash and cash equivalents	747	238,375	79,329	318,451
Total Current Assets	747	238,375	79,329	318,451
Non-current assets				
Tangible assets	136,580	-	-	136,580
Intangible assets	343,702	-	-	343,702
Total Non-current assets	480,282	-	-	480,282
TOTAL ASSETS	481,029	238,375	79,329	798,733
Current liabilities				
Trade Payables	18,234	-	-	18,234
Other short term liabilities	1,655	-	-	1,655
Total current liabilities	19,889	-	-	19,889
Non-current liabilities				
Other long-term liabilities	302,674	-	-	302,674
Total Non-curent liabilities	302,674	-	-	302,674
Total Liabilities	322,563	-	-	322,563
Equity				
Paid Capital	159,332	238,804	79,472	477,608
Currency difference	-	(429)	(143)	(573)
Retain Earnings	(866)	-	-	(866)
Total Equity	158,466	238,375	79,329	476,169
Total Net Assets				476,169
Shares received				%50
Total cash paid				238,375
Currency difference				(290)
Goodwill				-

(*) A capital increase of USD 12,200,000 was made by Şişecam Chemicals USA Inc and USD 4.060,048 by Denmar Holding LLC, the other shareholder.

The relevant amounts include nominal values and not indexed in accordance with inflation accounting.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

3. Business Combinations (Continued)

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.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

3. Business Combinations

Current Assets	31 January 2022
Cash and cash equivalents	89,445
Trade receivables	187,760
Inventories	335,715
Other Current Assets	39,483
Total Current Assets	652,403
Non-current assets	
Tangible assets	384,865
Intangible assets	249,479
Other non-current Assets	12,692
Total Non-current assets	647,036
TOTAL ASSETS	1,299,439
Current liabilities	
Trade Payables	148,185
Payables within the scope of employee benefits	46,178
Deferred income	166,669
Other current liabilities	49,097
Total current liabilities	410,129
Non- Current liabilities	
Long-term borrowings	110,157
Other Long-Term Liabilities	18,380
Deferred Tax Liabilities	84,077
Total Non- Current liabilities	212,614
Total liabilities	622,743
Net Total Assets	676,696
Shares received	%100
Total cash paid	548,272
Currency difference	435
Bargain purchase profit	(93,698)
Goodwill Bargain purchase on arising on acquisition	(93,698)
Currency difference gain (loss)	(12,625)
Reported (Note 33)	(106,323)
Purchase Price	332,744
Amount of Cash and Cash Equivalents of the Company	32,945
Net Cash Flow	299,799
Net Cash Flow based on the purchasing power of Turkish Lira as of 31 December 2023	493,988

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

4. Interests in Other Entities

The Group presents the disclosures related to the changes in ownership rates that do not result in control ceases in the subsidiaries in Note 28.

The disclosures related to Company's subsidiaries, business associations, production partnership and affiliate's names, affiliated country and ownership rates presented in Note 1.

The Group does not have any subsidiaries and structured businesses that are not consolidated.

Company's Joint Ventures and Associates information presented in Note 16.

Non-controlling interests (%) in subsidiaries are as follows:

Subsidiary Name	31 December 2023	31 December 2022
Sisecam Chemicals Resources LLC (**)	40.000	40.000
Sisecam Chemicals Wyoming LLC (**)	40.000	40.000
Sisecam Wyoming LLC (**)	69.400	77.356
TRSG Glass Holding B.V. ("TRSG Glass") (*)	30.000	30.000
Trakya Glass Rus AO (*)	30.000	30.000
Trakya Glass Rus Trading OOO (*)	30.000	30.000
Şişecam Elyaf Sanayii A.Ş. ("Şişecam Elyaf")	0.001	0.001
Camis Egypt Mining Ltd. Co. ("Camis Egypt")	0.300	0.300

(*) Since TRSG Glass Holding B.V., Trakya Glass Rus AO and Trakya Glass Rus Trading OOO have 100% shares, the financial information of these 3 subsidiaries has been presented as consolidated.

(**) The companies are consolidated and presented under Sisecam Chemicals Resources LLC.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

4. Interests in Other Entities (Continued)

The statement of the financial position as of 31 December 2023:

	Sisecam Chemicals Resources Consolidated	TRSG Glass Consolidated	Şişecam Elyaf Standalone	Camis Egypt Standalone	Total
Current assets	7,285,985	3,461,067	1,347,080	9,830	12,103,962
Non-current asset	36,903,241	1,755,469	5,184,202	79	43,842,991
Total assets	44,189,226	5,216,536	6,531,282	9,909	55,946,953
Current liabilities	4,456,862	254,694	971,606	41,241	5,724,403
Non-current liabilities	7,878,471	85,242	128,991	-	8,092,704
Total liabilities	12,335,333	339,936	1,100,597	41,241	13,817,107
Non-controlling interests	17,611,676	-	-	-	17,611,676
Net Assets of the Company	14,242,217	4,876,600	5,430,685	(31,332)	24,518,170
Non-controlling interests' shares	40%	30%	0.00126%	0.3%	
Non-controlling interests	23,308,563	1,462,980	68	(94)	24,771,517
Dividend paid to non-controlling interests	(2,102,674)	-	-	-	(2,102,674)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

4. Interests in Other Entities (Continued)

Profit/Loss for the year 1 January - 31 December 2023:

	Sisecam Chemicals Resources Consolidated	TRSG Glass Consolidated	Şişecam Elyaf Standalone	Camis Egypt Standalone	Total
Revenue	18,410,095	1,611,876	2,060,699	742	22,083,412
Profit/ (loss) for the year	4,369,047	363,493	377,521	(21,845)	5,088,216
Other comprehensive income	(9,125,533)	438,636	359,576	(6,860)	(8,334,181)
Total comprehensive income/ (loss)	(4,756,486)	802,129	737,097	(28,705)	(3,245,965)
Non-controlling interests	(1,902,594)	240,639	10	(87)	(1,662,032)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

4. Interests in Other Entities (Continued)

The statement of the financial position as of 31 December 2022

	Sisecam Chemicals Resources Consolidated	TRSG Glass Consolidated	Şişecam Çevre Standalone	Şişecam Elyaf Standalone	Camis Egypt Standalone	Total
Current assets	9,953,245	3,805,506	144,435	1,487,081	14,838	15,405,105
Non-current asset	39,628,913	2,495,006	169,863	3,233,996	231	45,528,009
Total assets	49,582,158	6,300,512	314,298	4,721,077	15,069	60,933,114
Current liabilities	3,945,194	297,549	113,260	1,149,588	2,422	5,508,013
Non-current liabilities	7,177,342	122,538	2,004	157,640	18,469	7,477,993
Total liabilities	11,122,536	420,087	115,264	1,307,228	20,891	12,986,006
Non-controlling interests	22,707,929	-	-	-	-	22,707,929
Net Assets of the Company	15,751,693	5,880,425	199,034	3,413,849	(5,822)	25,239,179
Consolidation adjustments	145,148	-	12	-	-	145,160
After consolidation adjustments	15,896,841	5,880,425	199,046	3,413,849	(5,822)	25,384,339
Non-controlling interests rate	40%	30%	10%	0.00126%	0.3%	
Non-controlling interests	28,863,455	1,764,128	25,624	41	(18)	30,653,230
Dividend paid to non-controlling interests	(1,984,749)	-	-	-	-	(1,984,749)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

4. Interests in Other Entities (Continued)

Profit/Loss for the year 1 January – 31 December 2022:

	Sisecam Chemicals Resources Consolidated	TRSG Glass Consolidated	Şişecam Çevre Standalone	Şişecam Elyaf Standalone	Camis Egypt Standalone	Total
Revenue	19,673,560	2,187,924	372,825	2,384,231	12,162	24,630,702
Profit/ (loss) for the year	2,661,135	752,920	86,631	1,034,581	3,398	4,538,665
Other comprehensive income	(12,192,058)	2,141,079	17,510	589,399	722	(9,443,348)
Total comprehensive income/ (loss)	(9,530,923)	2,893,999	104,141	1,623,980	4,120	(4,904,683)
Consolidation adjustments	-	-	-	-	-	-
Total comprehensive income/ (loss) after Consolidation adjustments	(9,530,923)	2,893,999	104,141	1,623,980	4,120	(4,904,683)
Non-controlling interests	(3,812,367)	868,200	10,415	21	13	(2,933,718)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

5. Segment Reporting

a) Operating Segments

1 January-31 December 2023	Architectural	Industrial	Glassware	Glass Packaging	Chemicals	Energy	Other	Consolidation adjustments	Consolidated
Net sales – third parties	31,229,212	15,835,258	17,576,291	27,409,519	39,431,356	17,875,473	2,636,913	-	151,994,022
Intergroup sales	2,179,863	130	24,284	961,704	3,656,528	3,732,663	3,660,429	(14,215,601)	-
Total net sales	33,409,075	15,835,388	17,600,575	28,371,223	43,087,884	21,608,136	6,297,342	(14,215,601)	151,994,022
Cost of sales	(24,332,597)	(12,927,722)	(12,619,761)	(20,769,482)	(26,392,522)	(21,567,436)	(5,200,512)	13,754,232	(110,055,800)
Gross profit	9,076,478	2,907,666	4,980,814	7,601,741	16,695,362	40,700	1,096,830	(461,369)	41,938,222
Operating expenses	(6,806,974)	(3,269,667)	(5,027,363)	(5,901,587)	(10,210,555)	(89,198)	(5,913,679)	5,736,591	(31,482,432)
Other operating income	3,349,608	1,622,939	1,678,308	2,418,700	3,176,812	31,358	9,142,543	(5,440,149)	15,980,119
Other operating expenses	(1,516,319)	(1,113,073)	(1,221,706)	(1,484,541)	(2,253,514)	(47,049)	(4,189,550)	16,772	(11,808,980)
Share of profit (loss) from investments accounted for using equity method	340,563	-	-	-	746,005	-	4,932	-	1,091,500
Operating profit/ (loss)	4,443,356	147,865	410,053	2,634,313	8,154,110	(64,189)	141,076	(148,155)	15,718,429
Income from investing activities	529,998	320,184	36,561	137,524	431,208	1,335	5,462,096	(145,562)	6,773,344
Loss from investing activities	(143,931)	(33,454)	(110,235)	(288,338)	(29,066)	(53)	(698,550)	-	(1,303,627)
Other valuation gains / (losses)									
Occured from IFRS 9	(20,679)	1,556	(863)	4,465	1,581	(617)	25,180	-	10,623
Operating profit (loss) before financial income (expense)	4,808,744	436,151	335,516	2,487,964	8,557,833	(63,524)	4,929,802	(293,717)	21,198,769
Purchases of tangible and intangible assets	4,494,926	709,595	2,301,384	8,875,532	2,537,816	966	2,070,953	-	20,991,172
Right of use assets	106,044	190,212	175,889	48,316	741,060	-	50,101	-	1,311,622
Depreciation and amortization charges (-)	(2,124,098)	(702,929)	(1,109,844)	(2,498,597)	(2,843,918)	(110,209)	(881,625)	-	(10,271,220)
Earnings before interest, taxes depreciation and amortization (*)	6,932,842	1,139,080	1,445,360	4,986,561	11,401,751	46,685	5,811,427	(293,717)	31,469,989

(*) 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,

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

5. Segment Reporting (Continued)

a) Operating Segments (Continued)

1 January-31 December 2022	Architectural	Industrial	Glass Glassware	Packaging	Chemicals	Energy	Other	Consolidation adjustments	Consolidated
Net sales – third parties	44,842,391	13,937,393	17,434,224	31,758,916	43,567,769	15,073,948	4,040,523	-	170,655,164
Intergroup sales	2,872,941	484	385,597	774,784	3,922,108	8,759,435	3,847,538	(20,562,887)	-
Total net sales	47,715,332	13,937,877	17,819,821	32,533,700	47,489,877	23,833,383	7,888,061	(20,562,887)	170,655,164
Cost of sales	(29,474,122)	(11,693,466)	(12,910,817)	(24,467,683)	(27,391,791)	(23,051,237)	(6,347,668)	19,264,131	(116,072,653)
Gross profit	18,241,210	2,244,411	4,909,004	8,066,017	20,098,086	782,146	1,540,393	(1,298,756)	54,582,511
Operating expenses	(7,260,694)	(2,973,759)	(4,427,699)	(5,925,219)	(11,804,826)	(225,741)	(4,628,173)	4,610,154	(32,635,957)
Other operating income	2,172,467	1,195,807	1,355,376	1,757,140	1,693,762	11,714	6,714,987	(4,789,944)	10,111,309
Other operating expenses	(1,566,114)	(745,504)	(1,089,399)	(831,358)	(1,067,005)	(32,225)	(2,429,981)	27,432	(7,734,154)
Share of profit (loss) from investments accounted for using equity method	394,821	-	-	-	184,643	-	1,786	-	581,250
Operating profit/ (loss)	11,981,690	(279,045)	747,282	3,066,580	9,104,660	535,894	1,199,012	(1,451,114)	24,904,959
Income from investing activities	969,117	420,800	27,021	327,834	1,708,207	1,003	6,235,716	(3,874)	9,685,824
Loss from investing activities	(238,303)	(203,936)	(60,216)	(283,016)	(1,170,567)	-	(159,996)	-	(2,116,034)
Other valuation gains / (losses) Occured from IFRS 9	(5,706)	(3,490)	1,152	(2,266)	(12,533)	129	(88,516)	-	(111,230)
Operating profit (loss) before financial income (expense)	12,706,798	(65,671)	715,239	3,109,132	9,629,767	537,026	7,186,216	(1,454,988)	32,363,519
Purchases of tangible and intangible assets	2,997,452	759,363	1,587,038	3,542,674	2,732,891	391	1,280,312	-	12,900,121
Right of use assets	48,644	35,780	40,776	54,589	599,182	3,150	273,063	-	1,055,184
Depreciation and amortization charges (-)	(2,472,895)	(747,441)	(1,112,306)	(2,787,526)	(3,703,603)	(124,586)	(882,636)	-	(11,830,993)
Earnings before interest, taxes depreciation and amortization (*)	15,179,693	681,770	1,827,545	5,896,658	13,333,370	661,612	8,068,852	(1,454,988)	44,194,512

