

EARNINGS RELEASE

October 31, 2022



Şişecam (BIST-100: SISE) reported financial results for the third quarter ended September 30, 2022

M. Görkem Elverici, CEO of Şişecam, commented:

“2022 began with negative effects both geopolitically and macroeconomically. Geopolitical tensions, hyperinflation, recession concerns and energy supply problems have affected all countries and sectors. As we approach the end of the year, we continue to acknowledge the impacts of all these crises.

Şişecam is approaching its end of year targets in an extremely challenging business environment in terms of both operational and financial aspects. In 2018, we started a journey of change and transformation, with the vision of “One Şişecam” this journey continues with major investments and a lean management approach. Şişecam grows stronger by successfully reflecting its 87 years of experience and knowledge to its operations and financial results. Our agile and efficient decision-making capabilities lead our way to sustainable growth.

The world is in a period of financial statement normalization with the effect of macroeconomic fluctuations together with soaring energy and inflation-related factors. In the third quarter of the year, the recession becomes one of the major topics around the world and the concerns regarding the energy supplies have increased dramatically. Even though, many companies in the glass industry have decided to bring their cold repair processes forward with the impact of balancing demand, Şişecam continues to grow further. At this point, I would like to mention that with our efficient cost optimization practices and risk management skills we are working continuously to run our production operations as planned for the rest of the year.

Even though we are faced with different regulations and varying economic conditions in different geographies, we continue to operate continuously. Thanks to our ability to produce with alternative energy sources and power to employ various instruments for financial and operational sustainability, we care to create value for all our stakeholders. We protect our investors with the stock buybacks, and we take important steps to strengthen our suppliers, customers, and employees with our inclusive approaches as well.

We call this the Glass Age and we make all our projections in the light of this vision. Şişecam is capable and committed to realize its strong targets by managing risks and utilizing opportunities successfully. We strive to create growth and value to all our shareholders and believe that Şişecam will continue its rapid, determined and selective growth journey”

Consolidated Summary Financial Results for Q3'22

Summary Financials (TL mn)	9M'21	9M'22	YoY
Revenue	21,013	66,279	215%
Gross Profit	7,432	25,525	243%
Gross Margin	35%	39%	314 bps
EBIT	5,064	15,324	203%
EBIT Margin	24%	23%	-98 bps
EBITDA	6,528	18,426	182%
EBITDA Margin	31%	28%	-327 bps
Net Income After Minority Interest	4,096	13,756	236%
Net Income Margin	19%	21%	126 bps
Capex	1,339	5,094	281%
Capex/Sales	6%	8%	132 bps
Adjusted EBIT*	4,247	14,214	235%
Adjusted EBIT Margin*	20%	21%	123 bps
Adjusted EBITDA*	5,711	17,316	203%
Adjusted EBITDA Margin*	27%	26%	-105 bps
Adjusted Net Income*	4,072	13,756	238%
Adjusted Net Income Margin*	19%	21%	138 bps
Analyst EBIT**	3,711	12,722	243%
Analyst EBIT Margin**	18%	19%	153 bps
Analyst EBITDA**	5,175	15,824	206%
Analyst EBITDA Margin**	25%	24%	-75 bps

Q3'21	Q2'22	Q3'22	QoQ	YoY
8,236	23,258	26,047	12%	216%
2,880	8,789	9,883	12%	243%
35%	38%	38%	16 bps	298 bps
1,574	5,667	5,336	-6%	239%
19%	24%	20%	-388 bps	138 bps
2,085	6,700	6,539	-2%	214%
25%	29%	25%	-370 bps	-22 bps
1,353	5,379	4,801	-11%	255%
16%	23%	18%	-470 bps	201 bps
500	1,576	2,281	45%	356%
6%	7%	9%	198 bps	268 bps
1,488	5,303	4,961	-6%	233%
18%	23%	19%	-376 bps	98 bps
2,000	6,336	6,164	-3%	208%
24%	27%	24%	-358 bps	-62 bps
1,348	5,379	4,801	-11%	256%
16%	23%	18%	-470 bps	207 bps
1,474	4,605	4,528	-2%	207%
18%	20%	17%	-242 bps	-51 bps
1,986	5,637	5,731	2%	189%
24%	24%	22%	-224 bps	-211 bps

