

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ
VE TİCARET ANONİM ŞİRKETİ
AND ITS SUBSIDIARY**

CONVENIENCE TRANSLATION INTO ENGLISH
OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR INTERIM PERIOD
31 MARCH 2023
WITH INDEPENDENT AUDITOR'S REPORT
(Originally issued in Turkish)

CONTENTS	PAGE
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1-2
CONDENSED CONSOLIDATED STATEMENT PROFIT OR LOSS.....	3
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY.....	5
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	7-51
1. ORGANIZATION AND OPERATIONS OF THE GROUP	7
2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	7-13
3. BUSINESS COMBINATIONS.....	14
4. CASH AND CASH EQUIVALENTS AND FINANCIAL INVESTMENTS	15
5. FINANCIAL BORROWINGS	16-17
6. DERIVATIVE FINANCIAL INSTRUMENTS	18
7. TRADE RECEIVABLES AND PAYABLES	18-20
8. INVENTORIES	20
9. PREPAID EXPENSES AND DEFERRED INCOME	21
10. PROPERTY, PLANT AND EQUIPMENT	22-23
11. RIGHT OF USE ASSETS	23-24
12. INTANGIBLE ASSETS	24-25
13. GOODWILL.....	25
14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	26
15. COMMITMENTS	27-28
16. SALES AND COST OF SALES	29
17. EXPENSES BY NATURE	29-30
18. OTHER OPERATING INCOME AND EXPENSES	30
19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES	31
20. FINANCING INCOME AND EXPENSES	31
21. TAXATION ON INCOME	32-37
22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES	38-43
23 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS.....	44-48
24. FINANCIAL INSTRUMENTS	49-50
25. EVENTS AFTER THE REPORTING PERIOD	51

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH
2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	Current Period	Prior Period
		(Unaudited)	(Audited)
		31 March 2023	31 December 2022
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	4.927.378.177	3.642.509.918
Financial Investments	4	1.544.056.569	1.241.607.392
Trade Receivables	7	3.376.961.208	2.399.757.977
Trade Receivables from Related Parties	22	230.471.179	206.780.013
Trade Receivables from Third Parties		3.146.490.029	2.192.977.964
Other Receivables		36.813.779	25.266.605
Other Receivables from Related Parties	22	208.154	153.266
Other Receivables from Third Parties		36.605.625	25.113.339
Derivative Financial Instruments	6	53.793.275	75.898.195
Inventories	8	2.410.950.300	2.364.176.593
Prepaid Expenses	9	179.248.531	123.836.544
Current Tax Assets	21	-	434.741
Other Current Assets		3.511.776	59.776.299
Total Current Assets		12.532.713.615	9.933.264.264
Non-Current Assets			
Trade Receivables	7	1.954.484	1.590.219
Other Receivables		384.851	224.882
Other Receivables from Related Parties		384.851	224.882
Derivative Financial Instruments	6	1.848.375.035	2.071.002.819
Property Plant and Equipment	10	2.810.408.470	2.750.281.504
Right of Use Assets	11	47.129.135	33.398.987
Intangible Assets		307.512.330	303.927.439
Goodwill	13	27.402.832	27.402.832
Other Intangible Assets	12	280.109.498	276.524.607
Prepaid Expenses	9	157.434.603	88.173.519
Deferred Tax Assets	21	359.350.804	389.813.464
Total Non-Current Assets		5.532.549.712	5.638.412.833
TOTAL ASSETS		18.065.263.327	15.571.677.097

The accompanying notes form an integral part of these condensed consolidated financial statements

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH
2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

		Current Period (Unaudited) 31 March 2023	Prior Period (Audited) 31 December 2022
LIABILITIES	Notes		
Current Liabilities			
Short-term Borrowings	5	1.307.698.420	1.845.400.496
Short-term Portion of Long-Term Borrowings	5	5.785.129.528	3.287.454.651
Trade Payables	7	3.794.184.083	4.375.832.527
Trade Payables to Related Parties	22	1.153.550.351	1.484.889.722
Trade Payables to Third Parties		2.640.633.732	2.890.942.805
Payables Related to Employee Benefits		379.311.559	113.130.974
Other Payables		130.956.943	51.168.357
Other Payables to Related Parties	22	2.179.162	2.020.126
Other Payables- to Third Parties		128.777.781	49.148.231
Derivatives	6	14.161.348	42.368.590
Deferred Income	9	141.447.101	98.462.016
Current Tax Liability	21	185.920.085	4.616.663
Short-term Provisions		624.259.242	172.994.955
Short-term Provisions for Employee Benefits		71.823.212	86.638.755
Other Short-term Provisions	14	552.436.030	86.356.200
Other Current Liabilities		1.124.367	8.137.269
Total Current Liabilities		12.364.192.676	9.999.566.498
Non-Current Liabilities			
Long-term Borrowings	5	2.615.283.377	1.696.982.758
Long-term Provisions		445.047.399	579.066.312
Long-term Provisions for Employee Benefits		445.047.399	579.066.312
Total Non-Current Liabilities		3.060.330.776	2.276.049.070
Total Liabilities		15.424.523.452	12.275.615.568
EQUITY			
Equity of the Parent Company		2.588.131.030	3.247.224.087
Share Capital		305.116.875	305.116.875
Adjustment to Share Capital		54.985.701	54.985.701
Share Premium		4.903	4.903
Accumulated Other Comprehensive Income or Expenses That Will Be Reclassified Profit or Loss			
Hedging Reserve (Losses) / Gains		153.031.029	149.070.272
Foreign Currency Conversion Adjustments		(3.605.237)	(3.553.610)
Accumulated Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss			
Actuarial (Losses) / Gains		(336.703.492)	(332.595.641)
Restricted Reserves		354.452.296	236.806.032
Other Reserves		992.905	992.905
Retained Earnings		1.527.031.900	856.040.360
Net Income for The Period		532.824.150	1.980.356.290
Not Controlling Interest		52.608.845	48.837.442
Total Equity		2.640.739.875	3.296.061.529
TOTAL LIABILITIES AND EQUITY		18.065.263.327	15.571.677.097

The accompanying notes form an integral part of these condensed consolidated financial statements

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

		Current Period (Unaudited) 1 January- 31 March 2023	Prior Period (Audited) 1 January- 31 March 2022
Sales	16	4.661.906.079	2.714.236.001
Cost of Sales (-)	16-17	(3.229.017.756)	(1.703.201.386)
GROSS PROFIT		1.432.888.323	1.011.034.615
General Administrative Expenses (-)	17	(160.825.490)	(65.482.582)
Marketing Expense (-)	17	(380.071.602)	(208.060.135)
Research and Development Expenses (-)	17	(14.613.838)	(1.948.022)
Impairment Loss and Trade Receivables, net (-)	17	2.210.077	(8.051.823)
Other Operating Income	18	246.058.154	69.491.086
Other Operating Expenses (-)	18	(270.652.320)	(178.622.635)
OPERATING PROFIT		854.993.304	618.360.504
Income From Investing Activities	19	107.619.229	695.585
Expenses From Investing Activities (-)	19	-	(13.829)
PROFIT BEFORE FINANCIAL EXPENSES		962.612.533	619.042.260
Financing Income	20	174.269.041	159.940.516
Financing Expenses (-)	20	(381.102.174)	(147.675.245)
PROFIT BEFORE TAX		755.779.400	631.307.531
Taxation on Income		(218.826.303)	(17.125.545)
Current Tax Expense	21	(188.169.494)	(6.307.713)
Deferred Tax Income / Expense (-)	21	(30.656.809)	(10.817.832)
PROFIT FOR THE PERIOD		536.953.097	614.181.986
DISTRIBUTION OF PROFIT FOR THE PERIOD			
- Non-Controlling Shares		4.128.947	1.286.675
- Parent Company Shares		532.824.150	612.895.311
Earnings per share		1,622	1,905
Diluted earnings per share		1,622	1,905

The accompanying notes form an integral part of these condensed consolidated financial statements

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY CONDENSED CONSOLIDATED STATEMENT OF OTHER
COMPREHENSIVE INCOME FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

Notes	Current Period (Unaudited) 1 January- 31 March 2023	Prior Period (Unaudited) 1 January- 31 March 2022
PROFIT FOR THE PERIOD	536.953.097	614.181.986
<i>OTHER COMPREHENSIVE INCOME:</i>		
Items that will never be reclassified to profit or loss	(4.356.691)	6.575.317
Actuarial (Losses) / Gains (-)	(5.445.864)	8.216.169
Other Comprehensive or Expenses That Will Not Be Reclassified to Profit or (Loss)		
Deferred Tax Income / (Expense) (-)	21 1.089.173	(1.640.852)
Items that are or may be reclassified to profit or loss	3.800.426	(70.665.904)
Hedging Reserve Gains/ Losses (-)	4.855.780	(69.015.608)
Foreign Currency Conversion Adjustments	(160.331)	(604.120)
Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss (-)		
Deferred Tax Income (-)	21 (895.023)	(1.046.176)
OTHER COMPREHENSIVE INCOME / EXPENSE (-)	(556.265)	(64.090.587)
TOTAL COMPREHENSIVE INCOME / EXPENSE	536.396.832	550.091.399
DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME		
- Non-Controlling Shares	3.771.403	1.242.767
- Parent Company Shares	532.625.429	548.848.632

The accompanying notes form an integral part of these condensed consolidated financial statements

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE PERIOD JANUARY 1 - 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	Share Capital	Adjustment Share Capital	Share Premium	Currency Translation Differences	Hedging Reserve Gains/(Losses)	Actuarial (Losses)/Gains	Restricted Reserves	Other Reserves	Retain Earnings		Equity of Parent Company	Non-Controlling Interests	Shareholders' Equity
									Other Comprehensive Income or Expenses That Will Be Reclassified Profit or Loss	Other Comprehensive Income or Expenses That Will Not Be Reclassified Profit or Loss			
Balance 1 January 2022 (Beginning of the Period)	305.116.875	54.985.701	4.903	-	235.393.906	(42.964.394)	172.029.650	689.259	579.261.062	1.004.575.346	2.309.092.308	-	2.309.092.308
Transfers	-	-	-	-	-	-	64.776.382	(1)	939.798.965	(1.004.575.346)	-	-	-
Other Funds	-	-	-	-	-	-	-	194.365	-	-	194.365	-	194.365
Dividends (*)	-	-	-	-	-	-	-	-	(663.019.667)	-	(663.019.667)	-	(663.019.667)
Acquisition Effect	-	-	-	-	-	-	-	-	-	-	-	24.473.265	24.473.265
Total Comprehensive Income	-	-	-	(536.995)	(70.061.785)	6.552.101	-	-	-	612.895.311	548.848.632	1.242.767	550.091.399
Balance on 31 March 2022 (End of the Period)	305.116.875	54.985.701	4.903	(536.995)	165.332.121	(36.412.293)	236.806.032	883.623	856.040.360	612.895.311	2.195.115.638	25.716.032	2.220.831.670
Balance on 1 January 2023 (Beginning of the Period)	305.116.875	54.985.701	4.903	(3.553.610)	149.070.272	(332.595.641)	236.806.032	992.905	856.040.360	1.980.356.290	3.247.224.087	48.837.442	3.296.061.529
Transfers	-	-	-	-	-	-	117.646.264	-	1.862.710.026	(1.980.356.290)	-	-	-
Dividends (*)	-	-	-	-	-	-	-	-	(1.191.718.486)	-	(1.191.718.486)	-	(1.191.718.486)
Total Comprehensive Income	-	-	-	(51.627)	3.960.757	(4.107.851)	-	-	-	532.824.150	532.625.429	3.771.403	536.396.832
Balance on 31 March 2023 (End of the Period)	305.116.875	54.985.701	4.903	(3.605.237)	153.031.029	(336.703.492)	354.452.296	992.905	1.527.031.900	532.824.150	2.588.131.030	52.608.845	2.640.739.875

(*) The dividend paid by the Group per share with a nominal value of 1 TL is 3,6000 TL gross (2022: 2,02790 TL).