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

5. Segment Reporting (Continued)

b) Geographical segments

1 January-31 December 2023	Turkey	Russia, Ukraine and Georgia	Europe	America	Other	Total	Adjustments	Consolidated
Net sales – third parties	91,919,172	11,048,014	28,414,815	18,405,485	2,206,536	151,994,022	-	151,994,022
Intergroup sales	6,413,741	4,159	3,335,973	60,783	255,497	10,070,153	(10,070,153)	-
Total net sales (*)	98,332,913	11,052,173	31,750,788	18,466,268	2,462,033	162,064,175	(10,070,153)	151,994,022
Cost of sales	(77,677,761)	(7,450,892)	(24,800,162)	(8,878,652)	(1,904,946)	(120,712,413)	10,656,613	(110,055,800)
Gross profit	20,655,152	3,601,281	6,950,626	9,587,616	557,087	41,351,762	586,460	41,938,222
Operating expenses	(17,779,129)	(2,647,751)	(5,517,279)	(7,076,238)	(643,131)	(33,663,528)	2,181,096	(31,482,432)
Other operating income	17,720,472	291,464	1,674,774	117,026	73,167	19,876,903	(3,896,784)	15,980,119
Other operating expense	(10,362,941)	(279,435)	(1,092,599)	(144,688)	(77,983)	(11,957,646)	148,666	(11,808,980)
Share of profit (loss) from investments accounted for using equity method	4,931	-	1,086,569	-	-	1,091,500	-	1,091,500
Operating profit/ (loss)	10,238,485	965,559	3,102,091	2,483,716	(90,860)	16,698,991	(980,562)	15,718,429
Income from investing activities	7,229,924	56,589	30,736	-	38,202	7,355,451	(582,107)	6,773,344
Loss from investing activities	(1,124,571)	(43,177)	(10,468)	-	(125,411)	(1,303,627)	-	(1,303,627)
Other valuation gains / (losses) occurred from IFRS 9	11,330	12	(86)	-	(633)	10,623	-	10,623
Operating profit (loss) before financial income (expense)	16,355,168	978,983	3,122,273	2,483,716	(178,702)	22,761,438	(1,562,669)	21,198,769
Purchases of tangible and intangible assets	12,627,228	2,849,883	2,531,327	1,272,801	1,709,933	20,991,172	-	20,991,172
Right of use assets	483,057	-	90,101	715,284	23,180	1,311,622	-	1,311,622
Depreciation and amortization charges (-) (Note 18,19 and 20)	(5,190,027)	(1,097,599)	(1,680,489)	(2,044,259)	(258,846)	(10,271,220)	-	(10,271,220)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	21,545,195	2,076,582	4,802,762	4,527,975	80,144	33,032,658	(1,562,669)	31,469,989

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

5. Segment Reporting (Continued)

b) Geographical segments (Continued)

1 January-31 December 2022	Turkey	Russia, Ukraine and Georgia	Europe	America	Other	Total	Adjustments	Consolidated
Net sales – third parties	102,201,092	14,578,403	30,923,599	19,724,085	3,227,985	170,655,164	-	170,655,164
Intergroup sales	7,263,846	121,616	4,121,514	15,522	511,298	12,033,796	(12,033,796)	-
Total net sales (*)	109,464,938	14,700,019	35,045,113	19,739,607	3,739,283	182,688,960	(12,033,796)	170,655,164
Cost of sales	(78,396,753)	(9,921,663)	(26,693,275)	(9,985,684)	(2,727,915)	(127,725,290)	11,652,637	(116,072,653)
Gross profit	31,068,185	4,778,356	8,351,838	9,753,923	1,011,368	54,963,670	(381,159)	54,582,511
Operating expenses	(16,418,812)	(3,143,299)	(6,216,462)	(8,324,285)	(841,243)	(34,944,101)	2,308,144	(32,635,957)
Other operating income	11,360,562	656,053	1,410,341	6,294	125,895	13,559,145	(3,447,836)	10,111,309
Other operating expense	(6,345,089)	(370,721)	(788,527)	(183,399)	(57,336)	(7,745,072)	10,918	(7,734,154)
Share of profit (loss) from investments accounted for using equity method	1,786	-	579,466	-	-	581,252	(2)	581,250
Operating profit/ (loss)	19,666,632	1,920,389	3,336,656	1,252,533	238,684	26,414,894	(1,509,935)	24,904,959
Income from investing activities	10,106,884	58,366	29,791	311,699	63,556	10,570,296	(884,472)	9,685,824
Loss from investing activities	(1,876,516)	(185,798)	(53,720)	-	-	(2,116,034)	-	(2,116,034)
Other valuation gains / (losses) occurred from IFRS 9	(111,212)	(18)	-	-	-	(111,230)	-	(111,230)
Operating profit (loss) before financial income (expense)	27,785,788	1,792,939	3,312,727	1,564,232	302,240	34,757,926	(2,394,407)	32,363,519
Purchases of tangible and intangible assets	8,246,649	1,155,292	1,875,315	1,006,776	616,089	12,900,121	-	12,900,121
Right of use assets	436,027	28,382	19,339	546,665	24,771	1,055,184	-	1,055,184
Depreciation and amortization charges (-) (Note 18,19 and 20)	(5,525,928)	(1,469,661)	(1,681,610)	(2,912,725)	(241,069)	(11,830,993)	-	(11,830,993)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	33,311,716	3,262,600	4,994,337	4,476,957	543,309	46,588,919	(2,394,407)	44,194,512

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

6. Cash and Cash Equivalents

	31 December 2023	31 December 2022
Cash on hand	939	1,849
Cash at banks	33,164,786	33,233,648
– Demand deposits	17,845,090	11,145,044
– Time deposits with a maturity of three months or less	15,319,696	22,088,604
Other liquid assets (*)	4,625,016	8,437,881
Provision for impairment	(30,855)	(76,766)
	37,759,886	41,596,612

(*) As of 31 December 2023, a portion of TL 4,323,764 thousand is liquid funds.(31 December 2022: 7,955,645 thousand)

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

Currency	Interest Rate %	Maturity	31 December 2023	31 December 2022
Euro	%0.15-%3.90	January 2024	1,768,183	1,673,577
US Dollars	%1.00-%5.55	January 2024	8,634,123	1,404,862
Turkish Lira	%43.00	May 2024	3,741,262	15,363,537
Russian Rubles	%16.00	January 2024	1,006,982	3,116,910
Other currencies converted TRY		January 2024	169,146	529,718
			15,319,696	22,088,604

Movements in cash and cash equivalents impairment are as follows:

	31 December 2023	31 December 2022
1 January	(76,766)	(32,536)
Current year allowance	(5,176)	(87,602)
Monetary Gain/Loss	22,243	22,896
Currency translation differences	(163)	-
Cancellation of allowance	29,007	20,476
	(30,855)	(76,766)

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

	31 December 2023	31 December 2022
Cash and cash equivalents	37,759,886	41,596,612
Effect of impairment loss	30,855	76,766
Interest accrual	(42,538)	(83,450)
	37,748,203	41,589,928

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

7. Financial Investments

a) Current financial investments

	31 December 2023	31 December 2022
Current financial investment		
Financial assets measured at amortized cost	580,430	3,380,274
Time deposits	48,861	49,297
Restricted bank balances	154,845	-
Provision for impairment on financial assets	(4,306)	(12,819)
	779,830	3,416,752
	31 December 2023	31 December 2022
Financial assets at fair value through profit or loss		
Currency protected deposit	6,313,256	2,890,662
	6,313,256	2,890,662
Total current financial assets	7,093,086	6,307,414

b) Non-current financial investment

	31 December 2023	31 December 2022
Financial assets at fair value through other comprehensive income		
Financial investments not traded in an active market	31,862	31,862
	31 December 2023	31 December 2022
Long term financial investments measured at amortized cost		
Financial investments measured by amortized cost	1,017,947	1,356,272
Impairment provision	(30,948)	(63,438)
	986,999	1,292,834
Total non-current financial assets	1,018,861	1,324,696

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

	31 December 2023	31 December 2022
Beginning of the period - 1 January	31,862	5
Additions	-	31,857
	31,862	31,862

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

7. Financial Investments (Continued)

b) Non-current financial investment (Continued)

Financial investment not traded in an active market	Rate of Share (%)	31 December 2023	Rate of Share (%)	31 December 2022
Bosen Enerji Elek, Üret, Oto, Pro, Grb, A, Ş,	<1	5	<1	5
7Cbasalia Global AG (*)	10	31,857	10	31,857
		31,862		31,862

(*) As announced in the PDP statement dated May 17, 2022, the registration and establishment procedures of 7Cbasalia Global AG have been completed.

Financial assets measured at amortized cost

Bond issuer	31 December 2023	31 December 2022
Turkcell İletişim Hizmetleri A.Ş.	1,068,756	1,121,474
Bank of America Corp.	-	802,545
Yapı ve Kredi Bankası A.Ş.	264,996	276,616
Türkiye İhracat Kredi Bankası A.Ş. (Türk Eximbank)	-	262,254
Türkiye İş Bankası A.Ş.	47,734	37,347
Arçelik A.Ş.	-	950,086
Morgan Stanley	-	802,853
Securities, Turkish Lira currency	12,025	-
Securities, US Dollar currency	1,369,461	4,253,175
Securities, Indian Rupee currency	216,891	483,371
	1,598,377	4,736,546

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

There is no active market for securities issued in India.

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

Collection periods	31 December 2023	31 December 2022
Less than three months	218,094	31,547
3 - 12 months	362,336	3,348,727
1 - 5 years	1,017,947	1,356,272
	1,598,377	4,736,546

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

7. Financial Assets (Continued)

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

	31 December 2023	31 December 2022
1 January- Beginning of period	4,736,546	10,777,095
Monetary Gain/Loss	(1,390,665)	(3,386,494)
Valuation difference	1,618,652	2,320,889
Received within the period	584,488	2,226,487
Currency translation differences	(68,670)	(434,227)
Interest collected within the period	(289,588)	(331,802)
Principal collected during the period	(3,592,386)	(6,435,402)
	1,598,377	4,736,546

The movement of impairment on financial investments is as follows:

	31 December 2023	31 December 2022
1 January- Beginning of period	(76,257)	(65,047)
Monetary Gain/Loss	54,211	32,894
Cancellation of allowance	42,305	40,113
Expense for the period	(55,513)	(84,217)
	(35,254)	(76,257)

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 6.79% (2022: 5.73%).

Bond issuer	ISIN Code	Rate (%)	Date
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
Türkiye İş Bankası A.Ş.	TRSTISBA2513	44.127	19.12.2025

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

8. Borrowings

	31 December 2023	31 December 2022
Current financial borrowings		
Short term borrowings	23,785,683	13,322,782
Principal and installments of bonds issued	4,177,104	10,221,273
Discount differences and commissions of bonds issued	(16,188)	(12,485)
Other borrowings (*)	1,037,766	-
Total current financial borrowings	28,984,365	23,531,570

(*) Includes credit card debts

	31 December 2023	31 December 2022
Short term portion of long-term borrowings		
Short-term principal installments and interests of long- term borrowings	8,469,599	6,005,775
Liabilities from leasing transactions	783,206	643,374
Principal and installments of bonds issued	1,020,946	448,937
Discount differences and commissions of bonds issued	(1,298)	(1,910)
Total short-term portion of long-term borrowings	10,272,453	7,096,176
Total current financial borrowings	39,256,818	30,627,746

	31 December 2023	31 December 2022
Long term borrowings		
Long term portion of long-term borrowings	17,060,211	23,360,698
Bonds issued	27,393,910	21,605,684
Liabilities from leasing transactions	1,593,297	1,751,856
Discount differences and commissions of bonds issued	(28,863)	(47,324)
Total long-term borrowings	46,018,555	46,670,914
Total financial borrowings	85,275,373	77,298,660

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 December 2023	31 December 2022
Repricing dates for loans		
Shorter than 3 months	1,177,095	4,669,450
3 – 12 months	33,838,092	18,524,988
1 – 5 years	15,338,072	19,156,967
5 years and more	-	337,850
	50,353,259	42,689,255

The bond which was issued on 14 March 2019, and which will redeem on 14 March 2026, is USD 700,000 thousand notional and its coupon rate %6.95 (effective rate of interest 6.95%). Issued bonds are quoted on the Irish Stock Exchange and the stock exchange base price is USD 98.25 (31 December 2022: USD 97.02).

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.

Within the framework of the capital markets legislation, the application made by our Company to the Capital Markets Board for the issuance of debt securities up to 20,000,000 thousand TL in total to qualified investors domestically, without public offering,

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

through sales and private placement methods, was approved by the Capital Markets Board on 20 September 2023. and approved by decision no. 55/1187.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

8. Borrowings (Continued)

Transactions as of the report date are as follows:

ISIN	Debt Instrument Type	Redemption Date	Simple Interest Rate	Nominal Value (thousand TL)
TRFSISE92416	Long Term Bond	24.09.2024	48.00	4,200,000
TRSSISEE2517	Bond	07.10.2025	47.00	2,000,000
TRSSISEK2519	Bond	04.11.2025	48.00	4,000,000
TRSSISEA2511	Bond	02.12.2025	47.00	750,000
Debts not due as of report date				10,950,000
TRFSISE42312	Long Term Bond	4.04.2023	25.00	1,300,000
TRFSISE42320	Long Term Bond	14.04.2023	25.00	1,350,000
TRFSISE42338	Long Term Bond	26.04.2023	26.00	1,000,000
TRFSISE62310	Long Term Bond	13.06.2023	27.50	1,500,000
TRFSISE82318	Long Term Bond	4.08.2023	34.00	475,000
TRFSISE92325	Long Term Bond	12.09.2023	41.00	995,000
TRSSISE92310	Bond	26.09.2023	30.00	700,000
TRFSISE92317	Long Term Bond	27.09.2023	28.00	760,000
TRFSISEE2314	Long Term Bond	4.10.2023	28.00	270,000
TRFSISEE2322	Long Term Bond	12.10.2023	32.00	550,000
TRFSISEE2330	Long Term Bond	25.10.2023	34.00	450,000
TRFSISEK2316	Long Term Bond	27.11.2023	30.00	650,000
Debts paid on maturity				10,000,000
Total				20,950,000

central custodian organization	ISIN	CFI	Balance (American Dollar)
Euroclear ve Clearstream	XS1961010987	DYFXXR	497,270,000
DTC	US90016AAB61	DBFGGR	202,730,000
Total			700,000,000

Financial borrowings movements for the period between 1 January and 31 December 2023 are summarized as below:

Bank loans(*)	Principal	Interest	Commission	Total
Beginning of the period - 1 January	42,296,634	536,096	(143,475)	42,689,255
Monetary Gain/Loss	(4,979,354)	(82,967)	20,164	(5,042,157)
Borrowed –accrued during the period	26,304,497	2,841,716	(43,197)	29,103,016
Currency translation differences	(1,380,818)	(1,484)	361	(1,381,941)
Foreign exchange (gain)/loss	9,505,607	-	-	9,505,607
Payments-reversals during the period	(21,890,855)	(2,725,855)	96,189	(24,520,521)
As of 31 December 2023	49,855,711	567,506	(69,958)	50,353,259

(*) It also includes credit card debts under other financial debts,

Bonds issued	Principal	Interest	Discount on bond	Commission	Total
Beginning of the period - 1 January	31,244,902	1,030,992	(43,402)	(18,317)	32,214,175
Monetary Gain/Loss	(10,464,041)	(613,151)	13,214	2,612	(11,061,366)
Foreign exchange (gain)/loss(**)	9,598,001	-	-	-	9,598,001
Borrowed –accrued during the period	14,005,050	4,647,338	(9,577)	(44,039)	18,598,772
Payments-reversals during the period	(12,790,000)	(4,067,131)	12,104	41,056	(16,803,971)
As of 31 December 2023	31,593,912	998,048	(27,661)	(18,688)	32,545,611

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

8. Borrowings (Continued)

Operational lease liabilities	Total
Beginning of the period - 1 January	2,395,230
Monetary Gain/Loss	(173,469)
Additions	163,739
Currency translation differences	(101,360)
Foreign exchange (gain)/loss	122,980
Revaluation differences (*)	765,383
Payments during the period	(796,000)
As of 31 December 2023	2,376,503

- (*) 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 20). 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.
- (**) Foreign exchange losses totaling 14,027,573 thousand TL, including 9,351,087 thousand TL on bank loans and 4,676,486 thousand TL on issued bonds, were classified under consolidated other comprehensive income within the scope of net investment hedge accounting.

