EARNINGS RELEASE

April 28, 2023

Şişecam (BIST-100: SISE) reported financial results for the first quarter ended March 31, 2023

M. Görkem Elverici, CEO of Şişecam, commented:

"2023 began with both geopolitical and macroeconomic uncertainties in global sense likewise the previous years. Amid hyperinflationary environment, which is- still affecting the costs and in the meantime the demand dynamics on a global scale, Şişecam successfully managed this period with both its effective cost management approach and stock optimization-based management style.

Despite all the challenges that affect the business world globally, we successfully emerged from the shadow of uncertainties. As Şişecam, we are committed to skillfully manage the headwinds, no matter what the conjuncture brings. Even though we are faced with different regulations and varying economic conditions in different geographies, we continue to operate uninterruptedly. Şişecam's extensive production network spanning 4 continents and 14 countries allows us to manage risks and create value for our entire ecosystem. We continue to achieve our goals with our operational excellence practices and the competencies we gained from our 88 years of experience. The decisions we made with common sense, and our ability to skillfully manage risks, helped us reach our targets in the first quarter.

The first investment we announced in 2023 was in the field of mining. In order to ensure the raw material supply needs of our ongoing new flat glass and frosted glass investments in Mersin, we have made an investment decision in the mining area. We will invest in a sand preparation facility in Tarsus OIZ and we will increase the capacity of our existing limestone and dolomite processing facility in Mersin. With this move, we aim to secure close and sustainable resources for our production processes and proactively manage the risks that may prevail in the future due to disruptions in the supply chain. Both investments are targeted to be completed by September 2024.

Thereafter, we announced a port operation investment in California with Ciner Group, our partner in natural soda ash business, for the logistics needs of our 5 million tons natural soda ash investment in the USA. Our affiliated partnership, Şişecam Chemicals USA, acquired a 50% stake in Denmar US LLC, which will implement the Stockton Port Management Project to establish the logistics infrastructure to be used in the potential *export operations of the ongoing soda ash investment. In addition to these new investments, we are carrying out our ongoing investments in glass business lines in line with our plans.*

As a company that prioritizes efficiency, quality, and operational excellence, we started the cold repair of our TR-1 line, which is our first flat glass line in our history. We aim to take it back online in 2024.

In April, we announced our decision to exercise our purchase option from the European Bank for Reconstruction and Development (EBRD) for its 10% stake in Şişecam Çevre Sistemleri A.Ş. We believe that this company has strong growth potential and can directly serve our sustainability goals. In February, we experienced catastrophic earthquakes that deeply shook Türkiye and some parts of Syria. In these earthquakes we had losses from our stakeholders and business partners. We have continuously provided support to our stakeholders and our citizens in the region. We postponed the payments of our customers located in the earthquake zone while making early payments to our suppliers. During a challenging period, we supported our stakeholders in need with ecosystem financing and continued our sustainable growth journey without leaving our stakeholders behind. In addition, we continue our efforts to take the necessary actions in order to produce long-term permanent solutions in the region. Sadly, healing will take some time, but we believe that we will overcome these tough times with solidarity and heal the wounds together. I would like to take this opportunity to extend my deepest condolences to all the people who lost their loved ones in the terrible disaster.

2023 continues to host global volatilities, which we were already expecting and ready for. We are fully aware that only the companies that center cost optimization and risk management in their operations will be able to successfully manage these challenging times. One of Şişecam's greatest competencies is to be ready under all circumstances. We get this heritage from our founder, Mustafa Kemal Atatürk, the global leader respected around the globe. We will continue to grow rapidly, decisively, and selectively to create sustainable value for all our shareholders."

Consolidated Summary Financial Results for Q1’23

Important Notice: In accordance with TFRS-3 principle, provisional figures had been used for the consolidation purpose of US entities. Following the completion of valuation studies, Sisecam 2022 FY consolidated financial statements and Chemicals business line financials have been restated accordingly.