*Excluding one-off impacts

**Excluding other income/expense from operations, investing activities, investments in associates and joint ventures

FX RATES	Q2'22	Q3'21	Q3'22	QoQ	YoY	9M'21	9M'22	YoY
EUR/TL - p.a.	16.79	10.06	18.06	8%	80%	9.68	16.85	74%
USD/TL - p.a.	15.75	8.53	17.91	14%	110%	8.09	15.90	96%

Financial Highlights (Q3'22 vs Q3'21)¹

- **Revenue** came in at TRY 26Bn, up by 216% YoY (EUR 1.4Bn, up by 76% YoY in EUR terms)
 - **Organic +168%**, **Inorganic +48%**
- **Gross profit** was at TRY 9.9Bn, up by 243% YoY with a margin of 38%
 - **Organic +171%**, **Inorganic +72%**
- **Adjusted EBITDA** came in at TRY 6.2Bn, up by 208% (EUR 341Mn, up by 72% YoY in EUR terms) with 24% margin
 - **Organic +170%**, **Inorganic +38%**
- **Adjusted Parent Only Net Income** came in at TRY 4.8Bn, up by 256% with 18% net margin
 - **Organic +252%**, **Inorganic +4%**
- **Capex** recorded at TRY 2.3Bn (EUR 126Mn) and Capex/Revenues stood at 9%
- **FCFE** with a negative balance of TRY 741Mn (EUR 44Mn) **WC/Revenue** was at 34%
- **Currency Sensitivity:** TRY 1.2Bn **Net Long FX Position**, **EUR+USD share in Gross Profit** is 13% (55% in Revenue, 42% in COGS) in 9M'22
- **Net Debt/EBITDA** was at 0.7x

Segmental Analysis

Segmental Breakdown of Revenue (TRY Mn)	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22	Q3'22		9M'22	Q3'22 Topline Drivers (YoY)
									QoQ	YoY	YoY	
Architectural Glass	4,960	2,338	5,965	9,170	4,871	6,322	6,464	17,658	2%	176%	196%	+1% volume, +175% pricing, prod. mix, curr.
Auto Glass	2,382	671	2,227	3,230	1,234	1,697	1,416	4,347	-17%	111%	95%	+9% volume, +102% pricing, prod. mix, curr.
Glassware	3,197	1,306	3,161	4,876	1,838	2,484	2,647	6,969	7%	103%	120%	-13% volume, +116% pricing, prod. mix, curr.
Glass packaging	5,449	2,015	5,054	7,472	2,699	4,254	5,389	12,342	27%	167%	144%	-7% volume, +174% pricing, prod. mix, curr.
Chemicals	4,272	1,424	3,887	5,865	5,065	6,916	8,177	20,158	18%	474%	419%	+52% volume, 422% pricing, prod. mix, curr.
Other	1,081	480	720	1,445	1,266	1,585	1,955	4,806	23%	307%	568%	
Total	21,341	8,236	21,013	32,058	16,974	23,258	26,047	66,279	12%	216%	215%	

^{*}Based on Net External Revenue

Segmental Contribution to Revenue	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22	Q3'22		9M'22
									QoQ	YoY	YoY
Architectural Glass	23%	28%	28%	29%	29%	27%	25%	27%	-237 bps	-357 bps	-174 bps
Auto Glass	11%	8%	11%	10%	7%	7%	5%	7%	-186 bps	-272 bps	-404 bps
Glassware	15%	16%	15%	15%	11%	11%	10%	11%	-52 bps	-570 bps	-453 bps
Glass packaging	26%	24%	24%	23%	16%	18%	21%	19%	240 bps	-378 bps	-543 bps
Chemicals	20%	17%	18%	18%	30%	30%	31%	30%	166 bps	1,410 bps	1,192 bps
Other	5%	6%	3%	5%	7%	7%	8%	7%	69 bps	167 bps	383 bps

¹reference to [Appendix](#) for segmental breakdown analysis

Segmental Analysis (cont'd)