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

Bank Loans	Principal	Interest	Commission	Total
Beginning of the period - 1 January	46,629,344	370,632	(33,078)	46,966,898
Monetary Gain/Loss	(6,721,672)	(134,802)	8,657	(6,847,817)
Subsidiary acquisition effect	110,157	-	-	110,157
Borrowed –accrued during the period	45,622,579	2,748,221	(293,434)	48,077,366
Currency translation differences	(5,011,174)	(29,845)	1,601	(5,039,418)
Foreign exchange (gain)/loss	3,112,497	-	-	3,112,497
Payments – reversals during the period	(41,445,097)	(2,418,110)	172,779	(43,690,428)
As of 31 December 2022	42,296,634	536,096	(143,475)	42,689,255

Bond issued	Principal	Interest	Discount on bond	Commission	Total
Beginning of the period - 1 January	25,299,966	526,662	(90,549)	(13,550)	25,722,529
Monetary Gain/Loss	(11,173,095)	(266,194)	33,250	3,700	(11,402,339)
Foreign exchange (gain)/loss	7,478,814	-	-	-	7,478,814
Borrowed –accrued during the period	9,639,217	2,290,612	-	(25,232)	11,904,597
Payments-reversals during the period	-	(1,520,088)	13,897	16,765	(1,489,426)
As of 31 December 2022	31,244,902	1,030,992	(43,402)	(18,317)	32,214,175

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

8. Borrowings (Continued)

Operational lease liabilities	Total
Beginning of the period - 1 January	2,205,018
Monetary Gain/Loss	(166,968)
Additions during the period	1,196,223
Currency translation differences	(296,162)
Foreign exchange (gain)/loss	13,923
Revaluation differences (*)	161,084
Disposals	(140)
Payments during the period	(717,748)
As of 31 December 2022	2,395,230

(*) 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 20). 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.

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

31 December 2023

Currency	Maturity	Interest range (%) (*)	Short Term	Long Term	Total
Euro	2024-2026	Euribor+1.10-5.70	13,979,739	11,570,184	25,549,923
US Dollar	2024-2028	Libor+2.60-6.50	15,345,711	27,278,801	42,624,512
Turkish Lira	2024	46.15-48.00	6,421,302	7,110,598	13,531,900
Russian Rubles	2024	13.40-18.10	1,690,216	7,566	1,697,782
Bulgarian Lev	2024	8.00	8,119	24,043	32,162
Egyptian Pound	2024	20.75-22.25	258,588	113	258,701
Indian Rupee	2026	8.20	724,455	24,771	749,226
Chinese Yuan	2023-2028	4.00	3,402	1,676	5,078
Rumen Leu	2024	Robor+3.50	824,563	-	824,563
Hungarian Forint	2024	4.00	723	803	1,526
			39,256,818	46,018,555	85,275,373

31 December 2022

Currency	Maturity	Interest range (%) (*)	Short Term	Long Term	Total
Euro	2023-2026	Euribor+1.10-5.70	10,322,082	16,236,850	26,558,932
US Dollar	2023-2028	Libor+2.15-3.98	1,270,749	27,910,656	29,181,405
Turkish Lira	2023-2024	11.75-33.00	17,900,592	269,302	18,169,894
Russian Rubles	2023-2024	7.40-11.62	958,942	2,233,456	3,192,398
Bulgarian Lev	2023-2024	4.00	1,406	2,949	4,355
Egyptian Pound	2023	8.00	160,194	1,010	161,204
Indian Rupi	2023-2024	5.50	8,087	10,366	18,453
Chinese Yuan	2023-2024	2.40	3,646	5,335	8,981
Romanian Leu	2023-2024	4.00	1,086	-	1,086
Hungarian Forint	2023-2024		962	990	1,952
			30,627,746	46,670,914	77,298,660

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

8. Borrowings (Continued)

The redemption schedule of the financial liabilities is as follows:

	31 December 2023	31 December 2022
Within 1 year	39,256,818	30,627,746
Within 1-2 years	15,698,683	4,198,724
Within 2-3 years	27,785,754	2,212,454
Within 3-4 years	1,621,681	36,770,042
Within 4-5 years	909,977	2,280,386
More than 5 years	2,460	1,209,308
	85,275,373	77,298,660

9. Other Financial Liabilities

There are no other financial liabilities for the period of January 1- December 31, 2023. (January 1- December 31, 2022: none.)

10. Trade Receivables and Payables

Trade Receivables

	31 December 2023	31 December 2022
Current trade receivables		
Trade receivables	27,417,373	32,395,358
Other trade receivables	280,836	467,797
Notes receivables and cheques	228,811	298,425
Due from related parties (Note 37)	167,868	104,193
Unearned finance income (-)	(368,822)	(142,130)
Provision for doubtful receivables and expected credit loss (-)	(255,624)	(431,984)
	27,470,442	32,691,659
Non- Current trade receivables		
Trade receivables	35	-
	35	-

The Group has recognized allowance for doubtful receivables that has no recoverability. Allowance for doubtful receivables is determined based on the experience. In determining the recoverability of a trade receivable, the Group considers whether any change in the credit quality of the trade receivable from the date credit was initially granted to the reporting date or not.

The Group has no significant concentration risk since the Group has been working with the spread over a large number of counterparties and customers. Accordingly, the management believes that no further allowance is required more than recognized in financial statements.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

10. Trade Receivables and Payables (Continued)

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

	31 December 2023	31 December 2022
Beginning of the period - 1 January	(431,984)	(466,139)
Monetary Gain Loss	79,246	148,203
Current year charge	(147,777)	(236,034)
Currency translation differences	2,194	42,991
Collections	242,697	78,995
	(255,624)	(431,984)

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

	31 December 2023	31 December 2022
Beginning of the period - 1 January	-	(1,315)
Currency translation differences	-	374
Current year charge	-	-
Collections	-	941
	-	-

The Group has received the following collaterals for trade receivables:

	31 December 2023	31 December 2022
Credit Insurance	7,197,190	7,682,392
Letters of guarantees	2,669,418	3,860,704
Direct debit system	1,762,990	1,762,709
Mortgages	222,966	149,948
Cash	1,000	2,219
Confirmed Letter of Credit	9,688	21,974
Promissory notes and bills	165,995	138,482
	12,029,247	13,618,428

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 December 2023	31 December 2022
1- 30 days overdue	1,973,400	2,310,154
1-3 months overdue	671,511	530,562
3-12 months overdue	621,182	229,578
1- 5 years overdue	115,215	116,649
Total overdue receivables	3,381,308	3,186,943
The portion under guarantee with collaterals and similar guarantees (-)	(1,166,911)	(1,182,580)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

10. Trade Receivables and Payables (Continued)

Trade Payables

	31 December 2023	31 December 2022
Short term trade payables		
Trade payables	16,474,617	18,367,239
Due to related parties (Note 37)	540,898	357,282
Other trade payables	119,472	-
Deferred finance expense (-)	(212,734)	(53,222)
	16,922,253	18,671,299

11. Other Receivables and Payables

	31 December 2023	31 December 2022
Short-term other receivables		
Receivables from tax office	194,051	99,165
Deposits and guarantees given	203,018	337,577
Due from personnel	26,369	29,278
Provision for other doubtful receivables and expected credit loss (-)	(329)	(2,477)
Other miscellaneous receivables	588,695	280,735
	1,011,804	744,278

Movement of provision for doubtful other short-term receivables and expected credit loss are as follows:

	31 December 2023	31 December 2022
Beginning of the period - 1 January	(2,477)	(3,216)
Currency translation differences	820	356
Collections	1,328	947
Current year charge	-	(564)
	(329)	(2,477)

	31 December 2023	31 December 2022
Other non-current receivables		
Government incentive	-	136,740
Deposits and guarantees given	25,946	30,720
Other receivables	17	93
	25,963	167,553

	31 December 2023	31 December 2022
Other current payables		
Deposits and guarantees received	165,083	137,630
Other payables due to related parties (Note 37)	53,045	80,073
Government right - mining fund (*)	229,744	342,510
Other miscellaneous payables	538,169	418,598
Payables to the employee	94,372	98,768
Associate acquisition (**)	240,924	-
	1,321,337	1,077,579

(*) The amount arises from America Operations.

(**) As explained in the PDP statements dated January 15, 2024 and January 30, 2024, Şişecam Investment BV which is 100% subsidiaries of the Group has acquired 15.66% of Icron Teknoloji Bilişim A.Ş. in accordance with the Share Purchase Agreement through Participation in Capital Increase signed 23 October 2023 and in line with the Competition Board permission dated 21 December 2023. Due to this partnership, a total of 8 million USD was paid in 2024, and the relevant amounts were reflected to the consolidated financial statements dated 31 December 2023.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

11. Other Receivables and Payables (continued)

	31 December 2023	31 December 2022
Other non-current payables		
Deposits and guarantees received	913	852
Other payables	97,967	7,574
	98,880	8,426

12. Derivative Instruments

The distribution of derivative instruments is as follows:

	31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Short-term foreign exchange transactions	642,956	880	30,654	235,968
Long-term foreign exchange transactions	305,568	-	391,636	-
For Trading Purposes	948,524	880	422,290	235,968
Short-term swap contracts	17,197	1,143,505	1,475,810	244,488
Long-term swap	956,712	114,267	1,561,962	15,645
Fair Value Hedging	973,909	1,257,772	3,037,772	260,133
Short-term swap contracts	660,153	1,144,385	1,506,464	480,456
Long-term swap and option contracts	1,262,280	114,267	1,953,598	15,645
Cash Flow Hedging	1,922,433	1,258,652	3,460,062	496,101

The transactions related to derivative instruments are as follows:

	31 December 2023	31 December 2022
Beginning of the period - 1 January	2,963,961	2,739,807
Subsidiary acquisition effect	-	(165)
Monetary Gain Loss	(348,493)	(1,099,408)
Other comprehensive income that will be reclassified to profit or loss	(2,562,580)	1,630,891
- Cash flow hedging	(2,717,543)	1,570,772
- Currency translation differences	154,963	60,119
Valuation differences accounted in profit or loss	775,846	4,291,109
Realized cash (inflows)/outflows	(164,953)	(4,598,273)
Net asset/ (liability)	663,781	2,963,961

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

13. Inventories

	31 December 2023	31 December 2022
Finished goods	17,469,277	18,666,612
Raw materials	11,018,055	11,990,257
Trade goods	2,347,624	2,134,276
Other inventories	1,479,783	1,164,215
Work in progress	954,018	1,036,072
Supplies	483,106	405,327
Goods in transit	258,052	221,035
Provision for inventory impairment (-)	(1,100,271)	(1,206,901)
	32,909,644	34,410,893

The movement of provision for inventory impairment is as follows:

	31 December 2023	31 December 2022
Beginning of the period - 1 January	(1,206,901)	(1,102,397)
Subsidiary acquisition effect	-	(4,856)
Provisions during the period	(378,023)	(533,643)
Currency translation differences	56,820	75,700
Released provision	427,833	358,295
	(1,100,271)	(1,206,901)

14. Prepaid Expenses and Deferred Income

Prepaid expenses

	31 December 2023	31 December 2022
Prepaid expenses in current assets		
Advances given for inventories	1,845,887	2,469,037
Prepaid expenses	504,563	656,760
	2,350,450	3,125,797

	31 December 2023	31 December 2022
Prepaid expenses in non-current assets		
Advances given for tangible and intangible assets	4,654,536	3,890,079
Prepaid expenses	483,909	414,562
	5,138,445	4,304,641

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

	31 December 2023	31 December 2022
Beginning of the period-1 January	3,890,079	1,463,534
Subsidiary acquisition effect	-	4,851
Advances given during the period	3,517,955	3,760,263
Currency translation differences	263,190	(7,314)
Released	(3,016,688)	(1,331,255)
	4,654,536	3,890,079

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

14. Prepaid Expenses and Deferred Income (continued)

Deferred income

	31 December 2023	31 December 2022
Short term deferred income		
Advances received from customers	1,718,888	2,165,688
Other advances received	50,285	97,476
Deferred income	243,857	12,912
	2,013,030	2,276,076
	31 December 2023	31 December 2022
Long term deferred income		
Deferred income	346,201	439,000

15. 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 December 2023	31 December 2022
Till 1 month	17,793	12,429
1-3 month	36,989	32,585
3-6 month	156,437	132,507
	211,219	177,521

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 December 2023	31 December 2022
Till 1 month	290,101	367,208

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

16. 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 December 2023	31 December 2022
Rudnik Krechnjaka Vijenac D.O.O.	230,961	226,609
	230,961	226,609

Associates

	31 December 2023	31 December 2022
Solvay Sisecam Holding AG	2,636,184	1,914,278
Saint Gobain Glass Egypt S.A.E.	745,994	975,571
Icron Teknoloji Bilişim A.Ş.	240,922	-
	3,623,100	2,889,849
	3,854,061	3,116,458

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

Joint Ventures

	31 December 2023	31 December 2022
Rudnik Krechnjaka Vijenac D.O.O.	4,931	1,786
	4,931	1,786

Associates

	31 December 2023	31 December 2022
Solvay Sisecam Holding AG	746,006	184,643
Saint Gobain Glass Egypt S.A.E.	340,563	394,821
	1,086,569	579,464
	1,091,500	594,924

Dividend income from joint ventures is as follows:

	31 December 2023	31 December 2022
Solvay Sisecam Holding AG	159,533	397,605
Saint Gobain Glass Egypt S.A.E.	300,091	197,319
	459,624	594,924

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

16. Joint Ventures and Associates (Continued)

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

	31 December 2023	31 December 2022
Beginning of the period - 1 January	3,116,458	4,474,002
Currency translation differences (net)	(135,197)	(1,343,870)
Net income for the period from joint ventures and associates (net)	1,091,500	581,250
Subsidiary acquisition effects	240,924	-
Dividend income	(459,624)	(594,924)
	3,854,061	3,116,458

The summary of the financial statements of Joint Ventures is as follows:

Rudnik Krecnjaka Vijenac D.O.O.