The accompanying notes form an integral part of these condensed consolidated financial statements

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş. AND ITS
SUBSIDIARY CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
PERIOD JANUARY 1 - 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	Notes	Unaudited	
		Current Period 1 January- 31 March 2023	Prior Period, 1 January- 31 March 2022
Net Profit for the Period		536.953.097	614.181.986
Adjustments to Reconcile Profit for the Period		1.126.303.578	339.489.108
Adjustments Related to Depreciation and Amortization Expenses	17	86.106.852	64.044.715
Provisions for Employee Benefits		38.235.161	52.985.158
Adjustments Related to Retirement Pay Provision		31.791.042	12.256.423
Lawsuit Provision	14	1.682.731	2.331.409
Adjustment Related to Other Provisions	14	464.665.849	272.867.147
Adjustments Related to Doubtful Receivables	7	(1.849.181)	6.567.036
Interest Income	18-20	(157.003.482)	(27.259.656)
Interest Expense	18-20	370.418.541	108.006.755
Unrealized Foreign Exchange Losses/ (Gains)		15.366.177	155.312.143
Gains / Losses from Derivative Financial Instruments	6	30.381.268	(221.756.600)
Adjustments Related to Tax Expense / (Income)	21	218.826.303	17.125.545
Losses / Gain on Sale of Property, Plant and Equipment and Intangible Assets, Net		(1.179)	(681.757)
Impairment on Inventories	8	2.040.558	2.528.940
Finance expense accruals from credit purchases (net)	7	(72.676.674)	(37.540.089)
Finance income accruals from credit sales (net)	7	190.167.276	50.381.193
Adjustments Related to Other Items that Cause Cash Flows from Investing or Financing Activities		(91.847.664)	(117.679.254)
Changes In Working Capital		(1.228.415.681)	(1.057.176.947)
Adjustments Related to Increase / Decreases in Trade Receivables		(974.876.148)	(666.491.970)
Adjustments Related to Increase /Decreases in Inventory		(43.595.496)	(601.415.895)
Adjustments Related to Increase /Decreases in Other Receivables Related to Operations		82.963.327	44.096.710
Adjustments Related to Increase / Decreases in Prepaid Expenses		(124.640.960)	(71.782.992)
Adjustments Related to Increase / Decreases in Trade Payables		(427.399.635)	195.481.565
Adjustments Related to Increase / Decreases Deferred Income		42.985.085	(4.262.513)
Adjustments Related to Increase /Decreases Employee Benefits Payables		266.180.585	11.339.965
Adjustments Related to Increase /Decreases in Other Payables Related to Operations		72.768.398	45.673.400
Cash Flows from Operating Activities		(306.613.714)	176.344.843
Collection from doubtful receivables	7	360.896	224.840
Interest Received		827.000	423.804
Interest Paid		(15.675.968)	(2.486.339)
Taxes Paid / Reimbursed		(6.432.924)	(2.471.070)
Paid / Reversed Provisions		(53.050.704)	(60.059.133)
Paid / Reversed Lawsuit Provision	14	(268.750)	(603.749)
Retirement Benefits Paid		(171.255.819)	(1.288.163)
Cash Inflows/ (Outflows) from Financial Derivatives		(61.117.445)	242.604.653
A. NET CASH GENERATED FROM OPERATING ACTIVITIES		128.227.280	72.838.990
Proceeds From Sale of Property Plant and Equipment and Intangible Assets		6.038	778.772
Net Cash Effect of Subsidiary Acquisition	3	-	(133.116.223)
Acquisition of Property Plant and Equipment and Intangible Assets		(342.406.536)	(79.163.689)
Change in Financial Investments	4	(242.192.580)	-
Interest Received	19	49.795.651	-
B. CASH FLOWS FROM INVESTING ACTIVITIES		(534.797.427)	(211.501.140)
Proceeds from of Borrowings	5	4.187.750.120	1.226.672.591
Cash outflows from Repayment of Borrowings	5	(1.193.921.394)	(866.227.164)
Interest Paid	5	(275.210.735)	(88.208.228)
Interest Received		126.559.442	20.320.032
Other Cash Inflows / (Outflows) (*)		(17.984.248)	241.570.765
Cash Outflows from Lease Liabilities	5	(6.845.169)	(2.947.714)
Cash Inflows from Factoring	5	32.115.662	5.044.543
Dividends Paid		(1.191.718.486)	(663.019.667)
C. CASH FLOWS FROM FINANCING ACTIVITIES		1.660.745.192	(126.794.842)
Net Increase / (Decrease) in Cash and Cash Equivalents before translation effect of foreign currency (A+B+C)		1.254.175.045	(265.456.992)
D. Translation Effect of Foreign Currency on Cash and Cash Equivalents		1.076.174	(156.112)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)		1.255.251.219	(265.613.104)
Cash and Cash Equivalents at the beginning of the period	4	3.634.332.207	3.341.635.650
Cash and Cash Equivalents at the end of the period	4	4.889.583.426	3.076.022.546

The accompanying notes form an integral part of these condensed consolidated financial statements

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa" or "Group") was established in 1974 as a subsidiary of Hacı Ömer Sabancı Holding A.Ş.

Brisa is primarily engaged in manufacturing, marketing and selling vehicle tires in Turkey. In 1988, the Group entered into a license agreement with Bridgestone Corporation for the purpose of manufacturing and selling Bridgestone tires. The control of the Group is jointly held by H.Ö. Sabancı Holding A.Ş. and Bridgestone Corporation.

The Group's employee headcount with indefinite-term employment contract is 3.383 (31 December 2022: 3.429). This number includes 2.511 employees who are subject to Collective Bargaining Agreement terms (31 December 2022: 2.590), 853 employees who are not subject to these terms (31 December 2022: 820). There are 19 foreign employees (31 December 2022: 19). In addition, there are 149 employees who are subject to definite-term employment contracts (31 December 2022: 2).

Brisa is registered with the Capital Markets Board ("CMB") and its shares have been quoted in Borsa İstanbul A.Ş. since 1986. As of December 31, 2022, and 31 December 2021, the Group has a 10.24% shareholding in Borsa İstanbul. As at 31 December 2022 and 31 December 2021, the main shareholders and their respective shareholding in the Group are as follows.

	<u>31 March 2023</u>	<u>31 December 2022</u>
	<u>%</u>	<u>%</u>
Hacı Ömer Sabancı Holding A.Ş.	43,63	43,63
Bridgestone Corporation	43,63	43,63
Other	12,74	12,74
Total	100,00	100,00

The gross dividend payment of 3,60 TL per share with a nominal value of 1 TL has been decided with the decision of the Board of Directors of the Group, dated 22 February 2023 and numbered 2023/06. (2022: The gross dividend payment of 2,0279 TL per share with a nominal value of 1 TL has been decided with the decision of the Board of Directors of the Company) The dividend payment was made in cash in March 2023 (2022: The dividend payment was made in cash in March 2022).

The address of the registered office of the Company is as follows:
Küçük Çamlıca Mahallesi Şehit İsmail Moray Sokak
Temsal Sitesi No:2/1 Üsküdar, İstanbul

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of compliance with TFRS

The accompanying consolidated financial statements are in accordance with the provisions of the Capital Markets Board ("CMB"), "Communiqué on Principles of Financial Reporting in the Capital Markets" ("Communiqué") No. II -14.1 published in the Official Gazette dated 13 September 2013 and numbered 28676. has been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS"), which was put into effect by the Accounting and Auditing Standards Authority ("KGK"). TFRSs; It includes Standards and Interpretations published by KGK under the names of Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TMS Interpretations and TFRS Interpretations.

Consolidated financial statements have been presented in accordance with the formats specified in the "Announcement on TFRS Taxonomy" published by KGK on April 15, 2019, and the Financial Statement Examples and User Guide published by the SPK.

Approval of consolidated financial statements:

The consolidated financial statements for the period from 1 January to 31 March 2023 were approved by the Group Board of Directors on 3 May 2023 and signed on behalf of the Board of Directors by General Manager Haluk Kürkçü and Deputy General Manager of Finance Neslihan Döngel Özlem.

Consolidated financial statements are prepared on a historical cost basis, excluding derivative financial instruments carried at fair value. See Note 24 for fair value disclosures.

Functional currency

The Group's consolidated financial statements are presented in the currency of the primary economic environment in which it operates. The Group's financial position and operating results are expressed in TL, which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

Preparation of consolidated financial statements in hyperinflationary periods

In the announcement dated January 20, 2022, made by the Public Oversight Authority, it was stated that the companies applying TFRS do not need to make any adjustments within the scope of TMS 29 Financial Reporting in High Inflation Economies in their financial statements for the year ended 31 December 2021. Since no new announcement has been made by the Public Oversight Authority regarding the application of inflation accounting, no inflation adjustment has been made according to TMS 29 while preparing the financial statements dated March 31, 2023.

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont')

2.1 Basis of Presentation (cont'd)

Consolidation Principles

Subsidiaries

Subsidiaries are groups over which the Group has control. Group's control: Exposure to variable returns in these groups is provided by the power to be entitled to and direct these returns. Subsidiaries are consolidated using the full consolidation method from the date on which the control passes to the Group. They are excluded from the scope of consolidation as of the date of loss of control.

The acquisition method is used in accounting for group business combinations. The acquisition cost includes the fair value of the assets transferred at the acquisition date, the liabilities incurred by the former owners of the acquired business and the costs of equity instruments issued by the Group. Acquisition cost includes the fair value of transferred assets and liabilities arising from contingent acquisition agreements.

Identifiable assets, liabilities and contingent liabilities acquired in a business combination are measured at their fair value at the acquisition date. For each acquisition, the Group's non-controlling interests acquired are accounted for either at their fair value or at their proportional share of the Group's net assets.

The table below shows the subsidiaries and shareholding ratios as of 31 March 2023 and 31 December 2022.

Subsidiaries	31 March 2023	31December 2022
Arvento Mobil Sistemler A.Ş.	%88,89	%88,89
Arvento Kurumsal Hizmetler ve Danışmanlık A.Ş.	%88,89	%88,89
Arvento Mobile Systems Services Company LLC	%88,89	%88,89
Arvento Mobile Systems GmbH	%88,89	%88,89

2.2 Changes in Significant Accounting Policies

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transitional provisions. Changes that do not include any transitional provisions, optional significant changes in accounting policy, or accounting errors identified are applied retrospectively and prior period consolidated financial statements are restated.

As of January 1, 2023, no changes have been made in the accounting policy.

2.3 Changes and Errors in Accounting Estimates

Changes in accounting estimates are reflected in the consolidated financial statements in the current period when the change is made, if the change is related to future periods, both in the period in which the change is made and in the future period, to be taken into account in determining the net profit or loss for the period. There has been no significant change in the accounting estimates of the Group in the current accounting period. Significant accounting errors identified are applied retrospectively and prior period consolidated financial statements are restated.

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont')

2.4 Summary of Significant Accounting Policies

2.4.1 Amendments published but not yet effective and not early adopted as of 31 March 2023

Changes that have been published but are not yet effective and not early implemented.

Some of the new standards, interpretations and amendments that have been issued but are not yet effective and early application is permitted but not early adopted by the Group as of the reporting date are as follows.

Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendments to TFRS 17)

In December 2021, IASB published IFRS 17 and Initial Application of IFRS 9—Comparative Information (Amendments to IFRS 17). The relevant amendments were also published by KGK on 31 December 2021 as the Amendments to TFRS 17.

The amendment is related to the transitional provisions in terms of comparative information on financial assets presented in the consolidated financial statements in the first application of TFRS 17. The amendment improves the elimination of temporary accounting mismatches between financial assets and insurance contract liabilities of enterprises and thus increases the usefulness of comparative information for users of consolidated financial statements. Amendments to TFRS 17 are valid for annual reporting periods beginning on or after 1 January 2024.

The application of this amendment in TFRS 17 is not expected to have a significant impact on the Group's consolidated financial statements.

Classification of Liabilities as Short or Long Term (Amendments to TMS 1)

Amendments to the "Short- or Long-Term Classification of Liabilities" published by the International Accounting Standards Board (UMSK) on January 23, 2020, in order to clarify the presentation in the statement of financial position regarding the short-term or long-term classification of liabilities according to IAS 1, POA on March 12, 2020, with the title "Amendments to TMS 1 - Classification of Liabilities as Short-Term or Long-Term".

This amendment clarifies the additional explanations regarding the long-term classification of liabilities that the entity can postpone for at least twelve months, and other matters related to the classification of liabilities.

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont')

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.1 Amendments published but not yet effective and not early implemented as of 31 March 2023 (continued)

Classification of Liabilities as Short or Long Term (Amendments to TAS 1) (continued)

After reconsidering certain aspects of the 2020 changes; The IASB has removed the requirement that a right be unconditional and instead requires that the right to defer settlement has substance and exists at the end of the reporting period. The relevant amendment was published by the POA on 3 January 2023 as "IFRS 2023".

This right may be subject to a company that complies with the terms (contracts) specified in a loan arrangement. Additional disclosures are also required for long-term liabilities subject to future contracts. The amendments also clarify how an entity classifies a debt payable with its own shares.

The Group is required to apply these changes retrospectively from reporting periods beginning on or after 1 January 2024, but early application is permitted. It also specifies transitional provisions for companies that may have early implemented the 2020 amendments that have already been published but have not yet entered into force.

The implementation of this amendment in TAS 1 is not expected to have a significant impact on the Group's consolidated financial statements.

Lease liability in sales and leaseback transactions - Amendments to IFRS 16 Leases

In September 2022, the IASB issued the amendments to the Lease Liability for Sales and Leaseback Transactions - IFRS 16 Leases. Changes to IFRS 16 Leases affect how variable lease payments that arise in a seller-lessee sale and leaseback transaction are accounted for. The changes introduce a new accounting model for variable lease payments and will require seller-lessees to reassess and possibly reorganize sales and leaseback transactions from 2019.

