

Sisecam Merger Update - Webcast Script

Good afternoon,

Thank you to everyone for joining us today. We hope that you and your families are keeping well at this time

It has been almost three months since we first announced our intention to simplify our legal and shareholding structure by merging our five listed companies -Şişecam, Trakya Cam, Anadolu Cam, Soda Sanayii and Denizli Cam - and the Pasabahçe business unit into one single listed business: Sisecam (Türkiye Şişe ve Cam Fabrikaları A.Ş.). As you know, we applied to the Capital Market Board (CMB) yesterday for the merger transaction. While we realize that the time we took until application to CMB has been slightly longer than we had initially announced, needless to say, it was mostly due to Corona whereby the valuation report and all the projections of 69 companies had to be revised in order to reflect the possible consequences of the pandemic on our operations. So let me thank you for your patience during the last couple of months.

Tolga Ismen, General Counsel of Sisecam Group is together with me today to address any detailed technical legal questions.

Today we would like to update you on the transaction and the next steps in this process

Before we begin, we would like to highlight that, the Capital Market Law was amended on February 25, 2020 and while the amendments has not have any major impact on the merger process, it has certain changes in the exit rights mechanism. The interpretation of these changes will be determined by the CMB with a new Significant Transactions Communiqué. CMB issued draft Significant Transactions Communiqué on March 16, 2020 however; it has not come into effect, yet. We have effective communication lines with the CMB and we conveyed our views on the draft communiqué. The current communiqué is still in force and in order to avoid further delays in the process we prepared and filed the application based on the current communiqué. The exit rights constitute a minor portion of the CMB's review of the application. The most cumbersome portion of their review will be inspecting the Valuation Report of the Expert, which has nothing to do with the amendments to the law. We will make the necessary arrangements once the new communiqué is legalized by the CMB. Until that point in time, we can only give your answers based on the communiqué but there is not certainty that the CMB will adopt the draft communiqué as announced on March 16th or apply the new communiqué to our merger transaction. We will keep our investors informed as soon as possible once we have further clarification

On page 2, We will begin by recapping the transaction rationale, the steps we have taken so far in the process and the upcoming next steps

The focus of this session will be on the Expert Valuation Report, as part of the application to CMB, which was submitted yesterday, and we will then take you through the anticipated post-merger structure

At the end, we will open the floor for your questions

I'll walk you through the rationale on page 3

Since its founding in 1935 Sisecam has grown into one of the largest industrials businesses in Turkey.

Today, we are a truly global company with a footprint in more than 150 markets. With this expansion, however, our structure has become increasingly complex, making up 69 subsidiaries, operating under four business units and with five listed entities

In order to achieve further growth, improve governance and achieve greater strategic alignment between the different parts of the business, the Board has been aimed to simplifying our structure

While we have made significant progress with this simplification process, the business structure remains more cumbersome than we would like, which reduces our agility, as well as our ability to deliver our strategic objectives and to fulfil our potential.

To unlock the many opportunities that we see ahead of us, we are now seeking to merge our five listed companies (Şişecam, Trakya Cam, Anadolu Cam, Soda Sanayii, Denizli Cam) and our Paşabahçe business unit, into one listed entity

This simplified structure will better position us to improve our strong reputation on the global stage

By creating a single stock with greater appeal to both local and international investors, this transaction will have a positive impact on the valuation of the group, creating long-term, sustainable value growth for investors. The merger will increase liquidity, creating the opportunity for higher trading volumes, eliminating 'cross-trading' and removing what we believe to be a 'holding company discount' on the stock

Operating as "One Sisecam" will allow us to maximize shareholder value, increase our competitive advantage and build on our position among the top 3 players in the glass manufacturing sector

A successful transaction will reduce operating costs, synergies between business units will be easier to identify and unlock that will result in a run rate of at least incremental 200 to 300 basis points to EBITDA margin starting from 2-3 years after the merger and revenue generation will be centralized leading to lower revenue leakage.

Centralization of supply chains is expected to unlock the path to a further operational efficiency at the Human Resources level and to enable the Group to attain its operational targets without the necessity to increase the current level of white-collar employment. 2/3 of the cost improvement at the first phase is projected with this respect. The remaining 1/3 of it is expected to come from the centralization of logistics and singularization of client services

In brief, we believe that, under a simplified structure and with a unified identity, we will be even better placed to accelerate our growth plans in the near term and into the future

We'll share roadmap in detail on page 4

The day after we decided to start the merger talks, as it was also announced on the Public Disclosure Platform, we named Price Waterhouse Coopers as the Expert Valuation Company by signing an agreement

PwC have conducted the valuation process of the Group, prepared the Expert Valuation Report and Opinion, and determined the conversion rates, which are all subject to the CMB approval

We would like to draw your attention to the fact that as the Expert Valuation Report has been completed, we have formally submitted an application to the Capital Markets Board as of yesterday for their evaluation and approval consideration of this proposed merger

We have several steps ahead of us before we can officially finalize the merger process.

The first step will be to get the CMB and other legal and regulatory approvals. We do expect to have them in place in the first half of July. CMB will review the Expert Valuation Report and approve the Disclosure Document. As you know, this will be largest merger in the history of Turkish Capital Markets regulation and therefore, it will require significant effort and resources from the CMB to finalize their review. We will assist them in all means during the whole process.

Energy Market Regulatory Authority's approval process will also be conducted in parallel to the CMB evaluation phase.

Due to the timing restrictions imposed by the legislation we should finalize the general assemblies in which the merger will be approved prior to the end of August.