	31 December 2023	31 December 2022
Current assets	67,571	60,279
Non-current assets	441,039	441,895
Total Assets	508,610	502,174
Current liabilities	30,242	40,282
Non-current liabilities	16,446	8,675
Total liabilities	46,688	48,957
Net Assets (including goodwill)	461,922	453,217
Group's share (%)		
- Direct and indirect ownership rate %	50,00	50,00
- Effective ownership rate (%)	50,00	50,00

Group's share in net assets (including goodwill)	230,961	226,609
	1 January- 31 December 2023	1 January- 31 December 2022
Revenue	201,881	187,404
Profit / (loss) from continuing operations	9,861	3,572
Other comprehensive income / (loss)	177,005	109,749
Total comprehensive income/ (loss)	186,866	113,321
The Group's share in profit/(loss) from continuing operations	4,931	1,786
Dividend distributions from previous years' profits	-	-
The Group's share in distributed dividend	-	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

16. Joint Ventures and Associates (Continued)

The summary of the financial statements of Associates is as follows (Continued):

Solvay Sisecam Holding AG

	31 December 2023	31 December 2022
Current assets	4,020,352	4,345,663
Non-current assets	8,752,198	8,756,316
Total Assets	12,772,550	13,101,979
Current liabilities	1,897,428	5,010,013
Non-current liabilities	163,133	173,867
Total Liabilities	2,060,561	5,183,880
Non-controlling interest	167,253	260,990
Net assets	10,544,736	7,657,109
Group's share (%)		
– Direct and indirect ownership rate (%)	25,00	25,00
– Effective ownership rate (%)	25,00	25,00
Group's share in net assets	2,636,184	1,914,278
	1 January- 31 December 2023	1 January- 31 December 2022
Revenue	9,518,294	8,167,336
Profit from continuing operations	2,984,021	738,572
Other comprehensive income/ (loss)	3,551,783	1,975,182
Total comprehensive income/ (loss)	6,535,804	2,713,754
The Group's share in profit/ (loss) from continuing operations	746,006	184,643
Dividend distributions from previous years' profits	638,133	1,590,420
The Group's share in distributed dividend	159,533	397,605

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

16. Joint Ventures and Associates (Continued)

The summary of the financial statements of Associates is as follows (Continued):

Saint Gobain Glass Egypt S.A.E

	31 December 2023	31 December 2022
Current assets	2,058,606	2,283,250
Non-current assets	1,653,101	1,627,019
Total Assets	3,711,707	3,910,269
Current liabilities	1,177,591	553,586
Non-current liabilities	47,471	104,781
Total Liabilities	1,225,062	658,367
Net asset (including goodwill)	2,486,645	3,251,902
Group's share (%)		
– Direct and indirect ownership ratio (%)	30.00	30,00
– Effective ownership ratio (%)	30.00	30,00
Group's share in net assets (including goodwill)	745,994	975,571
	1 January- 31 December 2023	1 January- 31 December 2022
Revenue	2,955,516	2,394,752
Profit from continuing operations	1,135,206	1,316,068
Other comprehensive income/ (loss)	515,581	(415,402)
Total comprehensive income/ (loss)	1,650,787	900,666
The Group's share in profit/ (loss) from continuing operations	340,563	394,821
Dividend distributions from previous years' profits	1,137,709	716,032
The Group's share in distributed dividend	300,091	197,319

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

17. Investment Properties

	Net Book Value	Revaluation Profit/ (Loss) Effect	Fair Value
Beginning of the period-1 January	62,028	9,087,086	9,149,114
Revaluation increase (note 33)	-	1,805,362	1,805,362
31 December 2023 closing balance	62,028	10,892,448	10,954,476

	Net Book Value	Revaluation Profit/ (Loss) Effect	Fair Value
Beginning of the period-1 January	84,940	4,700,920	4,785,860
Disposals	(22,912)	(425,104)	(448,016)
Revaluation increase (note 33)	-	4,811,270	4,811,270
31 December 2022 closing balance	62,028	9,087,086	9,149,114

The Group has classified properties that are not used for operation or administrative purposes as investment property with fair value.

The fair value of these investment properties depends on the independent appraisal reports prepared by "Harmoni Gayrimenkul ve Danışmanlık A.Ş." which has a capital market real estate appraisal license and sufficient professional knowledge and current knowledge about the class and location of real estates.

By using valid and current construction plan and permits for the parcels in which real estates are locating, cost approach, direct capitalization, cash flow and market approach have been used for the fair value measurement. In determination of the values, the shortage of number of land parcels in the region where the real estates subject to appraisal are located, transportation matters, environmental structures and the ongoing construction plan processes have been taken into consideration:

All investment properties are located in Turkey.

The fair value level of investment properties is determined as Level 2. (Level 2: Expresses the value from inputs used to determine the direct or indirect market price other than the stock exchange prices).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

18. 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	18,650,691	7,185,882	29,127,578	127,960,946	978,096	6,635,321	9,436,965	9,822,526	209,798,005
Classifications (*)	-	124,075	(3,641)	(125,634)	7,631	110	(253,614)	-	(251,073)
Currency translation differences	(132,111)	(193,385)	(1,435,838)	(3,079,564)	(34,105)	(39,524)	(646,699)	196,754	(5,364,472)
Additions	243,420	17,238	188,531	1,275,388	36,587	53,331	285,869	18,154,122	20,254,486
Disposals	-	(11,454)	(46,017)	(2,055,069)	(25,326)	(82,769)	(278,486)	(1,132,056)	(3,631,177)
Transfers from construction in progress	960	264,265	1,192,790	7,701,066	15,531	580,567	684,998	(10,937,477)	(497,300)
Revaluation increase	3,030,243	-	1,605,594	-	-	-	-	-	4,635,837
Subsidiary acquisition effect	-	-	-	-	-	119	-	68,171	68,290
31 December 2023 closing balance	21,793,203	7,386,621	30,628,997	131,677,133	978,414	7,147,155	9,229,033	16,172,040	225,012,596
Accumulated depreciation and impairment									
Beginning of the period – 1 January	-	(4,276,018)	(976,912)	(88,435,965)	(684,178)	(4,909,530)	(5,713,835)	(24,465)	(105,020,903)
Classifications (*)	-	(102)	(19,475)	21,578	(2,463)	(110)	(120)	-	(692)
Currency translation differences	-	122,665	(88,697)	1,889,933	18,544	30,331	293,137	8,026	2,273,939
Charge for the period (**)	-	(391,703)	(992,859)	(5,861,441)	(84,534)	(355,695)	(760,392)	(7,623)	(8,454,247)
Disposals	-	11,454	23,650	1,840,290	23,683	64,132	149,359	-	2,112,568
Revaluation	-	-	723,282	1,850	-	-	1,488	-	726,620
Impairment Provisions	-	-	-	-	-	-	-	(9,081)	(9,081)
31 December 2023 closing balance	-	(4,533,704)	(1,331,011)	(90,543,755)	(728,948)	(5,170,872)	(6,030,363)	(33,143)	(108,371,796)
Net Book Value as of December 31, 2023	21,793,203	2,852,917	29,297,986	41,133,378	249,466	1,976,283	3,198,670	16,138,897	116,640,800

(*) The Group has reassessed its tangible assets and has made related account classifications and netting including the assets which have been fully amortized, such changes do not have any effect on profit / (loss).

(**) The allocation of period depreciation expense is given in Note 29 and Note 31.

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

18. 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	11,811,216	6,793,460	30,646,444	138,655,895	913,994	6,926,990	9,959,360	6,924,836	212,632,195
Classifications (*)	-	(2,350)	8,901	(456)	229	(458)	4,245	-	10,111
Currency translation differences	(532,998)	(303,118)	(3,025,183)	(9,894,930)	(95,858)	(183,351)	(854,137)	(826,359)	(15,715,934)
Additions (**)	16,113	78,407	105,376	579,503	88,880	81,535	345,840	11,173,644	12,469,298
Disposals	(49,677)	(15,873)	(1,465,686)	(5,838,279)	(17,533)	(601,902)	(584,738)	(136,350)	(8,710,038)
Transfers from construction in progress	18	633,440	1,229,333	4,324,240	88,384	339,111	566,395	(7,316,924)	(136,003)
Revaluation increase	7,358,042	-	1,505,469	-	-	-	-	-	8,863,511
Subsidiary acquisition effect	47,977	1,916	122,924	134,973	-	73,396	-	3,679	384,865
31 December 2022 closing balance	18,650,691	7,185,882	29,127,578	127,960,946	978,096	6,635,321	9,436,965	9,822,526	209,798,005
Accumulated depreciation and impairment									
Beginning of the period – 1 January	-	(4,095,187)	(417,012)	(91,953,358)	(728,392)	(5,288,992)	(5,665,101)	-	(108,148,042)
Classifications (*)	-	79	-	(13,882)	(231)	(1,687)	(229)	-	(15,950)
Currency translation differences	-	114,479	(6,179)	4,562,055	85,285	137,328	310,081	-	5,203,049
Charge for the period (***)	-	(307,755)	(1,563,085)	(6,738,186)	(56,843)	(329,266)	(860,924)	(24,465)	(9,880,524)
Disposals	-	12,366	90,045	5,692,382	15,082	544,319	502,338	-	6,856,532
Revaluation	-	-	919,319	582	-	58	-	-	919,959
Impairment Provisions	-	-	-	14,442	921	28,710	-	-	44,073
31 December 2022 closing balance	-	(4,276,018)	(976,912)	(88,435,965)	(684,178)	(4,909,530)	(5,713,835)	(24,465)	(105,020,903)
Net Book Value as of 31 December 2022	18,650,691	2,909,864	28,150,666	39,524,981	293,918	1,725,791	3,723,130	9,798,061	104,777,102

(*) 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).

(**) TRY 555 thousand financial expense capitalized in current year addition (Note 8).

(***) The allocation of period depreciation expense is given in Note 29 and Note 31.

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

19. Right-of-Use Assets

Cost	Land	Building	Machinery and equipments	Vehicles	Total
Beginning of the period – 1 January	37,241	965,407	1,385,725	486,236	2,874,609
Reclassifications (*)	(36,148)	5,295	89,372	17,710	76,229
Currency translation differences	(347)	15,086	98,278	7,422	120,439
Additions	-	104,026	1,170,236	37,360	1,311,622
Disposals (**)	(369)	(129,419)	(246,084)	(33,742)	(409,614)
31 December 2023 closing balance	377	960,395	2,497,527	514,986	3,973,285
Accumulated Amortization					
Beginning of the period – 1 January	(2,178)	(482,586)	(420,765)	(103,299)	(1,008,828)
Reclassifications (*)	1,009	133,699	(31,035)	(14,153)	89,520
Currency translation differences	797	3,608	(28,819)	(6,923)	(31,337)
Charge for the period (***)	(90)	(220,216)	(390,877)	(165,953)	(777,136)
Disposals	233	48,829	237,387	27,844	314,293
31 December 2023 closing balance	(229)	(516,666)	(634,109)	(262,484)	(1,413,488)
Net Book Value as of 31 December 2023	148	443,729	1,863,418	252,502	2,559,797

(*) 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).

(**) 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 29 and Note 31.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

19. Right-of-Use Assets (Continued)

Cost	Land	Building	Machinery and equipments	Vehicles	Total
Beginning of the period – 1 January	41,991	957,149	1,116,680	110,408	2,226,228
Reclassifications (*)	984	145,539	(42,536)	4,810	108,797
Additions	-	82,938	538,516	433,730	1,055,184
Disposals (**)	-	(195,589)	(154,035)	(45,057)	(394,681)
Currency translation differences	(5,734)	(24,630)	(72,900)	(17,655)	(120,919)
31 December 2022 closing balance	37,241	965,407	1,385,725	486,236	2,874,609
Accumulated Amortization					
Beginning of the period – 1 January	(420)	(483,856)	(259,694)	(54,569)	(798,539)
Reclassifications (*)	(855)	38,870	76,975	5,948	120,938
Currency translation differences	(394)	4,905	(12,050)	1,854	(5,685)
Charge for the period (***)	(509)	(216,316)	(374,672)	(98,391)	(689,888)
Disposals	-	173,811	148,676	41,859	364,346
31 December 2022 closing balance	(2,178)	(482,586)	(420,765)	(103,299)	(1,008,828)
Net Book Value as of 31 December 2022	35,063	482,821	964,960	382,937	1,865,781

(*) 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 29 and Note 31.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

20. Intangible Assets

Cost	Rights	Mine assets	Mining Rights	Capitalized Development		Total
				Cost	Other	
Beginning of the period -1 January	3,138,215	841,823	33,406,775	1,686,785	1,302,133	40,375,731
Classification (*)	-	-	-	10	253,548	253,558
Subsidiary acquisition effect	171,851	-	-	-	-	171,851
Currency translation differences	(177,791)	-	(1,613,394)	-	219,479	(1,571,706)
Transfers from construction in progress	223,897	69,669	-	176,881	26,853	497,300
Additions	271,116	-	36	-	465,534	736,686
Disposals	(1,806)	-	(532,847)	-	(10,140)	(544,793)
31 December 2023 closing amount	3,625,482	911,492	31,260,570	1,863,676	2,257,407	39,918,627
Accumulated amortization						
Beginning of the period -1 January	(2,381,372)	(140,864)	(625,560)	(1,273,846)	(396,908)	(4,818,550)
Classification (*)	(1,793)	-	-	-	-	(1,793)
Currency translation differences	9,837	-	(47,889)	-	(15,867)	(53,919)
Period expenses (**)	(294,290)	(43,120)	(396,391)	(193,328)	(112,708)	(1,039,837)
Disposals	1,806	-	76,758	-	8,234	86,798
31 December 2023 closing amount	(2,665,812)	(183,984)	(993,082)	(1,467,174)	(517,249)	(5,827,301)
Net Book Value as of 31 December 2023	959,670	727,508	30,267,488	396,502	1,740,158	34,091,326

Cost	Rights	Mine assets	Mining Rights	Capitalized Development		Total
				Cost	Other	
Beginning of the period -1 January	2,516,847	841,823	39,118,950	1,564,534	861,466	44,903,620
Subsidiary acquisition effect	-	-	-	-	249,479	249,479
Classification (*)	484	-	-	-	-	484
Currency translation differences	445,325	-	(5,712,175)	-	(56,273)	(5,323,123)
Transfers from construction in progress	46,789	-	-	89,025	171	135,985
Additions	148,979	-	-	33,226	248,618	430,823
Disposals	(20,209)	-	-	-	(1,328)	(21,537)
31 December 2022 closing amount	3,138,215	841,823	33,406,775	1,686,785	1,302,133	40,375,731
Accumulated amortization						
Beginning of the period -1 January	(2,163,554)	(131,820)	-	(1,077,516)	(345,814)	(3,718,704)
Classification (*)	5,355	-	-	-	-	5,355
Currency translation differences	140,222	-	(70,839)	-	65,026	134,409
Period expenses (**)	(383,084)	(9,044)	(554,721)	(196,330)	(117,402)	(1,260,581)
Disposals	17,316	-	-	-	1,282	18,598
Impairment Provisions	2,373	-	-	-	-	2,373
31 December 2022 closing amount	(2,381,372)	(140,864)	(625,560)	(1,273,846)	(396,908)	(4,818,550)
Net Book Value as of 31 December 2022	756,843	700,959	32,781,215	412,939	905,225	35,557,181

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

(**) Allocation of amortisation expense is disclosed in Note 29 and Note 31.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

21. Goodwill

The movement of goodwill balance is as follows:

	31 December 2023	31 December 2022
Beginning of the period -1 January	1,338,600	1,730,137
Currency translation differences	(64,247)	(391,537)
	1,274,353	1,338,600

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

	31 December 2023	31 December 2022
Sisecam Flat Glass India Private Limited	954,119	1,002,544
Sisecam Automotive Romania SA	167,779	170,093
Cromital S.p.A.	76,744	77,389
Sisecam Automotive Germany GmbH	47,395	47,792
Oxyvit Kimya Sanayii ve Ticaret A.Ş.	10,862	17,898
OOO Ruscam Glass Packaging Holding	17,454	22,884
	1,274,353	1,338,600

Goodwill Impairment Test

The Group applies the goodwill impairment test every year. Recoverable amounts of cash flow producing assets are decided based on the valuations on use. Use value is calculated by discounting the cash flow, which is expected to be created by continuous use of the asset.

