

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

CONVENIENCE TRANSLATION INTO ENGLISH OF  
THE INTERIM CONDENSED  
CONSOLIDATED FINANCIAL INFORMATION FOR THE  
PERIOD ENDED 30 JUNE 2023  
TOGETHER WITH AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)

7 August 2023

This report includes 2 pages of review report on condensed consolidated interim financial information and 53 pages of condensed consolidated interim financial statements and explanatory notes to the condensed consolidated interim financial statements.

<b>CONTENTS</b>	<b>PAGE</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....</b>	<b>1-2</b>
<b>CONDENSED CONSOLIDATED STATEMENT PROFIT OR LOSS.....</b>	<b>3</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY.....</b>	<b>5</b>
<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....</b>	<b>6</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>7-53</b>
1. ORGANIZATION AND OPERATIONS OF THE GROUP .....	7
2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS .....	7-15
3. BUSINESS COMBINATIONS .....	16
4. CASH AND CASH EQUIVALENTS AND FINANCIAL INVESTMENTS .....	17
5. FINANCIAL BORROWINGS .....	18-19
6. DERIVATIVE FINANCIAL INSTRUMENTS .....	20
7. TRADE RECEIVABLES AND PAYABLES .....	21-22
8. INVENTORIES .....	22
9. PREPAID EXPENSES AND DEFERRED INCOME.....	23
10. PROPERTY, PLANT AND EQUIPMENT .....	24-25
11. RIGHT OF USE ASSETS .....	25-26
12. RIGHT OF USE ASSETS .....	26-27
13. GOODWILL.....	27
14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	28
15. COMMITMENTS .....	29-30
16. SALES AND COST OF SALES .....	31
17. EXPENSES BY NATURE .....	31-32
18. OTHER OPERATING INCOME AND EXPENSES .....	32
19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES.....	33
20. FINANCE INCOME AND EXPENSES.....	33
21. TAXATION ON INCOME.....	34-40
22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES.....	40-45
23. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS.....	46-50
24. FINANCIAL INSTRUMENTS .....	51-53
25. EVENTS AFTER THE REPORTING PERIOD.....	53

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş. AND ITS  
SUBSIDIARIES AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

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

<b>ASSETS</b>	<b>Notes</b>	<b>Current Period (Reviewed) 30 June 2023</b>	<b>Prior Period (Audited) 31 December 2022</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	4	4.244.922.754	3.642.509.918
Financial Investments	4	970.111.810	1.241.607.392
Trade Receivables	7	3.422.185.416	2.399.757.977
Trade Receivables from Related Parties	22	408.527.305	206.780.013
Trade Receivables from Third Parties		3.013.658.111	2.192.977.964
Other Receivables		63.786.799	25.266.605
Other Receivables from Related Parties	22	375.282	153.266
Other Receivables from Third Parties		63.411.517	25.113.339
Derivative Financial Instruments	6	315.577.676	75.898.195
Inventories	8	2.623.833.925	2.364.176.593
Prepaid Expenses	9	248.838.873	123.836.544
Current Tax Assets	21	-	434.741
Other Current Assets		4.248.477	59.776.299
<b>Total Current Assets</b>		<b>11.893.505.730</b>	<b>9.933.264.264</b>
<b>Non-Current Assets</b>			
Trade Receivables	7	1.003.957	1.590.219
Other Receivables		221.692	224.882
Other Receivables from Related Parties		221.692	224.882
Derivative Financial Instruments	6	2.194.547.523	2.071.002.819
Property Plant and Equipment	10	2.944.693.757	2.750.281.504
Right of Use Assets	11	52.334.989	33.398.987
Intangible Assets		296.136.563	303.927.439
Goodwill	13	27.402.832	27.402.832
Other Intangible Assets	12	268.733.731	276.524.607
Prepaid Expenses	9	172.133.109	88.173.519
Deferred Tax Assets	21	375.045.020	389.813.464
<b>Total Non-Current Assets</b>		<b>6.036.116.610</b>	<b>5.638.412.833</b>
<b>TOTAL ASSETS</b>		<b>17.929.622.340</b>	<b>15.571.677.097</b>

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

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş. AND ITS  
SUBSIDIARIES AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

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

<b>LIABILITIES</b>	<b>Notes</b>	<b>Current Period (Reviewed) 30 June 2023</b>	<b>Prior Period (Audited) 31 December 2022</b>
<b>Current Liabilities</b>			
Short-term Borrowings	5	1.262.230.881	1.845.400.496
Short-term Portion of Long-Term Borrowings	5	5.769.901.502	3.287.454.651
Trade Payables	7	3.499.968.483	4.375.832.527
Trade Payables to Related Parties	22	1.359.360.387	1.484.889.722
Trade Payables to Third Parties		2.140.608.096	2.890.942.805
Payables Related to Employee Benefits		319.503.576	113.130.974
Other Payables		2.612.579	51.168.357
Other Payables to Related Parties	22	2.612.579	2.020.126
Other Payables- to Third Parties		-	49.148.231
Derivatives	6	244.877	42.368.590
Deferred Income	9	156.687.978	98.462.016
Current Tax Liability	21	93.552.830	4.616.663
Short-term Provisions		840.825.701	172.994.955
Short-term Provisions for Employee Benefits		113.621.547	86.638.755
Other Short-term Provisions	14	727.204.154	86.356.200
Other Current Liabilities		6.013.624	8.137.269
<b>Total Current Liabilities</b>		<b>11.951.542.031</b>	<b>9.999.566.498</b>
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	2.182.379.553	1.696.982.758
Long-term Provisions		518.466.149	579.066.312
Long-term Provisions for Employee Benefits		518.466.149	579.066.312
<b>Total Non-Current Liabilities</b>		<b>2.700.845.702</b>	<b>2.276.049.070</b>
<b>Total Liabilities</b>		<b>14.652.387.733</b>	<b>12.275.615.568</b>
<b>EQUITY</b>			
<b>Equity of the Parent Company</b>		<b>3.217.262.496</b>	<b>3.247.224.087</b>
Share Capital		305.116.875	305.116.875
Adjustment to Share Capital		54.985.701	54.985.701
Share Premium		4.903	4.903
<b>Accumulated Other Comprehensive Income or Expenses That Will Be Reclassified Profit or loss</b>			
Hedging Reserve (Losses) / Gains		224.179.205	149.070.272
Foreign Currency Conversion Adjustments		(2.491.375)	(3.553.610)
<b>Accumulated Other Comprehensive Income or Expenses That Will Not Be Reclassified to Profit or Loss</b>			
Actuarial (Losses) / Gains		(382.997.425)	(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		1.135.987.511	1.980.356.290
<b>Not Controlling Interest</b>		<b>59.972.111</b>	<b>48.837.442</b>
<b>Total Equity</b>		<b>3.277.234.607</b>	<b>3.296.061.529</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>17.929.622.340</b>	<b>15.571.677.097</b>

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

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED  
STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 JUNE 2023**

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

		Current Period (Reviewed)	Current Period (Not Reviewed)	Prior Period (Reviewed)	Prior Period (Not Reviewed)
	Notes	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Sales	16	9.155.642.646	4.493.736.567	5.951.960.484	3.237.724.483
Cost of Sales (-)	16-17	(6.249.718.269)	(3.020.700.513)	(4.076.145.781)	(2.372.944.395)
<b>GROSS PROFIT</b>		<b>2.905.924.377</b>	<b>1.473.036.054</b>	<b>1.875.814.703</b>	<b>864.780.088</b>
General Administrative Expenses (-)	17	(298.120.736)	(137.295.246)	(146.287.698)	(80.805.116)
Marketing Expense (-)	17	(807.609.172)	(427.537.570)	(500.808.918)	(292.748.783)
Research and Development Expenses (-)	17	(29.081.461)	(14.467.623)	(8.109.586)	(6.161.564)
Impairment Loss and Trade Receivables, net (-)	17	(12.275.869)	(14.485.946)	(19.080.116)	(11.028.293)
Other Operating Income	18	686.154.727	440.096.573	165.391.468	95.900.382
Other Operating Expenses (-)	18	(861.686.234)	(591.033.914)	(460.253.321)	(281.630.686)
<b>OPERATING PROFIT</b>		<b>1.583.305.632</b>	<b>728.312.328</b>	<b>906.666.532</b>	<b>288.306.028</b>
Income From Investing Activities	19	233.491.398	125.872.169	11.586.615	10.891.030
Expenses From Investing Activities (-)	19	(760.892)	(760.892)	(15.050)	(1.221)
<b>PROFIT BEFORE FINANCIAL EXPENSES</b>		<b>1.816.036.138</b>	<b>853.423.605</b>	<b>918.238.097</b>	<b>299.195.837</b>
Financing Income	20	551.226.141	376.957.100	382.433.087	222.492.571
Financing Expenses (-)	20	(979.895.942)	(598.793.768)	(361.984.510)	(214.309.265)
<b>PROFIT BEFORE TAX</b>		<b>1.387.366.337</b>	<b>631.586.937</b>	<b>938.686.674</b>	<b>307.379.143</b>
<b>Taxation on Income</b>		<b>(240.062.441)</b>	<b>(21.236.138)</b>	<b>(15.454.559)</b>	<b>1.670.986</b>
Current Tax Expense	21	(203.255.210)	(15.085.716)	(12.193.537)	(5.885.824)
Deferred Tax Income / Expense (-)	21	(36.807.231)	(6.150.422)	(3.261.022)	7.556.810
<b>PROFIT FOR THE PERIOD</b>		<b>1.147.303.896</b>	<b>610.350.799</b>	<b>923.232.115</b>	<b>309.050.129</b>
<b>DISTRIBUTION OF PROFIT FOR THE PERIOD</b>					
- Non-Controlling Shares		11.316.385	7.187.438	5.465.606	4.178.931
- Parent Company Shares		1.135.987.511	603.163.361	917.766.509	304.871.198
<b>Earnings per share</b>		<b>3,496</b>	<b>1,873</b>	<b>2,854</b>	<b>0,949</b>
<b>Diluted earnings per share</b>		<b>3,496</b>	<b>1,873</b>	<b>2,854</b>	<b>0,949</b>

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

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED  
STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD 30 JUNE 2023**

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

		Current Period (Reviewed) 1 January- 30 June 2023	Current Period (Not Reviewed) 1 April- 30 June 2023	Prior Period (Reviewed) 1 January- 30 June 2022	Prior Period (Not Reviewed) 1 April- 30 June 2022
<b>PROFIT FOR THE PERIOD</b>		<b>1.147.303.896</b>	<b>610.350.799</b>	<b>923.232.115</b>	<b>309.050.129</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
<b>Items that will never be reclassified to profit or loss</b>		<b>(50.650.624)</b>	<b>(46.293.933)</b>	<b>(53.556.902)</b>	<b>(60.132.219)</b>
Actuarial (Losses) / Gains (-)		(63.313.280)	(57.867.416)	(66.949.105)	(75.165.274)
<b>Other Comprehensive or Expenses That Will Not Be Reclassified to Profit or (Loss)</b>					
Deferred Tax Income / (Expense) (-)	21	12.662.656	11.573.483	13.392.203	15.033.055
<b>Items that are or may be reclassified to profit or loss</b>		<b>76.238.292</b>	<b>72.437.867</b>	<b>(22.743.154)</b>	<b>47.922.751</b>
Hedging Reserve Gains/ Losses (-)		65.732.802	60.877.022	(10.541.814)	58.473.794
Foreign Currency Conversion Adjustments		1.129.359	1.289.690	(2.288.393)	(1.684.273)
<b>Other Comprehensive Income or Expenses That Will Be Reclassified to Profit or Loss (-)</b>					
Deferred Tax Income (-)	21	9.376.131	10.271.155	(9.912.947)	(8.866.770)
<b>OTHER COMPREHENSIVE INCOME / EXPENSE (-)</b>		<b>25.587.668</b>	<b>26.143.934</b>	<b>(76.300.056)</b>	<b>(12.209.468)</b>
<b>TOTAL COMPREHENSIVE INCOME / EXPENSE</b>		<b>1.172.891.564</b>	<b>636.494.733</b>	<b>846.932.059</b>	<b>296.840.661</b>
<b>DISTRIBUTION OF TOTAL COMPREHENSIVE INCOME</b>					
- Non-Controlling Shares		11.134.669	7.363.266	5.226.016	3.983.249
- Parent Company Shares		1.161.756.895	629.131.467	841.706.043	292.857.411