Changes include:

- At initial recognition, variable lease payments are included when the seller-lessee measures the lease liability arising from a sale and leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent recognition of the lease liability, without recognizing any gains or losses on the right of use it holds.

The seller-tenant may apply different approaches in subsequent measurements that meet the new requirements.

These amendments are valid for reporting periods beginning on or after January 1, 2024, with earlier application permitted.

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont')

2.4 Summary of Significant Accounting Policies (cont'd)

2.4.1 Amendments published but not yet effective and not early implemented as of 31 March 2023 (cont'd)

Lease liability in sales and leaseback transactions - Amendments to IFRS 16 Leases (cont'd)

In accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the seller-lessee must apply retrospectively the changes regarding sales and leaseback transactions made after the initial application date of TFRS 16. Sales and leaseback transactions since the implementation of TFRS 16 in 2019 should be identified and re-examined, and those involving variable lease payments should be re-arranged where possible.

The application of this amendment in TFRS 16 is not expected to have a significant impact on the Group's consolidated financial statements.

Changes that have entered into force.

The amendments that have entered into force for accounting periods beginning on or after January 1, 2023, are as follows:

1. Disclosure of Accounting Policies (Amendments to TAS 1)
2. Definition of Accounting Estimates (Amendments to TAS 8)
3. Deferred Tax on Assets and Liabilities Arising from a Single Transaction - Amendments to TAS 12 Income Taxes

These newly implemented standard amendments did not have a significant impact on the Group's consolidated financial statements.

2.4.2 Events after the reporting period

It represents events that occur in favor of or against the entity between the reporting date and the date of authorization for the issue of the consolidated financial statements. Events after the reporting date are divided into two:

- There is new evidence that the relevant events existed as of the reporting date; And
- There is evidence that the relevant events occurred after the reporting date (non-adjusting events after the reporting date).

The Group adjusts its consolidated financial statements in accordance with the new situation, in case there is new evidence that the said events exist as of the reporting date or if the related events occur after the reporting date and these events necessitate the restatement of the consolidated financial statements. If the said events do not require the restatement of the consolidated financial statements, the Group explains the said issues in the related footnotes.

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont')

2.4.3 Comparative information and restatement of prior period consolidated financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of the financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

2.4 Reporting by Segment

The Group is engaged in the production of radial, passenger car, pickup truck, minibus, truck, bus tires and tread rubber, as well as the sales of radial and conventional construction equipment tires, various inner tubes and columns, and the sale of mixtures. On March 1, 2022, the Group acquired Arvento M2M Elektronik Sistemler Sanayi Ticaret A.Ş. ("Arvento"), which operates in the field of vehicle tracking and fleet management. The effect of Arvento on the consolidated financial statements of the Group as of 31 March 2023 is limited. Therefore, in line with the managerial approach, the Group's operations are considered as a single operating segment as of 31 March 2023, and the Group's operating results, the determination of the resources to be allocated to this activity and the examination of the performances of these activities are evaluated within this framework.

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

3. BUSINESS COMBINATIONS

Purchases realized between 1 January 2023 - 31 March 2023

None.

Purchases realized between 1 January 2022 - 31 March 2022

The company and Özer Hıncal and Track Holdings S.A.R.L. A Share Purchase dated 14 December 2021, with the aim of taking over all the shares representing 88.89% of the capital of Arvento M2M Elektronik Sistemleri Sanayi Ticaret A. The Sale Agreement has been signed. Necessary conditions regarding the planned share transfer have been fulfilled and the relevant permits and approvals have been obtained. was taken over by the Company on.

As of March 1, 2022, the Group has obtained control over Arvento and has been consolidated using the full consolidation method in accordance with TFRS 3. The fair value of the assets and liabilities recorded at the transaction date (March 1, 2022) is as follows:

Total cash acquisition amount	337.159.439
Net assets acquired	309.756.607
Total cash acquisition amount	337.159.439
Cash and cash equivalents- acquired	201.233.993
Net cash impact of subsidiary acquisition	135.925.446
Goodwill (Note 14)	27.402.832
Cash and cash equivalents	201.233.993
Commercial debts	51.024.675
Inventories	37.061.603
Other current assets	2.260.588
Tangible assets	2.903.721
Intangible assets	151.131.616
Right-of-use assets	5.274.227
Other fix assets	46.271
Deferred tax liabilities	(16.981.656)
Trade payables	(16.197.707)
Deferred Income	(37.884.314)
Other liabilities	(31.396.834)
Fair value of total identifiable net assets (%100)	348.476.183
Net assets acquired (corresponding to %88,89'lık purchased) (*)	309.756.607

(*) The rate of purchased shares owned by the company is %88,8888889.

The fair value of identifiable assets, liabilities and contingent liabilities acquired as a result of the full consolidation transaction, exceeding the book value per group share amounting to TL 27.402.832 is recorded as goodwill in the statement of financial position. Arvento M2M Elektronik Sistemleri Sanayi ve Ticaret Anonim Şirketi merged with Arvento Mobil Sistemler A.Ş on September 15, 2022, by transferring its current assets and liabilities as a whole.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

4. CASH AND CASH EQUIVALENTS AND FINANCIAL INVESTMENTS

	31 March 2023	31 December 2022
Cash on hand	17.776	17.635
Cash at banks	4.927.360.401	3.642.492.283
Demand deposits	219.132.865	129.746.940
Time deposits	3.135.205.065	1.599.220.441
Credit cards slip receivables	1.573.022.471	1.913.524.902
Total cash and cash equivalents	4.927.378.177	3.642.509.918
Interest accruals	(37.794.751)	(8.177.711)
Cash and cash equivalents in the cash flow statement	4.889.583.426	3.634.332.207

The nature and extent of the risks on cash and cash equivalents are described at Note 28. Demand deposits comprise collections from direct debiting system (DDS) and cheques kept under current accounts based on agreements made with banks. Credit card slip receivables contain POS balances which have less than three months' maturity.

Financial Investments

Currency-protected deposit accounts are a financial asset with cash flows that include principal and interest or dividends, but they also show a derivative product feature as these cash flows may change depending on the change in exchange rates. Therefore, currency protected deposit accounts are treated as hybrid contracts and accounted for as financial assets whose fair value is recognized in profit or loss in line with the provisions of TFRS 9 regarding mixed contracts. Changes in the fair value of currency-protected deposit accounts are accounted for under "Income/Expense from Investing Activities" in the Statement of Profit or Loss and Other Comprehensive Income.

The details of short-term financial investments are as follows:

	31 March 2023	31 December 2022
KKM (*)	1.405.442.206	1.107.589.643
Eurobond	137.532.855	133.062.297
Other	1.081.508	955.452
	1.544.056.569	1.241.607.392

The Group presents deposits with maturities over 3 months and currency protected deposits as financial investments. The Group classifies its venture capital fund, Eurobond, and currency protected deposits in cash flows from investing activities in the cash flow statement.

(*) The Group's income from foreign currency protected deposit accounts amounting to TL 107.618.050 is accounted for under income from investment activities (Note 19).

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

5. FINANCIAL BORROWINGS

	31 March 2023		31 December 2022	
	Weighted average interest rate %	TL	Weighted average interest rate %	TL
Short-term TL bank borrowing	22,45	1.247.919.530	23,64	1.498.162.896
Short-term ABD borrowing		-	7,95	322.745.951
Short-term bank factoring liabilities	17,76	52.664.463	18,75	20.548.801
Short term leasing liabilities		7.114.427		3.942.848
Short-term borrowings		1.307.698.420		1.845.400.496
Short-term portion of long-term TL bank borrowings	27,10	3.006.693.153	22,85	1.817.703.913
Short-term portion of long-term TL bond issuances	31,00	1.264.182.994		-
Short-term portion of long-term USD bank borrowings	6,12	222.203.604	5,96	59.922.080
Short-term portion of long-term USD bank borrowings (*)	2,55	1.281.075.520	2,55	1.404.794.359
Short-term portion of long-term lease liabilities		10.974.257		5.034.299
		5.785.129.528		3.287.454.651
Total short-term borrowings		7.092.827.948		5.132.855.147
Long-term TL bank borrowings	12,87	21.206.534	22,77	364.961.478
Long-term TL bond issuances	32,33	1.258.315.223		
Long-term USD bank borrowings	2,55	438.235.418	2,55	236.065.741
Long-term USD bank borrowings (*)	6,36	864.512.400	5,95	1.068.068.544
Long-term lease liabilities		33.013.802		27.886.995
Total long-term borrowings		2.615.283.377		1.696.982.758
Total financial liabilities		9.708.111.325		6.829.837.905

The Group's net financial liability calculation is as follows:

	31 March 2023	31 December 2022
Total financial borrowings (**)	9.657.008.839	6.792.973.763
Less: US dollar loans valuation difference due to hedging	(1.711.356.330)	(1.955.780.239)
Less: Cash and cash equivalents	(4.927.378.177)	(3.642.509.918)
Minus: Financial investments	(1.544.056.569)	(1.241.607.392)
Net financial borrowings	1.474.217.763	(46.923.786)

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

5. FINANCIAL BORROWINGS (Cont'd)

Bank credits

(*) For long-term foreign currency loans of the Group; In the period they were purchased, cross currency and interest swap transactions were carried out in order to eliminate the floating interest rate and foreign currency risk. In the Group's foreign currency

The TL values of the loans may increase or decrease as a result of currency fluctuations, whereas the fair valuation of cross currency swap transactions is shown under derivative assets.

(**) The Group does not include debts from lease transactions in total financial borrowings.

As of 31 March 2023, a cumulative foreign exchange loss of TL 1.711.356.330 (31 December 2022: TL 1.955.780.239) due to the loans subject to the hedging transaction, is the result of the fair valuation of the cross currency and interest rate swap transactions subject to the hedging transaction. Derivative assets amounting to 1.892.925.034 TL (31 December 2022: 2.139.643.445 TL) (Note 6), equity valuation gain of 145.255.743 TL (31 December 2022: 147.091.345 TL) and 36.312.961 TL (31 December 2022): 36.771.861 TL) deferred tax liability is accounted for in the consolidated financial statements.

There are loan commissions and expenses, which are TL 41.704.927 on the short-term part of long-term loans, and TL 10.312.172 on long-term bank loans, which are net transaction costs (as of 31 December 2022, TL 3.718.911 and TL 2.256.517, respectively).

As of 31 March 2023, and 31 December 2022, all bank loans consist of unsecured loans.

Movement of financial liabilities as of 31 March 2023 and 31 December 2022 is as follows:

	31 March 2023	31 March 2022
Opening balance	6.829.837.905	4.790.117.733
Cash inflows from borrowing	4.187.750.120	1.226.672.591
Cash outflows from borrowing	(1.193.921.394)	(866.757.610)
Interest expense accounted under profit or loss (Note 20)	354.742.573	105.520.416
Capitalized interest expense at tangible assets (Note 20)	2.112.031	426.956
Interest paid	(275.210.735)	(88.208.228)
Cash Outflows Related to Rental Agreements	(6.845.169)	(2.947.714)
Cash Inflows / (Outputs) from Factoring Transactions	32.115.662	5.044.543
Exchange differences	(238.683.010)	241.570.748
Other	16.213.342	(433.340)
Closing balance	9.708.111.325	5.411.006.095

The Group has fulfilled its financial commitments as of 31 March 2023.

As of 31 March 2023, and 31 December 2022, the repayment schedule of its financial debts is as follows:

	31 March 2023	31 December 2022
2023	4.918.333.981	5.132.855.147
2024	3.514.597.830	1.039.104.587
2025	1.224.273.118	608.487.581
2026	50.906.396	49.390.590
	9.708.111.325	6.829.837.905

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

6. DERIVATIVE INSTRUMENTS

	31 March 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Cross currency and interest rate swaps	44.550.000	-	68.640.625	-
Forward currency exchange contract	9.243.275	14.161.348	4.783.909	42.368.590
Option	-	-	2.473.661	-
	53.793.275	14.161.348	75.898.195	42.368.590
Cross currency and interest rate swaps	1.848.375.035	-	2.071.002.819	-
	1.848.375.035	-	2.071.002.819	-
	1.902.168.310	14.161.348	2.146.901.014	42.368.590

Derivative financial instruments of the Group include cross currency and interest rate swaps and forward purchase contracts and valuation differences related to these transactions are accounted for in equity accounts.

The valuation of derivative instruments is based on the market prices quoted for similar instruments at the balance sheet date.

During the current period TL 30,381,268 expense (31 March 2022: TL 221,756,600 income) has been recorded in the profit or loss statement regarding derivative contracts maturing during the period and hedge transactions to hedge currency risk.

7. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

The details of the Group's trade receivables as of the balance sheet date are as follows:

	31 March 2023	31 December 2022
Short-term trade receivables		
Account receivables	3.472.784.416	2.510.676.902
Notes receivable	32.773.849	42.335.701
Trade receivables from related parties (Note 22)	230.471.179	206.780.013
Unearned credit finance income	(190.167.276)	(190.664.432)
Doubtful receivables provision (-)	(168.900.960)	(169.370.207)
	3.376.961.208	2.399.757.977
Long-term trade receivables		
Account receivables	25.710.146	26.610.145
Doubtful receivables provision (-)	(23.755.662)	(25.019.926)
	1.954.484	1.590.219

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

7. TRADE RECEIVABLES AND PAYABLES (Cont'd)

Trade receivables include the non-collected amounts arising from the Group's sale of finished goods and merchandise.

As of 31 March 2023, and 31 December 2022, trade receivables from unrelated parties have an average maturity of 71 and 77 days, respectively, and are discounted using an average of 25.28% and 23.27% interest rates.

As of 31 March 2023, trade receivables amounting to TL 345.277.554 (31 December 2022: TL 178.908.583) from non-related parties are not considered doubtful even though they are overdue.

As of 31 March 2023, guarantees amounting to TL 197.604.105 have been received from non-related parties for overdue receivables (31 December 2022: TL 92.901.825).

The aging table of overdue receivables from third parties as of 31 March 2023 and 31 December 2022 is as follows:

	31 March 2023	31 December 2022
Between 0-1 month	264.425.432	98.004.470
Between 1-3 months	59.678.860	35.964.470
Between 3-12 months	21.173.262	44.939.643
	345.277.554	178.908.583

The allowance for doubtful receivables is determined based on past experiences of collection of receivables and risk rating matrix developed for the expected credit loss computation

Movements in provision for doubtful receivables are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Opening balance as of January 1	194.390.133	142.908.585
Acquire effect	-	22.796.812
Doubtful receivables exchange difference	476.566	1.709.626
Additional provision / (cancellation)	(1.849.181)	6.567.036
Collections	(360.896)	(224.840)
Closing balance	192.656.622	173.757.219

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

7. TRADE RECEIVABLES AND PAYABLES (Cont'd)

Trade payables

As of the balance sheet date, the Company's trade payables detail is as follows:

Short-term trade payables	31 March 2023	31 December 2022
Trade payables	2.713.310.406	2.958.806.400
Trade payables to related parties (Note 22)	1.153.550.351	1.484.889.722
Unrealized finance expense due to credit purchases	(72.676.674)	(67.863.595)
	3.794.184.083	4.375.832.527

Trade payables mainly include non-paid amounts arising from trade purchases and ongoing expenditure.

As of 31 March 2023, and 31 December 2022, trade payables have an average maturity of 93 and 93 days, respectively, and are discounted using an average interest rate of 25.28% and 23.27%. The Group has a financial risk management policy that will ensure that all its debts are paid on time.

8. INVENTORIES

	31 March 2023	31 December 2022
Raw materials	732.434.107	816.184.023
Materials and supplies	154.552.445	136.221.211
Semi-finished goods	207.173.589	197.864.998
Finished goods	643.067.281	513.590.108
Trade goods	267.531.478	190.757.831
Goods in transit	445.520.710	546.847.174
Less: Impairment of inventory	(39.329.310)	(37.288.752)
	2.410.950.300	2.364.176.593

As of March 31, 2023 and 2022, the movement table regarding inventory impairment is as follows:

	1 January- 31 March 2023	1 January- 31 December 2022
Opening balance	37.288.752	21.233.491
Acquire effect	-	4.303.182
Period charge / (cancellation) (*)	2.040.558	11.752.079
Closing balance	39.329.310	37.288.752

(*) It is expensed in the cost of goods sold.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

9. PREPAID EXPENSES AND DEFERRED INCOME

Short-term Prepaid Expenses	31 March 2023	31 December 2022
Prepaid expenses	146.234.335	84.847.348
Order advances given	29.842.359	38.411.102
Advances given to personnel	3.171.837	578.094
	179.248.531	123.836.544

Long-term Prepaid Expenses	31 March 2023	31 December 2022
Prepaid expenses	30.930.691	31.600.366
Advances given for fixed assets	126.503.912	56.573.153
	157.434.603	88.173.519

Short-term Deferred Income	31 March 2023	31 December 2022
Advances receivables	52.474.435	28.800.114
Contract liabilities arising from sales of goods	86.719.620	67.354.911
Deferred income	2.253.046	2.306.991
	141.447.101	98.462.016

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

10. PROPERTY, PLANT AND EQUIPMENT

	1 January 2023	Additions	Transfers (*)	Disposals	31 December 2023
Cost					
Land and land improvement	79.417.885	-	-	-	79.417.885
Buildings	761.227.929	49.800	11.499.181	-	772.776.910
Machinery and equipment	3.084.279.377	-	392.270.579	-	3.476.549.956
Motor vehicles	46.493.076	5.665.325	12.447.625	-	64.606.026
Furniture and fixtures	236.564.578	4.911.190	6.587.315	(3.514)	248.059.569
Other fixed assets	204.335.895	3.937.085	-	(55.401)	208.217.579
Construction in progress	703.961.361	134.087.890	(444.749.088)	-	393.300.163
	5.116.280.101	148.651.290	(21.944.388)	(58.915)	5.242.928.088
Accumulated depreciation					
Land and land improvement	26.840.658	799.925	-	-	27.640.583
Buildings	236.013.407	4.303.690	-	-	240.317.097
Machinery and equipment	1.883.471.558	48.750.474	-	-	1.932.222.032
Motor vehicles	17.129.446	2.037.696	-	-	19.167.142
Furniture and fixtures	119.372.891	5.948.960	-	(3.514)	125.318.337
Other fixed assets	83.170.637	4.734.332	-	(50.542)	87.854.427
	2.365.998.597	66.575.077	-	(54.056)	2.432.519.618
Net book value	2.750.281.504	82.076.213	(21.944.388)	(4.859)	2.810.408.470

(*) In the current period, TL 21.944.388 has been transferred to intangible assets. (31 March 2022: 6.085.264 TL). Transfers realized in the current period are investments in buildings, machinery, and fixtures in Aksaray and Izmit factories, whose investments continue.

For the period ended 31 March 2023, depreciation expenses amounting to TL 29.117.550 is charged to cost of goods sold, TL 33.954 is charged to research and development expenses, TL 7.390.507 is charged to marketing expenses, TL 2.303.725 is charged to general administrative expenses, TL 26.973.982 is charged to inventories and TL 755.359 is charged to capitalized development expenses.

The amount of borrowing costs capitalized during the period is TL 2,112,031 (31 December 2022: 11,242,145 TL).

As of 31 March 2023, there is no mortgage on tangible and intangible assets. (31 March 2022: None).

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

10. PROPERTY PLAN AND EQUIPMENT (Cont'd)

	1 January 2022	Acquire effect	Additions	Transfers (*)	Disposals	31 March 2022
Cost						
Land and land improvements	79.356.609	-	-	47.716	-	79.404.325
Buildings	729.770.190	-	-	9.173.642	-	738.943.832
Machinery and equipment	2.767.975.567	32.175	42.373	83.175.432	(3.795.617)	2.847.429.930
Motor vehicles	27.647.556	1.795.555	78.927	460.071	-	29.982.109
Furniture and fixtures	189.130.822	4.785.214	2.664.118	7.021.753	(33.553)	203.568.354
Other	150.674.593	4.332.397	7.792.566	-	(324.130)	162.475.426
Construction in progress	214.427.912	-	69.371.468	(105.963.878)	-	177.835.502
	4.158.983.249	10.945.341	79.949.452	(6.085.264)	(4.153.300)	4.239.639.478
Accumulated depreciation						
Land and land improvements	23.641.238	-	799.756	-	-	24.440.994
Buildings	219.617.585	-	4.055.832	-	-	223.673.417
Machinery and equipment	1.726.885.572	32.175	39.219.814	-	(3.795.616)	1.762.341.945
Motor vehicles	12.138.334	1.206.334	946.970	-	-	14.291.638
Furniture and fixtures	94.882.569	3.585.060	4.648.737	-	(21.530)	103.094.836
Other	64.767.349	3.218.051	3.611.607	-	(239.137)	71.357.870
	2.141.932.647	8.041.620	53.282.716	-	(4.056.283)	2.199.200.700
Net book value	2.017.050.602	2.903.721	26.666.736	(6.085.264)	(97.017)	2.040.438.778

For the period ending on 31 March 2022, 25.135.498 TL of depreciation expenses belong to cost of goods sold, 32.675 TL to research and development expenses, 5.818.333 TL to marketing expenses, 1.493.303 TL to general administrative expenses, 20.185. TL 375 is included in stocks and TL 617.532 is included in capitalized development expenses.

11. RIGHT OF USE ASSETS

	1 January 2023	Additions	Disposals	31 March 2023
Cost				
Buildings	31.503.838	12.767.889	(32.972)	44.238.755
Motor vehicles	27.084.090	6.617.480	(587.686)	33.113.884
Rights	4.513.678	-	-	4.513.678
	63.101.606	19.385.369	(620.658)	81.866.317
Accumulated Depreciation				
Buildings	15.817.018	2.252.964	(32.972)	18.037.010
Motor vehicles	9.569.315	3.283.306	(587.686)	12.264.935
Rights	4.316.286	118.951	-	4.435.237
	29.702.619	5.655.221	(620.658)	34.737.182
Net book value	33.398.987	13.730.148	-	47.129.135

For the period ended March 31, 2023, 546.187 TL of depreciation expenses are included in the cost of goods sold, 1.192.707 TL in research and development expenses, 565,534 TL in marketing expenses, 3.350.793 TL in general administrative expenses.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

11. RIGHT OF USE ASSETS (Cont'd)

	1 January 2022	Acquire Effect	Additions	Disposals	31 March 2022
Cost					
Buildings	6.617.814	13.255.539	1.250.755	(20.079)	21.104.029
Motor vehicles	21.151.990	2.330.306	3.289.888	(1.439.721)	25.332.463
Rights	-	4.513.678	-	-	4.513.678
	27.769.804	20.099.523	4.540.643	(1.459.800)	50.950.170
Accumulated Depreciations					
Buildings	2.719.277	9.781.642	585.777	-	13.086.696
Motor vehicles	14.100.001	1.655.532	2.061.767	(1.439.721)	16.377.579
Rights	-	3.388.122	91.486	-	3.479.608
	16.819.278	14.825.296	2.739.030	(1.439.721)	32.943.883
Net book value	10.950.526	5.274.227	1.801.613	(20.079)	18.006.287

For the period ending on 31 March 2022, 118.750 TL of depreciation expenses are included in cost of goods sold, 101.923 TL in research and development expenses, 107.373 TL in marketing expenses, 2.410.984 TL in general administrative expenses.

12. INTANGIBLE ASSETS

	1 January 2023	Additions	Transfers	Disposals	31 March 2023
Costs					
Capitalized development costs	201.057.133	-	15.331.717	-	216.388.850
Rights	97.981.660	12.249	-	-	97.993.909
Customer contracts and relations (*)	125.934.000	-	-	-	125.934.000
Trademark (*)	24.700.000	-	-	-	24.700.000
Other intangible assets	127.678.754	351.952	6.612.671	-	134.643.377
	577.351.547	364.201	21.944.388	-	599.660.136
Accumulated Depreciation					
Capitalized development costs	93.227.001	8.437.682	-	-	101.664.683
Customer contracts and relations (*)	17.538.753	5.175.370	-	-	22.714.123
Trademark (*)	1.375.982	406.027	-	-	1.782.009
Rights	96.492.067	237.233	-	-	96.729.300
Other intangible assets	92.193.137	4.467.386	-	-	96.660.523
	300.826.940	18.723.698	-	-	319.550.638
Net book value	276.524.607	(18.359.497)	21.944.388	-	280.109.498

For the period ended 31 March 2023, amortization expenses amounting to TL 8.625.329 is in cost of goods sold, TL 927 to research and development expenses, TL 2.178.818 to marketing expenses, TL 7.904.408 to general administrative expenses and TL 14.216 to capitalized development expenses.

(*) It is the purchase price distribution effect of the business combination.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

12. INTANGIBLE ASSETS (Cont'd)

	1 January 2022	Acquire Effect	Additions	Transfers	Disposals	31 March 2022
Cost						
Capitalized development costs	159.563.355	-	-	5.838.064	-	165.401.419
Rights	96.258.017	1.611.391	1	-	-	97.869.409
Other intangible assets	109.711.310	-	265.938	247.200	-	110.224.448
	365.532.682	1.611.391	265.939	6.085.264	-	373.495.276
Accumulated Depreciations						
Capitalized development costs	66.895.894	-	6.295.535	-	-	73.191.429
Rights	94.125.321	1.113.775	301.118	-	-	95.540.214
Other intangible assets	78.050.639	-	3.432.952	-	-	81.483.591
	239.071.854	1.113.775	10.029.605	-	-	250.215.234
Net book value	126.460.828	497.616	(9.763.666)	6.085.264	-	123.280.042

For the period ended 31 March 2022, amortization expenses amounting to TL 6.502.548 is included in cost of goods sold, TL 421 to research and development expenses, TL 1.794.976 to marketing expenses, TL 1.724.446 to general administrative expenses and TL 7.214 to capitalized development expenses.