Segmental Breakdown of Adjusted EBITDA (TRY Mn)	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22	Q3'22		9M'22
									QoQ	YoY	YoY
Architectural Glass	1,001	671	1,938	3,372	1,772	2,223	2,105	6,100	-5%	214%	215%
Auto Glass	145	16	165	103	77	159	18	254	-89%	9%	54%
Glassware	551	174	693	1,215	422	504	595	1,521	18%	241%	120%
Glass packaging	1,635	410	1,308	1,973	626	838	946	2,410	13%	131%	84%
Chemicals	1,629	558	1,583	2,175	1,565	2,439	2,516	6,519	3%	351%	312%
Other	18	154	72	38	403	343	296	1,042	-13%	93%	1346%
Elimination	-18	17	-48	-282	-48	-171	-312	-530	83%	N.A.	N.A.
Total	4,962	2,000	5,711	8,595	4,817	6,336	6,164	17,316	-3%	208%	203%

Segmental Contribution to Adjusted EBITDA	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22	Q3'22		9M'22
									QoQ	YoY	YoY
Architectural Glass	20%	34%	34%	38%	36%	34%	33%	34%	-167 bps	-132 bps	53 bps
Auto Glass	3%	1%	3%	1%	2%	2%	0%	1%	-218 bps	-55 bps	-144 bps
Glassware	11%	9%	12%	14%	9%	8%	9%	9%	144 bps	40 bps	-350 bps
Glass packaging	33%	21%	23%	22%	13%	13%	15%	14%	173 bps	-605 bps	-921 bps
Chemicals	33%	28%	27%	25%	32%	37%	39%	37%	136 bps	1,069 bps	904 bps
Other	0%	8%	1%	0%	8%	5%	5%	6%	-69 bps	-317 bps	459 bps

Segmental Adjusted EBITDA Margin	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22	Q3'22		9M'22
									QoQ	YoY	YoY
Architectural Glass	19%	27%	31%	34%	35%	33%	30%	33%	-313 bps	287 bps	176 bps
Auto Glass	6%	2%	7%	3%	6%	10%	1%	6%	-830 bps	-121 bps	-165 bps
Glassware	17%	13%	22%	25%	23%	20%	22%	21%	185 bps	842 bps	-51 bps
Glass packaging	30%	19%	25%	26%	23%	20%	17%	19%	-223 bps	-193 bps	-593 bps
Chemicals	31%	28%	31%	29%	27%	30%	24%	27%	-639 bps	-393 bps	-466 bps
Other	1%	17%	4%	1%	21%	24%	13%	18%	-1,134 bps	-449 bps	1,389 bps

Operational Highlights (Q3'22 vs Q3'21) ²

- Flat Glass: Architectural Glass & Auto Glass
 - **Flat glass production, down** by 3%, at **748K** tons
 - **90% capacity utilization rate** (actual output/effective capacity)
 - **Architectural Glass Division: up by 1%** in **sales volume**
 - **Auto Glass Business Line: up by 9%** in consolidated auto glass (converted from m2 to tons) and encapsulation (converted from units to tons) **sales volume**
- Glass Packaging
 - **1% decrease** in **glass packaging production** at 596K tons
 - **7% decrease** in **sales volume** (domestic sales and exports down by 10% each, sales from non-Turkey operations down by 4%)
 - **94% capacity utilization rate (92% in Turkey and 97% in Russia)** (actual output/effective capacity)
- Chemicals
 - Synthetic Soda Ash
 - **2% increase** in **production** at 602K tons
 - **97% capacity utilization rate**
 - **Sales volume** down by 1% at 579K tons (domestic sales down by 15%, international sales up by 4%)
 - **75% increase in average USD/ton price**
 - Natural Soda Ash
 - **5% decrease** in **production** at 622K tons
 - **99% capacity utilization rate**
 - **2% decrease** in **sales volume** at 626K tons
 - **44% increase in average USD/ton price**
 - Chromium Chemicals
 - **64% capacity utilization rate**
 - **40% decrease** in **sales volume** at 23K tons (domestic and international sales down by 24% and 42%, respectively)
 - **75% increase in average USD/ton price**
 - Glass Fiber
 - **2% increase** in **production** at 15.3K tons
 - **87% capacity utilization rate**
 - **2% decrease** in **sales volume** at 14.8K tons
 - **54% increase in average EUR/ton price**
 - Electricity
 - **7% decrease** in **production** at 224Mn kWh
 - **127% increase** in **sales volume** at 494Mn kWh
 - ~425% increase in TRY/kWh average price
 - TRY 1.5Bn revenues vs. TRY 127Mn in Q3'21
 - Oxyvit
 - TRY 117Mn revenues vs. TRY 76Mn in Q3'21
- Glassware
 - **13% decrease** in total **sales volume**

² Glass and chemicals volume figures are based on metric ton

Architectural Glass: 25% share in Revenue | 33% share in EBITDA | “Second Largest Contribution to Topline Growth & Highest EBITDA Margin Generator in Q3’22”

Although decelerating demand growth was visible due to high inflationary environment in our operating geographies, **Architectural Glass** division, enhanced by its wide range of product portfolio matching with the demand shifts across product categories, maintained its strong performance.