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

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES AUDITOR'S INTERIM REVIEWED  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE PERIOD JANUARY 1 - 30 JUNE 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			
<b>Balance 1 January 2022 (Beginning of the Period)</b>	<b>305.116.875</b>	<b>54.985.701</b>	<b>4.903</b>	<b>-</b>	<b>235.393.906</b>	<b>(42.964.394)</b>	<b>172.029.650</b>	<b>689.259</b>	<b>579.261.062</b>	<b>1.004.575.346</b>	<b>2.309.092.308</b>	<b>-</b>	<b>2.309.092.308</b>
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	-	-	-	-	-	-	-	-	-	-	-	38.719.576	38.719.576
Total Comprehensive Income	-	-	-	(2.034.127)	(20.454.761)	(53.571.578)	-	-	-	917.766.509	841.706.043	5.226.016	846.932.059
<b>Balance on 30 June 2022 (End of the Period)</b>	<b>305.116.875</b>	<b>54.985.701</b>	<b>4.903</b>	<b>(2.034.127)</b>	<b>214.939.145</b>	<b>(96.535.972)</b>	<b>236.806.032</b>	<b>883.623</b>	<b>856.040.360</b>	<b>917.766.509</b>	<b>2.487.973.049</b>	<b>43.945.592</b>	<b>2.531.918.641</b>
<b>Balance on 1 January 2023 (Beginning of the Period)</b>	<b>305.116.875</b>	<b>54.985.701</b>	<b>4.903</b>	<b>(3.553.610)</b>	<b>149.070.272</b>	<b>(332.595.641)</b>	<b>236.806.032</b>	<b>992.905</b>	<b>856.040.360</b>	<b>1.980.356.290</b>	<b>3.247.224.087</b>	<b>48.837.442</b>	<b>3.296.061.529</b>
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	-	-	-	1.062.235	75.108.933	(50.401.784)	-	-	-	1.135.987.511	1.161.756.895	11.134.669	1.172.891.564
<b>Balance on 30 June 2023 (End of the Period)</b>	<b>305.116.875</b>	<b>54.985.701</b>	<b>4.903</b>	<b>(2.491.375)</b>	<b>224.179.205</b>	<b>(382.997.425)</b>	<b>354.452.296</b>	<b>992.905</b>	<b>1.527.031.900</b>	<b>1.135.987.511</b>	<b>3.217.262.496</b>	<b>59.972.111</b>	<b>3.277.234.607</b>

(\*) 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  
SUBSIDIARIES AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED  
STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 - 30 JUNE 2023**

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

	Notes	Reviewed	
		Current Period 1 January- 30 June 2023	Prior Period 1 January- 30 June 2022
<b>Net Profit for the Period</b>		<b>1.147.303.896</b>	<b>923.232.115</b>
<b>Adjustments to Reconcile Profit for the Period</b>		<b>1.464.288.584</b>	<b>396.257.685</b>
Adjustments Related to Depreciation and Amortization Expenses	17	180.267.288	138.540.934
Provisions for Employee Benefits		82.395.388	44.071.895
Adjustments Related to Retirement Pay Provision		63.582.576	24.640.373
Lawsuit Provision	14	6.292.413	3.888.215
Adjustment Related to Other Provisions	14	671.487.540	406.447.810
Adjustments Related to Doubtful Receivables	7	12.636.765	17.756.954
Interest Income	18-20	(299.321.774)	(38.641.251)
Interest Expense	18-20	834.424.035	271.649.329
Unrealized Foreign Exchange Losses/ (Gains)		131.172.480	62.520.584
Gains / Losses from Derivative Financial Instruments	6	(149.432.114)	(284.407.115)
Adjustments Related to Tax Expense / (Income)	21	240.062.441	15.454.559
Losses / Gain on Sale of Property, Plant and Equipment and Intangible Assets, Net		346.924	(1.304.781)
Impairment on Inventories	8	4.771.555	8.676.248
Finance expense accruals from credit purchases (net)	7	(73.292.867)	(46.938.865)
Finance income accruals from credit sales (net)	7	160.710.639	80.113.165
Adjustments Related to Other Items that Cause Cash Flows from Investing or Financing Activities		(401.814.705)	(306.210.369)
<b>Changes In Working Capital</b>		<b>(2.025.167.021)</b>	<b>(1.362.358.366)</b>
Adjustments Related to Increase / Decreases in Trade Receivables		(1.200.685.728)	(1.225.461.035)
Adjustments Related to Increase /Decreases in Inventory		(221.731.445)	(824.125.783)
Adjustments Related to Increase /Decreases in Other Receivables Related to Operations		61.910.119	40.621.964
Adjustments Related to Increase / Decreases in Prepaid Expenses		(208.929.808)	(90.733.178)
Adjustments Related to Increase / Decreases in Trade Payables		(669.627.485)	631.977.739
Adjustments Related to Increase / Decreases Deferred Income		58.225.962	69.791.983
Adjustments Related to Increase /Decreases Employee Benefits Payables		206.372.602	34.860.317
Adjustments Related to Increase /Decreases in Other Payables Related to Operations		(50.701.238)	709.627
<b>Cash Flows from Operating Activities</b>		<b>(547.036.734)</b>	<b>276.629.002</b>
Collection from doubtful receivables	7	360.896	224.840
Interest Received		2.422.742	667.556
Interest Paid		(25.738.990)	(10.200.678)
Taxes Paid / Reimbursed		(114.770.583)	(3.242.664)
Paid / Reversed Provisions		(90.270.607)	(61.564.935)
Paid / Reversed Lawsuit Provision	14	(2.073.988)	(1.194.827)
Retirement Benefits Paid		(187.496.019)	(2.185.815)
Cash Inflows/ (Outflows) from Financial Derivatives		(129.470.185)	354.125.525
<b>A. NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>39.388.725</b>	<b>233.760.436</b>
Proceeds From Sale of Property Plant and Equipment and Intangible Assets		2.375.128	1.468.933
Net Cash Effect of Subsidiary Acquisition		-	(135.925.446)
Acquisition of Property Plant and Equipment and Intangible Assets		(542.585.137)	(275.845.702)
Change in Financial Investments		375.188.595	--
Interest Received		129.464.769	-
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(35.556.645)</b>	<b>(410.302.215)</b>
Cash Inflows from Borrowing	5	4.487.750.120	1.196.499.999
Cash outflows from Repayment of Borrowings	5	(2.693.305.519)	(343.630.989)
Interest Paid	5	(590.871.998)	(202.082.476)
Interest Received		264.120.991	37.364.414
Other Cash Inflows / (Outflows) (*)		283.286.022	233.285.566
Cash Outflows from Lease Liabilities	5	(13.973.079)	(7.934.259)
Cash Inflows from Factoring	5	20.514.664	(5.850.108)
Dividends Paid		(1.191.718.486)	(663.019.667)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>565.802.715</b>	<b>244.632.480</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents before translation effect of foreign currency (A+B+C)</b>		<b>569.634.795</b>	<b>68.090.701</b>
D. Translation Effect of Foreign Currency on Cash and Cash Equivalents		-	(1.179.218)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)</b>		<b>569.634.795</b>	<b>66.911.483</b>
Cash and Cash Equivalents at the beginning of the period	4	3.634.332.207	3.343.107.280
<b>Cash and Cash Equivalents at the end of the period</b>	<b>4</b>	<b>4.203.967.002</b>	<b>3.410.018.763</b>

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



**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 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. Between the Company and Özer Hıncal and Track Holdings S.A.R.L., all shares representing 88,89% of the share capital of Arvento M2M Elektronik Sistemler Sanayi Ticaret A.Ş. ("Arvento") were acquired by the Company on March 1, 2022. The Company and its subsidiaries (together referred to as the "Group"). The parties that jointly control the Group are H.Ö. Sabancı Holding A.Ş. and Bridgestone Corporation.

The Group’s employee headcount with indefinite-term employment contract is 3.367 (31 December 2022: 3.429). This number includes 2.480 employees who are subject to Collective Bargaining Agreement terms (31 December 2022: 2.590), 868 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 748 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.

	<b>30 June 2023</b>	<b>31 December 2022</b>
	%	%
Hacı Ömer Sabancı Holding A.Ş.	43,63	43,63
Bridgestone Corporation	43,63	43,63
Other	12,74	12,74
<b>Total</b>	<b>100,00</b>	<b>100,00</b>

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

**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.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 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)**

Statement of compliance with TFRS (cont’d)

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 1 January – 30 June 2023 were approved by the Group Board of Directors on 7 August 2023 and signed by General Manager Haluk Kürkçü and Finance Assistant General Manager Neslihan Döngel Özlem on behalf of the Board of Directors.

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 June 30, 2023.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 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 own and direct those 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 30 June 2023 and 31 December 2022.

<b>Subsidiaries</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
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.

**IFRS 17, 'Insurance contracts'**; effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide range of applications. transition. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features. The amendments did not have a significant impact on the financial position or performance of the Group.

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

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 2023**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’)**

**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.

**2.4 Summary of Significant Accounting Policies**

The condensed consolidated financial statements as at and for the interim period ended 30 June 2023 have been prepared in accordance with TAS 34 "Interim Financial Reporting". The significant accounting policies used in the preparation of the condensed consolidated financial statements are consistent with the accounting policies detailed in the financial statements as at December 31, 2022. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2022.

**2.4.1 Amendments published but not yet effective and not early adopted as of 30 June 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.

**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.

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 “TFRS 2023”.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 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 adopted as of 30 June 2023 (Cont')**

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

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 - TFRS 16 Leases. Changes to TFRS 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.

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.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 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)**

**2.4.2 Amendments published into force and effective as of June 30, 2023**

*Amendments that have published and effective*

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.

**IFRS 17 – Insurance Contracts**

On 16 February 2019, Public Oversight Accounting and Auditing Standards Authority (POA) issued IFRS 17 Insurance Contracts. This first truly globally accepted standard for insurance contracts will help investors and others better understand insurers’ risk exposure, profitability and financial position. IFRS 17 replaces IFRS 4, which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. IFRS 17 has an effective date of 1 January 2024.

The Group does not expect that application of IFRS 17 will have significant impact on its consolidated financial statements.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 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)**

**2.4.2 Amendments published into force and effective as of June 30, 2023 (cont’d)**

**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.

***The new standards, amendments and interpretations that are issued by the IASB/ISSB but not issued by POA***

**IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures**

On 26 June 2023, The International Sustainability Standards Board (ISSB) has issued IFRS® Sustainability Disclosure Standards (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures to create a global baseline of investor-focused sustainability reporting that local jurisdictions can build on.

The ISSB’s first two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision making – in other words, information that is expected to affect the assessments that investors make about companies’ future cash flows.

To achieve this, the general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and targets.

The standards are effective from 1 January 2024, but it will be for individual jurisdictions to decide whether and when to adopt.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 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)**

*The new standards, amendments and interpretations that are issued by the IASB/ISSB but not issued by POA (cont’d)*

**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements**

On 25 May 2023, IASB has amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments introduce additional disclosure requirements for companies that enter into supplier finance arrangements (referred to as supply chain finance, payables finance or reverse factoring arrangements). However, they do not address the classification and presentation of the related liabilities and cash flows.

The IASB’s amendments apply to supplier finance arrangements<sup>1</sup> that have all of the following characteristics.

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company’s liabilities and cash flows, and the company’s exposure to liquidity risk.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

The Group does not expect that application of these amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements will have a significant impact on its consolidated financial statements.



**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 2023**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’)**

**2.4.3 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.

**2.4.4 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.

The significant accounting estimates and assumptions in the financial statements as at 30 June 2023 are consistent with the significant accounting estimates and assumptions in the financial statements for the year ended 31 December 2022.

**2.5 Segment Reporting**

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 30 June 2023 is limited. Therefore, in line with the managerial approach, the Group's operations are considered as a single operating segment as of 30 June 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 SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**3. BUSINESS COMBINATIONS**

***Purchases realized between 1 January 2023 - 30 June 2023***

None.