Summary Financials (TRY mn)	Q1'22	Q4'22	Q1'23	QoQ Change	YoY Change
Revenue	16.974	29.070	28.365	-2%	67%
Gross Profit	6.648	8.185	9.576	17%	44%
Gross Margin	39%	28%	34%	560 bps	-541 bps
EBIT	4.157	7.735	4.799	-38%	15%
EBIT Margin	24%	27%	17%	-969 bps	-757 bps
EBITDA	5.209	9.733	6.225	-36%	20%
EBITDA Margin	31%	33%	22%	-1154 bps	-874 bps
Parent-Only Net Income	3.570	5.589	2.364	-58%	-34%
Net Income Margin	21%	19%	8%	-1089 bps	-1270 bps
Capex	1.232	2.684	2.804	4%	127%
Capex/Sales	7%	9%	10%	65 bps	262 bps
Adjusted EBIT*	3.786	3.836	4.923	28%	30%
Adjusted EBIT Margin*	22%	13%	17%	416 bps	-495 bps
Adjusted EBITDA*	4.838	5.834	6.348	9%	31%
Adjusted EBITDA Margin*	29%	20%	22%	231 bps	-612 bps
Adjusted Parent-Only Net Income*	3.570	2.131	3.540	66%	-1%
Adjusted Net Income Margin*	21%	7%	12%	515 bps	-855 bps
Analyst EBIT**	3.370	2.632	4.283	63%	27%
Analyst EBIT Margin**	20%	9%	15%	604 bps	-475 bps
Analyst EBITDA**	4.422	4.631	5.708	23%	29%
Analyst EBITDA Margin**	26%	16%	20%	419 bps	-593 bps

*Excluding one-off impacts
**Excluding other income/expense from operations, investing activities, investments in associates and joint venture

FX RATES	Q1'22	Q4'22	Q1'23	QoQ	YoY
EUR/TL - p.a.	15,65	18,98	20,24	7%	29%
USD/TL - p.a.	13,95	18,60	18,87	1%	35%

Financial Highlights (Q1'23 vs Q1'22)[1]

- **Revenue** came in at TRY 28.4Bn, up by 67% YoY (USD 1.5Bn, up by 24% YoY in USD terms)
- **Gross profit** was at TRY 9.6Bn, up by 44% YoY with a margin of 34%
- **Adjusted EBITDA** came in at TRY 6.3Bn, up by 31% (USD 336Mn, down by 3% YoY in USD terms) with 22% margin
- **Adjusted Parent Only Net Income** came in at TRY 3.6Bn, down by 1% with 12% net margin
- **Capex** recorded at TRY 2.8Bn (USD 149Mn) and Capex/Revenues stood at 10%
- **FCFE** had a negative balance of TRY 2.5Bn (USD 134Mn) **WC/Revenue** was at 31%
- **Currency Sensitivity:** TRY 7.6Bn **Net Long FX Position**
- **Net Debt/EBITDA** was at 0.75x

Segmental Analysis

Segmental Breakdown of Revenue (TRY Mn)	Q1'22	Q1'23	Q1'23 YoY	Q1'23 Topline Drivers (YoY)
Architectural Glass	4,871	5,726	18%	-27% volume, +45% pricing, prod. mix, currency
Industrial Glass	1,551	2,818	82%	-1% volume, +83% pricing, prod. mix, currency
Glassware	1,780	3,415	92%	+7% volume, +85% pricing, prod. mix, currency
Glass packaging	2,645	4,634	75%	-10% volume, +85% pricing, prod. mix, currency
Chemicals	4,483	7,638	70%	-7% volume, 77% pricing, prod. mix, currency
Energy	1,256	3,651	191%	+80% volume, 111% pricing, prod. mix, currency
Other	389	484	25%	
Total	16,974	28,365	67%	

Segmental Contribution to Revenue	Q1'22	Q1'23	Q1'23 YoY
Architectural Glass	29%	20%	-851 bps
Industrial Glass	9%	10%	80 bps
Glassware	10%	12%	155 bps
Glass packaging	16%	16%	75 bps
Chemicals	26%	27%	52 bps
Energy	7%	13%	547 bps
Other	2%	2%	-58 bps

[1]*reference to Appendix for segmental breakdown analysis*

Segmental Analysis (cont'd)