Glass output went down by 3% YoY to 748K tons as a result of production re-plannings targeting optimized inventory levels at sought-after product categories. Quarter wise-CUR stood at 90% with 61% of the output produced by Turkey operations. Facilities located in EU accounted for 26% of the consolidated production volume. The remaining 13% was composed of our Russia and India operations.

Seller’s market dynamics have persisted throughout the quarter with further intensified challenges especially due to higher energy prices. European industries witnessed drastically rising natural gas prices in the spot market given concerns on energy cut-offs and limited level of reserves ahead of the cold season while consecutive tariff hikes stayed on the scene in Turkey. Even though high inflationary environment have put some pressure on glass demand, it could only soften its growth as, on the flip side of the coin, the appetite for coated glass, mainly used for thermal insulation and solar energy generation purposes, remained vibrant. Concerns on both looming recession in global sense and energy sources put the spotlight on the use of more energy efficient materials in construction/renovation activities and on renewable energy generation. This was further encouraged by governmental incentives in Turkey and in global markets.

As a result, Architectural Glass division consolidated sales were slightly higher on a YoY basis. Sales from Turkey including exports increased by 6% YoY with individual volume growth rates of 5% and 8%, respectively, in domestic sales and exports. Eight line-region accounted for 55% of consolidated sales volume (47% domestic, 8% export). Aggregate sales from Europe-based factories grew by 3% YoY in volume terms and the share in consolidated sales volume remained flat at 29%. Meanwhile, the extension of Russia-Ukraine war has not only suppress the architectural market but also led to a weaker demand from furniture, automotive and white goods industries due to raw material restrains. Consequently, glass supply came down given lowered capacity utilization rates. On the other hand, glass demand in India remained vivid. Architectural Glass business line recorded 16% lower sales YoY, hence the two regions’ combined share in the consolidated sales volume moved down from 18% to 15%.

Cost-push price increases have led to 1.5x to 2x higher flat glass prices across all regions in EUR terms YoY.

Architectural Glass segment, with TRY 6.5Bn net external revenue, recorded a topline growth of 176% YoY.

Auto Glass: 5% share in Revenue

Throughout this quarter, the usual suspects; insufficient semi-conductor supply, ongoing political problems and concerns on global macroeconomic growth hence consumption have kept being in the heart of automotive industry. As it was the case in Q2’22, saving electronic chips for high-margin models through the cancellation of lower segments continued to be the operational anchor of well-known OEMs. Meanwhile, negotiations that have been conducted among automotive producers and finished component suppliers (known as “Tier 1”) pave the way to retrospective price adjustment collections by the latter in addition to dynamic pricing formula that exist for devaluating currency-based contracts on the products to be delivered. In line with the market dynamics and commercial realities, **Şişecam Auto Glass** division has held re-negotiation discussions with OEM clientele with double digit raise targets in EUR terms.

Based on the targets constituting its operational strategy, the business segment has continuously worked on adding new Auto Replacement Glass distributors in overseas markets particularly in Europe and US to further strengthen this still-new channel while its was attending to the tenders of OEMs' new models/designs and got new nominations in line with the nature of being a "Tier 1".

On the operational side, Auto Glass business line's sales volume grew by 9% YoY in Q3'22. Better sales volume was relevant to all operating regions excluding Russia given higher mobility in the market.

Auto Glass business line's net external revenue came in at TRY 1.4Bn, up by 111% YoY. Auto replacement glass (ARG) sales accounted for 18% of net external revenue, in line with the targets put in place back in 2019 before ARG sub-segment had been included in Şişecam's business strategies. It is necessary to note that the share of ARG was 12% in Q3'21.

Glass Packaging: 21% share in Revenue | 15% share in EBITDA | "Third Largest Contribution to Topline Growth in Q3'22"

With a quarterly average CUR of 94%, **Glass Packaging** production volume was down by 1% YoY in both Turkey and Russia&Georgia. Turkey and Non-Turkey split of the total output remained unchanged at 54%/46%.