***Purchases realized between 1 January 2022 - 30 June 2022***

A Share Purchase and Sale Agreement dated December 14, 2021 was signed between the Company and Özer Hincal and Track Holdings S.A.R.L. for the acquisition of all shares representing 88.89% of the capital of Arvento M2M Elektronik Sistemler Sanayi Ticaret A.Ş. ("Arvento") by the Company for a consideration of TL 291,469,028.30.

The necessary conditions for the planned share transfer have been fulfilled and the relevant permissions and approvals have been obtained and all shares representing 88.89% of Arvento's capital have been acquired by the Company on March 1, 2022 for TL 337.159.439 as a result of the revaluation of Arvento's foreign currency assets as of the closing date.

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:

<b>Total cash acquisition amount</b>	<b>337.159.439</b>
Net assets acquired	309.756.607
<b>Total cash acquisition amount</b>	<b>337.159.439</b>
Cash and cash equivalents- acquired	201.233.993
Net cash impact of subsidiary acquisition	135.925.446
<b>Goodwill (Note 14)</b>	<b>27.402.832</b>
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)
<b>Fair value of total identifiable net assets (%100)</b>	<b>348.476.183</b>
<b>Net assets acquired (corresponding to %88,89'lık purchased) (*)</b>	<b>309.756.607</b>

(\*) 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 SUBSIDIARIES**  
**NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

**4. CASH AND CASH EQUIVALENTS AND FINANCIAL INVESTMENTS**

	<b>30 June 2023</b>	<b>31 December 2022</b>
Cash on hand	21.805	17.635
Cash at banks	4.244.900.949	3.642.492.283
Demand deposits	388.320.504	129.746.940
Time deposits	3.065.207.855	1.599.220.441
Credit cards slip receivables	791.372.590	1.913.524.902
<b>Total cash and cash equivalents</b>	<b>4.244.922.754</b>	<b>3.642.509.918</b>
Interest accruals	(40.955.752)	(8.177.711)
<b>Cash and cash equivalents in the cash flow statement</b>	<b>4.203.967.002</b>	<b>3.634.332.207</b>

The nature and extent of the risks on cash and cash equivalents are described at Note 23. 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:

	<b>30 June 2023</b>	<b>31 December 2022</b>
FX Protected TL Deposit (*)	786.669.257	1.107.589.643
Eurobond	181.884.431	133.062.297
Other	1.558.122	955.452
	<b>970.111.810</b>	<b>1.241.607.392</b>

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 fx protected TL deposit accounts amounting to TL 233.077.430 is accounted for under income from investment activities (Note 19).

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**5. FINANCIAL BORROWINGS**

	<b>30 June 2023</b>		<b>31 December 2022</b>	
	Weighted average interest rate %	TL	Weighted average interest rate %	TL
Short-term TL bank borrowing	13,80	201.234.344	21,08	623.074.467
Short-term TL sukuk issuances	30,41	1.012.210.645	27,26	875.088.429
Short-term USD borrowing		-	7,95	322.745.951
Short-term bank factoring liabilities	17,76	41.063.465	18,75	20.548.801
Short term leasing liabilities		7.722.427		3.942.848
<b>Short-term borrowings</b>		<b>1.262.230.881</b>		<b>1.845.400.496</b>
Short-term portion of long-term TL bank borrowings	29,71	1.243.164.810	21,67	325.523.066
Short-term portion of long-term TL sukuk issuances	28,72	697.392.218	27,88	1.492.180.847
Short-term portion of long-term TL bond issuances	31,67	1.899.376.654	-	-
Short-term portion of long-term USD bank borrowings	6,20	333.355.815	5,96	59.922.080
Short-term portion of long-term USD bank borrowings (*)	2,55	1.586.071.773	2,55	1.404.794.359
Short-term portion of long-term lease liabilities		10.540.232		5.034.299
		<b>5.769.901.502</b>		<b>3.287.454.651</b>
<b>Total short-term borrowings</b>		<b>7.032.132.383</b>		<b>5.132.855.147</b>
Long-term TL bank borrowings	12,87	21.874.309	22,77	364.961.478
Long-term TL bond issuances	32,00	741.985.038		-
Long-term USD bank borrowings	2,55	513.664.794	2,55	236.065.741
Long-term USD bank borrowings (*)	6,80	866.357.379	5,95	1.068.068.544
Long-term lease liabilities		38.498.033		27.886.995
<b>Total long-term borrowings</b>		<b>2.182.379.553</b>		<b>1.696.982.758</b>
<b>Total financial liabilities</b>		<b>9.214.511.936</b>		<b>6.829.837.905</b>

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

	<b>30 June 2023</b>	<b>31 December 2022</b>
Total financial borrowings (**)	9.157.751.244	6.792.973.763
Less: US dollar loans valuation difference due to hedging	(2.182.541.147)	(1.955.780.239)
Less: Cash and cash equivalents	(4.244.922.754)	(3.642.509.918)
Minus: Financial investments	(970.111.810)	(1.241.607.392)
<b>Net financial borrowings</b>	<b>1.760.175.533</b>	<b>(46.923.786)</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES  
NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**5. FINANCIAL BORROWINGS (Cont'd)**

**Bank credits**

(\*) The group has conducted cross-currency and interest rate swap transactions in order to mitigate the variable interest and foreign exchange rate risk at the time of acquisition for its long-term loans denominated in foreign currency. The values of the group's foreign currency loans in Turkish Lira may increase or decrease due to exchange rate fluctuations, and in return, the fair valuation of cross-currency swap transactions is presented under derivative assets.

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

As of June 30, 2023, cumulative foreign exchange loss amounting to TL 2.182.541.147 (December 31, 2022: TL 1.955.780.239) due to the loans subject to hedging, derivative asset amounting to TL 2.295.627.523 (December 31, 2022: TL 2.139.643.445) (Note 6), derivative asset amounting to TL 90.469.882 (December 31, 2022: TL 147.091.091) and derivative asset amounting to TL 90.469.882 (December 31, 2022: TL 147.091.091) (Note 6). 523 TL (31 December 2022: TL 2.139.643.445) (Note 6), equity valuation gain amounting to TL 90.469.882 (31 December 2022: TL 147.091.345) and deferred tax liability amounting to TL 22.616.494 (31 December 2022: TL 36.771.861) are recognized in the consolidated financial statements.

There are loan commissions and charges amounting to TL 31.514.867 and TL 9.706.968 in the short-term and long-term bank borrowings, respectively (TL 3.718.911 and TL 2.256.517 as of December 31, 2022, respectively).

As at 30 June 2023 and 31 December 2022, all of the bank borrowings consist of unsecured loans.

Movement of financial liabilities as of 30 June 2023 and 30 June 2022 is as follows:

	<b>30 June 2023</b>	<b>30 June 2022</b>
Opening balance	6.829.837.905	4.790.117.733
Cash inflows from borrowing	4.487.750.120	1.196.499.999
Cash outflows from borrowing	(2.693.305.519)	(343.630.989)
Interest expense accounted under profit or loss (Note 20)	808.685.045	261.448.651
Capitalized interest expense at tangible assets (Note 20)	2.112.031	1.077.962
Interest paid	(590.871.998)	(202.082.476)
Cash Outflows Related to Rental Agreements	(13.973.079)	(7.934.259)
Cash Inflows / (Outputs) from Factoring Transactions	20.514.664	(5.850.108)
Exchange differences	327.109.924	319.251.656
Other	36.652.843	13.521.711
<b>Closing balance</b>	<b>9.214.511.936</b>	<b>6.022.419.880</b>

The Group has fulfilled its financial commitments as of 30 June 2023.

As of 30 June 2023, and 31 December 2022, the repayment schedule of its financial debts is as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
2023	3.601.628.008	5.132.855.147
2024	4.051.562.877	1.039.104.587
2025	1.492.259.370	608.487.581
2026	69.061.681	49.390.590
	<b>9.214.511.936</b>	<b>6.829.837.905</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

**6. DERIVATIVE INSTRUMENTS**

	30 June 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Cross currency and interest rate swaps	101.080.000	-	68.640.625	-
Forward currency exchange contract	213.880.083	-	4.783.909	42.368.590
Commodity swap	617.593	244.877	-	-
Option	-	-	2.473.661	-
<b>Short-term derivative transactions for which hedge accounting is applied</b>	<b>315.577.676</b>	<b>244.877</b>	<b>75.898.195</b>	<b>42.368.590</b>
Cross currency and interest rate swaps	2.194.547.523	-	2.071.002.819	-
<b>Long-term derivative transactions for which hedge accounting is applied</b>	<b>2.194.547.523</b>	<b>-</b>	<b>2.071.002.819</b>	<b>-</b>
	<b>2.510.125.199</b>	<b>244.877</b>	<b>2.146.901.014</b>	<b>42.368.590</b>

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 149.432.114 expense (30 June 2022: TL 284.407.115 income) has been recorded in the profit or loss statement regarding derivative contracts maturing during the period and hedge transactions to hedge currency risk.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**7. TRADE RECEIVABLES AND PAYABLES**

**Trade Receivables**

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

<b>Short-term trade receivables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Account receivables	3.322.617.667	2.510.676.902
Notes receivable	40.147.148	42.335.701
Trade receivables from related parties (Note 22)	408.527.305	206.780.013
Unearned credit finance income	(160.710.639)	(190.664.432)
Doubtful receivables provision (-)	(188.396.065)	(169.370.207)
	<b>3.422.185.416</b>	<b>2.399.757.977</b>
<b>Long-term trade receivables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Account receivables	24.410.145	26.610.145
Doubtful receivables provision (-)	(23.406.188)	(25.019.926)
	<b>1.003.957</b>	<b>1.590.219</b>

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

As of 30 June 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 25,56% and 23.27% interest rates.

As of 30 June 2023, trade receivables amounting to TL 259.785.358 (31 December 2022: TL 178.908.583) from non-related parties are not considered doubtful even though they are overdue.

As of 30 June 2023, guarantees amounting to TL 46.245.580 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 June 30, 2023 and December 31, 2022 is as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Between 0-1 month	177.535.562	98.004.470
Between 1-3 month	81.712.000	35.964.470
Between 3-12 month	25.546.840	44.939.643
	<b>284.794.402</b>	<b>178.908.583</b>

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:

	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
Opening balance as of January 1	194.390.133	142.908.585
Acquire effect	-	22.796.812
Doubtful receivables exchange difference	5.136.251	1.709.627
Additional provision / (cancellation)	12.636.765	17.595.329
Collections	(360.896)	(224.840)
Closing balance	<b>211.802.253</b>	<b>184.785.513</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR’S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 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:

<b>Short-term trade payables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Trade payables	2.213.900.963	2.958.806.400
Trade payables to related parties (Note 22)	1.359.360.387	1.484.889.722
Unrealized finance expense due to credit purchases	(73.292.867)	(67.863.595)
	<b>3.499.968.483</b>	<b>4.375.832.527</b>

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

As of 30 June 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 25.56% and 23.27%. The Group has a financial risk management policy that will ensure that all its debts are paid on time.