Segmental Breakdown of Adjusted EBITDA (TRY Mn)	Q1'22	Q1'23	Q1'23 YoY
Architectural Glass	1,768	1,578	-11%
Industrial Glass	192	129	-33%
Glassware	392	634	62%
Glass packaging	627	742	18%
Chemicals	1,368	2,490	82%
Energy	139	48	-66%
Other	412	843	104%
Elimination	-90	-117	30%
Total	4,899	6,465	32%

Segmental Contribution to Adjusted EBITDA	Q1'22	Q1'23	Q1'23 YoY
Architectural Glass	36%	25%	-1,102 bps
Industrial Glass	4%	2%	-186 bps
Glassware	8%	10%	205 bps
Glass packaging	13%	12%	-112 bps
Chemicals	28%	39%	1,130 bps
Energy	3%	1%	-208 bps
Other	8%	13%	486 bps

Segmental Adjusted EBITDA Margin	Q1'22	Q1'23	Q1'23 YoY
Architectural Glass	35%	25%	-946 bps
Industrial Glass	12%	5%	-763 bps
Glassware	22%	19%	-336 bps
Glass packaging	23%	16%	-744 bps
Chemicals	28%	30%	161 bps
Energy	8%	1%	-729 bps
Other	60%	75%	1,496 bps

Operational Highlights (Q1’23 vs Q1’22) [2]

- Architectural Glass
  - Flat glass production, **down by 15%** at 617K tons,
  - 78% capacity utilization rate (actual output/effective capacity)
  - Sales volume **down by 27%**
- Industrials
  - Auto Glass,& Encapsulation
    - Auto Glass: **up by 5%** in consolidated auto glass (converted from m2 to tons) and encapsulation (converted from units to tons) sales volume
  - Glass Fiber
    - **1% increase** in production at 16K tons
    - 90% capacity utilization rate in line with production mix
    - **14% decrease** in sales volume
- Glass Packaging
  - Flat volume in glass packaging production at 556K tons
  - **10% decrease** in sales volume (domestic sales down by 23%, exports up by 2%, sales from non-Turkey operations up by 2%)
  - 87% capacity utilization rate (91% in Turkey and 84% in Russia) (actual output/effective capacity)
- Glassware
  - **7% increase** in total sales volume
- Chemicals
  - Synthetic Soda Ash
    - **3% increase** in production at 598K tons
    - 97% capacity utilization rate
    - Sales volume **down by 8%** at 510K tons (domestic and international sales down by 22% and 3%, respectively)
    - **62% increase** in average USD/ton price
  - Natural Soda Ash
    - **18% decrease** in production at 506K tons
    - 80% capacity utilization rate
    - **2% increase** in sales volume at 593K tons
    - **32% increase** in average USD/ton price
  - Chromium Chemicals
    - 96% capacity utilization rate
    - **41% decrease** in sales volume at 18K tons (domestic and international sales down by 5% and 46%, respectively)
    - **24% increase** in average USD/ton price
- Energy
  - Electricity sales volume, **up by 80%**, to 1.28Bn kWh

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[2] *Glass and chemicals volume figures are based on metric ton*

Architectural Glass: 20% share in Revenue | 25% share in EBITDA | "2nd Highest EBITDA Margin Generator in Q1'23"

Glass output, recorded at 617K tons, was down by 15% mainly in relation with lower production levels recorded at Turkey-based facilities given cold repair work initiated within the period on one of the two furnaces located in Kırklareli facility and production mix. Meanwhile, inventory balancing strategies were put in place in both Turkey and Bulgaria-based plants to adapt typical low season dynamics, as were the case with several other European competitors. Quarter specific CUR stood at 78% (vs. 90% in Q1'22) and breakdown of regional production volume was almost unchanged with; 59% contributed by Turkey, 25% by Europe and the remaining balance by Russia&India.

Within this reporting period, Architectural glass business line's performance was shaped by a few different themes. Above all, seasonality effect was back on the scene after being muted for more than two years. Yet it's dragging down effect was more visible than it would be in a typical first quarter as the significantly high base was accompanied by the inflationary environment and followed by rises in cost-driven product prices. Tighter monetary policies in global sense, more specifically in Europe, have limited financing capabilities of the client-industries. Higher availability of imported products, initiated by low-cost producers mainly from the Middle East and Asia Pacific regions and further amplified with freight rates getting more favorable for such producers given the declining trend in commodity markets, led to a rise in regional supply. As a result, consolidated Architectural glass sales contracted by 27% in volume terms.