13. GOODWILL

The movement table of goodwill for the periods ended as of 31 March 2023 and 2022 is as follows:

	31 March 2023	31 December 2022
Opening balance	27.402.832	-
Additions	-	-
Acquire (Note 3)	-	27.402.832
Foreign currency conversion differences	-	-
Closing balance	27.402.832	27.402.832

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

14. PROVISIONS, CONTINGENT AND LIABILITIES

Provisions

Other short-term provisions	31 March 2023	31 December 2022
Provision for sales discount premium	391.638.298	-
Provision for export sales discount premium	66.335.947	-
Provision for sales campaigns	44.790.955	44.790.955
Lawsuits	31.445.170	30.031.189
Warranty claims	6.671.327	6.601.327
Other	11.554.333	4.932.729
	552.436.030	86.356.200

Provision for sales discount premium and provision for export sales discount premium is the portion of the premium amounts to be paid to dealers and export channel customers for the relevant period.

The sales discount is the estimated portion of the premium amounts to be paid to the customers corresponding to the relevant period.

Provisions for lawsuits consist of lawsuits brought against the Group such as reemployment and work accidents.

Warranty provision represents the present value of the provision amount that will be required in line with the Group's 24-month warranty program for tires. Estimates made by management are based on historical warranty expenses.

Other provisions mainly consist of advertising promotion expenses that will be invoiced in the next period.

Movements of provisions during the period are as follows:

	Provision for sales discount premium	Provision for sales campaigns	Provision for export sales discount premium	Lawsuits	Warranty Claims	Other	Total
1 January 2023	-	44.790.955	-	30.031.189	6.601.327	4.932.729	86.356.200
Additions	391.638.298	-	66.335.947	1.682.731	70.000	6.621.604	498.016.535
Payments/reversals	-	-	-	(268.750)	-	-	(31.936.705)
31 March 2023	391.638.298	44.790.955	66.335.947	31.445.170	6.671.327	11.554.333	552.436.030

	Customer turnover premium provision	Provision for sales campaigns	In return for export commission	Lawsuits	Warranty Claims	Others	Total
1 January 2022	-	26.269.366	-	14.493.358	1.919.911	8.854.943	51.537.578
Additions	59.815.833	149.003.274	61.388.115	2.331.409	-	2.659.925	275.198.556
Payments/reversals	-	(26.269.366)	-	(603.749)	(150.892)	(2.569.792)	(29.593.799)
31 March 2022	59.815.833	149.003.274	61.388.115	16.221.018	1.769.019	8.945.076	297.142.335

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

15. COMMITMENTS

Received Commitments	31 March 2023	31 December 2022
Direct debiting system (D.B.S) limits	1.408.027.424	1.203.091.965
Letter of guarantees received	1.589.518.064	1.331.731.159
Mortgages	790.034.038	728.893.088
Export insurance	227.661.198	238.753.698
Cheques and notes receivables received as guarantee	131.846.528	105.538.628
Domestic receivables insurance	16.373.600	15.973.600
Payment guarantees from banks	134.405.510	181.507.464
Letter of credit	88.091.680	89.207.410
Foreign currency blockage received as collateral	1.914.600	1.869.830
	4.387.872.642	3.896.566.842

Bank letters of guarantee, guarantee checks and notes are available for the advances given by the Group in return for the purchase of goods and services from its suppliers.

The Group has letters of guarantee received to minimize customer credit risk in forward sales to its domestic customers, DBS limits allocated to customers through mortgages, promissory notes and banks, and export insurance, bank letters of guarantee and letter of credit for trade receivables from foreign customers, as required by credit risk management.

The total amount of guarantees that the Group has received from international export insurance companies in order to make open accounts and forward sales to its customers abroad is defined as export insurance.

The number of guarantees received within the framework of the agreement that the Group has made with domestic and international insurance companies in order to make open account and forward sales to its domestic dealers and fleet customers is defined as domestic receivables insurance.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31
MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

15. COMMITMENTS (Con't)

As of 31 March 2023, and 31 December 2022, the tables regarding the collateral / pledge / mortgage ("CPM") position of the Group are as follows.

GPM given by the Group	31 March 2023			31 December 2022		
	Currency	Amount	TL Equivalent	Currency	Amount	TL Equivalent
A Total of CPMs given on behalf of own legal personality	TL	99.210.544	99.210.544	TL	45.722.512	45.722.512
.	Avro	2.973.814	61.861.576	Avro	2.956.888	58.945.267
B Total of CPMs given on behalf	-	-	-	-	-	-
.	-	-	-	-	-	-
C CPM given for continuation of its economic activities on behalf of third parties.	-	-	-	-	-	-
D Total amount of other CPM	-	-	-	-	-	-
.	-	-	-	-	-	-
i) Total amount of CPM given on behalf of the majority shareholder	-	-	-	-	-	-
ii) Total amount of CPM given to on behalf of another Group companies which are not in scope of B and C	-	-	-	-	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C	-	-	-	-	-	-
			161.072.120			104.667.779

The ratio of other CPM's given by the Group to the Group's total equity is 0% (31 December 2022: 0%).

Except for the CPM's given by the Group on behalf of its own legal entity, there are no CPMs given in favor of third parties. To the customs directorates for the guarantees given by the Group, the inward processing certificate and the import transactions made within the scope of the SCT legislation; In response to the business lawsuits filed against the Group, to the enforcement offices; It consists of letters of guarantee given to various public institutions in order to participate in various tenders.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

16. SALES AND COST OF SALES

	1 January- 31 March 2023	1 January- 31 March 2022
Revenue		
Domestic sales	3.696.438.835	1.790.555.569
Export sales	1.651.927.564	1.111.262.075
Sub-total	5.348.366.399	2.901.817.644
Sales return (-)	(10.612.350)	(14.461.009)
Sales discount (-)	(675.847.970)	(173.120.634)
Net Sales	4.661.906.079	2.714.236.001
Cost of sales	(3.229.017.756)	(1.703.201.386)
Gross profit	1.432.888.323	1.011.034.615

The details of domestic and export sales are as follow:

	1 January- 31 March 2023	1 January- 31 March 2022
Finished goods	4.841.939.592	2.634.541.981
Trade goods	458.366.142	256.484.721
Semi-finished goods	3.777.362	590.286
Other	44.283.303	10.200.656
Total	5.348.366.399	2.901.817.644

17. EXPENSES BY NATURE

	1 January- 31 March 2023	1 January- 31 March 2022
Raw materials and supplies	2.249.170.770	1.313.634.378
Personnel expenses and direct labor expenses	641.179.872	248.179.921
Production overheads	357.963.241	204.758.491
Cost of trade goods sold	215.798.144	138.250.167
Transportation and storage expenses	130.637.880	74.556.311
Depreciation and amortization	86.106.852	64.044.715
Royalty and sales commission expenses	78.346.718	45.160.926
Advertising expenses	18.201.609	12.771.359
Communication and information processing expenses	14.375.470	8.104.044
Consulting expense	10.742.458	6.656.741
Repair, maintenance, and repair expense	13.298.372	6.642.932
Energy expenses	11.615.075	6.592.706
Insurance expenses	5.629.518	3.151.777
Claims for defective tires	3.084.168	1.819.838
Provision for inventory impairment	2.040.558	2.528.940
Other taxes and fees	2.373.508	1.942.430
ELT (end of life-tire) management service	1.007.957	542.016
Doubtful receivables expense,net	(2.210.077)	8.051.823
Change in semi-finished goods	(5.705.286)	(35.082.283)
Change in finished goods	(88.325.944)	(158.363.845)
Other expenses	36.969.746	32.800.561
Total	3.782.318.609	1.986.743.948

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

17. EXPENSES BY NATURE (Cont'd)

The functional classification of depreciation and amortization and personnel expenses is as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Depreciation and amortization expenses		
Cost of sales (*)	61.185.479	50.560.282
Marketing expense	10.134.859	7.720.681
General administrative expenses	13.558.926	5.628.733
Research and development expenses	1.227.588	135.019
	86.106.852	64.044.715

(*) Depreciation expense amounting to TL 22.896.413 remaining in inventories as of 31 December 2022 has been included in the cost of sales after sales of related inventories in 2023.

	1 January- 31 March 2023	1 January- 31 March 2022
Personnel expense		
Cost of sales	440.339.051	180.246.602
Marketing expense	95.352.211	37.598.736
General and administrative expense	91.534.489	28.264.219
Research and development expenses	13.972.121	2.070.364
	641.197.872	248.179.921

18. OTHER OPERATING INCOME AND EXPENSES

The details of other income and expenses from main operations for the periods ended on 31 March 2023 and 2022 are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Other operating income		
Finance income on credit sales	218.192.771	55.403.238
Interest income from operations	827.000	423.804
Income from derivative financial instruments, net (**)	-	10.295.300
Other income	27.038.383	3.368.744
	246.058.154	69.491.086
	1 January- 31 March 2023	1 January- 31 March 2022
Other operating expenses		
Foreign exchange losses on operations, net (*)	142.689.553	65.085.266
Due date expenses on trade payables (*)	53.336.523	92.961.654
Loss from derivative financial instruments, net (**)	31.103.467	-
Interest expense from operations	15.675.968	2.486.339
Credit card commission expenses	26.303.444	18.089.278
Other expenses	1.543.365	98
	270.652.320	178.622.635

(*) The amount consists of the foreign exchange gains and losses resulting from trade receivables and payables.

(**) The amount consist of gain and losses resulting from derivative instruments made for the purpose of balance sheet hedging

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	1 January- 31 March 2023	1 January- 31 March 2022
Income from Investing Activities		
KKM income (*)	107.618.050	-
Gain on sale of property, plant and equipment	1.179	695.585
	107.619.229	695.585

	1 January- 31 March 2023	1 January- 31 March 2022
Expenses from Investing Activities (-)		
Loss on sale of property, plant and equipment	-	13.828
	-	13.828

(*) For the period ending on 31 March 2023, the Group has accounted for the fair value difference of TL 57.822.399 related to the fx rate protected deposit account in its consolidated statement.

20. FINANCING INCOME AND EXPENSES

The details of financial income and expenses for the periods ended 31 December 2023 and 2022 are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Foreign currency gains from bank deposits	18.092.559	133.104.664
Interest income from banks	153.742.285	26.835.852
Interest income from Eurobond	2.434.197	-
Total financing revenues	174.269.041	159.940.516
	1 January- 31 March 2023	1 January- 31 March 2022
Interest expenses on borrowings	170.928.714	105.333.838
Interest expense included in cost of fixed assets	(2.112.031)	(426.956)
Total interest expense	168.816.683	104.906.882
Foreign currency losses from borrowings, net	8.709.999	25.218.500
Interest expenses on leases	1.666.033	613.534
Sukuk issuance coupon participation expense	96.339.036	-
Bond commission and interest expense	87.920.821	-
Other financial expenses	17.649.602	16.936.329
Total financing expenses	381.102.174	147.675.245

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

21. TAXATION ON INCOME

Corporation tax

	31 March 2023	31 December 2022
Corporate income tax provision for the current period (*)	197.016.777	28.007.704
Less: Prepaid taxes	(11.096.692)	(23.825.782)
Current tax liabilities /(assets)	185.920.085	4.181.922

(*) In the calculation of 2022 corporate tax within the scope of Article 10 of the Law No. 7440, at the rate of 10 percent over the exemptions and deductions subject to deduction from corporate income and the bases subject to reduced corporate tax, without being associated with the period's income; It includes a one-time 180,923,197 TL additional tax amount.

The current corporate tax provision includes the tax effect of TL 1,593 calculated from the effective tax rate of the foreign exchange expense classified to other comprehensive income of the time deposits under the scope of risk (31 December 2022: None).

Excluding the additional tax, which is the portion of the current corporate tax provision exceeding the prepaid corporate tax amount, 4.996.888 TL is included in the Period Profit Tax Liability. (December 31, 2022: TL 434.741 Current Period Tax Assets, 4.616.663 Period Profit Tax Liability).

The Company and its subsidiaries located in Turkey are subject to the tax legislation and practices in force in Turkey. Corporate tax is paid in the fourth month following the end of the relevant accounting period. It is declared until the evening of the twenty-fifth day and is paid in one installment until the end of the relevant month.

Necessary provisions have been made in the accompanying consolidated financial statements for the estimated tax liabilities of the Group related to the current period operating results. The corporate tax rate to be accrued on the taxable corporate income is added to the tax base that cannot be deducted from the tax base, which is deducted from the tax base in the determination of the commercial income, tax-exempt gains, non-taxable income and It is calculated over the remaining base after deducting other discounts (past year losses, if any, and investment discounts used if preferred).