Therefore, Group used the following assumptions in order to calculate the use value of Sisecam Flat Glass India Private Limited, which is a subsidiary of the group, as of 31 December 2023:

- Goodwill impairment test is applied through the use of 5 year projection between 1 January 2024 and 31 December 2028.
- In order to forecast the cash flows (infinite), which will be generated in the future, growth rate of 2% is used, which does not exceed the average forecasted growth rate of Turkey.
- In order to calculate the recoverable amount weighted average cost of capital of 10.80% is used as after tax discount rate.

While calculating the net present value of future cash flows, long-term growth rate and rediscount rate estimates were considered. In the real assumption, if the long-term growth rate taken as 2% is accepted as 1.5%, the recoverable value remains above of the book value of the cash-generating unit, and no impairment is required. In the original assumption, if the discount rate taken as 11.80% is accepted as 10.80%, the recoverable value remains above of the book value of the cash producing unit with goodwill and brand value, and no impairment is required.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

22. Government Grants

Research & Development Incentives

In line with the Law on the Support of Research and Developments (R&D) Activities No. 5746 on the basis of new technology and research and development activities in search of information, 100% of the expenditures made in the R & D centers within the scope of the enterprises are considered as R & D discounts in determining the corporate income until 31 December 2023. On the basis of the provisions of the law no 5746. The amount of R & D reduction that cannot be deducted in the relevant accounting period due to insufficient earnings is transferred to the next accounting period. Amounts transferred shall be taken into consideration by increasing the revaluation rate determined every year according to Tax Procedure Law No: 213 without any time limit in the following years.

In addition according to the Law No. 5746. Withholding tax incentive and insurance premium support is provided for personnel working in the R & D center. According to this law, among the design and support personnel working in R & D and design centers; ninety five percent (95%) for those who have at least a master's degree in one of the basic sciences, ninety percent (90%) for those who have a bachelor's degree in one of the basic sciences, others (80%) are excluded from income tax. Among design and support personnel working in R & D and design centers; half of the employer's share of the insurance premium calculated on the wages they have obtained in return for these works shall be met from the appropriation to be made to the Ministry of Finance for each employee. The Group also utilizes R & D incentives mentioned.

Reduced Corporate Tax Application

In the line with the article 32 / A of the Corporate Tax Law No,5520, the Group receives tax support for the profits obtained from investments connected to the incentive certificate by Ministry of Economy. The amount of corporate tax to be paid each year until the amount of investment contribution calculated according to the investment contribution rate determined by the Council of Ministers is reached, corporate tax to be paid each year is also utilized by deducting the corporate tax discount rate determined by the Council of Ministers, Value Added Tax ("VAT") and customs tax incentives are also utilized according to the investment incentive documents obtained within the scope of the same decision.

Application of exemption from industrial property rights

Pursuant to Article 5/B of the Corporate Tax Law, inventions resulting from research, development and innovation activities and software activities carried out by corporate taxpayers in Turkey;

- Earnings and revenues obtained as a result of leasing,
- Gains obtained as a result of its transfer or sale,
- Earnings obtained if they are mass-produced and marketed in Turkey,
- The income derived from the sale of the products produced as a result of use in the production process in Turkey, attributed to the invention with patent or utility model certificate, if the conditions specified in the article 50% are fulfilled,

it is exempted from corporate tax.

The mentioned incentive is utilized by our Group.

Investment Incentives

The Hungarian government also provides cash incentives due to the investments made in its country. In this context, an application was made to benefit from the incentive for the subsidiary Sisecam Glass Packaging Hungary KFT company, which continues to invest in the Hungarian country in the Glass Packaging field of activity, the application was approved and cash incentive payments began to be received gradually.

Export Operations and Other Foreign Exchange Earning Activities

Export operations and other foreign exchange earning activities within the scope of the standards determined by the Ministry of Finance and Undersecretaries of Foreign Trade are exempt from stamp tax and fees, Government grants are paid to support participating in international fairs in accordance with the Decision No: 2004/11 of the Money Credit and Coordination Committee issued at 16 December 2004.

Russian Government provides financial incentives for increasing exportation by decreasing %3 interest rate. Exporting expenses has been subjected to incentives. The subsidiaries' of the Group operates in Russia have been utilized from aforementioned incentives.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

22. Government Grants (Continued)

Turquality

Turquality is a brand support program that aims to increase awareness and awareness of Turkish Brands by supporting them within the framework of the Notification no, 2006/4 for Branding of Turkish Products Abroad, Placement of the image of Turkish goods and Supporting Turquality;

- Expenses related to patent, utility model, Industrial design and trademark registration
- Expenses related to certification,
- Expenses related to fashion / industrial product designer / chef / cook employment,
- Promotion, advertising and marketing activities,
- Expenses related to units in abroad,
- Consulting expenses

are supported within certain limits.

According to the locations in which our Group operates, the brand support program has been utilized.

23. 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 December 2023, according to the opinions of independent legal and tax advisors, apart from the cases for which provision amounting to TRY 86,718 thousand (31 December 2022: TRY 146,534 thousand) have been allocated. The Group considers the possibility of incurring loss from the cases as low.

Collaterals, pledges, and mortgages ("CPM") given by the Company as of 31 December 2023 and 31 December 2022 are as follows:

The CPMs given by the Company	31 December 2023					TRY and TRY equivalent of other Currencies
	TRY Equivalents	USD	EUR	RUB		
A. CPM's given in the behalf of own company	992,084	2,688	2,988	-	815,305	
B. CPM's given on behalf of the fully consolidated subsidiaries	12,809,243	28,182	245,739	3,000,000	2,967,877	
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	13,801,327	30,870	248,727	3,000,000	3,783,182	

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

23. 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	1,076,999	7,276	693	-	503,492
B. CPM's given on behalf of the fully consolidated subsidiaries	15,951,864	32,308	325,990	5,540,000	1,109,290
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	17,028,863	39,584	326,683	5,540,000	1,612,782

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 December 2023	31 December 2022
Provisions of cost	1,369,559	1,280,582
Turnover premium provision	121,066	223,857
Litigation provisions	86,718	146,534
Provisions for employee benefits (Note 25)	196,160	173,112
Other short-term provisions	29,964	51,567
	1,803,467	1,875,652

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

25. Employee benefits (continued)

	(Funded) Defined Benefit Plans	(Unfunded) Post Retirement	Total
Liability arising from defined benefit plans	(617,865)	(200,040)	(817,905)
Fair value of funded assets	4,162,691	-	4,162,691
	3,544,826	(200,040)	3,344,786
Short term liabilities	(1,977)	(24,570)	(26,547)
Long Term liabilities	(615,888)	(175,471)	(791,359)
	(617,865)	(200,041)	(817,906)

(i) The Group uses some important actuarial assumptions in determining its obligations under defined benefit plans. The relevant assumptions are set out below.

	31 December 2023	31 December 2022
Discount Rate	%4.75	%4.95
Benefit increase rate (*)	%3	%3

(*) Benefit increase rate; It includes statutory limitations on salary, future social security salary base pay, and benefits.

The sensitivity analysis of liabilities related to defined benefit plans to significant assumptions is as follows::

	%1 decrease	%1 increase
Discount rate	509,640	(430,881)
Benefit increase rate	(26,996)	32,312

(i) The key assumptions regarding post-retirement benefits are as follows:

	31 December 2023	31 December 2022
Discount Rate	%4.65	%4.85
Trend Rate	%4.85	%2.35

The sensitivity analysis of liabilities related to post-retirement benefits to significant assumptions is as follows.:

	%1 decrease	%1 increase
Discount Rate	14,998	(13,558)
Trend Rate	(2,361)	2,525

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

25. Employee benefits (continued)

Details of defined benefit plans and expected benefit payments for post-retirement benefits are as follows.

Year	Defined benefit plans	Pos Retirement Plans
2024	310,669	25,141
2025	316,004	22,199
2026	323,217	18,172
2027	326,603	16,397
2028	329,828	16,966
After 2028	1,720,488	85,134

Provision for employee termination benefits

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. Additionally, employees entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2422 dated 6 March 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506, Some transitional provisions related with retirement prerequisites have been removed due to the amendments dated 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 23,489.83 for each year of service as of 31 December 2023 (31 December 2022: TRY 15,371.40). It has been taken into account in the calculation of the severance pay provision of the group, the ceiling amount of 35,058.58 TL effective from 1 January 2024. (31 December 2022: TRY 19,982.83 which is effective from 1 January 2024).

Liability of employment termination benefits is not subject to any funding as there is no obligation.

Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees, TAS 19 "Employee Benefits" requires actuarial valuation methods to be used to estimate the Group's obligation under the defined benefit plans.

The following actuarial assumptions are used in the calculation of the total liability, Actuarial loss/ (gain) are accounted in the other comprehensive income statement under Funds for Actuarial Gain/Loss on Defined Benefit Plans.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, the liabilities in the accompanying consolidated financial statements as of 31 December 2023 and 31 December 2022 are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the balance sheet date were calculated by assuming an annual inflation rate of 21% (31 December 2022: 19.03%) and a discount rate of 24% (31 December 2022: 22%), the real discount rate is approximately 2.48% (31 December 2022: 2.5%). The anticipated rate of forfeitures that occurred as a result of voluntary turnovers is considered. As of 31 December 2023, estimated probability of not leaving work until retirement is 96.99% (31 December 2022: 93.64%).

The movement of the employment termination benefits is as follows:

	31 December 2023	31 December 2022
Beginning of the period - 1 January	3,776,966	2,410,539
Monetary Gain Loss	(1,628,327)	(1,201,295)
Subsidiary acquisition effect	-	17,758
Service costs	1,128,524	2,311,011
Actuarial Loss/(Gain)	(175)	160,652
Interest costs	616,710	239,624
Currency translation differences	(1,651)	(26,456)
Payments made during the period	(619,852)	(134,867)
	3,272,195	3,776,966

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

25. Employee benefits (continued)

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

	31 December 2023	31 December 2022
Domestic	3,106,033	3,611,457
Foreign	166,162	165,509
	3,272,195	3,776,966

26. Impairment of Assets

	31 December 2023	31 December 2022
Impairment of assets		
Provision for inventory impairment (Note 13)	(1,100,271)	(1,206,901)
Provision for short term doubtful receivables and expected credit loss (Note 10)	(255,624)	(431,984)
Impairment for cash and cash equivalents (Note 6)	(30,855)	(76,766)
Provision for impairment of long-term financial investments (Note 7)	(30,948)	(63,438)
Provision for impairment of short-term financial investments (Note 7)	(4,306)	(12,819)
Provision for other doubtful receivables and expected credit loss (Note 11)	(329)	(2,477)
	(1,422,333)	(1,794,385)

27. Other Assets and Liabilities

	31 December 2023	31 December 2022
Other current assets		
Deductible VAT derived from exports	932,564	1,800,821
VAT transferred	1,424,400	1,365,208
Income accruals	671,417	66,433
Work advances	15,248	69,972
Other	80,090	41,351
	3,123,719	3,343,785

	31 December 2023	31 December 2022
Other non-current assets		
Tax receivables to be deducted for future periods	3,104	3,597
Other non-current assets	31,046	776
	34,150	4,373

	31 December 2023	31 December 2022
Other current liabilities		
Expense accruals	693,336	380,350
Taxes and funds payables	1,048,670	738,382
Social security withholdings payable	589,665	484,350
Calculated VAT and other payables	17,870	301,058
Other	258,528	281,608
	2,608,069	2,185,748

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

27. Other Assets and Liabilities(continued)

	31 December 2023	31 December 2022
Other non current liabilities		
Taxes and funds payables	191,179	218,649
Other	-	18,944
	191,179	237,593

28. Capital, Reserves and Other Equity Items

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

a) Paid in Capital / Adjustment to Share Capital

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

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

	31 December 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

	31 December 2023		31 December 2022	
	Amount TRY	Share (%)	Amount TRY	Share (%)
Shareholders				
Türkiye İş Bankası A.Ş.	1,563,976	51,06	1,563,976	51,06
Efes Holding A.Ş.	207,320	6,77	185,094	6,04
Anadolu Hayat Emeklilik A.Ş.	1,411	0,05	1,411	0,05
Bought Back Shares	46,379	1,51	51,749	1,69
Other (*)	1,244,128	40,61	1,260,984	41,16
Nominal capital	3,063,214	100,00	3,063,214	100,00
Adjustment to share capital	26,779,430		26,779,430	
Total share capital	29,842,644		29,842,644	

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

28. 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 120,170 thousand, which corresponds to 3.92% of the company's capital, were bought back by paying a total amount of TRY 2,391,515 thousand, including the transaction costs, based on the transactions whose clearing was completed as of 31 December 2023 (31 December 2022: TRY 1,541,934 thousand)

The sale of 50,000,000 lots of the repurchased shares to foreign institutional investors was carried out on 29 November 2022, by block sale method at Borsa Istanbul, at a price of 36.96 TL. As of December 31, 2023, 17,000,000 lots of repurchased shares were sold to Efes Holding A.Ş. at a price of 35.00 TL, by block sale method, at Borsa Istanbul on May 10, 2023.