Turkey, the region with highest sales volume capacity in line with its installed capacity, experienced a weaker construction market particularly in the C-segment (corresponding to ~15% of the Turkey's sales volume) due to dried out credit market, which led to financing inadequacy at contractor company level. Setbacks were experienced due to the unfortunate quakes that hit 11 cities, generating ~10% of the country's GDP. The majority of clientele located in the region was forced to have an immediate slow-down in their operations. Although impact assessment studies conducted in the region pointed out the need for a boost in construction activity as early as possible to build new residential areas, respective architectural glass demand is the potential of the upcoming periods. Meanwhile, wholesalers' competitive advantage in export markets continued to be hurt by relatively resilient Turkish Lira and persisting cost inflation especially with natural gas price levels that stayed above the trend in international spot markets in the reporting period even after consecutive tariff decreases announced by the public authority since December 2022. Turkey-based facilities' sales volume went down by 31% YoY (~50% of the decline was due to seasonality).

Turkey was ranked as the largest contributor to the consolidated sales volume with 57% share (49% domestic sales and 8% exports). It was followed by EU with 26%. Russia&India's aggregate share was 17%.

Weighted average product price was up by 30% in EUR terms thanks to the carry over impact of the cost driven price adjustments in all operating regions.

Architectural Glass segment, with TRY 5.7Bn net external revenue, recorded a topline growth of 18% YoY.

Industrial Glass: 10% share in Consolidated Revenue | 5% share in EBITDA |

Industrial Glass business line, consisting of automotive glass, encapsulation & home appliances and glass fiber operations, generated TRY 2.8Bn, net external revenue with an annual increase of 82%.

In line with the recovery in passenger car and light commercial vehicle markets as global semiconductor crisis subsides, Auto Glass & Encapsulation sales went up by 5% YoY in volume terms. Re-negotiation discussions on long-term OEM contracts, regarding price adjustments given extensive and expeditious raw material price inflation experienced throughout the previous year, were mostly completed and adjustment requests were partially evaluated by OEMs. Giving the strategy of becoming a well-known player in aftersales market, client portfolio extension efforts continued at full speed in Auto Replacement Glass ("ARG") channel. ARG sales, in line with our strategies, accounted for 14% of the sub-segment's net external revenue.

Weakness in infrastructure investments, macroeconomic uncertainties stemming from high inflationary environment and rising presence of imported products in both domestic and global markets, driven mainly by the decrease in freight costs, caused Glass Fiber sales volume to drop by %14 YoY. Demand and supply imbalances have put some pressure on the prices and led to inventory optimization for the textile industry clientele. Hence, creating additional spot sale opportunities in and outside Turkey stood as the main principle in managing the operations. The share of Glass Fiber in Industrial Glass segment topline was 13% in Q1'23.

Glass Packaging: 16% share in Revenue | 12% share in EBITDA | "#3 Topline Contributor in Q1'23"

With a quarterly average CUR of 87%, Glass Packaging consolidated output was flat at 556K tons in Q1'23. Share of Turkey-based facilities in total production increased by ~250 bps to 57%, while Non-Turkey operations composed the remaining balance.

Considering the extended high base since 2020, driven by sanitary measures during Covid and increased mobility and pent-up demand conditions with the loosening of stay home advices in the next two years, glass packaging segment experienced typical low season trend, which resulted in a sales volume decrease of 10% YoY.