In Turkey, the corporate tax rate applied to the legal tax base to be found by adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations in Turkey and by deducting the exemptions in the tax laws was applied as 20% after January 1, 2021. However, with Provisional Article 13 added to the Corporate Tax Law no. The rate is set to be 25% for corporate earnings for the 2021 taxation period and 23% for corporate earnings for the 2022 taxation period. Therefore, in the consolidated financial statements for the interim accounting period dated 31 December 2022, the tax rate is used as 23% for the period tax calculations.

Within the scope of the said amendment, 20% rate is used for deferred tax assets and liabilities, temporary differences that will have tax effect in 2023 and the following periods in the financial statements for the interim accounting period dated 31 March 2023.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

21. TAXATION ON INCOME (Cont'd)

	1 January- 31 March 2023	1 January- 31 March 2022
Current tax expense (-) (*)	(188.169.494)	(6.307.713)
Deferred tax expense /income	(30.656.809)	(10.817.832)
	(218.826.303)	(17.125.545)

(*) In the calculation of 2022 corporate tax within the scope of Article 10 of the Law No. 7440, at the rate of 10 percent over the exemptions and deductions subject to deduction from corporate income and the bases subject to reduced corporate tax, without being associated with the period's income; It includes a one-time 180,923,197 TL additional tax amount.

The reconciliation of tax expense in the income statements for the accounting periods ending on March 31, 2023, and March 31, 2022 is as follows:

	1 January- 31 March 2023	%	1 January- 31 March 2022	%
Reconciliation of tax provision:				
Profit before taxation on income	755.779.400		631.307.531	
Corporate tax rate %20 (2022: %23)	(151.155.880)	(20,00)	(145.200.732)	(23,00)
Tax effect:				
- Non-taxable income (*)	9.448.517	1,25	1.259.602	0,20
- Non-deductible expenses	(81.011.787)	(10,72)	(49.938.527)	(7,91)
- Non-deductible expenses, additional tax	(180.923.197)	(23,94)	-	-
- Corporate tax rate change effect	1.371.442	0,18	9.441.032	1,50
- R&D incentive	4.663.349	0,62	2.417.157	0,38
- Discounted corporate tax deferred tax income / (expense)	(8.844.659)	(1,17)	(4.811.450)	(0,76)
- Deferred tax KKM Exemption	8.672.765	1,15	-	-
- Other	4.476.362	0,59	6.968.965	1,10
- Reduced corporate tax	174.476.785	23,09	162.738.408	25,78
Tax provision income / (expense) in the income statement	(218.826.303)	(28,95)	(17.125.545)	(2,71)

(*) Corporate Tax Exemption advantage amounting to TL 8,115,192 was provided due to the income obtained from the foreign currency protected deposit account of the Group.

Tax legislation in Turkey does not allow the Company and its subsidiaries to file consolidated tax returns. Therefore, the tax provision reflected in the consolidated financial statements has been calculated on a company-by-company basis.

According to the Corporate Tax Law, financial losses shown on the return can be deducted from the corporate tax base of the period, if they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised.

Dividend payments made to resident joint stock companies in Turkey, to those who are not responsible for and exempt from corporate tax and income tax, and to real persons and non-resident legal entities in Turkey are subject to 10% income tax.

Dividend payments made from joint stock companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to the capital.

BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

21. TAXATION ON INCOME (Cont'd)

Corporate Tax (cont'd)

Dividend earnings of corporations from participation in the capital of another fully liable corporation (except for participation certificates of mutual funds and dividends obtained from shares of investment partnerships) are exempt from corporate tax. In addition, 75% of the profits arising from the sale of the participation shares in the assets of the corporations for at least two full years and the founding certificates of the real estates (immovables) that they own for the same period, the usufruct shares and the preference rights, are exempt from corporate tax as of 31 December 2017. However, with the amendment made with Law No. 7061, this rate has been reduced from 75% to 50% in terms of immovables and this rate is used as 50% in tax returns to be prepared as of 2018.

In order to benefit from the exemption, the said income must be kept in a passive fund account and not withdrawn from the business for 5 years. The sales price must be collected until the end of the second calendar year following the year of sale.

There is no practice in Turkey to reach an agreement with the tax administration regarding the taxes to be paid. Corporate tax returns are submitted within four months following the end of the accounting period. The tax inspection authorities may examine the tax returns and the accounting records underlying them for five years following the accounting period and make a reassessment as a result of their findings.

Income tax withholding

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Dividend payments are subject to a 15% withholding tax until December 22, 2021, except for non-resident companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. However, in accordance with the Presidential Decision No. 4936, published in the Official Gazette dated December 22, 2021, and numbered 31697, the provisions of the Income Tax Law No. has been downloaded. The withholding tax rates in the relevant Double Taxation Prevention Agreements are also taken into account in the application of the withholding tax rates for profit distributions to non-resident companies and real persons. The addition of retained earnings to the capital is not considered as profit distribution, so it is not subject to withholding tax.

Transfer pricing regulations

In Turkey, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Disguised profit distribution through transfer pricing". The communiqué dated 18 November 2007 on disguised profit distribution through transfer pricing regulates the details of the implementation.

If the taxpayer buys or sells goods or services with related parties at the price or price, they have determined in violation of the arm's length principle, the profit is deemed to have been distributed implicitly through transfer pricing in whole or in part. Disguised profit distribution through such transfer pricing is considered as an expense that is not legally accepted for corporate tax.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

21. TAXATION ON INCOME (Cont'd)

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal consolidated financial statements and the consolidated financial statements prepared in accordance with TFRS. These differences are generally since some income and expense items are included in different periods in the tax base consolidated financial statements and in the consolidated financial statements prepared in accordance with TFRS, and the said differences are stated below.

	Temporary differences		Deferred income tax Assets/ liability	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Deferred tax assets				
Allowance for doubtful receivables	75.563.862	78.470.409	15.112.772	15.694.081
Provision for employment termination benefits	444.187.360	579.066.312	88.837.472	115.813.263
Trade receivables	193.138.926	191.410.779	38.627.785	38.282.156
Provision for bonus premium	38.467.062	62.373.300	7.693.413	12.474.660
Inventories	145.213.870	88.861.509	29.040.636	15.844.902
Provision for lawsuits	31.445.170	30.031.189	6.289.034	6.006.238
Provision for unused vacation liability	33.686.800	24.265.455	6.737.362	4.853.091
Provision for warranty claims	6.671.325	6.601.325	1.334.265	1.320.265
Investment incentive	-	-	300.728.719	309.573.379
Export seasonality adjustment	41.792.291	31.347.275	8.358.458	6.269.455
Rental liability	51.102.487	36.864.142	10.220.498	7.372.828
Deferred income	68.594.913	67.333.418	13.718.983	13.466.684
Other provisions	44.790.955	44.790.955	8.958.191	8.958.191
Other	33.925.901	6.187.694	6.785.180	1.237.539
	1.208.580.922	1.247.603.762	542.442.768	557.166.732
Deferred tax liabilities				
Forward currency valuation differences	176.646.733	143.886.734	35.329.346	28.777.346
Tangible and intangible assets	655.794.081	640.838.482	130.042.537	124.384.749
Trade payables	72.676.674	67.863.595	14.535.335	13.572.719
Other	15.923.728	3.092.267	3.184.746	618.454
	921.041.216	855.681.078	183.091.964	167.353.268
Deferred tax assets / (liabilities), net			359.350.804	389.813.464

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

21. TAXATION ON INCOME (Cont'd)

Movement tables of deferred taxes for the accounting periods ending on 31 March 2023 and 2022 are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Opening as of 1 January	389.813.464	180.752.598
Acquire effect (Note 3)	-	15.072.543
Recognized in profit or loss statement	(30.656.809)	(10.817.832)
Income/ (expense) recognized in equity	194.149	(2.687.029)
Closing as of 31 December	359.350.804	182.320.280

Investment incentive certificate

T.R. Pursuant to the letter of the Ministry of Economy, General Directorate of Incentive Implementation and Foreign Capital dated 10 June 2013 and numbered 40613, the Large Scaled Investment Incentive Certificate of 366,623,571 TL issued within the scope of Regional Incentive Practices, dated 1 June 2010, and numbered 5534, is valid. Within the scope of investments, the Investment Incentive Certificate numbered 5534/B amounting to TL 481,014,717 was reissued. With the said change, the investment amount increased by TL 114.391.146 and the investment contribution rate provided by the investment incentive certificate increased from 20% to 30%. The tax deduction rate is 50%. The term of the said document expired on May 20, 2015, and an investment completion visa amounting to TL 472.729.954 was obtained on June 29, 2017. The company benefited from reduced corporate tax amounting to TL 36.793.195 between 2010 and 2022, and TL 2.540.487 for the accounting period of 1 January - 31 March 2023.

In line with the Group's second factory investment decision to be in Aksaray Organized Industrial Zone, T.C. The Investment Incentive Certificate application made to the Ministry of Economy, General Directorate of Incentive Implementation and Foreign Capital was approved and an Investment Incentive Certificate dated 13 February 2014 and numbered 113798 was issued for a new factory investment of 495,000,000 TL with a starting date of 9 October 2013 within the scope of Large-Scale Investments. The investment contribution rate provided by the investment incentive certificate is 60% and the tax deduction rate is 90%.

T.R. Based on the letter numbered 67577454-401.07 - E.36663 of the Ministry of Economy, General Directorate of Incentive Implementation and Foreign Capital on March 28, 2016, the domestic and imported machinery and equipment lists of the Aksaray Factory Completely New Investment have been revised and approved, and the total investment expenditure figure is 755.998. It has been increased to 847 TL. On February 9, 2021, the document was revised again, and the total investment amount was increased to 1,238,225,012 TL. In addition, on October 5, 2021, the document was revised again, and the total investment amount was increased to 1,374,547,375 TL. There has been no change in the support elements that the new investment incentive certificate will benefit from. Within the scope of this incentive certificate, the Group benefited from reduced corporate tax amounting to TL 714.870.855 between 2013 and 2022, and TL 152.212.392 for the accounting period of 1 January - 31 March 2023.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

21. TAXATION ON INCOME (Cont'd)

Investment incentive certificate (cont'd)

The duration of the Investment incentive certificate dated 9 October 2013 for the Aksaray factory of the Group was extended from 9 October 2018 to 9 April 2022 with the time extension permit obtained on 23 March 2021. In addition, the investment period of the incentive certificate was extended until April 9, 2023, pursuant to the provision of the temporary article 14, which was amended by the Presidential Decision numbered 2021/4191 published in the Official Gazette dated 29 June 2021 and numbered 31526. With this extension, the 90% corporate tax reduction within the scope of Aksaray large-scale investment incentive will continue to be applied.

The investment incentive certificate application we have made for the investments to be made in our Aksaray factory has been approved, and our new 3-year incentive certificate dated 30.03.2023 with document number 551117 and amounting to TL 934.558.927 has been received.

In line with the expansion investment decision that the Group plans to make in its Izmit factory, T.C. The investment incentive certificate application made to the Ministry of Economy, General Directorate of Incentive Implementation and Foreign Capital has been approved and within the scope of large-scale investments, the start date is 21 May 2015, and the end date is 21 May 2020 for a total investment of 690,443,917 TL, dated 20 August 2015 and numbered 120314. Investment Incentive Certificate was issued. The investment contribution rate provided by the investment incentive certificate is 25% and the tax deduction rate is 50%. On 22 July 2022, the amount of the document was increased to 1.513.666.277 TL. In addition, on 20 December 2022, the document was revised again, and the total investment amount was increased to 2.087.461.936 TL. The investment period of the Group's first investment incentive certificate dated 20 August 2015 for the Izmit factory was published in the Official Gazette dated 9 November 2018 and numbered 30590. According to Article 2, the duration of the certificate was extended by 2.5 years to November 2022. In accordance with the provision of the provisional article 14, which was amended by the Presidential Decision No. 2021/4191, published in the Official Gazette dated 29 June 2021 and numbered 31526, an additional period of 2 years was extended to 21 November. It has been extended until 2024. Within the scope of this incentive certificate, the Group benefited from reduced corporate tax amounting to TL 84.383.269 between 2015 and 2022, and TL 11.124.166 for the accounting period of 1 January - 31 March 2023.

The Decision on the Amendment of the Decision on State Aids in Investments (Decision Number: 2846) was published in the Official Gazette dated 21 August 2020 and numbered 31220. The dates of 2017-2019 in paragraph 1 of Article 8 of this published decision have been changed to 2017-2022. Based on this change, the Group obtained 15% additional contribution right and 100% tax deduction right for investment expenditures made within the scope of incentive certificates in 2022.