**8. INVENTORIES**

	<b>30 June 2023</b>	<b>31 December 2022</b>
Raw materials	754.467.334	816.184.023
Materials and supplies	161.423.727	136.221.211
Semi-finished goods	92.937.567	197.864.998
Finished goods	647.465.741	513.590.108
Trade goods	292.352.568	190.757.831
Goods in transit	717.247.295	546.847.174
Less: Impairment of inventory	(42.060.307)	(37.288.752)
	<b>2.623.833.925</b>	<b>2.364.176.593</b>

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

	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
Opening balance	37.288.752	21.233.491
Acquire effect	-	4.303.182
Period charge / (cancellation) (*)	4.771.555	8.676.248
Closing balance	<b>42.060.307</b>	<b>34.212.921</b>

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



**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**9. PREPAID EXPENSES AND DEFERRED INCOME**

<b>Short-term Prepaid Expenses</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Prepaid expenses	164.447.405	84.847.348
Order advances given	78.262.431	38.411.102
Advances given to personnel	6.129.037	578.094
	<b>248.838.873</b>	<b>123.836.544</b>

  

<b>Long-term Prepaid Expenses</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Prepaid expenses	31.585.216	31.600.366
Advances given for fixed assets	140.547.893	56.573.153
	<b>172.133.109</b>	<b>88.173.519</b>

  

<b>Short-term Deferred Income</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Advances receivables	58.592.777	28.800.114
Contract liabilities arising from sales of goods (*)	94.061.496	67.354.911
Deferred income	4.033.705	2.306.991
	<b>156.687.978</b>	<b>98.462.016</b>

(\*) Consists of performance obligations for which payment has been received but control has not yet been passed to the customer.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**10. PROPERTY, PLANT AND EQUIPMENT**

	<b>1 January 2023</b>	<b>Additions</b>	<b>Transfers (*)</b>	<b>Disposals</b>	<b>30 June 2023</b>
<b>Cost</b>					
Land and land improvement	79.417.885	-	-	-	79.417.885
Buildings	761.227.929	85.800	15.100.685	-	776.414.414
Machinery and equipment	3.084.279.377	60.295	467.272.328	(3.197.960)	3.548.414.040
Motor vehicles	46.493.076	9.716.489	13.421.221	(1.652.542)	67.978.244
Furniture and fixtures	236.564.578	11.205.614	6.662.741	(3.514)	254.429.419
Other fixed assets	204.335.895	11.472.551	-	(55.401)	215.753.045
Construction in progress	703.961.361	330.681.889	(530.873.643)	-	503.769.607
	<b>5.116.280.101</b>	<b>363.222.638</b>	<b>(28.416.668)</b>	<b>(4.909.417)</b>	<b>5.446.176.654</b>
<b>Accumulated depreciation</b>					
Land and land improvement	26.840.658	1.599.853	-	-	28.440.511
Buildings	236.013.407	8.626.373	-	-	244.639.780
Machinery and equipment	1.883.471.558	100.928.577	-	(2.095.173)	1.982.304.962
Motor vehicles	17.129.446	4.467.007	-	(38.136)	21.558.317
Furniture and fixtures	119.372.891	12.415.643	-	(3.514)	131.785.020
Other fixed assets	83.170.637	9.634.212	-	(50.542)	92.754.307
	<b>2.365.998.597</b>	<b>137.671.665</b>	<b>-</b>	<b>(2.187.365)</b>	<b>2.501.482.897</b>
<b>Net book value</b>	<b>2.750.281.504</b>	<b>225.550.973</b>	<b>(28.416.668)</b>	<b>(2.722.052)</b>	<b>2.944.693.757</b>

(\*) In the current period, TL 28.416.668 has been transferred to intangible assets. (30 June 2022: 8.803.901 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 30 June 2023, depreciation expenses amounting to TL 87.936.369 is charged to cost of goods sold, TL 69.597 is charged to research and development expenses, TL 15.087.830 is charged to marketing expenses, TL 4.788.608 is charged to general administrative expenses, TL 28.261.033 is charged to inventories and TL 1.528.228 is charged to capitalized development expenses.

The amount of borrowing costs capitalized during the period is TL 2,112,031 (30 June 2022 : 1.077.962 TL).

As of 30 June 2023, there is no mortgage on tangible and intangible assets. (30 June 2022: None).

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**10. PROPERTY PLAN AND EQUIPMENT (Cont'd)**

	<b>1 January 2022</b>	<b>Acquire effect</b>	<b>Additions</b>	<b>Transfers (*)</b>	<b>Disposals</b>	<b>30 June 2022</b>
<b>Cost</b>						
Land and land improvements	79.356.609	-	-	61.276	-	79.417.885
Buildings	729.770.190	-	353.661	11.091.865	-	741.215.716
Machinery and equipment	2.767.975.567	32.175	62.372	127.698.302	(3.795.617)	2.891.972.799
Motor vehicles	27.647.556	1.795.555	155.081	1.978.182	(278.071)	31.298.303
Furniture and fixtures	189.130.822	4.785.214	9.587.085	8.173.286	(51.353)	211.625.054
Other	150.674.593	4.332.397	11.975.412	-	(439.172)	166.543.230
Construction in progress	214.427.912	-	254.188.324	(157.806.812)	-	310.809.424
	<b>4.158.983.249</b>	<b>10.945.341</b>	<b>276.321.935</b>	<b>(8.803.901)</b>	<b>(4.564.213)</b>	<b>4.432.882.411</b>
<b>Accumulated depreciation</b>						
Land and land improvements	23.641.238	-	1.599.569	-	-	25.240.807
Buildings	219.617.585	-	8.130.309	-	-	227.747.894
Machinery and equipment	1.726.885.572	32.175	78.752.480	-	(3.795.617)	1.801.874.610
Motor vehicles	12.138.334	1.206.334	1.885.857	-	(278.071)	14.952.454
Furniture and fixtures	94.882.569	3.585.060	9.671.244	-	(21.530)	108.117.343
Other	64.767.349	3.218.051	7.381.474	-	(304.843)	75.062.031
	<b>2.141.932.647</b>	<b>8.041.620</b>	<b>107.420.933</b>	<b>-</b>	<b>(4.400.061)</b>	<b>2.252.995.139</b>
<b>Net book value</b>	<b>2.017.050.602</b>	<b>2.903.721</b>	<b>168.901.002</b>	<b>(8.803.901)</b>	<b>(164.152)</b>	<b>2.179.887.272</b>

For the period ending on 30 June 2022, 70.659.021 TL of depreciation expenses belong to cost of goods sold, 86.837 TL to research and development expenses, 11.851.284 TL to marketing expenses, 3.002.401 TL to general administrative expenses, 20.606.684 TL is included in stocks and TL 1.214.706 is included in capitalized development expenses.

**11. RIGHT OF USE ASSETS**

	<b>1 January 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>30 June 2023</b>
<b>Cost</b>				
Buildings	31.503.838	12.837.601	(32.110)	44.309.329
Motor vehicles	27.084.090	17.586.792	(944.992)	43.725.890
Rights	4.513.678	-	-	4.513.678
	<b>63.101.606</b>	<b>30.424.393</b>	<b>(977.102)</b>	<b>92.548.897</b>
<b>Accumulated Depreciation</b>				
Buildings	15.817.018	4.626.605	(32.110)	20.411.513
Motor vehicles	9.569.315	6.672.153	(944.992)	15.296.476
Rights	4.316.286	189.633	-	4.505.919
	<b>29.702.619</b>	<b>11.488.391</b>	<b>(977.102)</b>	<b>40.213.908</b>
<b>Net book value</b>	<b>33.398.987</b>	<b>18.936.002</b>	<b>-</b>	<b>52.334.989</b>

For the period ended June 30, 2023, 1.157.782 TL of depreciation expenses are included in the cost of goods sold, 2.408.786 TL in research and development expenses, 1.132.145 TL in marketing expenses, 6.789.678 TL in general administrative expenses.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**11. RIGHT OF USE ASSETS (Cont'd)**

	<b>1 January 2022</b>	<b>Acquire Effect</b>	<b>Additions</b>	<b>Disposals</b>	<b>30 June 2022</b>
<b>Cost</b>					
Buildings	6.617.814	13.255.539	1.250.755	(33.467)	21.090.641
Motor vehicles	21.151.990	2.330.306	3.972.250	(2.683.701)	24.770.845
Rights	-	4.513.678	-	-	4.513.678
	<b>27.769.804</b>	<b>20.099.523</b>	<b>5.223.005</b>	<b>(2.717.168)</b>	<b>50.375.164</b>
<b>Accumulated Depreciations</b>					
Buildings	2.719.277	9.781.642	1.542.765	(22.285)	14.021.399
Motor vehicles	14.100.001	1.655.532	4.045.982	(2.661.416)	17.140.099
Rights	-	3.388.122	368.908	-	3.757.030
	<b>16.819.278</b>	<b>14.825.296</b>	<b>5.957.655</b>	<b>(2.683.701)</b>	<b>34.918.528</b>
<b>Net book value</b>	<b>10.950.526</b>	<b>5.274.227</b>	<b>(734.650)</b>	<b>(33.467)</b>	<b>15.456.636</b>

For the period ending on 30 June 2022, 472.672 TL of depreciation expenses are included in cost of goods sold, 411.072 TL in research and development expenses, 418.601 TL in marketing expenses, 4.649.044 TL in general administrative expenses, and 6.266 TL is included in inventories.

**12. INTANGIBLE ASSETS**

	<b>1 January 2023</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>30 June 2023</b>
<b>Costs</b>					
Capitalized development costs	201.057.133	-	21.686.784	-	222.743.917
Rights	97.981.660	466.664	-	-	98.448.324
Customer contracts and relations (*)	125.934.000	-	-	-	125.934.000
Trademark (*)	24.700.000	-	-	-	24.700.000
Other intangible assets	127.678.754	980.943	6.729.884	-	135.389.581
	<b>577.351.547</b>	<b>1.447.607</b>	<b>28.416.668</b>	<b>-</b>	<b>607.215.822</b>
<b>Accumulated Depreciation</b>					
Capitalized development costs	93.227.001	17.012.052	-	-	110.239.053
Customer contracts and relations (*)	17.538.753	10.408.244	-	-	27.946.997
Trademark (*)	1.375.982	816.566	-	-	2.192.548
Rights	96.492.067	475.041	-	-	96.967.108
Other intangible assets	92.193.137	8.943.248	-	-	101.136.385
	<b>300.826.940</b>	<b>37.655.151</b>	<b>-</b>	<b>-</b>	<b>338.482.091</b>
<b>Net book value</b>	<b>276.524.607</b>	<b>(36.207.544)</b>	<b>28.416.668</b>	<b>-</b>	<b>268.733.731</b>

For the period ended 30 June 2023, amortization expenses amounting to TL 17.425.411 is in cost of goods sold, TL 1.937 to research and development expenses, TL 4.349.171 to marketing expenses, TL 15.850.283 to general administrative expenses and TL 28.349 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 SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**12. INTANGIBLE ASSETS (Cont'd)**

	<b>1 January 2022</b>	<b>Acquire Effect</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>30 June 2022</b>
<b>Cost</b>						
Capitalized development costs	159.563.355	-	-	7.959.852	-	167.523.207
Rights	96.258.017	1.611.391	100.000	-	-	97.969.408
Customer contracts and relations (*)	-	125.934.000	-	-	-	125.934.000
Trademark (*)	-	24.700.000	-	-	-	24.700.000
Other intangible assets	109.711.310	-	1.730.770	844.049	-	112.286.129
	<b>365.532.682</b>	<b>152.245.391</b>	<b>1.830.770</b>	<b>8.803.901</b>	<b>-</b>	<b>528.412.744</b>
<b>Accumulated Depreciation</b>						
Capitalized development costs	66.895.894	-	12.669.232	-	-	79.565.126
Customer contracts and relations (*)	-	-	6.957.997	-	-	6.957.997
Trademark (*)	-	-	545.881	-	-	545.881
Rights	94.125.321	1.113.775	616.445	-	-	95.855.541
Other intangible assets	78.050.639	-	6.973.082	-	-	85.023.721
	<b>239.071.854</b>	<b>1.113.775</b>	<b>27.762.637</b>	<b>-</b>	<b>-</b>	<b>267.948.266</b>
<b>Net book value</b>	<b>126.460.828</b>	<b>151.131.616</b>	<b>(25.931.867)</b>	<b>8.803.901</b>	<b>-</b>	<b>260.464.478</b>

For the period ended 30 June 2022, amortization expenses amounting to TL 13.098.921 is included in cost of goods sold, TL 934 to research and development expenses, TL 3.599.018 to marketing expenses, TL 11.049.429 to general administrative expenses and TL 14.335 to capitalized development expenses.