Consolidated sales volume declined by 7% YoY mainly due to high base, especially for Turkey-based operations, and lower exports from all regions.

In Turkey, both domestic sales and exports were down by 10% YoY. High base impact accompanied by lower level of canning jars due to extended harvest season and client industries cautious stance before the start of low season were the main reasons behind the decline in sales volume, which was still in line with the last 5 year's quarter-wise average.

Meanwhile, glass packaging demand in Russia continued to be strong given extremely good weather conditions and lower level of imported alcoholic beverages (i.e. beer and wine) that was stimulating local production. However, the region's performance could not be fully reflected to the operational results and Non-Turkey sales declined by 4% YoY in volume terms due to the export ban to Europe effective from July 10.

Following the lifting of 25% customs duty on colored glass containers imports to Turkey, Şişecam, with a resourceful production re-planning, transferred the orders placed by several major Turkish accounts partially to Russia plants.

Global pricing environment for Glass Packaging products stayed strong and average per ton prices increased by +50% YoY in EUR terms across all regions.

As a result, **Glass Packaging** business line recorded a revenue growth of 167% YoY with TRY 5.4Bn net external revenue. Glass Packaging segment generated 55% of its revenue from international sales including exports from Turkey.

Chemicals: 31% share in Revenue | 39% share in EBITDA | "Largest Contribution to Topline and EBITDA Growth in Q3'22"

Thanks to strong demand of the major clientele, particularly glass and chemicals industries, and the ongoing tight market conditions, synthetic soda ash sales were recorded at 579K tons, slightly lower than the levels in Q3'21 while average per ton prices rose sharply by 75% in USD on the back of continuously increasing production costs.

Sisecam Chemicals Resources LLC^[1], US-based natural soda ash operations, sold 626K tons natural soda ash, down by 2% YoY. Sales were particularly supported by the domestic market thanks to strong demand. ExW natural soda ash prices continued to increase given quarterly negotiated pricing scheme in international sales combined with the annual market price increase in domestic operations customer mix. In turn, natural soda ash prices grew by 44% YoY on average in USD/ton.

Chromium chemicals sub-segment recorded 40% decline in sales volume mainly due to lower production resulting from planned maintenance work and the inventory management at basic chromium sulfate-client industries against the slowing down demand especially for leather products. This was accompanied by higher volume of international trade of chromic acid, used mainly in metal plating for industrial machinery and equipment production, particularly from Russia to Asia given the export ban of EU-countries in place. Product prices kept on moving north and chromium chemicals prices grew by 75% YoY in USD/ton on average.

Pricing trend was relevant for glass fiber products too. At 87% quarterly average CUR and 97% sales/output ratio, glass fiber sales recorded at 14.8K tons, down by 2% YoY on the high base of Q3'21. Per ton prices, on the other hand, soared by 54% in EUR terms.

Chemicals business line generated 23% of its total revenue from intra-group sales (vs. 29% in Q3'21) and 35% from US operations, while international operations accounted for 70% of total revenue (vs. 60% in Q3'21). Chemicals segment recorded TRY 8.2Bn net external revenue, up by 474% YoY (213% organic growth).

Glassware: 10% share in Revenue | 9% share in EBITDA |

Glassware business line's performance was overshadowed by lower sales of industrial products mainly deliver to white goods and cookware industries hence the change in sales mix and the high base of the previous year same period. Pricing dynamics were no longer as sound as they were given global recession concerns and lower risk appetite. Meanwhile, increasing competition following the downward trend in freight rates has paved the way to a rise of international flow of products from low cost regions. Even though the post pandemic impact was still visible in HORECA and B2B demand, retail sales had mirrored the decline in consumer sentiment. Therefore, wholesalers and retailers had acted in a cautious manner and decreased their orders to prevent further inventory pile-up against the risk of a sentiment loss that may persist during the upcoming holiday season.

In Q3'22 glassware products' sales volume decreased by 13% YoY while cost driven price adjustments continued at a relatively slower pace. Accordingly, 103% annual rise in topline with a net external revenue of TRY 2.6Bn was recorded by Glassware operations. HORECA channel accounted for 15% of the division's topline vs. 11% in the prior year while international revenue's share was flat at 57% in Q3'22.