As of 31 March 2023, the Group estimates that it will be able to benefit from reduced corporate tax amounting to TL 1.390.649.610 in the following years within the scope of incentive investment documents. However, since it is not possible to estimate how long the benefit will be realized, the Group has recorded a deferred tax asset of 300.728.719 TL calculated for 3 foreseeable years.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Trade receivables from related parties generally arise from sales transactions and their approximate maturity is 8 days (31 December 2022: 8 days). Trade payables to related parties generally arise from purchase transactions and their approximate maturity is 151 days (31 December 2022: 158 days).

Balance with related parties

	31 March 2023			
	Receivables		Payables	
	Short/Long term		Short /Long term (*)	
	Trade	Non-trade	Trade	Non-trade
<u>Shareholders</u>				
H.Ö. Sabancı Holding A.Ş.	-	-	510.682	-
Bridgestone Corporation	-	-	118.102.999	2.046.190
<u>Other companies managed by the main partners</u>				
Bridgestone Europe S.A/N.V.	56.074.254	-	-	-
Bridgestone Poznan Sp. Z.O.O	3.824.437	-	-	-
Akbank T.A.Ş (*)	153.470.038	-	-	-
Ak Sigorta A.Ş.	-	-	40.127.745	-
Bridgestone Singapore Pte. Ltd.	-	-	642.514.088	-
Temsa Ulaşım Araçları San. Tic. A.Ş.	15.151.424	-	-	-
Kordsa Teknik Tekstil A.Ş.	-	-	262.557.953	-
Enerjisa Enerji Üretim A.Ş.	-	-	42.186.361	-
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	-	-	8.948.296	-
Bridgestone Carbon Black Co. Ltd.	-	-	2.440.688	-
Enerjisa Müşteri Çözümleri A.Ş	-	-	24.690.759	-
Firestone Polymers, LLC.	-	-	1.827.175	-
Lasder Lastik Sanayicileri Derneği	-	-	4.094.737	-
Akçansa Çimento Sanayi Ve Ticaret A.Ş	717.386	-	-	-
Other	1.233.640	208.154	5.548.868	132.972
	230.471.179	208.154	1.153.550.351	2.179.162

(*) Akbank T.A.Ş. includes credit card pos receivables over 90 days.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

Balance with related parties

	31 December 2022			
	Receivables		Payables	
	Short/Long term		Short /Long term (*)	
	Trade	Non-trade	Trade	Non-trade
<u>Shareholders</u>				
H.Ö. Sabancı Holding A.Ş.	-	-	142.599	-
Bridgestone Corporation	620.525	-	188.670.936	2.020.126
<u>Other companies managed by the main partners</u>				
Bridgestone Europe S.A/N.V.	45.390.228	-	31.586.334	-
Bridgestone Italia Manufacturing S.A.	971.751	-	-	-
Bridgestone Poznan Sp. Z.O.O	4.625.078	-	-	-
Akbank T.A.Ş (*)	138.325.522	-	-	-
Ak Sigorta A.Ş.	40.510	-	3.108.419	-
Bridgestone Singapore Pte. Ltd.	-	-	869.562.993	-
Temsa Ulaşım Araçları San. Tic. A.Ş.	13.457.847	-	-	-
Kordsa Teknik Tekstil A.Ş.	-	-	259.877.278	-
Enerjisa Enerji Üretim A.Ş.	-	-	55.162.131	-
Radiflow Limited	-	-	3.765.132	-
Bridgestone Plant Engineering Co.Ltd.	-	-	165.952	-
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	-	-	27.837.045	-
Bridgestone Carbon Black Co. Ltd.	-	-	7.552.742	-
Enerjisa Müşteri Çözümleri A.Ş	-	-	24.059.087	-
Firestone Polymers, LLC.	-	-	3.816.111	-
Lasder Lastik Sanayicileri Derneği	-	-	3.711.102	-
Akçansa Çimento Sanayi Ve Ticaret A.Ş	1.787.361	-	-	-
Other	1.561.191	153.266	5.871.861	-
	206.780.013	153.266	1.484.889.722	2.020.126

(*) Akbank T.A.Ş. includes credit card pos receivables over 90 days.

	1 January- 31 March 2023	1 January- 31 March 2022
Sales of finished goods and trade goods		
<u>Shareholders</u>		
Bridgestone Corporation	-	-
<u>Other companies managed by the main partners</u>		
Bridgestone Europe SA./N.V.	280.543.317	320.015.573
Temsa Ulaşım Araçları San.ve Tic. A.Ş.	10.244.374	-
Bridgestone Tatabanya Termelo	-	126.179
Bridgestone Poznan Sp. Z.o.o.	3.686.321	421.074
Akbank T.A.Ş.	83.425	-
Other	759.031	5.226.816
	295.316.468	325.789.642

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

	1 January- 31 March 2023	1 January- 31 March 2022
Other sales		
<u>Shareholders</u>		
Bridgestone Corporation	32.664	-
<u>Other companies managed by the main partners</u>		
Bridgestone Europe SA./N.V.	868.377	429.391
Temsa Ulaşım Araçları San.ve Tic. A.Ş.	374.560	-
Other	473.866	778.605
	1.749.467	1.207.996
	1 January- 31 March 2023	1 January- 31 March 2022
Purchases of Raw Materials, Semi Finished Goods and Consumables		
<u>Shareholders</u>		
Bridgestone Corporation	3.924.513	3.602.001
<u>Other companies managed by the main partners</u>		
Bridgestone Singapore Pte. Ltd.	242.991.518	386.992.739
Kordsa Teknik Tekstil A.Ş.	174.355.132	136.237.010
Bridgestone (Shenyang) Steel Cord Co.	-	1.635.929
Bridgestone Carbon Black Co. Ltd.	2.402.884	2.609.191
Firestone Polymers, LLC.	8.065.196	3.670.016
Other	5.346.185	6.736.728
	437.085.428	541.483.614
	1 January - 31 March 2023	1 January - 31 March 2022
Purchases of finished goods and trade goods		
<u>Shareholders</u>		
Bridgestone Corporation	61.994.430	24.266.037
<u>Other companies managed by the main partners</u>		
Bridgestone Europe SA./N.V.	122.937.356	101.290.830
Enerjisa Enerji Üretim A.Ş.	135.811.278	65.038.182
Enerjisa Doğalgaz Toptan Satış A.Ş.	-	12.140
Other	11.956.436	1.577.445
	332.699.500	192.184.634

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

	1 January- 31 March 2023	1 January- 31 March 2022
Purchases of services		
<u>Shareholders</u>		
H. Ö. Sabancı Holding A.Ş.	679.582	222.948
<u>Other companies managed by the main partners</u>		
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	12.080.954	10.830.650
Aksigorta A.Ş.	65.215.336	36.510.244
Lasder Lastik San. Derneği İktisadi İşletmesi	5.654.585	3.004.081
Vista Turizm ve Seyahat A.Ş.	2.418.088	500.453
Other	410.173	113.466
	86.458.718	51.181.842
Rent Expense		
<u>Other companies managed by the main partners</u>		
Exsa Export Sanayi Mamulleri A.Ş.	820.782	476.340
	820.782	476.340
Purchase of fixed assets		
<u>Shareholders</u>		
Bridgestone Corporation	17.312.779	-
<u>Other companies managed by the main partners</u>		
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	1.197.554	2.905.262
Bridgestone Plant Eng.	613.748	469.466
Bridgestone Logistics Co.	6.655	6.085
Other	597.375	60.148
	19.728.111	3.440.961

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

	1 January- 31 March 2023	1 January - 31 March 2022
Commission expense (Sales premium, Royalty and Interest Expense)		
Shareholders		
Bridgestone Europe SA./N.V.	78.346.718	45.160.926
Ak Yatırım Menkul Değerler A.Ş.	53.353.091	-
	131.698.246	45.160.926
	1 January - 31 March 2023	1 January- 31 March 2022
Financial Income		
Akbank T.A.Ş.	60.209.641	8.202.781
	60.209.641	8.202.781
Financial Expense		
Akbank Malta	5.258.524	9.837.048
Akbank T.A.Ş.	20.278.674	14.140.583
Ak Yatırım	79.876.712	-
	105.413.910	23.977.631
	31 March 2023	31 March 2022
Demand deposits		
Akbank T.A.Ş.	189.919.500	154.637.763
	189.919.500	154.637.763
Time deposits (**) (less than 3 months)		
Akbank T.A.Ş.	1.174.633.462	1.500.292.077
	1.174.633.462	1.500.292.077
Credit cards slip receivables		
Akbank T.A.Ş.	292.133.548	140.207.289
	292.133.548	140.207.289
Derivative assets		
Akbank Malta	936.922.407	1.256.888.147
	936.922.407	1.256.888.147
Financial investment		
Akbank T.A.Ş.	807.880.299	-
	807.880.299	-
Short-term financial liabilities		
Akbank T.A.Ş.	1.703.151.811	82.436.607
	1.703.151.811	82.436.607
Long-term financial liabilities		
Akbank T.A.Ş.	1.258.315.222	264.005.398
	1.258.315.222	264.005.398

(**) The interest rates of the Group's time deposits from related parties are 34.46% for TL, 0.01% for USD, 10.01% for EUR, and their maturities are April 2023.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

	31 March 2023	31 December 2022
Advanced Given		
Bridgestone Corporation	2.164.407	4.442.452
Bridgestone Europe S.A/N.V.	1.710.979	10.947.808
Bridgestone Brasil	2.441.083	-
Bridgestone Logistic Co. LTD.	-	886.707
Bridgestone Plant Engineering	321.270	154.695
Bridgestone Europe N.V./S.A.	35.221	4.993
	6.672.960	16.436.655
Advanced Received		
Bridgestone Europe N.V./S.A.	22.541.177	-
	22.541.177	16.436.655

There are no guarantees received or given due to transactions with related parties.

The senior management team of the Group consists of the members of the Board of Directors and the members of the Executive Board. Benefits provided to senior executives include wages, severance pay, premiums, private pension, health insurance, life insurance, rent paid to foreign personnel, overseas moving expenses, passenger car rentals, fuel and mobile phone, etc. consists of payments made within the scope of other expenses, severance pay and other provisions.

Benefits provided to senior management personnel for the periods ended 31 March 2023 and 2022 are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Salary and other short-term benefits	27.936.036	17.350.119
Employee termination benefits	27.814	430.445
Other long-term benefits	363.980	287.786
	28.327.830	18.068.350

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Market Risk

As of 31 March 2023, and 31 December 2022, the foreign currency equivalents of the Group's assets and liabilities are as follows:

Currency Position Table	31 March 2023				
	TL Equivalent (Valid Currency)	USD	EUR	JPY	GBP
Cash and cash equivalents	765.284.193	28.972.703	10.043.452	3.510.791	1.010.002
Trade Receivables	615.428.083	9.339.817	19.015.691	-	2.729.900
Other receivables	117.748	360	4.118	204.700	-
Trade receivables from related parties	58.476.976	-	2.933.397	-	-
Other trade receivables from related parties	208.160	-	10.442	-	-
Current Assets	1.439.515.160	38.312.880	32.007.100	3.715.491	3.739.902
Trade Receivables	22.569	345	-	-	713
Non-Current Assets	22.569	345	-	-	713
Total Assets	1.439.537.729	38.313.225	32.007.100	3.715.491	3.740.615
Trade payables	1.646.042.927	19.941.008	62.341.000	173.060.486	128.627
Trade payables from related parties	970.965.883	41.098.084	10.041.907	4.019.048	-
Other trade payables	15.879.984	-	-	-	706.116
Other trade payables to related parties	2.016.852	-	-	14.179.518	-
Short-term portion of long-term bank borrowings	1.503.279.124	80.251.928	-	-	-
Short-term liabilities	4.138.184.770	141.291.020	72.382.907	191.259.052	834.743
Long-term financial liabilities	1.322.521.815	70.602.275	-	-	-
Long-term Financial Liabilities	1.322.521.815	70.602.275	-	-	-
Total Liabilities	5.460.706.585	211.893.295	72.382.907	191.259.052	834.743
Net Foreign Currency Position	(4.021.168.856)	(173.580.070)	(40.375.807)	(187.543.561)	2.905.872
Total foreign currency amount of offbalance sheet derivative financial assets	3.256.636.939	173.854.203	-	-	-
Total Foreign Currency Amount of off-balance sheet derivative financial liabilities (*)	3.256.636.939	173.854.203	-	-	-
Net Foreign Currency Asset / (Liabilities) position (***)	(764.531.917)	274.133	(40.375.807)	(187.543.561)	2.905.872
Fair Value of Financial Instruments Used for Foreign Exchange Hedge	39.631.927	-	-	-	-
Hedged Amount of Foreign Currency Assets	-	-	-	-	-
Hedged Amount of Foreign Currency Liabilities	(3.256.636.939)	(173.854.203)	-	-	-
Export (**)	1.651.927.564	24.398.038	53.060.860	-	3.278.241
Import (**)	1.660.665.407	32.125.275	48.661.738	476.977.572	3.283

(*) In addition, as of March 31, 2023, the Group has made forward transactions amounting to USD 6.300.000, Deposit Hedge amounting to USD 1.800.000 and Forward transactions amounting to USD 40.000.000 in order to hedge the exchange rate risk of import transactions to be realized in 2023. These amounts are not shown in cash and cash equivalents in the currency risk statement.