In addition to seasonality and negative impact of the earthquake, client industries' prevailing cautious stance through keeping their inventories lower than usual to manage their financing needs under the uncertainty of the macroeconomic framework and possible product price decreases considering consecutive natural gas tariff discounts in Turkey, were resulted in 23% YoY contraction for Turkey-based facilities domestic sales volume. Sales to non-alcoholic beverage segment including mineral water weakened on a YoY basis particularly with the rise in final product shelf prices and the tendency of the segment specific clientele to lower the inventory levels to the highest possible extent while waiting for cost decreases through raw material price cuts. Meanwhile, alcoholic beverage industry demand turned out to be below the initial plans given lower sell-out at the client industry level due to weaker consumer sentiment and lesser mobility in HORECA industry stemming from the earthquake and the Ramadan impact. While global accounts continued to be the main clientele for the exports, relatively strong course of the TL and high congestion at Mersin port limited Turkey-based facilities' sales to this channel. Yet, thanks to our widened catchment area in MEA and Europe regions, exports grew by 2% YoY.

Although regular low season trend prevailed in Russia and the export capabilities of the region were extremely limited due to sanctions, existing can deficit stipulated the demand for glass bottles and as a result, the region recorded 2% sales volume growth in Q1'23.

In terms of pricing environment, the carry-over effect of price adjustments made in 2022 in Turkey and Russia operations, supported the topline. Average per ton prices grew by 46% YoY in USD terms across all regions.

Glass Packaging segment, with TRY 4.6Bn net external revenue, recorded a topline growth of 75% YoY.

Chemicals: 27% share in Revenue | 39% share in EBITDA | “#1 Topline & EBITDA Contributor, #1 EBITDA Margin Generator in Q1’23”

Global soda ash supply and demand dynamics were rather balanced within the reporting period, especially in Europe and in the surrounding region. Although glass packaging industry soda ash demand turned out to be higher than initially expected ahead of the high season thanks to the previous quarter’s common strategy of keeping inventories lower, it was overshadowed given lower capacity utilization and cold repair decisions implemented by flat glass producers as a tool to manage the low season dynamics. Consolidated soda ash output decreased by 8% YoY mainly due to scheduled maintenance work at Wyoming and Sodi (Bulgaria) facilities.

Synthetic soda ash sales were recorded at 510K tons, down by 8% YoY. Lower than initially planned soda ash demand of glass industry, measures taken by client geographies in terms of hard currency reserve requirements and indirect impact of the devastating quake in Turkey stood as the primary reason behind the volume contraction. High congestion at Mersin port due to the non-operational status of Iskenderun international port had led to severe logistic hurdles particularly for container shipping.

Average per ton prices stayed 62% above Q1’22 levels in USD given the carry-over impact of cost-push dynamic pricing. Yet average per ton prices are expected to come down in the upcoming quarter given price cuts announced by European synthetic soda ash producers as a response to changing cost and demand trends, not to mention the heightened competition due to imported products availability.

Despite lower output due to certain equipment-related issues, winter weather events and outages, sales from Sisecam Chemicals Resources LLC, US-based natural soda ash operations, stood at 593K tons, up by 2% YoY. ExW natural soda ash prices grew by 32% YoY, thanks to improving supply and demand fundamentals in the local and export markets.

Chromium chemicals sub-segment recorded 41% decline in sales volume due to weakening demand particularly for leather industry products hence higher client industry inventories, abundance of supply given ease in international flow of goods, hard currency reserves protectionary regulations implemented by export geographies and delays in container shipment due to the ongoing congestion in Mersin port. Chromium chemicals recorded a per ton USD price increase of 24% YoY thanks to the low base, yet excess supply, increased competition and low-price policy of Russian, Indian and Chinese producers have started to depress the pricing environment.

Chemicals business line generated 8% of intra-group sales (vs. 7% in Q1’22) and international operations accounted for 74% of total revenue (vs. 71% in Q1’22). **Chemicals** segment recorded TRY 7.6Bn net external revenue, up by 70% YoY. 51% of net external sales were generated by US operations.

Glassware: 12% share in Revenue | 10% share in EBITDA |

Weaker consumer sentiment, which left its mark over Glassware business line through lower than typical high season sales performance in Q4’22, persisted due to everlasting uncertainties stemming from macroeconomic policies in high inflationary environment. The devastating earthquake and the upcoming elections have added to its vulnerability in Turkey. The earthquake caused some retailers to become non-operational for a period; particularly stock management and logistic operations, which are essential for continuation of sales activities, have been negatively affected. HORECA channel was also silenced by the quake, given a decline in restaurant & bar consumption due to sudden and sharp decrease in mobility. Yet, sales volume was up by 7% YoY thanks to the brought forward demand in a high inflationary environment backed especially by the increase in minimum wages and the sales campaigns performed by national retailers as well as HORECA orders ahead of the tourism season.