The relevant amounts include nominal values and are not indexed in accordance with inflation accounting.

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 December 2023, TRY 893,921 thousand (31 December 2022: TRY 893,921 thousand).

d) Accumulated Other Comprehensive Income (Expenses) will not be reclassified to Profit or Loss

	31 December 2023	31 December 2022
Increases / (decreases) in revaluation fund	16,862,755	13,686,098
- Revaluation funds of land and buildings	16,862,755	13,686,098
Revaluation gain / (loss) funds of defined benefit plans	245,904	84,213
	17,108,659	13,770,311

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

Revaluation gain / (loss) funds of defined benefit plans

The amendment in TAS-19 "Employee Benefits" does not permit the actuarial gain /loss considered in the calculation of provision for employee termination benefits to be accounted for under the statement of profit or loss.

The gains and losses arising from the changes in the actuarial assumption have been accounted for by "Revaluation gain / (loss) funds of defined benefit plans" under the equity.

The movement of the provision for employee termination benefits in actuarial gain / loss funds is as follows:

	31 December 2023	31 December 2022
Beginning of the period – 1 January	84,212	(2,654)
Valuation made during the period	125,222	44,786
-Fund effect	218,063	149,956
-Deferred tax effect	8,888	35,194
-Effect of change in non-controlling interests	(101,729)	(140,364)
Minority share ratio change effect	(24)	-
Currency translation differences	36,494	42,081
	245,904	84,213

Revaluation funds of land and buildings

The movement of the revaluation value increase funds of land and buildings is as follows:

	31 December 2023	31 December 2022
Beginning of the period – 1 January	13,686,098	5,533,047
Revaluation differences	4,473,334	9,152,968
-Fund effect	5,655,735	10,458,109
-Deferred tax effect	(1,191,093)	(1,305,453)
-Effect of change in non-controlling interests	8,692	312
Currency translation differences	(539,865)	(847,498)
-Fund effect	(726,594)	(997,390)
-Deferred tax effect	134,120	123,864
-Effect of change in non-controlling interests	52,609	26,028
Impact of property sale	(140)	(1,154)
-Fund effect	(174)	(1,442)
-Deferred tax effect	34	288
Impact of investments accounted for under equity method	9,502	6,006
-Fund effect	9,502	6,006
-Deferred tax effect	-	-
Effect of tax rate change	(766,968)	(157,271)
-Deferred tax effect	(766,968)	(157,254)
-Effect of change in non-controlling interests	-	(17)
Minority share ratio change effect	794	-
	16,862,755	13,686,098

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

e) Accumulated Other Comprehensive Income (Expenses) will be reclassified to Profit or Loss

	31 December 2023	31 December 2022
Currency translation differences	(6,831,669)	(1,485,333)
Hedging reserve	(11,462,270)	210,654
	(18,293,939)	(1,274,679)

Currency translation differences

It consists of the exchange differences arising from the translation of financial statements of foreign subsidiaries, joint ventures and associates to reporting currency of TRY and accounted under equity.

The movement of currency translation differences is as follows:

	31 December 2023	31 December 2022
Beginning of the period - 1 January	(1,485,333)	8,043,939
Recognized in the equity	(5,346,336)	(9,529,272)
- Accounted under other comprehensive income	(7,607,338)	(14,673,412)
- Impact of change in non-controlling interests	2,261,002	5,144,140
	(6,831,669)	(1,485,333)

Hedge reserve

It consists of the effective portion of cumulative change in the fair value of derivative financial instruments related to cash flow hedge.

The movement of hedging reserves is as follows:

	31 December 2023	31 December 2022
Beginning of the period - 1 January	210,654	(510,622)
Valuation made during the period	(16,258,760)	1,570,772
Deferred tax effect	3,782,990	(102,336)
Change in non-controlling interest shares	1,297,273	(802,038)
Currency translation differences	(486,356)	54,878
Minority share ratio change effect	(8,071)	-
	(11,462,270)	210,654

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

f) Restricted Reserves

Retained earnings in the statutory financial statements can be distributed as dividends except for judgments related to legal reserves described below.

Legal reserves consist of first and second legal reserves calculated in accordance with the Turkish Commercial Code. The first legal reserve is calculated as 5% of the financial statutory profits per annum until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is calculated after the first legal reserve and dividends at the rate of 10% per annum of all cash dividend distributions; however, holding companies are not subject to this application.

Publicly traded entities make their dividend distributions within the framework set forth in the standards and notifications published by Capital Markets Board.

Legal Reserves, "Share Premiums" in the legal reserve status and legal reserves allocated for specific purposes (participation sales revenue allocated to obtain tax advantage) other than profit distribution allocated within the framework of the related Clause of Turkish Commercial Code are reflected as their recorded amounts. Within this scope, differences arising in the evaluations made within the framework of TFRS principles and inflation adjustments not subject to profit distribution or capital increase as by the report date are related with previous year's profits/losses.

The earnings arising from the sale of founding shares, redeemed shares and priority rights, which the institutions have for at least two full years in their assets and the same period as the immovable and participation shares, are exempted from tax for 50% for real estates and 75% for participation shares. Exempted earnings are transferred to another account in any way other than being added to the capital within five years or withdrawn from the business or taxes not accrued on time due to the exception applied for the part transferred to the head office by limited taxpayer institutions are considered to be lost. The amounts of the exempted earnings that have not been added to the capital even after 5 years may be subject to profit distribution. Amounts exceeding this period are reported in the "Previous Years Profits or Losses" account.

	31 December 2023	31 December 2022
Restricted reserves attributable to equity holders of the Parent		
Legal reserves	8,232,889	8,232,889
Statuary Reserves	284,137	284,137
	8,517,026	8,517,026

g) Retained Earnings

The Group's extraordinary reserves presented in the retained earnings that amount to TRY 19,306,383 thousand (31 December 2022: TRY 68,435,922 thousand) is TRY 20,449,054 thousand (31 December 2022: TRY 22,046,636 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.

h) Non-controlling interest

Shares of third parties including the issued and paid-in capital of the consolidated subsidiaries are separately presented as "Non-controlling Interests" in the consolidated financial statements by a reduction of related equity components. Shares of third parties in the net profit or loss for the period of the subsidiaries in consolidation separately accounted for as non-controlling interests in the distribution of period profit/ (loss) section of the consolidated statement of profit and loss.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

29. Revenue and Cost of Sales

	1 January- 31 December 2023	1 January- 31 December 2022
Revenue		
Revenue	161,050,152	177,649,771
Other income	141,138	58,467
Sales discounts	(7,944,529)	(6,299,653)
Sales returns	(363,123)	(351,103)
Other sales discounts	(889,616)	(402,318)
	151,994,022	170,655,164
Cost of Sales		
Direct materials	(44,833,408)	(53,313,224)
Direct labor	(30,946,829)	(38,244,081)
Production overheads	(8,376,114)	(7,671,493)
Amortization and depreciation	(8,470,557)	(9,796,803)
Change in work-in progress inventories	362,348	492,434
Change in finished goods inventories	4,150,186	12,418,246
Cost of goods sold	(88,114,374)	(96,114,921)
Cost of merchandise sold	(21,762,521)	(19,761,378)
Cost of services rendered (*)	(114,790)	(110,409)
Other costs	(64,115)	(85,945)
	(110,055,800)	(116,072,653)

(*) Depreciation and amortization expenses recognized in the cost of service rendered during the period between 1 January – 31 December 2023 is amounting to TRY 12,085 thousand (1 January – 31 December 2022: TRY 2,667 thousand).

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

	1 January- 31 December 2023	1 January- 31 December 2022
Net sales		
Turkey	67,664,725	75,054,913
Europe	36,184,082	39,580,488
America	15,585,762	16,785,221
Russia, Ukraine and Georgia	11,657,923	14,147,146
Other	20,901,530	25,087,396
	151,994,022	170,655,164

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

30. General Administrative Expenses, Marketing Expenses, Research and Development Expenses

	1 January- 31 December 2023	1 January- 31 December 2022
General administrative expenses	(9,892,248)	(8,640,212)
Marketing expenses	(21,110,880)	(23,429,238)
Research and development expenses	(479,304)	(566,507)
	(31,482,432)	(32,635,957)

31. Expenses by Nature

	1 January- 31 December 2023	1 January- 31 December 2022
Outsourced service	(17,854,777)	(18,620,412)
Other expenses	(5,305,274)	(6,618,349)
Salaries and wages expenses	(6,261,813)	(4,995,216)
Amortization and depreciation expenses	(1,788,578)	(2,031,523)
Indirect material costs	(271,990)	(370,457)
	(31,482,432)	(32,635,957)

32. Other Operating Income and Expenses

	1 January- 31 December 2023	1 January- 31 December 2022
Other operating income		
Foreign currency exchange gains	11,396,304	7,230,684
Term difference interest income	776,469	884,206
Gain on sale of raw materials	1,006,633	610,065
Government grants	169,318	541,103
Gain on sale of scraps	328,563	298,946
Insurance claim income	214,095	113,632
Provisions no longer required	236,553	79,943
Other operating incomes	1,852,184	352,730
	15,980,119	10,111,309

	1 January- 31 December 2023	1 January- 31 December 2022
Other operating expense		
Foreign currency exchange loss	(8,130,640)	(5,193,613)
Loss on sale of raw materials	(1,124,474)	(911,099)
Term difference interest expense	(949,877)	(440,313)
Loss on sale of scrap	(122,980)	(436,933)
Provision expenses	(147,777)	(236,597)
Commission expense	(224,402)	(20,353)
Government right – mining fund	(65,538)	(28,410)
Donations (*)	(290,088)	(7,106)
Other operating expenses	(753,204)	(459,730)
	(11,808,980)	(7,734,154)

(*) Balance includes donations made to 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

33. Income and Expense from Investing Activities

	1 January- 31 December 2023	1 January- 31 December 2022
Income from Investing Activities		
Revaluation gain of investment property (Note 17)	1,805,362	4,811,270
Valuation gain of held to maturity financial assets	2,282,289	3,443,617
Currency protected deposit interest and foreign exchange difference income	2,313,220	1,194,007
Bargain purchase gain (Note 3)	-	106,323
Gain on sale of property, plant and equipment	268,758	83,141
Impairment cancellation profits of property, plant and equipment	103,715	47,466
	6,773,344	9,685,824
	1 January- 31 December 2023	1 January- 31 December 2022
Expense from Investing Activities		
Valuation difference of held to maturity financial assets	(663,637)	(1,122,728)
Impairment on property, plant and equipment revaluation	(396,993)	(739,384)
Loss on sale of property, plant and equipment	(242,997)	(110,843)
Loss on sale of Investment property	-	(143,079)
	(1,303,627)	(2,116,034)

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

	1 January- 31 December 2023	1 January- 31 Decemeber 2022
Impairment loss/reversals		
Impairment/reversal of cash and equivalents (net)	23,831	(67,126)
Impairment/reversal of financial investment (net)	(13,208)	(44,104)
	10,623	(111,230)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

35. 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 December 2023	31 December 2022
Deferred tax assets	1,499,230	1,427,845
Deferred tax liabilities (-)	(5,295,596)	(3,439,572)
Deferred tax assets / liabilities (net)	(3,796,366)	(2,011,727)
	31 December 2023	31 December 2022
Temporary differences		
Useful life and valuation differences		
on tangible and intangible assets	29,303,963	35,666,789
Valuation of investment property	10,954,476	9,149,114
Derivative financial valuation	870,461	1,382,700
Revaluation of inventory	2,016,810	1,509,472
Employment termination benefits	(3,170,030)	(3,703,837)
Carry forward tax losses	(6,212,638)	(7,407,701)
Corporate tax allowances	(15,392,113)	(11,041,433)
Other	2,373,616	(966,658)
	20,744,545	24,588,446
	31 December 2023	31 December 2022
Deferred tax assets/ (liabilities)		
Useful life and valuation differences		
on tangible and intangible assets	(6,035,186)	(5,631,619)
Valuation of investment property	(1,981,873)	(1,186,629)
Derivative instruments	(217,600)	(276,540)
Revaluation of inventory	(553,936)	(316,166)
Employment termination benefits	787,402	737,235
Carry forward tax losses	911,750	1,495,965
Corporate tax allowances	3,765,127	2,228,036
Other	(472,050)	937,991
	(3,796,366)	(2,011,727)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

35. 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 December 2023	31 December 2022
Within one year	111,037	99,979
Within two years	40,494	53,596
Within three years	104,509	13,951
Within four years	142,179	2,559,866
Within five years	682,005	389,573
Within six years	159,845	162,051
Within seven years	239,143	172,143
Within eight years	334,395	-
Within ten years	1,574,483	-
Indefinite life	2,824,548	3,956,542
	6,212,638	7,407,701

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

The amount of carry forward tax losses that are not subject to deferred tax calculation is TRY 1,717,159 thousand (31 December 2022: TRY 3,556,716 thousand).

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

	31 December 2023	31 December 2022
Beginning of the period -1 January	(2,011,727)	(1,284,771)
Currency translation differences	(1,338,758)	81,694
Recognized in equity (note 28)	1,967,971	(1,405,985)
Recognized in statement of profit or loss	(2,413,852)	597,335
	(3,796,366)	(2,011,727)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

35. 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 25% as of 31 December 2023 (31 December 2022: 23%).

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

Country	31 December 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	15.50-25.8
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.

(****) 16.50% 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 December 31, 2023; in the measurement heading of TAS-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 25% has been taken into account in the deferred tax calculation of the Company and its subsidiaries in Turkey.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

Income Tax Withholding

In addition to corporate tax, income tax withholding must be made separately on profit shares, excluding those distributed to resident corporations and foreign companies' branches in Turkey, which receive dividends in case of distribution and declare these dividends by including them in corporate income. With the Presidential Decision dated 21 December 2021 and numbered 4936 published in the Official Gazette dated 22 December 2021, the profit share withholding tax rate was reduced from 15% to 10%. Dividends that are not distributed and added to the capital are not subject to income tax withholding.

Corporate tax asset is TRY 267.663 thousand (31 December 2022: TRY 93.881 thousand).

	31 December 2023	31 December 2022
Corporate tax provision	2,346,681	2,645,245
Prepaid taxes and funds (-)	(1,966,259)	(2,508,982)
Tax provision in the statement of the financial position	380,422	136,263

(*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. In this context, the additional tax provision was calculated as TL 919,907 thousand and was paid in two installments in May and June. The remaining amount includes the corporate tax provision calculated based on 2023 profit.