^[1] nka and subject to full consolidation since 2021 year-end under Chemicals business line following the controlling stake acquisition in Ciner Resources Corp.

Based on Şişecam consolidated figures, share of international revenue stood at 64% in Q3'22 while the rest was generated from domestic sales.

Regional Breakdown of Revenue	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22	Q3'22		9M'22
									QoQ	YoY	YoY
Revenue from Turkey Operations	62%	56%	56%	57%	54%	57%	53%	55%	-439 bps	-340 bps	-128 bps
Sales in Turkey	42%	33%	33%	34%	34%	41%	36%	37%	-448 bps	312 bps	446 bps
Exports from Turkey	20%	23%	23%	23%	20%	16%	17%	18%	10 bps	-652 bps	-554 bps
Revenue from Foreign Operations	38%	44%	44%	43%	46%	43%	47%	45%	439 bps	340 bps	128 bps

Adjusted EBITDA recorded at TRY 6.2Bn with 24% Margin while Adjusted Net Income stood at TRY 4.8Bn

- Gross profit margin came in at 38%, up by +300bps YoY while excluding the uplifting impact of US natural soda assets, stemming from its 55% profitability on the gross level, organic gross profit margin of Şişecam was unchanged at 35%. High capacity utilization rates in all divisions, dynamic product pricing formula based on production costs, natural gas (excl. Turkey), electricity and coal hedges protected the margins against volatile commodity and energy spot prices amidst local currency depreciation, rise in raw, auxiliary material and energy costs
- OPEX/Sales went up to 21% (vs. 17% in Q3'21) due to decent rise in logistic costs particularly ocean freight rates given global supply chain constraints and fuel price hike
- TRY 234Mn loss from participated JVs vs. TRY 51Mn income in Q3'21. Although the JV with St. Gobain in Egypt had a robust performance in this quarter, the JV with Solvay in Bulgaria recorded net losses due to expeditious cost increases
- Other income & investing activities recorded at TRY 552Mn compared to TRY 60Mn negative balance seen in Q3'21
- TRY 1Bn FX gain was recorded on Eurobond investments, trade receivables & payables and financing activities vs. TRY 133Mn in Q3'21
- TRY 625Mn interest expense was recorded on bank loans and issued bonds while TRY294Mn interest income was generated on derivatives
- TRY 154Mn was recorded as deferred tax income in Q3'22 versus TRY 149Mn deferred tax expense in Q3'21 thanks to mainly tax incentives on the investments and the tax exemption covering all the earnings including FX and interest gains on FX-protected deposits. Net tax expense came in at TRY 363Mn, -7% being the effective tax rate

Cash Flow Analysis (9M'22 vs 9M'21)

- **Cash inflow from operating activities** came in at a **TRY 9.5Bn** vs. **TRY 4.5Bn** with stronger operational performance resulting in TRY 11Bn higher net income. Meanwhile, working capital requirement was recorded at TRY 11Bn due to inflated inventories and trade receivables caused by cost and product price increases as well as local currency depreciation
- **Cash outflow from investing activities stood at TRY 6.9Bn** versus TRY 172Mn cash inflow as a result of;

- i. TRY 2.8Bn advance payments in relation with the investments
 - ii. TRY 300Mn cash outflow for Refel S.p.A acquisition
 - iii. TRY 5.1Bn (EUR 302Mn) capital expenditures, mainly in relation with;
 - o *Chemicals business line expenditures; maintenance of mining operations located in Turkey and US natural soda asset, capacity increase in Turkey-Mersin soda ash plant and maintenance work at chromium chemicals facilities located in Turkey & Italy, corresponded to 27% of the total capex*
 - o *Glass Packaging business line expenditures; Hungary & Turkey-Eskişehir new furnace and related infrastructure investment, a cold repair undertaken (one furnace in Russia-Kuban facility), mold expenses, corresponded to 26% of the total capex*
 - o *Architectural Glass segment; greenfield Turkey-Tarsus facility investments, new automotive float line investment in Turkey-Kırklareli facility, maintenance and operational efficiency expenses, corresponded to 23% of the total capex*
 - o *Glassware segment expenditures; cold repairs undertaken (one furnace in Bulgaria and one furnace in Turkey-Kırklareli facility) and mold expenses, corresponded to 13% of the total capex*
 - o *The remaining balance was in relation with Auto Glass segment's maintenance expenses combined with One Sisecam digital transformation and efficiency improvement investments*
- **Cash outflow from financing activities recorded at TRY 752Mn** versus TRY 2.6Bn in 9M'21
 - **Cash conversion cycle** shortened by 22 days compared to 2021 year-end given lesser DIO, DRO and DPO. FCFE had a negative balance of TRY 741Mn
 - With **TRY 4.5Bn increase in cash** including FX translation gains, period-end cash position came in at **TRY 17Bn**
 - **Cash and cash equivalents** including financial assets (USD 172Mn-Eurobond investments, USD 92Mn-FX protected deposit and TRY 1.9Bn liquid fund investments) increased by TRY 6.6Bn compared with 2021 year-end to TRY 23.7Bn (USD 1.3Bn) in 9M'22
 - Excluding the financial assets, 71% of cash and cash equivalents was kept in hard currencies (57% EUR, 43% USD)