Even though low-cost producers continued to exist in the global market, international sales continued to perform well thanks to the wide range of product portfolio, effective customer and channel targeting particularly in central and western Europe and sales incentives mainly in HORECA and retail channels. Also backed by the carry-over impact of previous year's cost-driven price adjustments, **Glassware** segment, with TRY 3.4Bn net external revenue, recorded 92% YoY rise in topline. International revenue's share was flat at 59% in Q1'23.

Based on Şişecam consolidated figures, share of international revenue stood at 62% in Q1'23 while the rest was generated from domestic sales.

			Q1'23
Regional Breakdown of Revenue	**Q1'22**	**Q1'23**	**YoY**
Revenue from Turkey Operations	**54%**	**56%**	195 bps
Sales in Turkey	34%	38%	341 bps
Exports from Turkey	20%	18%	-146 bps
Revenue from Foreign Operations	**46%**	**44%**	-195 bps

Adjusted EBITDA recorded at TRY 6.3Bn with 22% Margin while Adjusted Net Income stood at TRY 3.5Bn

- Gross profit margin came in at 34% vs. 39% in Q1'22. The decline was mainly due to extensive hikes in energy and raw material prices, rises in labor costs given high inflationary environment experienced throughout 2022 and TL depreciation (on average 32% against hard currency basket in Q1'23). Additionally, the previous year's result was indeed a high base considering direct impact of cost-driven product price adjustments on the topline in contrast to production cost increases lagged impact on COGS due to inventory cycle. Architectural Glass was the segment with the highest margin contraction, and it was followed by Chemicals operations.
- OPEX/Sales remained almost flat at 19% in Q1'23.
- TRY 153Mn income from participated JVs vs. TRY 91Mn in Q1'22 thanks to strong financial performance of the JVs especially with Solvay in Bulgaria coupled with the income from the JV in Egypt with St. Gobain.
- Other income & investing activities recorded at TRY 109Bn after TRY 225Mn earthquake donation booked in Q1'23 thanks to the trading of governmental incentives allowing tax discounts on energy consumption in Italy.
- TRY 166Mn FX gain was recorded on Eurobond investments, trade receivables & payables and financing activities vs. TRY 304Mn gain in Q1'22.
- TRY 639Mn interest expense was recorded on bank loans and debt issuances while TRY162Mn interest income was generated on derivatives.
- TRY 232Mn was recorded as deferred tax expense in Q1'23 due to higher use of the incentives on capital expenditures versus TRY 625Mn deferred tax income in Q1'22. Effective tax rate, impacted by one-off earthquake tax, stood at 34%.

Cash Flow Analysis (Q1’23 vs Q1’22)

- **Cash inflow from operating activities** came in at **TRY 1.2Bn** vs. **TRY 2Bn** particularly due to one-time earthquake tax payment of TRY 951Mn.
- **Cash outflow from investing activities stood at TRY 1.8Bn** versus TRY 584Mn given.

i. TRY 2.8Bn (USD 149Mn) capital expenditures vs. TRY 1.2Bn in Q1’22, mainly in relation with.
  - *Glass Packaging business line: greenfield Hungary investment & Turkey-Eskişehir new furnace investment, mold expenses, corresponded to 40% of the total capex.*
  - *Architectural Glass segment; greenfield Turkey-Tarsus facility investments, new automotive float line investment in Turkey-Kırklareli facility, corresponded to 36% of the total capex.*
  - *The remaining balance was in relation with Glassware, Industrial Glass and Chemicals segments’ maintenance expenses combined with One Şişecam digital transformation and efficiency improvement investments.*