**13. GOODWILL**

The movement table of goodwill for the periods ended as of 30 June 2023 and 2022 is as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Opening balance	27.402.832	-
Additions	-	-
Acquire (Note 3)	-	27.402.832
Foreign currency conversion differences	-	-
Closing balance	<b>27.402.832</b>	<b>27.402.832</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**14. PROVISIONS, CONTINGENT AND LIABILITIES**

**Provisions**

<b>Other short-term provisions</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Provision for sales discount premium	519.442.545	-
Provision for export sales discount premium	9.932.944	44.790.955
Provision for sales campaigns	139.128.083	-
Lawsuits	34.249.614	30.031.189
Warranty claims	7.698.431	6.601.327
Other	16.752.537	4.932.729
	<b>727.204.154</b>	<b>86.356.200</b>

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:

	<b>Provision for sales discount premium</b>	<b>Provision for sales campaigns</b>	<b>Provision for export sales discount premium</b>	<b>Lawsuits</b>	<b>Warranty Claims</b>	<b>Other</b>	<b>Total</b>
<b>1 January 2023</b>	-	44.790.955	-	30.031.189	6.601.327	4.932.729	86.356.200
Additions	519.442.545	-	139.128.083	6.292.413	1.097.104	11.819.808	677.779.953
Payments/reversals	-	(34.858.011)	-	(2.073.988)	-	-	(36.931.999)
<b>30 June 2023</b>	<b>519.442.545</b>	<b>9.932.944</b>	<b>139.128.083</b>	<b>34.249.614</b>	<b>7.698.431</b>	<b>16.752.537</b>	<b>727.204.154</b>

	<b>Customer turnover premium provision</b>	<b>Provision for sales campaigns</b>	<b>In return for export commission</b>	<b>Lawsuits</b>	<b>Warranty Claims</b>	<b>Others</b>	<b>Total</b>
<b>1 January 2022</b>	-	26.269.366	-	14.493.358	1.919.911	8.854.943	51.537.578
Additions	128.980.013	167.489.110	107.369.746	3.888.215	-	-	407.727.084
Payments/reversals	-	(26.269.366)	-	(1.194.827)	931.739	1.677.202	(24.855.252)
<b>30 June 2022</b>	<b>128.980.013</b>	<b>167.489.110</b>	<b>107.369.746</b>	<b>17.186.746</b>	<b>2.851.650</b>	<b>10.532.145</b>	<b>434.409.410</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**15. COMMITMENTS**

<b>Received Commitments</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Direct debiting system (D.B.S) limits	1.503.887.878	1.203.091.965
Letter of guarantees received	1.839.817.064	1.331.731.159
Mortgages	1.018.969.605	728.893.088
Export insurance	237.165.735	238.753.698
Cheques and notes receivables received as guarantee	128.822.528	105.538.628
Domestic receivables insurance	2.474.700	15.973.600
Payment guarantees from banks	177.367.554	181.507.464
Letter of credit	95.998.097	89.207.410
Bail checks	13.850.000	13.850.000
Foreign currency blockage received as collateral	2.582.310	1.869.830
	<b>5.020.935.471</b>	<b>3.910.416.842</b>

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 SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**15. COMMITMENTS (Con't)**

As of 30 June 2023, and 31 December 2022, the tables regarding the collateral / pledge / mortgage/ bail ("CPMB") position of the Group are as follows.

CPMBB given by the Group	30 June 2023			31 December 2022		
	Currency	Amount	TL Equivalent	Currency	Amount	TL Equivalent
A. The legal entity that it has given on behalf of its own legal entity Total of CPMBs	TL	113.332.286	113.332.286	TL	19.646.793	19.646.793
	Avro	3.023.814	85.132.459	Avro	2.903.147	43.877.873
B. Total amount of CPMBs given in favor of subsidiaries included in the scope of full consolidation	-	-	-	-	-	-
C. For the purpose of carrying out ordinary business activities, other given by 3rd parties for the purpose of securing their debts Total amount of CPMBs	-	-	-	-	-	-
D. Total amount of other CPMBs given	-	-	-	-	-	-
i) Total amount of CPMBs given in favor of the parent company	-	-	-	-	-	-
ii) Other Group not included in the scope of items B and C Total amount of CPMBs given in favor of groups	-	-	-	-	-	-
iii) In favor of third parties not covered by Article C Total amount of CPMBs given	-	-	-	-	-	-
			<b>184.614.745</b>			<b>63.524.666</b>

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

Except for the CPMB's given by the Group on behalf of its own legal entity, there are no CPMBs 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  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**16. SALES AND COST OF SALES**

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Revenue</b>				
Domestic sales	6.716.861.865	3.020.423.030	3.999.692.978	2.209.137.409
Export sales	3.144.060.895	1.492.133.331	2.359.679.503	1.248.417.428
<b>Sub-total</b>	<b>9.860.922.760</b>	<b>4.512.556.361</b>	<b>6.359.372.481</b>	<b>3.457.554.837</b>
Sales return (-)	(27.123.981)	(16.511.631)	(18.268.790)	(3.807.782)
Sales discount (-)	(678.156.133)	(2.308.163)	(389.143.207)	(216.022.572)
<b>Net Sales</b>	<b>9.155.642.646</b>	<b>4.493.736.567</b>	<b>5.951.960.484</b>	<b>3.237.724.483</b>
<b>Cost of sales</b>	<b>(6.249.718.269)</b>	<b>(3.020.700.513)</b>	<b>(4.076.145.781)</b>	<b>(2.372.944.395)</b>
<b>Gross profit</b>	<b>2.905.924.377</b>	<b>1.473.036.054</b>	<b>1.875.814.703</b>	<b>864.780.088</b>

The details of domestic and export sales are as follow:

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Finished goods	8.842.463.580	4.000.523.988	5.737.213.195	3.102.671.214
Trade goods	904.018.256	445.652.114	573.069.321	316.584.600
Semi-finished goods	3.777.362	-	1.001.491	411.205
Other	110.663.562	66.380.259	48.088.474	37.887.818
<b>Total</b>	<b>9.860.922.760</b>	<b>4.512.556.361</b>	<b>6.359.372.481</b>	<b>3.457.554.837</b>

**17. EXPENSES BY NATURE**

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Raw materials and supplies	4.154.321.722	1.905.150.952	3.124.442.952	1.810.808.574
Personnel expenses and direct labor expenses	1.312.696.563	671.498.691	589.506.245	341.326.324
Cost of trade goods sold	453.439.526	237.641.382	322.260.724	184.010.557
Depreciation and amortization	180.267.288	94.160.436	138.540.934	74.496.219
General production expenses	621.769.053	263.805.812	423.240.308	218.481.817
Transportation and storage expenses	239.381.742	108.743.862	186.126.461	111.570.150
Advertising expenses	98.048.060	79.846.451	50.826.419	38.055.060
Royalty and sales commission expenses	153.872.917	75.526.199	95.792.478	50.631.552
Doubtful receivables expense, net	12.275.869	14.485.946	19.080.116	11.028.293
Communication and information expenses	30.503.301	16.127.831	19.132.359	11.028.315
Consulting expense	25.941.692	15.199.234	23.353.613	16.696.872
Repair, maintenance, and repair expense	28.368.608	15.070.236	13.986.537	7.343.605
Other taxes and fees	4.778.241	2.404.733	2.926.238	983.808
Faulty tire compensation expense	5.459.125	2.374.957	5.061.389	3.241.551
Provision for inventory impairment	4.771.555	2.730.997	8.676.248	6.147.308
Energy expenses	16.908.376	5.293.301	10.689.415	4.096.709
Insurance expenses	11.052.078	5.422.560	7.028.767	3.876.990
Claims for defective tires	1.974.965	967.008	1.102.527	560.511
Change in semi-finished goods	101.959.839	107.665.125	(57.176.598)	(22.094.315)
Change in finished goods	(137.289.316)	(48.963.372)	(284.979.921)	(126.616.076)
Other expenses	76.304.303	39.334.557	50.814.888	18.014.327
	<b>7.396.805.507</b>	<b>3.614.486.898</b>	<b>4.750.432.099</b>	<b>2.763.688.151</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 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:

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Depreciation and amortization expenses</b>				
Cost of sales (*)	129.789.253	68.603.774	103.472.314	52.912.032
Marketing expense	20.569.146	10.434.287	15.868.903	8.148.222
General administrative expenses	27.428.569	13.869.643	18.700.874	13.072.141
Research and development expenses	2.480.320	1.252.732	498.843	363.824
	<b>180.267.288</b>	<b>94.160.436</b>	<b>138.540.934</b>	<b>74.496.219</b>

(\*) Depreciation expense amounting to TL 23.269.691 remaining in inventories as of 31 December 2022 has been included in the cost of sales after sales of related inventories in 2023.

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Personnel expense</b>				
Cost of sales	921.965.993	481.626.942	430.978.101	250.731.499
Marketing expense	204.704.058	109.351.847	92.234.924	54.636.188
General and administrative expense	157.997.106	66.462.617	58.554.262	30.290.043
Research and development expenses	28.029.406	14.057.285	7.738.958	5.668.594
	<b>1.312.696.563</b>	<b>671.498.691</b>	<b>589.506.245</b>	<b>341.326.324</b>

**18. OTHER OPERATING INCOME AND EXPENSES**

The details of other income and expenses from main operations for the periods ended on 30 June 2023 and 2022 are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Other operating income</b>				
Income from derivative financial instruments (**)	187.942.474	187.942.474	25.437.954	15.142.654
Interest income from trade receivables	451.775.030	233.582.259	126.538.243	71.135.005
Interest income from operations	2.422.742	1.595.742	667.556	243.752
Other income	44.014.481	16.976.098	12.747.715	9.378.971
	<b>686.154.727</b>	<b>440.096.573</b>	<b>165.391.468</b>	<b>95.900.382</b>
<b>Other operating expenses</b>				
Foreign exchange losses on operations, net (*)	429.240.586	375.904.063	257.281.107	164.319.453
Interest expenses of trade payables (*)	293.130.890	150.441.337	152.297.679	87.212.413
Loss from derivative financial instruments, net (**)	39.730.919	8.627.452	2.007.500	2.007.500
Interest expense from operations	25.738.990	10.063.022	10.200.678	7.714.339
Credit card commission expenses	69.991.415	43.687.971	35.819.025	17.729.747
Other expenses	3.853.434	2.310.069	2.647.332	2.647.234
	<b>861.686.234</b>	<b>591.033.914</b>	<b>460.253.321</b>	<b>281.630.686</b>

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

(\*\*) The amount consists 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  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Income from Investing Activities</b>				
FX protected TL deposit income (*)	233.077.430	125.459.380	10.266.784	10.266.784
Gain on sale of property, plant and equipment	413.968	412.789	1.319.831	624.246
	<b>233.491.398</b>	<b>125.872.169</b>	<b>11.586.615</b>	<b>10.891.030</b>
	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Expenses from Investing Activities (-)</b>				
Loss on sale of property, plant and equipment	760.892	760.892	15.050	1.221
	<b>760.892</b>	<b>760.892</b>	<b>15.050</b>	<b>1.221</b>

(\*) For the period ending on 30 June 2023, the Group has accounted for the fair value difference of TL 159.251.485 related to the foreign exchange rate protected deposit account in its consolidated statement.

**20. FINANCE INCOME AND EXPENSES**

As at 30 June 2023 and 2022, details of financial income and expenses are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Foreign currency gains from bank deposits	254.327.109	236.234.550	344.459.392	211.354.728
Interest income from banks	292.268.739	138.526.454	37.973.695	11.137.843
Interest income from Eurobond	4.630.293	2.196.096	-	-
<b>Total finance revenues</b>	<b>551.226.141</b>	<b>376.957.100</b>	<b>382.433.087</b>	<b>222.492.571</b>
	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Interest expenses on borrowings	303.160.765	132.232.051	261.184.435	155.850.597
Interest expense included in cost of fixed assets	(2.112.031)	-	(1.077.962)	(651.006)
<b>Total interest expense</b>	<b>301.048.734</b>	<b>132.232.051</b>	<b>260.106.473</b>	<b>155.199.591</b>
Foreign currency losses from borrowings, net	122.273.907	113.563.908	59.692.800	34.474.300
Investment fund financing expenses	-	-	884.256	884.256
Sukuk issuance coupon participation expense	207.710.780	111.371.744	-	-
Bond commission and interest expense	296.512.406	208.591.585	-	-
Interest expense related to leases	3.413.125	1.747.092	1.342.178	728.644
Other financial expenses	48.936.990	31.287.388	39.958.803	23.022.474
<b>Total finance expenses</b>	<b>979.895.942</b>	<b>598.793.768</b>	<b>361.984.510</b>	<b>214.309.265</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**21. INCOME TAXES**

**Corporation tax**

	<b>30 June 2023</b>	<b>31 December 2022</b>
Corporate income tax provision for the current period (*)	113.680.040	28.007.704
Less: Prepaid taxes	(20.127.210)	(23.825.782)
<b>Current tax liabilities /(assets)</b>	<b>93.552.830</b>	<b>4.181.922</b>

(\*) Within the scope of Article 10 of Law No. 7440, there is a one-time additional tax amount of TL 186,419,758 at the rate of 10% over the exemption and discount amounts deducted from the corporate income and the tax bases subject to discounted corporate tax, without being associated with the period earnings. 2 installments, the first installment amounting to TL 90.461.451 has been paid within the payment period of corporate tax and the second installment will be paid in the fourth month following this period. The current corporate tax provision includes the tax effect of the foreign exchange loss of TL 886.281 calculated at the effective tax rate of the foreign exchange loss reclassified to other comprehensive income of time deposits within the scope of hedging. (31 December 2022: None)

Current corporate tax provision in excess of prepaid corporate tax amounting to TL 93.552.830 is recognized in current period income tax liabilities (31 December 2022: Current Period Tax Liabilities amounting to TL 4.181.922).