Therefore, once we obtained the approval of the CMB to the Disclosure Document, we will be proceeding with the Extraordinary General Assembly announcements of Sisecam and the subsidiaries, subject to the merger, as soon as Board of Directors make a final review and cast in favor of the transaction.

The final documentation will be available for the shareholders to review at least 30 days prior to the relevant General Assemblies.

Shareholders that will have the right to utilize exit rights should participate in the General Assembly and cast their votes. This participation can also be done via electronic voting. We will ensure that all shareholders can use their rights in an effective manner. The Board of Directors may set a threshold for the exit rights and propose to the General Assembly to withdraw the merger if such threshold is exceeded. Such decision will be taken after the CMB's review and with the decision to convene the General Assembly.

Our target is to successfully complete the process by holding the Extraordinary General Meetings before the end of August in line with the legislation.

On slide 5, you may also see the chronological presentation of our roadmap

You'll see the detail of Expert Valuation and Opinion on page 6

In January, we engaged PwC to work on the Valuation and Opinion report needed for the formal transaction application to the Capital Markets Board. We are pleased to have received the report by yesterday. With the COVID-19 pandemic severely disrupting markets, PwC recalculated its projections and updated assumptions to reflect the impact of the pandemic on our companies and subsidiaries across the different markets we operate in.

The valuation report is based on 2019 year-end financial results and a projection period of five years: 2020-2025. For the purposes of Soda Sanayii's US investment, a longer period is taken into consideration to capture the benefits of that project.

The methodology to calculate the total share values was a combination of the DCF, peer comparison relative value, book value and market value. Weighing them 30%, 30%, 20% and 20% respectively.

A very large group of experts worked very hard to finalize the valuation report. While the calculations for book value and market value are relatively straight-forward, DCF model required a lot of work. They needed to review all historical performance and projections of 69 companies and value them all one by one to reach the value for the sum. The spread of COVID-19 pandemic further complicated the process since all projections needed to be revised to be reflected in DCF model.

I need to state that PwC carried out an excellent work and through the whole process maintained their independence. In many instances, they challenged our projections and conducted their work accordingly.

I am very happy to state that the valuation conducted by PwC is in line with the management's expectation, it represents a significant discount on the market value of the Group, in comparison to the DCF and relative value. The valuation of the companies based on the ratios mentioned before are 18bnTL for SISE, 5,5bnTL for Anadolu, 6,8bn for Trakya and 9,3bn for Soda. This figures enforced our conviction that the mergedOne Sisecam will be the right platform to unleash this hidden value.

The conversion rates calculated based on this valuation are 1:1 for SISE. 0.67615 For TRKCM, 0.88239 for ANACM, 0.53423 for PASAB, 0.33089 for DENCM and 1.15997 for Soda.

As PwC expressed clearly in its report, DCF and Relative value methods, which have the highest weights in the valuation with 30%, reflects future possible scenarios, while methods of Book Value and Market Value have 20% share in the valuation that were calculated based on historical data. Only DCF method incorporates the potential impacts of COVID-19.

On the top of the left hand side, you can see the value of shares subject to merger for each company and the conversion rates. Provided Conversion rates, which were also included in the Valuation Report, were calculated by the Expert Valuation Company as a result of the valuation studies conducted

| | Value of Shares Subject to Merger (TL Million) | Conversion Rates |
|-------|--|------------------|
| SISE | 18.093 | 1,00000 |
| TRKCM | 1.917 | 0,67615 |
| ANACM | 1.156 | 0,88239 |
| PASAB | 5 | 0,53423 |
| DENCM | 20 | 0,33089 |
| SODA | 3.450 | 1,15997 |

We would like to draw your attention to the fact that the exit rights provided on right hand side of this slide are calculated based on the existing Communiqué. TL per share exit rights are the arithmetical mean of corrected weighted average prices traded on the stock exchange within thirty days prior to the date of first disclosure of transaction to public, excluding the date of disclosure

| TL/Share | Exit Rights |
|----------|-------------|
| SISE | 5,27 |
| TRKCM | 3,47 |
| ANACM | 4,46 |
| PASAB | - |
| DENCM | 8,85 |
| SODA | 6,39 |

Exit rights price is regulated by the Special Decisions Communiqué and it is not something that the company or the experts has any discretion on. We only apply the formulae provided by the legislation to determine the exit right price. The current communiqué sets forth the 30 days averaged stock price as the fair value for the exit price. We just applied that to our shares. The valuation of PwC mentioned earlier has no relation whatsoever with the exit rights price. Once the dividend payments for 2019 take place, exit rights prices will be adjusted accordingly to incorporate the payments made and adjusted exit rights prices will be announced following the dividend payments.

As it is required to provide the exit rights while submitting the CMB application, and as draft Communiqué has not yet come into effect, exit right calculations have been based on the existing legislation. Should the legislation change on exit rights, we will update the valuation methodology accordingly.

On page 7, anticipated post merger structure was shared

In our post-merger structure we expect share capital to increase by TL 814 Million to TL 3.064 Million

Is Bank will continue to be the largest shareholder, holding circa 51% of the new entity

The free float will increase by circa 21 percentage points, so that we have circa 43% of shares at free float

Şişecam Group and PwC continues to maintain close communication with Capital Markets Board in an effective manner.

Before we begin to Q&A session, we would like to remind you once again that, the draft CMB's Significant Transactions Communiqué has not come into force and we will not be able to answer any questions on that topic at this point, because of the reasons that I have mentioned before. We will keep our investors informed as appropriate once we have further clarification

Q&A Is to be updated soon

Replay

You may access to replay of the webcast by registering the details required on below link

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