- **Cash outflow from financing activities recorded at TRY 1.9Bn** versus TRY 362Mn-inflow in Q1’22 due mainly to debt repayment.
- **Cash conversion cycle** lengthened by 11 days over 2022-end with eco-system financing activities targeting to support the stakeholders located in earthquake region and inventory management ahead of the high season.
- **FCFE** stood at TRY 2.5Bn negative balance.
- With **TRY 8.1Bn increase YoY in cash** including FX translation gains, period-end cash position came in at **TRY 22.3Bn**.
- **Cash and cash equivalents including a)** TRY 2.4Bn-liquid fund investments **b)** TRY 4.1Bn-financial assets (USD 143Mn-Eurobond investments, USD 69Mn-FX protected deposit) increased by TRY 8.3Bn over Q1’22 to TRY 26.4Bn (USD 1.4Bn) in Q1’23.
- Excluding the financial assets, 67% of cash and cash equivalents was kept in hard currencies of which 67% was in EUR and 33% in USD).

Debt Position (Q1’23 vs 2022)

Gross debt recorded at TRY 48Bn (USD 2.5Bn) vs. TRY 47Bn (USD 2.5Bn)

- *70% of bank loans was in hard currencies (33% EUR, 37% USD)* [3]
- *TRY 453Mn total coupon payment was made in March on USD 700Mn-Şişecam 2026 Eurobonds*
- *TRY 1.7Bn financial lease was recorded under financial liabilities*
- *Long-term liabilities corresponded to 57% of gross debt (60% in 2022-end)*

Net debt was TRY 22Bn (USD 1.1Bn) vs. TRY 17Bn (USD 911Mn) in 2022. **Net Debt to EBITDA** was at 0.8x.

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[3] *Following the cross-currency swaps, made in 2019 for USD 575Mn of 2026 bond in exchange of EUR 421Mn in 2019, 68% of the bond was converted to EURs, 14% converted to TRY and rest of 18% kept in USD. In August 2022, USD 210Mn-equivalent EUR swap agreements have been unwound. Accordingly, as of the reporting period; 38% of the bond is converted to EUR, 14% to TRY and the rest is kept in USD.*

FX Position (Q1’23 vs 2022)

Net long FX position of **TRY 7.6Bn (USD 395Mn)** was recorded in Q1’23 vs. (TRY 4.4Bn net short position in 2022-end). Positive change in the FX position was mainly the result of net investment hedge accounting principle application, which allowed offsetting of FX-related changes in the value of unhedged portion of USD-denominated Eurobond liabilities and EUR-denominated bank loans by using net assets of the foreign subsidiaries, namely Sisecam Chemicals USA and Sisecam Investment BV. FX position was 510Mn long in USD and 152Mn short in EUR as stated in original currencies in Q1’23-end.

One-Off Impacts excluded from Financials:

Excluding From EBIT:

- **Q1’23: TRY 123 Mn one-off loss:**

  TRY 101 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
  TRY 225 Mn: Earthquake donation

- **Q1’22: TRY 371 Mn one-off gain:**

  TRY 371 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact

Excluding From Net income:

- **Q1’23: TRY 1.2 Bn one-off loss:**

  TRY 951 Mn: Earthquake Tax
  TRY 225 Mn: Earthquake Donation

Operational Developments during and after Q1'23

- **Flat Glass**
  - Cold Repair
    - TR1 line located in Kırklareli facility was taken online on 31/03/2023

- **Chemicals**
  - Planned Maintenance Work
    - Kromsan facility.
      - *Bichromate unit was inactive throughout Q1'23*
- **Other**
  - Planned Maintenance Work
    - Oxyvit facility.
      - *Vitamin-K and SMBS unit was inactive for 5 days during the quarter (5 days in March)*

Important Events during and after Q1'23

- Regarding the earthquakes that occurred in February, no negative impacts had been detected in the production facilities of Şişecam and none in its warehouses. To support the efforts of rescue teams and meet the imminent needs of the surviving victims of the earthquakes, Şişecam donated TRY 200Mn in cash - within the donation limit of 2023 - to the earthquake aid campaign initiated by Ministry of Interior Disaster and Emergency Management Presidency (AFAD).

- Within the scope of the issue certificate of TRY 10Bn dated 08/09/2022, Şişecam completed ten bond issuances with an aggregate nominal value of TRY 8.53Bn. Following the redemption of three bonds with a total nominal value of TRY 3.65Bn, Şişecam has a total nominal value of TRY 4.88Bn outstanding bonds, with a weighted average maturity of 248 days and simple annual interest rate of 29.40% as of 28/04/2023.