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 statutory tax base, which will be calculated by adding non-deductible expenses to the commercial income of the companies in accordance with the tax laws and deducting the exemptions in the tax laws, was applied as 20% after January 1, 2021. However, with the Provisional Article 13 added to the Corporate Tax Law No. 5520 with Article 11 of the Law No. 7316 on the Amendment of the Law on the Collection Procedure of Public Receivables and Certain Laws, which entered into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462, the corporate tax rate has been regulated to be applied as 25% for the corporate earnings for the taxation period of 2021 and 23% for the corporate earnings for the taxation period of 2022. Therefore, in the consolidated financial statements for the interim period ended December 31, 2022, the tax rate used in the period tax calculations is 23%.

Within the scope of the amendment, deferred tax assets and liabilities in the financial statements for the interim period ending June 30, 2023, a rate of 20% has been used for the portions of temporary differences that will have a tax effect in 2023 and subsequent periods.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**21. TAXATION ON INCOME (Cont'd)**

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Current tax expense (-) (*)	(203.255.210)	(15.085.716)	(12.193.537)	(5.885.824)
Deferred tax expense /income	(36.807.231)	(6.150.422)	(3.261.022)	7.556.810
	<b>(240.062.441)</b>	<b>(21.236.138)</b>	<b>(15.454.559)</b>	<b>1.670.986</b>

(\*) Within the scope of Article 10 of Law No. 7440, in the calculation of corporate tax for the year 2022, it includes a one-time additional tax amount of TL 186.419.758 at the rate of 10 percent over the exemption and discount amounts deducted from corporate income and the bases subject to discounted corporate tax, without being associated with the period earnings.

The reconciliation of tax expense in the income statements for the accounting periods ending on June 30, 2023, and June 30, 2022 is as follows:

<b>Reconciliation of tax provision:</b>	<b>1 January- 30 June 2023</b>	<b>%</b>	<b>1 January- 30 June 2022</b>	<b>%</b>
Profit before taxation on income	1.387.366.337		938.686.674	
Corporate tax rate %20 (2022: %23)	(277.473.267)	(20,00)	(215.897.935)	(23,00)
Tax effect:				
- Non-taxable income (*)	20.664.555	1,49	5.945.970	0,63
- Non-deductible expenses	(119.916.679)	(8,64)	(90.611.420)	(9,65)
- Non-deductible expenses, additional tax	(186.419.758)	(13,44)		
- Corporate tax rate change effect	-	-	(1.431.061)	0,15
- R&D incentive	12.639.140	0,91	8.279.735	0,88
- Discounted corporate tax deferred tax income / (expense)	36.924.384	2,66	(9.622.900)	(1,03)
- Income tax exemption arising from fx protected TL deposit	29.722.158	2,14	-	-
- Other	(20.778.762)	(1,50)	14.437.410	1,54
- Reduced corporate tax	264.575.788	19,07	273.445.642	29,13
<b>Tax provision income / (expense) in the statement of profit or loss</b>	<b>(240.062.441)</b>	<b>(17,30)</b>	<b>(15.454.559)</b>	<b>(1,65)</b>

(\*) The Group has obtained Corporate Tax Exemption advantage amounting to TL 15.734.903 due to the income from the fx protected TL deposit account.

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  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 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. have 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  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 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	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Deferred tax assets</b>				
Allowance for doubtful receivables	87.582.413	78.470.409	17.516.482	15.694.081
Provision for employment termination benefits	518.466.146	579.066.312	103.693.229	115.813.263
Trade receivables	167.329.237	191.410.779	33.465.847	38.282.156
Provision for bonus premium	61.060.494	62.373.300	12.212.099	12.474.660
Inventories	138.046.408	79.224.509	27.609.282	15.844.902
Provision for lawsuits	34.249.614	30.031.189	6.849.923	6.006.238
Provision for unused vacation liability	52.590.715	24.265.455	10.518.143	4.853.091
Provision for warranty claims	7.698.431	6.601.325	1.539.686	1.320.265
Investment incentive	-	-	346.497.763	309.573.379
Export seasonality adjustment	8.097.587	31.347.275	1.619.517	6.269.455
Lease liability	56.760.691	36.864.142	11.352.138	7.372.828
Deferred income	91.472.431	67.333.418	18.294.486	13.466.684
Other provisions	9.932.944	44.790.955	1.986.589	8.958.191
Other	80.261.733	6.187.694	16.052.346	1.237.539
	<b>1.313.548.844</b>	<b>1.237.966.762</b>	<b>609.207.530</b>	<b>557.166.732</b>
<b>Deferred tax liabilities</b>				
Forward currency valuation differences	327.335.268	143.886.734	65.467.054	28.777.346
Tangible and intangible assets	745.807.207	621.923.747	149.161.442	124.384.749
Trade payables	73.292.867	67.863.595	14.658.573	13.572.719
Other	24.377.212	3.092.267	4.875.441	618.454
	<b>1.170.812.554</b>	<b>836.766.343</b>	<b>234.162.510</b>	<b>167.353.268</b>
<b>Deferred tax assets / (liabilities), net</b>			<b>375.045.020</b>	<b>389.813.464</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 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 30 June 2023 and 2022 are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
<b>Opening as of 1 January</b>	389.813.464	180.752.600
Acquire effect (Note 3)	-	(16.981.658)
Recognized in profit or loss statement	(36.807.231)	(3.261.022)
Income/ (expense) recognized in equity	22.038.787	3.479.256
<b>Closing as of 30 June</b>	<b>375.045.020</b>	<b>163.989.176</b>

**Tax Advantages Obtained under the Investment Incentive System**

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 3.196.547 for the accounting period of 1 January - 30 June 2023.

The Group's investment incentive certificate application to the Ministry of Economy, General Directorate of Incentive Implementation and Foreign Capital was approved and the Investment Incentive Certificate dated August 20, 2015 and numbered 120314 was issued for the expansion investment amounting to TL 690.443.917 with a start date of May 21, 2015 and an end date of May 21, 2020 within the scope of large scale investments. The investment contribution rate provided by the investment incentive certificate is 25% and the tax reduction rate is 50%. On July 22, 2022, the amount of the certificate was increased to TL 1.513.666.277. In addition, on 20 December 2022, the document was revised again, and the total investment amount was increased to TL 2.087.461.936. The investment period of the first investment incentive certificate dated August 20, 2015 for the Group's İzmit factory was extended by the "Decision on the Amendment of the Decision on State Aids in Investments (Decision No: 323)" published in the Official Gazette dated November 9, 2018 and numbered 30590. According to Article 2 of this published decision, the duration of the document was extended by 2.5 years to November 2022. In accordance with the provision of the provisional article 14 amended by the Presidential Decree No. 2021/4191 published in the Official Gazette dated 29 June 2021 and numbered 31526, it was extended until November 21, 2024 with an additional extension of 2 years. Within the scope of this incentive certificate, the Group benefited from reduced corporate tax amounting to TL 84.383.269 between 2015 - 2022 and TL 129.852.685 between 1 January - 30 June 2023.



**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**21. TAXATION ON INCOME (Cont'd)**

**Investment incentive certificate (cont'd)**

In line with the Group's decision to invest in the second factory to be located in Aksaray Organized Industrial Zone, the application for Investment Incentive Certificate made to the Republic of Turkey Ministry of Economy, General Directorate of Incentive Implementation and Foreign Capital has been approved and Investment Incentive Certificate dated 13 February 2014 and numbered 113798 has been issued for the new factory investment amounting to TL 495.000.000 with a start 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 reduction rate is 90%.

Pursuant to the letter dated March 28, 2016 and numbered 67577454-401.07 - E.36663 of the Republic of Turkey Ministry of Economy, General Directorate of Incentive Implementation and Foreign Investment, the domestic and imported machinery and equipment lists for the Complete New Investment in Aksaray Factory were revised and approved and the total investment expenditure was increased to 755,998,847 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 TL 1,374,547,375. 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 has benefited from reduced corporate tax amounting to TL 694.357.286 between 2013 - 2022 and TL 117.509.713,75 between 1 January - 30 June 2023.

The term of the investment incentive certificate dated October 9, 2013 and numbered 113798 for the Group's Aksaray factory has been extended from October 9, 2018 to April 9, 2022 with the extension permission obtained on March 23, 2021. In addition, the investment period of the incentive certificate was extended until April 9, 2023 in accordance with the provision of the provisional article 14 amended by the Presidential Decree No. 2021/4191 published in the Official Gazette dated June 29, 2021 and numbered 31526. Due to the expiration of the certificate, the application for the closure of the investment incentive certificate has been made as of 07.03.2023 and the document closure processes are ongoing before the General Directorate of Incentive Implementation and Foreign Capital of the Ministry of Economy.

In line with the expansion investment decision of the Group in Aksaray factory, the investment incentive certificate application made to the General Directorate of Incentive Implementation and Foreign Capital of the Ministry of Economy has been approved and a new 3-year incentive certificate with a start date of 27.12.2022, number 551117 and dated 30.03.2023 amounting to TL 934.558.927 has been issued within the scope of regional priority investments. The investment contribution rate of the certificate is 40% and the tax discount rate is 80%.

Pursuant to the provisional Article 8 of the Decree on the Amendment of the Decree on State Aids in Investments dated 15.06.2012 and numbered 2012/3305, 15% additional contribution amount right and 100% tax deduction right has been obtained for the investment expenditures made within the scope of our Aksaray incentive certificate numbered 113798 and İzmit incentive certificate numbered 120314 between 2017-2022.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**21. TAXATION ON INCOME (Cont'd)**

**Investment incentive certificate (cont'd)**

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Where it is probable that taxable income will be available, deferred tax assets are recognized for deductible temporary differences, tax losses and investment incentives with indefinite useful lives that allow for the payment of reduced corporate income tax. In this context, the Group bases the recognition of deferred tax assets arising from investment incentives in the consolidated financial statements on long-term plans and evaluates the recoverability of deferred tax assets related to such investment incentives at each balance sheet date based on business models including taxable profit forecasts.

Changes in taxable profit estimates, capital expenditure amounts and the current year corporate tax rate have been reflected in the business model and sensitivity analyses have been performed and there has been no significant change in the recoverability of deferred tax assets.

As of June 30, 2023, in the sensitivity analysis performed by increasing/decreasing the inputs included in the basic macroeconomic and sectoral assumptions that make up the business plans by 10%, there is no change in the recovery period of deferred tax assets related to investment incentives, which is projected as 3 years.

As of June 30, 2023, the Group estimates that it will be able to benefit from reduced corporate tax amounting to TL 1.399.375.334 in the following years within the scope of incentivized investment certificates. However, due to the unpredictability of the realization of the benefit, the Group has recognized deferred tax assets amounting to TL 346.497.763 calculated for the foreseeable 3 years.

**22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Trade receivables from related parties generally arise from sales transactions and their approximate maturity is 4 days (31 December 2022: 8 days). Trade payables to related parties generally arise from purchase transactions and their approximate maturity is 155 days (31 December 2022: 158 days).