Debt Position (9M'22 vs 2021-end)

Gross debt recorded at TRY 41Bn (USD 2.2Bn) vs. TRY 28Bn (USD 2.1Bn)

- *75% of bank loans was in hard currencies (33% EUR, 42% USD)³*
- *TRY 802Mn total coupon payment was made in March and in September 2022 on USD 700Mn-Şişecam 2026 Eurobonds*
- *TRY 1.3Bn financial lease was recorded under financial liabilities*
- *Long-term liabilities corresponded to 53% of gross debt (62% in 2021-end)*

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.*

Net debt was TRY 17.7Bn (USD 956Mn) vs. TRY 11Bn (USD 788Mn) in 2021. **Net Debt to EBITDA** was at 0.75x.

FX Position (9M'22 vs 2021-end)

Şişecam's net long FX position decreased to **TRY 1.2Bn (USD 66Mn)** as of 9M'22-end from TRY 5.9Bn in 2021 mainly due to a decline in USD assets and a rise in EUR liabilities given foreign currency legislations on 40% TRY-conversion of export collections in addition to hard currency loan uses within the period. FX position was 297Mn short in EUR and 323Mn long in USD vs. 367Mn short in EUR and 813Mn long in USD as of the end 2021 (figures stated in original currencies).

One-Off Impacts excluded from Financials:

Excluding From EBIT:

- **9M'22: +TRY 1,110 Mn:**
 - **Q3'22: +TRY 375 Mn:**
TRY 375 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
 - **Q2'22: +TRY 364 Mn:**
TRY 364 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
 - **Q1'22: +TRY 371 Mn:**
TRY 371 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
- **9M'21: +TRY 817 Mn**
 - **Q3'21: +TRY 85 Mn:**
TRY 81 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
TRY 5 Mn: Sale of Paşabahçe store (Ankara)
 - **Q2'21: +TRY 219 Mn**
TRY 206 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
TRY 13 Mn: Sale of Paşabahçe Store (İstanbul)
 - **Q1'21: +TRY 513 Mn**
TRY 502 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
TRY 11 Mn: Sale of CO₂ emission allowances

Excluding From Net income:

- **9M'21: +TRY 23 Mn**
 - **Q3'21: +TRY 4 Mn**

TRY 5 Mn: Sale of Paşabahçe Store (Ankara)
 - **Q2'21: +TRY 11 Mn**

TRY 11 Mn: Sale of Paşabahçe Store (İstanbul)
 - **Q1'21: +TRY 8 Mn**

TRY 8 Mn: Sale CO₂ emission allowances

Operational Developments during and after Q3'22

- **Chemicals**
 - Planned Maintenance Work
 - Cromital facility was inactive for 3 weeks in August
 - Kromsan facility Tankrom SB unit was inactive for 35 days during the quarter (7 days in July, 17 days in August and 11 days in September)
 - Oxyvit facility;
 - a) *Vitamin K-3 unit was inactive for 39 days during the quarter (10 days in July, 23 days in August, and 6 days in September)*
 - b) *SMBS unit was inactive for 21 days during the quarter (15 days in August and 6 days in September)*
- **Glass Packaging**
 - Unplanned Maintenance Work at Eskişehir Plant
 - One of the 4 furnaces located in Eskişehir Plant was inactive since mid-August days. The repair work had been completed within 2 months