- Şişecam applied to Capital Markets Board to issue debt instruments domestically up to TRY 20Bn in total, without public offering, to qualified investors through sales and private placement methods.

- Şişecam has decided to invest in a new sand preparation facility with 490K tons/year production capacity in Tarsus, with the aim of ensuring sustainable raw material supply with the start of new flat glass investments to be taken online in 2025. Şişecam has also decided to make a 165 K ton/year capacity increase in limestone and dolomite processing facility in Mersin, which would bring the overall processing capacity to 655K tons/year at the completion of the investment. Total cost of the investments is anticipated as approximately TRY 1.5Bn (USD 82Mn), and both investments are aimed to be completed towards the end of 2024.

- Efes Holding bought 1.5Mn nominal shares of Şişecam, increasing its stake in the Company from 6.04% to 6.09%.

- Şişecam participated to 50% of Denmar US LLC's shares, which was previously 100% owned by Denmar Holdings LLC, through the capital increase method by Şişecam Chemicals USA for 12 million USD and became a partner in the Stockton Port Management Project with Ciner

Group. The Stockton Port investment, planned to be commissioned in 2027, is targeted to be fully operational with its 5Mn ton annual capacity in 2029. The capacity and timeline of the Stockton Port Management Project is in line with Şişecam's US natural soda project's requirements and schedule, which continues in line with the plans.

- The decision to distribute TRY 2.1Bn gross dividend in cash was taken by the General Assembly on 30/03/2023.

- Within the scope of ongoing Collective Bargaining Agreement negotiations between Şişecam and Petrol-İş Union, of which Soda, Kojen, Chromium factories' and Salt facility's employees are members, in accordance with the legal procedure, a strike decision has been taken on 19/04/2023 by Petrol-İş Union. The strike will start on 12/05/2023 if the parties cannot reach an agreement. The collective bargaining negotiations are still ongoing.

- In accordance with the terms of the share sale and purchase agreement between Şişecam and the European Bank for Reconstruction and Development (‘EBRD') on 28/06/2016, 10% of the shares of Şişecam Çevre Sistemleri A.Ş. has been transferred to Şişecam against EUR 1.9Mn cash payment and in turn Şişecam became the sole shareholder of Şişecam Çevre Sistemleri A.Ş.

- As of 28/04/2023, within the scope of share buyback program, excluding 50Mn treasury shares sold on 29/11/2022, Şişecam bought back TRY 58.8Mn-nominal value shares, corresponding to 1.92% of the share capital.

Appendix

Sub-Segmental Breakdown of Revenue	Q1'22	Q1'23
Architectural	29%	20%
Industrial Glass	9%	10%
Auto & Encapsulation & Home Appliances	8%	9%
Glass Fiber	1%	1%
Glassware	10%	12%
Glass Packaging	16%	16%
Chemicals	26%	27%
Soda Chemicals	22%	25%
Chromium Chemicals	4%	2%
Energy	7%	13%
Other	2%	2%
Oxyvit	0%	0%
Mining & Other	2%	2%

Breakdown of Opex Items	Q1'22	Q1'23
Indirect Material Costs	1%	1%
Salaries and wages expenses	14%	18%
Outsourced service	42%	55%
Miscellaneous expenses	38%	22%
Depreciation and amortization expenses	4%	4%

Regional Breakdown of Adjusted EBITDA	Q1'22	Q1'23
Turkey	**3.372**	**3.719**
Foreign Operations	**1.489**	**2.654**
Russia, Ukraine and Georgia	370	327
Europe	576	1.418
US	479	878
Other	64	31

Regional Breakdown Adjusted EBITDA Margin	Q1'22	Q1'23
Turkey	**37%**	**23%**
Foreign Operations	**19%**	**21%**
Russia, Ukraine and Georgia*	5%	3%
Europe*	7%	11%
US*	6%	7%
Other*	1%	0%

**Geography-based Contribution to Non-Turkey Margin*

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