(**) In the export and import foreign currency balances of 2022 and 2021, the exclusion of sales and purchases from maturity is not considered. The exchange rates on the export dates are considered for the TL equivalents of exports. The monthly average exchange rate was used to calculate the TL equivalent of imports.

(***) The Group also keeps TL 1.405.442.206 in its currency-protected deposit accounts for the foreign currency balances that it can recover when due to hedge against currency risks (Note 4).

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

Market Risk (cont'd)

Currency Position Table	31 December 2022				
	TL Equivalents (Valid Currency)	USD	EUR	JPY	GBP
Cash and cash equivalents	558.694.826	28.269.958	1.128.424	2.208.156	322.369
Trade receivables	248.159.538	3.041.882	8.194.346	-	1.235.399
Other trade receivables	685.394	360	32.593	204.700	-
Other trade receivables from related parties	153.260	-	7.688	-	-
Current Assets	807.693.018	31.312.200	9.363.051	2.412.856	1.557.768
Trade receivables	22.569	345	-	-	713
Non-Current Assets	22.569	345	-	-	713
Total Assets	807.715.587	31.312.545	9.363.051	2.412.856	1.558.481
Trade payables	1.544.064.632	11.637.236	64.911.681	182.876.623	165.675
Trade payables to related parties	1.271.196.557	53.682.617	12.030.467	178.263.921	-
Other trade payables	-	-	-	-	-
Other trade payables to related parties	2.016.852	-	-	14.179.518	-
Short-term bank borrowings	322.745.951	17.229.658	-	-	-
Short-term portion of long-term bank borrowings	1.464.716.439	78.193.275	-	-	-
Current Liabilities	4.604.740.431	160.742.786	76.942.148	375.320.062	165.675
Long-term bank borrowings	1.327.360.872	70.860.606	-	-	-
Long-term Bank Borrowings	1.327.360.872	70.860.606	-	-	-
Total Liabilities	5.932.101.303	231.603.392	76.942.148	375.320.062	165.675
Net Foreign Currency Position	(5.124.385.716)	(200.290.847)	(67.579.097)	(372.907.206)	1.392.806
Total foreign currency amount of off-balance sheet derivative financial assets	3.822.337.310	204.053.881	-	-	-
Total Foreign Currency Amount of Offbalance sheet derivative financial liabilities (*)	3.822.337.310	204.053.881	-	-	-
Net Foreign Currency Asset / (Liabilities) position (***)	(1.302.048.406)	3.763.034	(67.579.097)	(372.907.206)	1.392.806
Total fair value of financial instruments used for currency hedge	33.529.605	-	-	-	-
Hedged Amount of Foreign Currency Assets	-	-	-	-	-
Hedged Amount of Foreign Currency Liabilities	(3.503.893.310)	(204.053.882)	-	-	-
Export (**)	4.902.962.730	84.123.716	200.055.283	-	8.345.326
Import (**)	5.984.111.777	157.404.209	183.281.199	1.783.574.094	251.070

(*) In addition, as of 31 December 2022, the Group has made forward transactions amounting to USD 17.000.000, Options amounting to USD 15.000.000 and Forward transactions amounting to USD 40.000.000 in order to hedge the currency risk of import transactions to be realized within 2023. These amounts are not shown in cash and cash equivalents in the currency risk statement.

(**) In the export and import foreign currency balances of 2022 and 2021, the exclusion of sales and purchases from maturity is not considered. The exchange rates on the export dates are considered for the TL equivalents of exports. The monthly average exchange rate was used to calculate the TL equivalent of imports.

(***) The Group also keeps 1.107.589.643 TL in its foreign currency protected deposit accounts for the foreign currency balances that it can recover when due in order to hedge against currency risks (Note 4).

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

Market Risk (cont'd)

The Group is exposed to currency risk mainly in US Dollar, Euro, GBP and Japanese Yen. In order to eliminate the risks on short-term foreign currency short-term balance sheet foreign currency position, the Group holds USD denominated deposits and cash equivalents corresponding to the open position in its balance sheet. In addition, the Group is protected from cash flow risk arising from foreign currency time deposits, funds and derivative transactions and purchases of certain inventory in the future.

The table below shows the Group's sensitivity to 10% increase and decrease in USD, Euro, GBP and Japanese Yen exchange rates. The 10% rate is the rate used when reporting the currency risk within the Group to the senior managers, and the said rate represents the possible change expected by the management in the foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the period and shows the effects of a 10% change in foreign currency exchange rates at the end of the period. This analysis includes foreign-sourced loans as well as non-functional currency loans of borrowers and borrowers used for foreign operations within the Group. A positive value represents an increase in profit/loss and other equity items.

**Foreign currency sensitivity analysis
table**

	31 March 2023			
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
1-USD net asset / liability	384.391	(384.391)	(325.663.694)	325.663.694
2-Hedged USD (-)	-	-	325.663.694	(325.663.694)
3-USD Net Effect (1+2)	384.391	(384.391)	-	-
Change in EUR against TL by 10%				
4 – EUR net asset / liability	(80.748.622)	80.748.622	-	-
5 – Hedged EUR (-)	-	-	-	-
6- Eur Net Effect (4+5)	(80.748.622)	80.748.622	-	-
Change in other currencies against TL by 10%				
7- Other currencies net asset/ liability	3.911.040	(3.911.040)	-	-
8- Hedged other currencies (-)	-	-	-	-
9- Other Currencies Net Effect (7+8)	3.911.040	(3.911.040)	-	-
TOTAL (3+6+9)	(76.453.191)	76.453.191	-	-

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

Market Risk (cont'd)

Exchange rate sensitivity analysis table

	31 December 2022			
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
1-USD net asset / liability	6.943.392	(6.943.392)	(350.389.332)	350.389.332
2-Hedged USD (-)	-	-	350.389.332	(350.389.332)
3-USD Net Effect (1+2)	6.943.392	(6.943.392)	-	-
Change in EUR against TL by 10%				
4 – EUR net asset / liability	(134.994.477)	134.994.477	-	-
5 – Hedged EUR (-)	-	-	-	-
6- Eur Net Effect (4+5)	(134.994.477)	134.994.477	-	-
Change in other currencies against TL by 10%				
7- Other currencies net asset/ liability	(2.153.756)	2.153.756	-	-
8- Hedged other currencies (-)	-	-	-	-
9- Other Currencies Net Effect (7+8)	(2.153.756)	2.153.756	-	-
TOTAL (3+6+9)	(130.204.841)	130.204.841	-	-

Funding risk

The ability to fund existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders. The borrowings of the Company are from financially strong various financial institutions .

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)

Credit risk

Credit risk consists of cash and cash equivalents, deposits with banks, derivative instruments, credit card receivables and customers exposed to credit risk. Holding financial instruments also carries the risk that the other party will not be able to fulfill the requirements of the agreement. Group management covers these risks by limiting the average risk for each contracting counterparty and by taking collateral if necessary.

The Group has calculated the remaining credit losses based on past year's credit losses experience, current financial position analysis of its customers and their expectations for the future. The Group performed BKZ rate calculations separately for its customers. The Group makes separate assessments for export customers and other private customers and sets aside provisions when deemed necessary. Considering the receivables remaining after the current collaterals of the dealers, their payment habits, and the credit risk score status of independent credit rating firms, the method of allocation of doubtful receivables provision has been applied.

Information on credit risk, incurred credit losses and exposure to ECLs for trade receivables as of 31 March 2023 and 31 December 2022 is presented below.

31 March 2023	%	Gross Trade Receivables (*)	Doubtful Receivables Provision
Domestic – Dealers	8%	2.052.144.146	170.932.690
Export Receivables	1%	779.987.527	11.616.317
Receivables from Automotive Manufacturers	0,2%	471.159.313	781.319
Domestic- Customers	4%	227.977.425	9.326.296
Trade Receivables from Related Parties	-	230.471.179	-
	5%	3.761.739.590	192.656.622

31 December 2022	%	Gross Trade Receivables (*)	Doubtful Receivables Provision
Domestic - Dealers	10%	1.349.530.047	136.554.572
Export Receivables	16%	218.211.114	35.506.932
Receivables from Automotive Manufacturers	0,8%	453.522.170	3.622.714
Domestic - Customers	3%	558.359.417	18.705.915
Trade Receivables from Related Parties	-	206.780.013	-
	7%	2.786.402.761	194.390.133

(*) Gross trade receivables do not include 190,167,276 TL offset from maturity balance.

(31 December 2022: 190.664.432 TL) (Note 7).

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

24. FINANCIAL INSTRUMENTS

Classes and fair values of financial instruments

31 March 2023	Financial assets shown at amortized value	Financial liabilities shown at amortized value	Fair value through other comprehensive income	Fair value through profit or loss	Carrying value	Note
Financial Assets						
Cash and cash equivalents	4.927.378.177	-	-	-	4.927.378.177	4
Financial investments	1.544.056.569	-	-	-	1.544.056.569	4
Trade receivables	3.148.444.513	-	-	-	3.148.444.513	7
Trade receivables from related parties	230.471.179	-	-	-	230.471.179	7-22
Other receivables (*)	31.950.374	-	-	-	31.950.374	
Derivative financial assets	-	-	1.892.925.035	9.243.275	1.902.168.310	6
	9.882.300.812	-	1.892.925.035	9.243.275	11.784.469.122	
Financial Liabilities						
Financial borrowings	-	9.708.111.325	-	-	9.708.111.325	5
Trade payables	-	2.640.633.732	-	-	2.640.633.732	7
Trade payables to related parties	-	1.153.550.351	-	-	1.153.550.351	7-22
Other trade payables	-	130.956.943	-	-	130.956.943	
Derivative financial liabilities	-	-	14.161.348	-	14.161.348	
	-	13.633.252.351	14.161.348	-	13.647.413.699	

(*) Receivables from the tax office and related parties are not included.

Classes and fair values of financial instruments

31 December 2022	Financial assets shown at amortized value	Financial liabilities shown at amortized value	Fair value through other comprehensive income	Fair value through other comprehensive income	Carrying value	Note
Financial Assets						
Cash and cash equivalents	3.642.509.918	-	-	-	3.642.509.918	4
Financial investments	1.241.607.392	-	-	-	1.241.607.392	4
Trade receivables	2.194.568.183	-	-	-	2.194.568.183	7
Trade receivables from related parties	206.780.013	-	-	-	206.780.013	7-22
Other receivables (*)	21.823.461	-	-	-	21.823.461	
Derivative financial assets	-	-	2.139.643.444	7.257.570	2.146.901.014	6
	7.307.288.967	-	2.139.643.444	7.257.570	9.454.189.981	
Financial Liabilities						
Financial borrowings	-	6.829.837.905	-	-	6.829.837.905	5
Trade payables	-	2.890.942.805	-	-	2.890.942.805	7
Trade payables to related parties	-	1.484.889.722	-	-	1.484.889.722	7-22
Other trade payables	-	51.168.357	-	-	51.168.357	
Derivative financial liabilities	-	-	42.368.590	-	42.368.590	
	-	11.256.838.789	42.368.590	-	11.299.207.379	

(*) Receivables from the tax office and related parties are not included.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

24. FINANCIAL INSTRUMENTS (Cont'd)

Financial Assets / Financial Liabilities	Fair Value				Fair value hierarchy	Valuation Techniques	Significan t unobserva ble input	Relation ship of unobser vable inputs to fair value
	31 March 2023		31 December 2022					
	Assets	Liabilities	Assets	Liabilities				
Forward contracts	9.243.275	14.161.348	4.783.909	42.368.590	2	Discounted cash flow method: The future cash flows, predicted by forward foreign currency rate (observable forward foreign currency rates at reporting date) and the contracted rates, are discounted by a discount rate which indicates other parties credit risk.	-	-
Cross-currency swap	1.892.925.035	-	2.139.643.444	-	2	Discounted cash flow method: The future cash flows, predicted by forward foreign currency rate (observable forward foreign currency rates at reporting date) and the contracted rates, are discounted by a discount rate which indicates other parties credit risk.	-	-
Option	-	-	2.473.661	-	2	Discounted cash flow method: The future cash flows, predicted by forward foreign currency rate (observable forward foreign currency rates at reporting date) and the contracted rates, are discounted by a discount rate which indicates other parties credit risk	-	-

	Level 1	Level 2	Level 3
31 March 2023			
Fair value through other comprehensive income, (net)	-	1.888.006.962	-
31 December 2022			
Fair value through other comprehensive income, (net)	-	2.104.532.424	-

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS
SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

25. EVENTS AFTER THE REPORTING PERIOD

None.