**Balance with related parties**

	<b>30 June 2023</b>			
	<b>Receivables</b>		<b>Payables</b>	
	<b>Short/Long term</b>		<b>Short /Long term (*)</b>	
	Trade	Non-trade	Trade	Non-trade
<b>Shareholders</b>				
Bridgestone Corporation	907.478	-	205.323.912	2.612.579
<b>Other companies managed by the main partners</b>				
Bridgestone Europe S.A/N.V.	240.091.162	-	28.627.208	-
Bridgestone Hispania	-	-	1.919.449	-
Akbank T.A.Ş(*)	141.637.736	-	-	-
Ak Sigorta A.Ş.	-	-	4.814.212	-
Bridgestone Singapore Pte. Ltd.	-	-	709.420.000	-
Temsa Ulaşım Araçları San. Tic. A.Ş.	18.312.944	-	-	-
Kordsa Teknik Tekstil A.Ş.	-	-	305.613.633	-
Enerjisa Enerji Üretim A.Ş.	-	-	45.395.649	-
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	-	-	5.224.490	-
Bridgestone Carbon Black Co. Ltd.	-	-	14.144.204	-
Firestone Polymers, LLC.	-	-	1.047.919	-
Bridgestone TCE	1.803.510	-	-	-
Lasder Lastik Sanayicileri Derneği	-	-	1.985.851	-
Bridgestone Plant Engineering Co. Ltd.	-	-	4.623.623	-
Enerjisa Müşteri Çözümleri A. Ş	-	-	23.848.463	-
Other	5.774.475	375.282	7.371.774	-
	<b>408.527.305</b>	<b>375.282</b>	<b>1.359.360.387</b>	<b>2.612.579</b>

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

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 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
<b>Shareholders</b>				
H.Ö. Sabancı Holding A.Ş.	-	-	142.599	-
Bridgestone Corporation	620.525	-	188.670.936	2.020.126
<b>Other companies managed by the main partners</b>				
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	-
	<b>206.780.013</b>	<b>153.266</b>	<b>1.484.889.722</b>	<b>2.020.126</b>

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
<b>Finished Goods and Merchandise Sales</b>				
<b>Shareholders</b>				
Bridgestone Corporation	819.618	819.618	308.640	308.640
<b>Other companies managed by the main partners</b>				
Bridgestone Europe SA./N.V.	640.703.278	360.159.961	726.917.150	406.901.577
Temsa Ulaşım Araçları San.ve Tic. A.Ş.	25.023.308	14.778.934	10.813.493	5.586.677
Bridgestone Tatabanya Termelo	-	-	326.439	200.260
Bridgestone Poznan Sp. Z.o.o.	3.686.321	-	505.428	84.354
Bridgestone Hispania	-	-	59.953	59.953
Other	1.464.595	622.140	4.038.116	4.038.116
	<b>671.697.120</b>	<b>376.380.653</b>	<b>742.969.219</b>	<b>417.179.577</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

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

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Other sales</b>				
<b><u>Shareholders</u></b>				
Bridgestone Corporation	711.157	678.493	48.489	48.489
<b><u>Other companies managed by the main partners</u></b>				
Bridgestone Europe SA./N.V.	1.628.794	760.417	1.102.880	673.489
Temsa Ulaşım Araçları San.ve Tic. A.Ş.	809.911	435.351	260.229	260.229
Temsa Motorlu Araçlar	-	-	246.197	246.197
Temsa İş Makineleri	-	-	677.588	677.588
Other	1.026.739	552.873	2.888.647	2.110.042
	<b>4.176.601</b>	<b>2.427.134</b>	<b>5.224.030</b>	<b>4.016.034</b>
<b>Purchases of Raw Materials, Semi Finished Goods and Consumables</b>				
<b><u>Shareholders</u></b>				
Bridgestone Corporation	7.773.620	3.849.107	7.692.127	4.090.126
<b><u>Other companies managed by the main partners</u></b>				
Bridgestone Singapore Pte. Ltd.	794.702.049	551.710.531	831.559.036	444.566.297
Kordsa Teknik Tekstil A.Ş.	322.809.564	148.454.432	259.437.935	123.200.925
Bridgestone (Shenyang) Steel Cord Co.	-	-	1.635.929	-
Bridgestone Carbon Black Co. Ltd.	21.986.687	19.583.803	12.027.724	9.418.533
Firestone Polymers, LLC.	23.875.282	15.810.086	11.634.488	7.964.472
Other	10.725.606	5.379.421	9.732.402	2.995.674
	<b>1.181.872.808</b>	<b>744.787.380</b>	<b>1.133.719.641</b>	<b>592.236.027</b>
<b>Purchases of finished goods and trade goods</b>				
<b><u>Shareholders</u></b>				
Bridgestone Corporation	126.937.181	64.942.751	81.136.963	56.870.926
<b><u>Other companies managed by the main partners</u></b>				
Bridgestone Europe SA./N.V.	255.244.638	132.307.282	197.953.785	96.662.955
Enerjisa Enerji Üretim A.Ş.	246.068.747	110.257.469	142.620.724	77.582.542
Enerjisa Doğalgaz Toptan Satış A.Ş.	-	-	12.140	-
Bridgestone Brasil	15.102.962	5.916.665	-	-
Other	5.639.682	2.869.543	3.331.310	1.753.865
	<b>648.993.210</b>	<b>316.293.710</b>	<b>425.054.922</b>	<b>232.870.288</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

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

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Purchases of services</b>				
<b><u>Shareholders</u></b>				
H. Ö. Sabancı Holding A.Ş.	799.274	119.692	530.787	307.839
<b><u>Other companies managed by the main partners</u></b>				
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	20.587.625	8.506.671	19.564.228	8.733.578
Aksigorta A.Ş.	79.512.980	14.297.644	41.483.261	4.973.017
Lasder Lastik San. Derneği İktisadi İşletmesi	11.095.877	5.441.292	6.938.165	3.934.084
Other	6.679.636	3.851.375	2.288.829	1.674.910
	<b>118.675.392</b>	<b>32.216.674</b>	<b>70.805.270</b>	<b>19.623.428</b>
	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Rent Expense</b>				
<b><u>Other companies managed by the main partners</u></b>				
Exsa Export Sanayi Mamulleri A.Ş.	1.641.564	820.782	952.680	476.340
Temsa Motorlu Araçlar Pazarlama A.Ş.	33.843	33.843	-	-
	<b>1.675.407</b>	<b>854.625</b>	<b>952.680</b>	<b>476.340</b>
	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Purchase of fixed assets</b>				
<b><u>Shareholders</u></b>				
Bridgestone Corporation	18.593.249	1.280.470	921.334	921.334
<b><u>Other companies managed by the main partners</u></b>				
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	2.702.826	1.505.272	6.438.564	3.533.302
Bridgestone Plant Eng.	9.163.195	8.549.447	2.464.504	1.995.038
Bridgestone Logistics Co.	6.655	-	1.619.363	1.613.278
Other	783.940	186.565	612.680	552.532
	<b>31.249.865</b>	<b>11.521.754</b>	<b>12.056.445</b>	<b>8.615.484</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

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

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Commission expense (Sales premium, Royalty and Interest Expense)</b>				
<b>Shareholders</b>				
Bridgestone Europe SA./N.V.	153.872.917	75.526.199	95.771.859	50.610.933
Ak Yatırım Menkul Değerler A.Ş.	53.353.091	-	-	-
Bridgestone Corporation	-	-	20.619	20.619
	<b>207.226.008</b>	<b>75.526.199</b>	<b>95.792.478</b>	<b>50.631.552</b>
	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
<b>Financial Income</b>				
Akbank T.A.Ş.	162.911.615	102.701.974	12.592.850	4.390.069
	<b>162.911.615</b>	<b>102.701.974</b>	<b>12.592.850</b>	<b>4.390.069</b>
<b>Financial Expense</b>				
Akbank Malta	14.653.025	9.394.502	16.477.002	6.639.954
Ak Yatırım Menkul Değerler A.Ş.	278.083.082	198.206.370	-	-
Akbank T.A.Ş.	32.131.839	11.853.165	41.260.917	27.120.334
	<b>324.867.946</b>	<b>219.454.037</b>	<b>57.737.919</b>	<b>33.760.288</b>
		<b>30 June 2023</b>	<b>31 December 2022</b>	
<b>Demand deposits</b>				
Akbank T.A.Ş.		354.247.834	87.729.849	
		<b>354.247.834</b>	<b>87.729.849</b>	
<b>Time deposits (**) (less than 3 months)</b>				
Akbank T.A.Ş.		1.834.303.209	816.541.811	
		<b>1.834.303.209</b>	<b>816.541.811</b>	
<b>Credit cards slip receivables</b>				
Akbank T.A.Ş.		311.706.495	288.270.939	
		<b>311.706.495</b>	<b>288.270.939</b>	
<b>Derivative assets</b>				
Akbank Malta		1.059.795.113	1.358.388.470	
		<b>1.059.795.113</b>	<b>1.358.388.470</b>	
<b>Financial investment</b>				
Akbank T.A.Ş.		668.347.487	526.126.747	
		<b>668.347.487</b>	<b>526.126.747</b>	
<b>Short-term financial liabilities (****)</b>				
Akbank T.A.Ş.		201.234.344	426.593.028	
Ak Yatırım Menkul Değerler A.Ş.		1.899.376.654	-	
		<b>2.100.610.998</b>	<b>426.593.028</b>	
<b>Long-term financial liabilities (****)</b>				
Ak Yatırım Menkul Değerler A.Ş.		741.985.038	-	
		<b>741.985.038</b>	<b>-</b>	

(\*\*) The interest rates of the Group's time deposits from related parties are 44-45% for TL and the maturity date is July 2023.

(\*\*\*\*) The Group's short-term financial liabilities to related parties are to Ak Yatırım Menkul Değerler A.Ş. and Akbank T.A.Ş. denominated in TL with average interest rates of 32% and 14% and maturities in March 2024 and July 2023, respectively.

(\*\*\*\*) The Group's long term financial liabilities to related parties are due to Ak Yatırım Menkul Değerler A.Ş. in TL with an average interest rate of 32% and maturity date is March 2025.

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

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

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Advanced Given</b>		
Bridgestone Corporation	318.804	4.442.452
Bridgestone Europe S.A/N.V.	12.891.330	10.947.808
Bridgestone Brasil	1.589.057	-
Bridgestone Logistic Co. LTD	-	886.707
Bridgestone Plant Engineering	178.251	154.695
Firestone Polymers, LLC.	5.106.110	4.993
	<b>20.083.552</b>	<b>16.436.655</b>
<b>Advanced Received</b>		
Bridgestone Europe N.V./S.A.	107.772.364	-
	<b>107.772.364</b>	-

There are no guarantees given or received for 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.

As at 30 June 2023 and 2022, benefits provided to key management personnel are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Salary and other short-term benefits	57.833.553	29.897.517	11.929.344	5.406.204
Employee termination benefits	201.462	173.648	484.509	535.959
Other long-term benefits	893.381	529.401	186.627	93.930
	<b>58.928.396</b>	<b>30.600.566</b>	<b>12.600.480</b>	<b>6.036.093</b>

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

**Market Risk**

***Foreign Currency Exchange Risk***

The foreign currency equivalents of the Group's assets and liabilities as of 30 June 2023 and 31 December 2022 are as follows:

<b>Currency Position Table</b>	<b>30 June 2023</b>				
	<b>TL Equivalent (Valid Currency)</b>	<b>USD</b>	<b>EUR</b>	<b>JPY</b>	<b>GBP</b>
Cash and cash equivalents	349.208.390	6.218.353	6.147.549	3.778.049	453.360
Trade Receivables	760.924.031	7.135.717	16.908.416	-	3.066.916
Other receivables	596.583	1.095	17.792	374.700	-
Trade receivables from related parties	248.159.351	-	8.814.355	-	-
Other trade receivables from related parties	375.293	-	13.330	-	-
<b>Current Assets</b>	<b>1.359.263.648</b>	<b>13.355.165</b>	<b>31.901.442</b>	<b>4.152.749</b>	<b>3.520.276</b>
Trade Receivables	32.301	345	-	-	713
<b>Non-Current Assets</b>	-	-	-	-	-
<b>Total Assets</b>	<b>32.301</b>	<b>345</b>	<b>-</b>	<b>-</b>	<b>713</b>
<b>Current Assets</b>	<b>1.359.295.949</b>	<b>13.355.510</b>	<b>31.901.442</b>	<b>4.152.749</b>	<b>3.520.989</b>
Trade payables	919.389.825	1.526.214	30.738.023	2.388.598	379.490
Trade payables from related parties	1.116.407.279	32.355.605	9.684.489	34.420.797	-
Other trade payables to related parties	2.609.306	-	-	14.412.632	-
Short-term portion of long-term bank borrowings	1.919.427.588	74.196.261	-	-	-
<b>Short-term liabilities</b>	<b>3.957.833.998</b>	<b>108.078.080</b>	<b>40.422.512</b>	<b>51.222.027</b>	<b>379.490</b>
Long-term financial liabilities	1.406.666.768	54.375.281	-	-	-
<b>Long-term Financial Liabilities</b>	<b>1.406.666.768</b>	<b>54.375.281</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>5.364.500.766</b>	<b>162.453.361</b>	<b>40.422.512</b>	<b>51.222.027</b>	<b>379.490</b>
<b>Net Foreign Currency Position</b>	<b>(4.005.204.817)</b>	<b>(149.097.851)</b>	<b>(8.521.070)</b>	<b>(47.069.278)</b>	<b>3.141.499</b>
Total foreign currency amount of off-balance sheet derivative financial assets	3.921.095.156	151.571.542	-	-	-
<b>Total Foreign Currency Amount of off-balance sheet derivative financial liabilities (*)</b>	<b>3.921.095.156</b>	<b>151.571.542</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Foreign Currency Asset / (Liabilities) position (***)</b>	<b>(84.109.661)</b>	<b>2.473.691</b>	<b>(8.521.070)</b>	<b>(47.069.278)</b>	<b>3.141.499</b>
Total fair value of financial instruments used for foreign currency hedges	213.880.083	-	-	-	-
<b>Hedged Amount of Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Hedged Amount of Foreign Currency Liabilities</b>	<b>(3.921.095.156)</b>	<b>(151.571.542)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Export (**)	3.144.060.895	46.598.859	100.353.291	-	5.862.186
Import (**)	3.300.856.153	32.125.275	48.661.738	476.977.572	3.283

(\*) As of June 30, 2023, the Group has engaged in a forward contract amounting to \$5,400,000, Deposit Hedge of \$15,000,000, and a Eurobond transaction of \$7,000,000 to hedge against the exchange rate risk associated with import transactions that will take place in the year 2023. These amounts are not presented within the Cash and Cash Equivalents section of the exchange rate risk table.