Tax Advantages Obtained Under the Investment Incentive System

Earning of the Group that are derived from investment linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate, and ends when the maximum investment contribution amount is reached. Within this scope, the Group has accounted for TRY 3,765,127 (December 31, 2022: TRY 2,228,036) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of December 31, 2023 TRY 1,537,091 of deferred tax income is recognized in the consolidated profit or loss statement for the between January 1 – December 31, 2023 from accounting of such deferred tax assets. The contribution amount between January 1 – December 31, 2023 benefited from the gain from investment is 119,084 TRY.

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite life investment incentives which allow payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on longterm plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets. The Group expects to recover such deferred tax assets within 5 years from the balance sheet date.

In the sensivity analysis performed as of December 31, 2023 when the inputs of the key macroeconomic and sectoral assumptions that from the business plan are increased/decreased by 10%, there is no change in the projected 5 year recovery periods of deferred tax assets related to investment incentives.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

	1 January- 31 December 2023	1 January- 31 December 2022
Provision for corporate tax for current period	(2,346,681)	(2,645,245)
Deferred tax income	(2,413,852)	597,335
Currency translation differences	148,564	375,862
Tax provision in the statement of profit or loss	(4,611,969)	(1,672,048)
Reconciliation of provision for tax		
Profit before taxation and non-controlling interest	23,589,944	25,705,181
Investments accounted under the equity method (-)	(1,091,500)	(581,250)
Profit before tax, joint venture and subsidiary profit/loss, non-controlling interests	22,498,444	25,123,931
Effective tax rate	25	23
Calculated tax	(5,624,611)	(5,778,504)
Tax reconciliation		
- Non-deductible expenses	(784,367)	(526,471)
- Earthquake tax	(1,341,695)	-
- Dividend and other consolidation adjustments	(233,399)	3,770,009
- Investment allowances to be utilized (*)	39,974	101,396
- Carry forward tax losses to be utilized (*)	(818,596)	(999,452)
- Currency translation differences	457,206	205,399
- The effect of the foreign companies that have different tax rates	783,313	564,036
- Corporate tax allowances (*)	2,496,132	1,651,196
- Monetary Gain Loss	414,074	(659,657)
Tax provision in the statement of profit or loss	(4,611,969)	(1,672,048)
Effective tax rate	%20	%7

(*) Group companies have reviewed the carry forward tax losses and investment allowances from deferred tax assets that can be utilized during the reporting period, and have set provisions for those that cannot be deducted within a reasonable time. (In this context, it has reviewed the reduced corporate tax and accumulated financial losses for the period of 1 January-31 December 2022, and has set aside a provision for the portion that cannot be deducted within a reasonable time.)

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

36. Earnings per share

	1 January- 31 December 2023	1 January- 31 December 2022
Earnings per share		
Average number of shares existing during the period (1/1000 value)	2,928,894	2,926,342
Net profit for the period attributable to equity holders of the parent	17,121,367	22,738,790
Earnings per share	5.8457	7.7704
Total comprehensive income attributable to equity holders of the parent	3,447,756	22,171,866
Earnings per share obtained from total comprehensive income	1.1772	7.5766

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

37. Related Party Disclosures

Deposit and loans regarding related parties:

	31 December 2023	31 December 2022
Deposits held on related parties		
Türkiye İş Bankası A.Ş.		
- Time Deposit	12,897,817	11,396,641
- Demand deposit	1,051,117	1,218,934
	13,948,934	12,615,575
İşbank AG		
- Demand deposits	1,779,875	8,158
	1,779,875	8,201
	15,728,809	11,802,668
	31 December 2023	31 December 2022
Provision for impairment of deposits held at related parties		
Türkiye İş Bankası A.Ş.	28,280	46,196
	31 December 2023	31 December 2022
Loans received from related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	1,234,739	3,126,000
	31 December 2023	31 December 2022
Fair value of derivative transactions with related parties		
Türkiye İş Bankası A.Ş.	-	7,398
	31 December 2023	31 December 2022
Currency protected deposits with related parties		
Türkiye İş Bankası A.Ş.	5,718,170	1,500,000
	31 December 2023	31 December 2022
Other current assets to related parties		
İş Portföy Yönetimi A.Ş.	4,323,764	4,350,443
	31 December 2023	31 December 2022
Carrying value of financial investments measured at amortized cost:		
	31 December 2023	31 December 2022
Financial investments measured at amortized cost – Gross value		
Türkiye İş Bankası A.Ş.	47,735	22,666
	31 December 2023	31 December 2022
Impairment of financial investments measured at amortized cost		
Türkiye İş Bankası A.Ş.	598	990

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

37. Related Party Disclosures (Continued)

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

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

			31 December 2023	31 December 2022
Bond issuer	ISIN code	Coupon Interest Rate (%)	Nominal Amount (thousand TRY)	Nominal Amount (thousand TRY)
Türkiye İş Bankası A.Ş.	TRSTISBA2513	44.127	12,000	-
			12,000	-

Due from related parties:

	31 December 2023	31 December 2022
Trade receivables from related parties		
İş Merkezleri Yönetim ve İşletim A.Ş.	12,268	32,790
Solvay Sisecam Holding AG	20,345	22,524
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	9,564	20,913
Saint Gobain Glass Egypt S.A.E.	102,056	16,621
Türkiye İş Bankası A.Ş. ve İşbank AG	5,736	10,661
İş Portföy Yönetimi A.Ş.	62	-
Fabrika Cementa Lukavac D.D. (FCL)	-	684
Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	17,791	-
Kültür Yayınları İş-Türk Ltd. Şti.	46	-
	167,868	104,193

	31 December 2023	31 December 2022
Trade payables to related parties		
Solvay Sisecam Holding AG	496,219	305,396
Anadolu Anonim Türk Sigorta Şirketi	18,011	22,162
Saint Gobain Glass France S.A.	1,158	-
İş Merkezleri Yönetim ve İşletim A.Ş.	8,643	12,134
Rudnik Krečnjaka Vijenac D.O.O.	14,030	10,672
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	1,007	883
Türkiye İş Bankası A.Ş.	-	94
İş Portföy Yönetimi A.Ş.	-	44
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	5	110
İş Net Elektronik Bilgi Üretim Dağ, Tic. ve İle. Hiz. A.Ş.	-	38
Saint Gobain Glass Egypt S.A.E.	-	4,406
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik Ve Yardımlaşma Vakfı	1,285	1,343
Kültür Yayınları İş-Türk Ltd. Şti.	-	-
Softtech Yazılım Tekn A.Ş.	540	-
	540,898	357,282

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

37. Related Party Disclosures (Continued)

	31 December 2023	31 December 2022
Other payables to related parties		
The founder shares and Dividends to be paid to shareholders	53,045	80,073
	53,045	80,073
Income and expenses from/ to related parties:		
	1 January- 31 December 2023	1 January- 31 December 2022
Interest income from related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	1,025,096	391,759
	1,025,096	391,759
	1 January- 31 December 2023	1 January- 31 December 2022
Interest expenses to related parties		
Türkiye İş Bankası A.Ş. and İşbank AG	106,344	481,555
	106,344	481,555
	1 January- 31 December 2023	1 January- 31 December 2022
Valuation gain of held to maturity financial assets		
Türkiye İş Bankası A.Ş.	89,752	206,147
	89,752	206,147
	1 January- 31 December 2023	1 January- 31 December 2022
Other income from related parties		
Solvay Sisecam Holding AG	49,445	40,749
Rudnik Krečnjaka Vijenac D.O.O.	2,392	2,779
Fabrika Cementa Lukavac D.D. (FCL)	2,306	2,099
İş Portföy Yönetimi A.Ş.	3	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	806
Türkiye İş Bankası A.Ş. ve İşbank AG	-	66
	54,146	46,499

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

37. Related Party Disclosures (Continued)

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

	1 January- 31 December 2023	1 January- 31 December 2022
Other expenses to related parties		
Solvay Sisecam Holding AG ⁽¹⁾	2,312,885	1,957,286
Rudnik Krcenjaka Vijenac D.O.O. ⁽²⁾	90,591	103,825
İş Merkezleri Yönetim ve İşletim A.Ş. ⁽³⁾	122,513	70,830
Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	291,419	-
Anadolu Anonim Türk Sigorta Şirketi	12,117	19,859
Saint Gobain Glass France S.A. ⁽⁴⁾	19,100	17,185
Türkiye İş Bankası A.Ş. Mensupları Munzam Sosyal Güv. Ve Yard. Vakfı	16,774	16,128
İş Yatırım Menkul Değerler A.Ş.	2,233	15,671
Anadolu Hayat Emeklilik Sigorta A.Ş.	9,958	6,614
İş Net Elektronik Bilgi Üretim Dağ, Tic. Ve İlet. Hiz. A.Ş.	4,978	6,324
İş Gayrimenkul Yatırım Ortaklığı A.Ş. ⁽⁵⁾	6,256	4,593
Türkiye İş Bankası A.Ş. ve İşbank AG	16,828	3,292
İş Portföy Yönetimi A.Ş.	749	1,678
Kanyon Yönetim İşletim ve Pazarlama Ltd. Şti.	145	106
	2,906,546	2,223,391

(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) Royalty amount of acoustic pvb.

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

	1 January- 31 December 2023	1 January- 31 December 2022
Benefits provided to key management		
Parent (Holding)	349,976	130,533
Consolidated entities	305,441	364,231
	655,417	494,764

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. Financial Instruments and Financial Risk Management

a) Capital Risk Management

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

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

The Group controls its capital using the net debt / total equity ratio. This ratio is 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 December 2023, and 31 December 2022 the Group's net debt / total equity ratios are as follows:

	31 December 2023	31 December 2022
Financial liabilities and trade payables	102,197,626	95,969,959
Less: cash and cash equivalents and financial investments	(45,871,833)	(49,228,722)
Net debt	56,325,793	46,741,237
Total equity	167,126,641	173,450,368
Net debt / total equity ratio	%34	%27

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 (Note 10).

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. Financial Instruments and Financial Risk Management (continued)

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

	Receivables				Cash and Cash equivalents	Financial Investments & Derivatives
	Trade Receivables		Other Receivables			
	Related Party	Third Party	Related Party	Third Party		
Credit risks exposed through types of financial instruments						
Maximum credit risk exposed as of 31 December 2023 (*) (A+B+C+D+E)	167,868	27,302,609	-	1,037,767	37,759,886	10,034,380
– The part of maximum risk under guarantee with collaterals etc.	-	(12,029,247)	-	-	-	-
A. Net book value of financial assets that are neither overdue not impaired	167.868	23.921.266	-	1.037.767	37.759.886	10.034.380
– The part under guarantee with collaterals, etc.	-	(10.862.336)	-	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	35	-	-	-	-
– The part under guarantee with collaterals, etc.	-	-	-	-	-	-
C. Book value of financial assets that are overdue but not impaired	-	3.381.308	-	-	-	-
– The part under guarantee with collaterals, etc.	-	(1.166.911)	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
– Overdue (gross carrying amount)	-	-	-	-	-	-
– Impairment (-)	-	-	-	-	-	-
– The part under guarantee with collaterals, etc.	-	-	-	-	-	-
– Not overdue (gross carrying amount)	-	-	-	329	30.855	35.254
– Impairment (-)	-	-	-	(329)	(30.855)	(35.254)
– The part under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. Financial Instruments and Financial Risk Management (continued)

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

	Receivables				Cash and Cash equivalents	Financial Investments & Derivatives
	Trade Receivables		Other Receivables			
	Related Party	Third Party	Related Party	Third Party		
Credit risks exposed through types of financial instruments						
Maximum credit risk exposed as of 31 December 2022 (*) (A+B+C+D+E)	104,193	32,587,466	-	911,831	41,596,612	11,092,172
– The part of maximum risk under guarantee with collaterals etc.	-	(13,618,428)	-	-	-	-
A. Net book value of financial assets that are neither overdue not impaired	104,193	29,400,523	-	911,831	41,596,612	11,092,172
– The part under guarantee with collaterals, etc.	-	(12,435,848)	-	-	-	-
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. Book value of financial assets that are overdue but not impaired	-	3,186,943	-	-	-	-
– The part under guarantee with collaterals, etc.	-	(1,182,580)	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
– Overdue (gross carrying amount)	-	-	-	-	-	-
– Impairment (-)	-	-	-	-	-	-
– The part under guarantee with collaterals, etc.	-	-	-	-	-	-
– Not overdue (gross carrying amount)	-	-	-	2,477	76,766	76,257
– Impairment (-)	-	-	-	(2,477)	(76,766)	(76,257)
– The part under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. 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 December 2023	31 December 2022
Credit Insurance	7,197,190	7,682,392
Letters of guarantees	2,669,418	3,860,704
Direct debit system	1,762,990	1,762,709
Cash	1,000	2,219
Mortgages	222,966	149,948
Confirmed Letter of Credit	9,688	21,974
Promissory notes and bills	165,995	138,482
	12,029,247	13,618,428

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

	31 December 2023	31 December 2022
1-30 days overdue	1,973,400	2,310,154
1-3 months overdue	671,511	530,562
3-12 months overdue	621,182	229,578
1-5 years overdue	115,215	116,649
Total overdue receivables	3,381,308	3,186,943
Secured with collaterals (-)	(1,166,911)	(1,182,580)

b.2) Liquidity Risk Management

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

Liquidity risk

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

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

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. 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 December 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	50,353,259	52,470,900	1,233,463	32,234,868	19,002,569	-
Bonds issued	32,545,611	32,706,980	2,983,093	6,927,849	22,796,038	-
Lease liabilities	2,376,503	2,684,690	222,919	610,544	1,701,632	149,595
Trade payables	16,381,355	16,594,088	15,605,335	988,754	-	-
Due to related parties	593,943	593,943	593,943	-	-	-
Other payables	1,367,172	1,367,171	1,268,291	-	98,880	-
Total liabilities	103,617,842	106,417,774	21,907,045	40,762,015	43,599,119	149,595

31 December 2023						
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	1,922,433	9,767,158	542,618	841,703	8,382,837	-
Cash outflows	(1,258,652)	(9,247,314)	(583,960)	(1,025,056)	(7,638,298)	-
	663,781	519,844	(41,342)	(183,353)	744,539	-

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	42,689,255	50,239,227	3,232,861	21,496,293	25,057,504	452,569
Bonds issued	32,214,175	40,174,410	14,063,939	750,798	25,359,673	-
Lease liabilities	2,395,230	2,524,626	78,301	599,830	1,046,259	800,236
Trade payables	18,314,017	18,367,239	18,216,665	150,574	-	-
Due to related parties	437,355	437,355	437,355	-	-	-
Other payables	1,005,932	1,005,932	997,506	-	8,426	-
Total liabilities	97,055,964	112,748,788	37,026,626	22,997,495	51,471,862	1,252,805