Important Events during and after Q3'22

- Following the downgrade of Turkey's credit rating from "B2" to "B3" and the change of outlook from "negative" to "stable" on 12/08/2022, International Credit Rating agency Moody's Ratings has downgraded the credit rating of Türkiye Şişe ve Cam Fabrikaları A.Ş. from "B2" to "B3" and changed the outlook to "stable"
- Following the annual review studies, on 22/08/2022, JCR Eurasia Rating has affirmed the Long-Term and Short-Term National Ratings of Şişecam as "AAA (tr) / (Stable Outlook)" and "J1+ (tr)/ (Stable Outlook)", respectively. The Long-Term International Local Currency and Foreign Currency Ratings have been assigned as "BBB- / (Stable Outlook)". Foreign Currency Ratings have been assigned as "BBB- / (Stable Outlook)". Ratings assigned by JCR were investment grade.
- On 08/09/2022 The Capital Markets Board approved Şişecam's application for the issuance of debt instruments up to a total amount of TRY 10Bn for sale to domestic qualified investors and private placement without public offering.
- Within the issuance ceiling of TRY 10Bn dated 08/09/2022, Şişecam carried out five bond issuances with TRY 5.85Bn total nominal value, 226 days average maturity and 26.41% annual interest rate.
- As of 31/10/2022, within the scope of share buyback program, Şişecam bought back TRY 101.75Mn-nominal value shares, corresponding to 3.32% of the share capital, for a total of TRY 1.54Bn

Appendix

Sub-Segmental Breakdown of Revenue	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22
Architectural	23%	28%	28%	29%	29%	27%	25%	27%
Auto Glass & Encapsulation	11%	8%	11%	10%	7%	7%	5%	7%
Glassware	15%	16%	15%	15%	11%	11%	10%	11%
Glass Packaging	26%	24%	24%	23%	16%	18%	21%	19%
Chemicals	20%	17%	18%	18%	30%	30%	31%	30%
Soda Chemicals & Energy	13%	10%	11%	11%	26%	27%	29%	27%
Chromium Chemicals & Oxyvit	4%	3%	4%	4%	1%	1%	1%	1%
Glass Fiber	2%	1%	2%	2%	2%	2%	2%	2%
Mining & Other	2%	3%	2%	2%	0.5%	0.4%	0.3%	0.4%
Other	5%	6%	3%	5%	7%	7%	8%	7%

Breakdown of COGS Items	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22
Input & Materials & Packaging	44%	44%	45%	44%	37%	38%	34%	36%
Ngas	16%	19%	17%	19%	27%	29%	30%	29%
Electricity	6%	7%	7%	7%	7%	6%	7%	7%
Labor	13%	12%	13%	12%	11%	10%	10%	10%
Depreciation	9%	8%	9%	8%	6%	5%	5%	5%
Outsourcing & Other	11%	9%	10%	10%	12%	12%	14%	13%

Breakdown of Opex Items	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22
Indirect Material Costs	1%	1%	1%	1%	1%	1%	1%	1%
Salaries and wages expenses	19%	18%	20%	17%	14%	15%	15%	15%
Outsourced service	45%	46%	44%	53%	42%	76%	61%	61%
Miscellaneous expenses	28%	28%	28%	24%	39%	4%	20%	19%
Depreciation and amortization expenses	6%	7%	6%	6%	4%	4%	4%	4%

Regional Breakdown of Adjusted EBITDA	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22
Turkey	5,763	1,292	3,834	6,742	3,372	4,390	4,286	12,048
Foreign Operations	1,530	707	2,000	2,637	1,467	2,152	2,082	5,702
Russia, Ukraine and Georgia	853	385	845	1,243	370	528	602	1,500
Europe	646	268	1,018	1,228	518	958	619	2,095
US					515	573	779	1,867
Other	31	54	136	166	64	94	82	240

Regional Breakdown Adjusted EBITDA Margin	2020	Q3'21	9M'21	2021	Q1'22	Q2'22	Q3'22	9M'22
Turkey	44%	28%	33%	37%	37%	33%	31%	33%
Foreign Operations	19%	20%	22%	19%	19%	22%	17%	19%
Russia, Ukraine and Georgia*	11%	11%	9%	9%	5%	5%	5%	5%
Europe*	8%	7%	11%	9%	7%	10%	5%	7%
US*					7%	6%	6%	6%
Other*	0%	2%	1%	1%	1%	1%	1%	1%

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

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