(\*\*) The adjustment for maturities of sales and purchases has not been taken into account in the foreign currency balances of exports and imports for the years 2023 and 2022. Exchange rates on the dates of exports have been considered for the Turkish lira equivalents of exports. Monthly average exchange rates have been used to calculate the Turkish lira equivalent of imports.

(\*\*\*) In addition, the Group holds 786,669,257 TL in fx protected TL deposit (Note 4), representing the foreign currency balances that it can reclaim when due, in order to hedge against exchange rate risks.



**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 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)**

**Foreign Currency Exchange Risk**

	31 December 2022				
Currency Position Table	TL Equivalent (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	-	-
<b>Current Assets</b>	<b>807.693.018</b>	<b>31.312.200</b>	<b>9.363.051</b>	<b>2.412.856</b>	<b>1.557.768</b>
Trade receivables	22.569	345	-	-	713
<b>Non-Current Assets</b>	<b>22.569</b>	<b>345</b>	<b>-</b>	<b>-</b>	<b>713</b>
<b>Total Assets</b>	<b>807.715.587</b>	<b>31.312.545</b>	<b>9.363.051</b>	<b>2.412.856</b>	<b>1.558.481</b>
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	-	-	-
<b>Current Liabilities</b>	<b>4.604.740.431</b>	<b>160.742.786</b>	<b>76.942.148</b>	<b>375.320.062</b>	<b>165.675</b>
Long-term bank borrowings	1.327.360.872	70.860.606	-	-	-
<b>Long-term Bank Borrowings</b>	<b>1.327.360.872</b>	<b>70.860.606</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>5.932.101.303</b>	<b>231.603.392</b>	<b>76.942.148</b>	<b>375.320.062</b>	<b>165.675</b>
<b>Net Foreign Currency Position</b>	<b>(5.124.385.716)</b>	<b>(200.290.847)</b>	<b>(67.579.097)</b>	<b>(372.907.206)</b>	<b>1.392.806</b>
Total foreign currency amount of off-balance sheet derivative financial assets	3.822.337.310	204.053.881	-	-	-
<b>Total Foreign Currency Amount of Off-balance sheet derivative financial liabilities (*)</b>	<b>3.822.337.310</b>	<b>204.053.881</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Foreign Currency Asset / (Liabilities) position (***)</b>	<b>(1.302.048.406)</b>	<b>3.763.034</b>	<b>(67.579.097)</b>	<b>(372.907.206)</b>	<b>1.392.806</b>
Total fair value of financial instruments used for currency hedge	33.529.605	-	-	-	-
<b>Hedged Amount of Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Hedged Amount of Foreign Currency Liabilities</b>	<b>(3.503.893.310)</b>	<b>(204.053.882)</b>	<b>-</b>	<b>-</b>	<b>-</b>
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  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 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)**

***Foreign Currency Exchange Risk***

The Group is exposed to currency risk mainly in US Dollar, Euro, GBP and Japanese Yen. In order to eliminate the risks on the 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**

	<b>30 June 2023</b>			
	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	6.337.237	(6.337.237)	(392.109.516)	392.109.516
2-Hedged USD (-)	-	-	392.109.516	(392.109.516)
<b>3-USD Net Effect (1+2)</b>	<b>6.337.237</b>	<b>(6.337.237)</b>	-	-
Change in EUR against TL by 10%				
4 – EUR net asset / liability	(24.195.567)	24.195.567	-	-
5 – Hedged EUR (-)	-	-	-	-
<b>6- Eur Net Effect (4+5)</b>	<b>(24.195.567)</b>	<b>24.195.567</b>	-	-
Change in other currencies against TL by 10%				
7- Other currencies net asset/ liability	9.447.364	(9.447.364)	-	-
8- Hedged other currencies (-)	-	-	-	-
<b>9- Other Currencies Net Effect (7+8)</b>	<b>9.447.364</b>	<b>(9.447.364)</b>	-	-
<b>TOTAL (3+6+9)</b>	<b>(8.410.966)</b>	<b>8.410.966</b>	-	-

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 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**

	<b>31 December 2022</b>			
	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)
<b>3-USD Net Effect (1+2)</b>	<b>6.943.392</b>	<b>(6.943.392)</b>	-	-
Change in EUR against TL by 10%				
4 – EUR net asset / liability	(134.994.477)	134.994.477	-	-
5 – Hedged EUR (-)	-	-	-	-
<b>6- Eur Net Effect (4+5)</b>	<b>(134.994.477)</b>	<b>134.994.477</b>	-	-
Change in other currencies against TL by 10%				
7- Other currencies net asset/ liability	(2.153.756)	2.153.756	-	-
8- Hedged other currencies (-)	-	-	-	-
<b>9- Other Currencies Net Effect (7+8)</b>	<b>(2.153.756)</b>	<b>2.153.756</b>	-	-
<b>TOTAL (3+6+9)</b>	<b>(130.204.841)</b>	<b>130.204.841</b>	-	-

**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  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 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 30 June 2023 and 31 December 2022 is presented below.

<b>30 June 2023</b>	<b>%</b>	<b>Gross Trade Receivables (*)</b>	<b>Doubtful Receivables Provision</b>
Domestic – Dealers	9%	1.956.627.756	175.965.015
Export Receivables	2%	764.350.684	15.995.412
Receivables from Automotive Manufacturers	1%	539.969.591	3.423.589
Domestic- Customers	13%	126.226.929	16.418.237
Trade Receivables from Related Parties	-	408.527.305	-
	<b>6%</b>	<b>3.795.702.265</b>	<b>211.802.253</b>

  

<b>31 December 2022</b>	<b>%</b>	<b>Gross Trade Receivables (*)</b>	<b>Doubtful Receivables Provision</b>
Domestic - Dealers	10%	1.349.530.047	136.554.572
Export Receivables	16%	218.211.114	35.506.932
Receivables from Automotive Manufacturers	1%	453.522.170	3.622.714
Domestic - Customers	3%	558.359.417	18.705.915
Trade Receivables from Related Parties	-	206.780.013	-
	<b>7%</b>	<b>2.786.402.761</b>	<b>194.390.133</b>

(\*)The gross trade receivables do not include the maturity-adjusted balance of 160,710,639 Turkish Lira (31 December 2022: 190,664,432 TL) (Note 7).

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**24. FINANCIAL INSTRUMENTS**

**Classes and fair values of financial instruments**

<b>30 June 2023</b>	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
<b>Financial Assets</b>						
Cash and cash equivalents	4.244.922.754	-	-	-	4.244.922.754	4
Financial investments	--	-	-	970.111.810	970.111.810	4
Trade receivables	3.014.662.068	-	-	-	3.014.662.068	7
Trade receivables from related parties	408.527.305	-	-	-	408.527.305	7-22
Other receivables	59.535.885	-	-	-	59.535.885	
Derivative financial assets	-	-	2.296.245.116	213.880.083	2.510.125.199	6
	<b>8.523.799.228</b>	<b>-</b>	<b>2.296.245.116</b>	<b>387.840.677</b>	<b>11.207.885.021</b>	
<b>Financial Liabilities</b>						
Financial borrowings	-	9.214.511.936	-	-	9.214.511.936	5
Trade payables	-	2.140.608.096	-	-	2.140.608.096	7
Trade payables to related parties	-	1.359.360.387	-	-	1.359.360.387	7-22
Other trade payables	-	2.612.579	-	-	2.612.579	
Derivative financial liabilities	-	-	244.877	-	244.877	
	<b>-</b>	<b>12.717.092.998</b>	<b>244.877</b>	<b>-</b>	<b>12.717.337.875</b>	

**Classes and fair values of financial instruments**

<b>31 December 2022</b>	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
<b>Financial Assets</b>						
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
	<b>7.278.625.711</b>	<b>-</b>	<b>2.139.643.444</b>	<b>35.920.826</b>	<b>9.454.189.981</b>	
<b>Financial Liabilities</b>						
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	
	<b>-</b>	<b>11.256.838.789</b>	<b>42.368.590</b>	<b>-</b>	<b>11.299.207.379</b>	

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**24. FINANCIAL INSTRUMENTS (Cont'd)**

**Level classifications of financial assets and liabilities presented at fair values:**

Some financial assets and financial liabilities of the Group are reflected in the consolidated financial statements at their fair values as of each balance sheet date.

The table below provides information on how the fair values of these financial assets and liabilities are determined.

Financial Assets / Financial Liabilities	Fair Value				Fair value hierarchy	Valuation Techniques	Significant unobservable input	Relationship of unobservable inputs to fair value
	30 June 2023		31 December 2022					
	Assets	Liabilities	Assets	Liabilities				
Forward contracts	213.880.083	-	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	2.295.627.523	-	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.	-	-
Commodity swap	617.593	244.877	-	-	2	Discounted cash flow method	-	-
FX protected TL deposit	786.669.257	-	-	-	2	Discounted cash flow method	-	-

**BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş AND ITS  
SUBSIDIARIES NOTES TO AUDITOR'S INTERIM REVIEWED CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2023**

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

**24. FINANCIAL INSTRUMENTS (Cont'd)**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>30 June 2023</b>			
GUD difference reflected in other comprehensive income, (net)	-	2.509.880.322	-
GUD difference reflected in other profit/loss, (net)	-	388.213.393	-
<b>31 December 2022</b>			
GUD difference reflected in other comprehensive income, (net)	-	2.104.532.424	-
GUD difference reflected in other profit/loss, (net)	-	(6.447.764)	-

**25. EVENTS AFTER THE REPORTING PERIOD**

Article 21 of the "Law on Making Additional Motor Vehicles Tax for Compensation for Economic Losses Caused by Earthquakes on 6/2/2023 and Amending Certain Laws and Decree Law No. 375" published in the Official Gazette dated 15 July 2023 and numbered 32249. With the amendments made in Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate; It has been decreed that the general rate applied in corporate tax should be increased from 20% to 25%, and the rate from 25% for banks and financial institutions to 30%. With the same article (Article 21) of the aforementioned law, it has been ensured that the corporate tax rate, which is applied with a discount of 1 point to the earnings of the exporting institutions exclusively from exports, is applied with a discount of 5 points in order to encourage exports.

The said amendment will be applied to the income of the corporations to be obtained in 2023 and the following tax periods, starting from the declarations that must be submitted as of October 1, 2023. It will be in effect in the tax calculation of the profits of the institutions subject to the special accounting period, obtained in the special accounting period starting in the 2023 calendar year and in the following taxation periods.

In July 2023, a total of 300,000,000 TL Sukuk was issued from Vakıf Katılım with the ISIN code TRDKTLM72415.