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	3,460,062	11,404,883	1,692,829	571,683	9,140,371	-
Cash outflows	(496,101)	(8,810,524)	(348,889)	(666,805)	(7,794,830)	-
	2,963,961	2,594,359	1,343,940	(95,122)	1,345,541	-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. 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:

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. 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 December 2023</u>			
		TRY equivalent	USD	EUR	TRY Equivalent of other Currencies
1.	Trade Receivables	5,498,566	95,921	73,240	289,114
2a.	Monetary financial assets, (cash and banks included)	16,559,007	430,443	106,643	413,759
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	763,355	3,551	20,175	1,656
4.	Current assets (1+2+3)	22,820,928	529,915	200,058	704,529
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	1,018,704	34,579	23	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	3,184,137	21,172	76,532	67,943
8.	Non-current assets (5+6+7)	4,202,841	55,751	76,555	67,943
9.	Total Assets (4+8)	27,023,769	585,666	276,613	772,472
10.	Trade payables	4,329,628	59,273	78,549	26,106
11.	Financial liabilities	20,714,212	474,873	206,650	3,402
12a.	Other monetary liabilities	606,709	14,519	3,641	60,688
12b.	Other non-monetary liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	25,650,549	548,665	288,840	90,196
14.	Trade payables	-	-	-	-
15.	Financial liabilities	32,585,608	736,795	334,491	-
16a.	Other monetary liabilities	293	-	9	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	32,585,901	736,795	334,500	-
18.	Total liabilities (13+17)	58,236,450	1,285,460	623,340	90,196
19.	Net items of off balance sheet derivative asset/ (liability) position (19a - 19b)	41,940,575	1,157,235	241,717	-
19a.	Total amount of assets hedged	49,588,545	1,157,235	476,505	-
19b.	Total amount of liabilities hedged	7,647,970	-	234,788	-
20.	Net foreign assets / (liability) position (9-18+19)	10,727,894	457,441	(105,010)	682,276
21.	Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a)	(35,160,173)	(724,517)	(443,434)	612,677
22.	Fair value of financial instruments used in foreign currency hedge	663,781	22,548	-	-
23.	Export (*)	30,559,062	494,846	501,183	1,166,939
24.	Import (*)	13,665,140	121,601	292,370	341,711

(*) The TRY equivalents, include inflation accounting applied amounts.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. 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	TRY Equivalent of EUR other Currencies (*)	
1. Trade Receivables	8,099,935	116,011	129,741	264,006
2a. Monetary financial assets, (cash and banks included)	14,136,483	329,090	98,813	751,554
2b. Non-monetary financial assets	-	-	-	-
3. Other	536,211	3,995	11,864	23,418
4. Current assets (1+2+3)	22,772,629	449,096	240,418	1,038,978
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	1,357,035	44,021	23	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	1,461,017	8,661	34,580	58,331
8. Non-current assets (5+6+7)	2,818,052	52,682	34,603	58,331
9. Total Assets (4+8)	25,590,681	501,778	275,021	1,097,309
10. Trade payables	3,627,252	50,950	61,683	31,381
11. Financial liabilities	7,714,475	21,730	214,477	-
12a. Other monetary liabilities	594,481	11,732	5,488	52,736
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	11,936,208	84,412	281,648	84,117
14. Trade payables	-	-	-	-
15. Financial liabilities	36,542,985	732,235	425,697	-
16a. Other monetary liabilities	321	1	9	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	36,543,306	732,236	425,706	-
18. Total liabilities (13+17)	48,479,514	816,648	707,354	84,117
19. Net items of off balance sheet derivative asset/ (liability) position (19a - 19b)	15,721,149	590,000	(74,788)	-
19a. Total amount of assets hedged	23,433,314	590,000	160,000	-
19b. Total amount of liabilities hedged	7,712,165	-	234,788	-
20. Net foreign assets / (liability) position (9-18+19)	(7,167,684)	275,130	(507,121)	1,013,192
21. Net foreign currency asset / (liability) / (position of monetary items (=1+2a+5+6a -10-11-12a-14-15-16a)	(24,886,061)	(327,526)	(478,777)	931,443
22. Fair value of financial instruments used in foreign currency hedge	2,963,960	96,202	-	-
23. Export	34,808,253	621,516	527,877	375,135
24. Import	10,322,183	171,521	182,822	396,561

(*) The TRY equivalents of the relevant amounts in the table are expressed on a purchasing power basis as of December 31, 2023.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. 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 December 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	(2,132,847)	2,132,847	3,668,178	(3,668,178)
2- USD hedged from risks (-)	3,406,693	(3,406,693)	(2,323,410)	2,323,410
3- USD net effect (1+2)	1,273,846	(1,273,846)	1,344,768	(1,344,768)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	(1,444,438)	1,444,438	6,806,649	(6,806,649)
5- EUR hedged from risks (-)	787,365	(787,365)	(1,559,466)	1,559,466
6- EUR net effect (4+5)	(657,073)	657,073	5,247,183	(5,247,183)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	61,268	(61,268)	1,843,453	(1,843,453)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	61,268	(61,268)	1,843,453	(1,843,453)
Total (3+6+9)	678,041	(678,041)	8,435,404	(8,435,404)

(*) 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.

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

38. 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	(1,009,097)	1,009,097	3,848,127	(3,848,127)
2- USD hedged from risks (-)	1,817,775	(1,817,775)	-	-
3- USD net effect (1+2)	808,678	(808,678)	3,848,127	(3,848,127)
Change of EUR against TRY by 10%				
4- EUR net assets / liabilities	(1,572,652)	1,572,652	6,594,235	(6,594,235)
5- EUR hedged from risks (-)	(245,660)	245,660	-	-
6- EUR net effect (4+5)	(1,818,312)	1,818,312	6,594,235	(6,594,235)
Change of other currencies against TRY by 10%				
7- Other currencies net assets / liabilities	93,144	(93,144)	1,921,972	(1,921,972)
8- Other currencies hedged from risks	-	-	-	-
9- Other currencies net effect (7+8)	93,144	(93,144)	1,921,972	(1,921,972)
Total (3+6+9)	(916,490)	916,490	12,364,334	(12,364,334)

(*) 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 49,053 thousand as of 31 December 2023 (31 December 2022: TRY 80,826 thousand).

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

Categories of Financial Instruments

31 December 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				
Cash and cash equivalents	37,759,886	-	-	37,759,886
Trade receivables	27,302,609	-	-	27,302,609
Due from related parties	167,868	-	-	167,868
Derivative financial assets	-	973,908	948,525	1,922,433
Financial investments	1,766,829	31,862	6,313,256	8,111,947
Financial liabilities				
Financial liabilities	85,275,373	-	-	85,275,373
Trade payables	16,381,355	-	-	16,381,355
Due to related parties	593,943	-	-	593,943
Derivative financial liabilities	-	1,257,772	880	1,258,652
31 December 2022				
Financial assets				
	78,997,857	3,069,634	3,312,952	85,380,443
Cash and cash equivalents	41,596,612	-	-	41,596,612
Trade receivables	32,587,466	-	-	32,587,466
Due from related parties	104,193	-	-	104,193
Derivative financial assets	-	3,037,772	422,290	3,460,062
Financial investments	4,709,586	31,862	2,890,662	7,632,110
Financial liabilities				
	96,050,032	260,134	235,967	96,546,133
Financial liabilities	77,298,660	-	-	77,298,660
Trade payables	18,314,017	-	-	18,314,017
Due to related parties	437,355	-	-	437,355
Derivative financial liabilities	-	260,134	235,967	496,101

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

Fair Value of Financial Instruments

Financial assets	31 December 2023			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	31,862	-	-	31,862
Derivative financial assets	1,922,433	-	1,922,433	-
Total	1,954,295	-	1,922,433	31,862

Financial assets	31 December 2022			
	Total	Category 1	Category 2	Category 3
Financial Assets at Fair value through other comprehensive income	31,862	-	-	31,862
Derivative financial assets	3,460,062	-	3,460,062	-
Total	3,491,924	-	3,460,062	31,862

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).

40. Events After Reporting Period

- It has been announced in PDP on 3 January that the 1st Coupon payment of the bond with ISIN code TRSSISEE2517, dated 03.01.2024, was made.
- It has been announced in PDP On 4 January 2024 that, 137,008 shares were bought-back from the TL 44.80- TL 44.98 price range (average TL 44.86) and the number of SISE shares owned by our Company reached 53,307,105 (The ratio to the Company capital is %1.74).
- It has been announced in PDP On 15 January 2024 that At the BoD meeting held on 15 January 2024, a decision was made to implement an increase in the heavy soda ash production capacity at our Mersin Soda Ash Plant by 175 thousand tons/year.
- It has been announced in PDP On 15 January 2024 that In accordance with the Share Purchase Agreement through Capital Increase, dated October 23, 2023 and signed by Sisecam Investment B.V., a 100% subsidiary of our Company, and Icron Teknoloji Bilişim A.Ş., and Competition Board approval dated December 21, 2023, Sisecam Investment B.V. acquired 3% stake in ICRON for a cash payment of 3 million USD on January 15, 2024 in proportion to the shares of its existing partners.
- It has been announced in PDP On 19 January 2024 that, 1,000,000 shares were bought-back from the TL 47.64- TL 47.80 price range (average TL 47.74) and the number of SISE shares owned by our Company reached 54.307.105 (The ratio to the Company capital is %1.77).
- It has been announced in PDP on 22 January that the revision of the Outlook on Government of Turkey to "Positive" from "Stable" by Moody's on January 12, 2024 while affirming the Long-Term Issuer Default Rating at "B3"; the International Credit Rating Agency has revised the Outlook on Şişecam's Long-Term Foreign-Currency Issuer Default Rating to "Positive" from "Stable" and affirmed the rating at "B3" on January 19, 2024.
-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

40. Events After Reporting Period (Continued)

- It has been announced in PDP On 24 January 2024, 115,311 shares were bought-back from the TL 47.20- TL 47.24 price range (average TL 47.23) and the number of SISE shares owned by our Company reached 54,422,416 (The ratio to the Company capital is %1.78).
 - It has been announced in PDP on 30 January 2024 that The 1st Coupon payment of the bond with ISIN code TRSSISEK2519, dated 30.01.2024, was made.
 - It has been announced in PDP on 30 January 2024 that Pursuant to our public disclosure dated January 15, 2024, trade registry processes for the articles of association amendments and the capital increase of ICRON for 5 million USD by the sole participation of Sisecam Investment B.V. was completed and Sisecam Investment B.V.'s stake in ICRON increased to 15.66%
 - It has been announced in PDP on 30 January 2024 that In our Board of Directors meeting dated 30.01.2024, the following decisions were made: Due to the retirement of Mr. Abdullah Kılınc, currently serving as Deputy General Manager for Production, effective 29.02.2024, Mr. Beytullah Şahin, currently holding the position of Senior Production Director for the EU Region, is appointed as his successor, effective from 01.03.2024. Mr. Burak Büyükfırat, currently serving as General Manager Consultant, is appointed as the Deputy General Manager for Research, Development, and Quality, effective from 01.02.2024.
 - On 5 February.2024, Turkey Şişe ve Cam Fabrikaları A.Ş. and its subsidiaries Şişecam Otomotiv A.Ş. and Şişecam Elyaf Sanayii A.Ş. started the new period collective bargaining negotiations with Türkiye Cam Çimento ve Toprak İşverenleri and Kristal-İş for Flat Glass facilities located in Kırklareli, Mersin, Bursa and Ankara, for our Glassware facilities located in Kırklareli, Eskişehir and Denizli and for our Glass Packaging facilities located in Mersin, Yenişehir and Eskişehir. The new period collective bargaining negotiations have been started with Türkiye Çimse-İş, as well, for our Auto Glass Lüleburgaz facility, Glass Fiber Balıkesir facility, for Bilecik facility of Camış Madencilik A.Ş., a subsidiary of our company and for other workplaces associated with the union on the same date.
 - It has been announced in PDP on 13 February 2024 that the audited bank-only and consolidated financial reports of our parent company, Türkiye İş Bankası A.Ş., for the period ending December 31, 2023, have been disclosed on the Public Disclosure Platform and Türkiye İş Bankası A.Ş.'s website on February 13, 2024. The financial reports of Türkiye İş Bankası A.Ş., which also include key figures related to our Company, are prepared in accordance with the accounting and financial reporting legislation of the Banking Regulation and Supervision Agency and do not include the provisions of TAS 29 'Financial Reporting in Hyperinflationary Economies'. Therefore, the information about our Company in the financial reports of Türkiye İş Bankası A.Ş., is expected to differ from the figures in our financial statements for the period ending December 31, 2023, which will be disclosed in accordance with the Capital Markets Board reporting regulations and will apply the provisions of TAS 29. Our company's financial statements, which were submitted to Türkiye İş Bankası A.Ş.
 - It has been announced in PDP on 23 February 2024 that Conclusion Section of 2024 Common and Continuous Related Party Transactions Report which is prepared as per Article 10 of the Capital Markets Board's Communiqué No. II-17.1 on Corporate Governance is submitted for our shareholders' information.
 - It has been announced in PDP on 26 February 2024 that Within the issuance ceiling of 20,000,000,000-TL dated 20.09.2023, The bond with a nominal value of TL 4,000,000,000 with a maturity of 736 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 February 2024 and maturity date 3 March 2026.
 - It has been announced in PDP on 27 February 2024 that The 1st Coupon payment of the bond with ISIN code TRSSISEA2511, dated 27.02.2024, was made.
 - It has been announced in PDP On 27 February 2024, 1,000,000 shares were bought-back from the TL 50.85- TL 51.00 price range (average TL 50.91) and the number of SISE shares owned by our Company reached 55,422,416 .
 - At the Board of Directors' meeting held on March 01, 2024, it has been decided to invest in a total of three new coated glass lines, one each in our ongoing investment in Turkey Tarsus flat glass facility and in our existing flat glass facilities in Northern Italy and Bulgaria.
-

TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in the terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

41. Audit Fees

Fees for the services received from the independent auditor/independent audit firm The Group's statement on the fees for the services rendered by the independent audit firms, which is based on the KGK's letter dated 19 August 2021, the preparation principles of which are prepared pursuant to the KGK's Board Decision published in the Official Gazette repeated on 30 March 2021 as follows:

	31 December 2023 (*)	31 December 2022 (*)
Fees for Independent audit the reporting period	48,394	27,192
Fees related to tax consultancy services	457	-
Fees for other assurance services	1,560	1,965
	50,411	29,157

(*) Fees of foreign subsidiaries and associates in foreign currencies have been converted to TL using the end-of-period exchange rates of the relevant years.

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

Approval of Financial Statements

The audited consolidated statements of financial position, profit or loss, comprehensive income, cash flow and changes in equity (Financial Statements) for the period ended 31 December 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 4 March 2024 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.