EARNINGS RELEASE

May 31, 2024

Şişecam (BIST-100: SISE) reported financial results for the first quarter ended March 31, 2024

M. Görkem Elverici, CEO of Şişecam, commented:

Despite ongoing global economic and geopolitical uncertainties, illustrated by conflicts like those between Russia-Ukraine and Israel-Palestine, Şişecam has maintained its global growth trajectory in the first quarter of 2024. With operations spanning 14 countries across four continents, we are steadfast in our commitment to operations and investments that align with our vision of creating sustainable value and propelling Şişecam to global leadership in its respective sectors.

Our strategic investments play a pivotal role in achieving this vision. Notably, the initiation of three new coated glass lines investments in Turkey, Italy, and Bulgaria in 2024, with a total capacity of almost 20 million square meters, represents a significant milestone for us. With these investments, our glass coating lines will increase to seven worldwide and Şişecam's coated glass capacity will reach approximately 42 million square meters. With this decision, we aim to strengthen our leadership in the architectural glass market in Turkey and enhance our global competitiveness by bolstering our capabilities in the value-added product category. Furthermore, in the first quarter of this year, we achieved two milestones in enhancing our production capacity. We have ignited our fifth glass packaging furnace and put our glassware furnace into operation after cold repair in Eskişehir. As a result, Şişecam Eskişehir Glass Packaging Factory, equipped with five furnaces and 24 lines, has become the World's largest glass packaging facility. These strategic investments have positioned Şişecam as the global leader in glassware production. Hence, we underlined our commitment to meeting increasing demand and supporting the sectors we serve, despite the challenging economic climate.

Another notable achievement of Sisecam was the issuance of $1.5 billion Eurobonds in two tranches ($675 million due 2029 and $825 million due 2032) by our 100% owned subsidiary, Şişecam UK PLC. This issue attracted demand from international funds and financial institutions close to $5 billion, marking the highest demand for the largest corporate bond issue in the history of the Republic of Turkey. This strong demand reaffirms global confidence in Şişecam, particularly following our credit ratings assigned by Moody's and Fitch at B2 and BB- respectively, which are one notch above the sovereign ratings.

Amidst all these developments, we have also taken action for the second flat glass line investment of our JV with Saint Gobain Glass in Egypt.

As we look ahead to 2024, we acknowledge that the dynamic global landscape is characterized by economic recovery, technological advancements, and geopolitical shifts. Despite the uncertainties, we remain optimistic about our proactive approach and agility in adapting to change. As we strive to identify and seize opportunities in both existing and prospective markets, we aim to achieve increases in sales volumes in 2024 based on the anticipated momentum on the low base.

As we venture into the promising opportunities of growth and advancement in 2024, I want to express my sincere gratitude for your trust and support in Şişecam. We remain committed to transparent communication, responsible financial management, and continuous progress.

Important Notice Regarding the Accounting Principal Change

- Turkey has economic conditions that require reporting entities in the country to follow the methodology set out in International Accounting Standards ('IAS') - 29 'Financial Reporting in Hyperinflationary Economies'.
- Pursuant to the decision dated December 12, 2023, and numbered 10744 by the BRSA, banks, financial leasing, factoring, financing, savings financing, and asset management companies are not subject to inflation adjustments required under TAS-29 in their financial statements as of December 31, 2023.
- IAS 29 requires the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy to be restated for changes in the general purchasing power of that currency. Comparative figures for prior period(s) should be restated into the same current measuring unit.
- According to IAS 29.3, hyperinflation is indicated by the characteristics of an economy, which include but are not limited to the followings:
    - The cumulative inflation rate over three years is approaching, or exceeds, 100 percent. The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency
    - The general population regards monetary amounts in terms of a relatively stable foreign currency
    - Pricing of credit compensates for the expected loss of purchasing power, even in short credit periods
    - Interest rates, wages and prices are linked to a price index
- The consumer price index ('CPI') issued by the Turkish Statistical Institute was 36.08%, 64.27%, 64.77% and 15.06% in 2021, 2022, 2023, and 31/03/2024 respectively, thus IAS 29.3 is applied for reporting entities in Turkey.
- Pursuant to the Capital Markets Board Decision dated 28.12.2023 and numbered 81/1820, Sisecam is subject to IAS 29 inflationary accounting provisions, starting from its 2023 year-end earnings disclosure. Thus, Q1'24 and comparative Q1'23 financial results, stated in this earnings release, contain Sisecam's unaudited financial information prepared according to Turkish Financial Reporting Standards by application of IAS-29 inflation accounting provisions.
    - Non-monetary assets and liabilities are restated
    - Non-monetary items carried at current value are not restated
    - Monetary items (ie cash, financial assets) are not subject to indexation and thus not restated
    - All items in P&L are expressed by monthly indexation through consumer price index from the dates when the incomes and expenses accounted and up until the reporting date. Cost of goods sold, depreciation, and deferred tax items are subject to recalculation based on respective restated B/S items.
- Application of IAS-29 inflationary accounting provisions of Sisecam's financial figures is expected to continue until Turkey's economic conditions no longer meet the above stated IAS 29 criteria.

Consolidated Summary Financial Results for Q1’24

Important Notice*: Pursuant to the Capital Markets Board Decision dated 28.12.2023 and numbered 81/1820, issuers and capital market institutions shall prepare their annual financial statements ending on December 31, 2023, or later, in accordance with IAS-29 inflationary accounting provisions. Accordingly, this Earnings Release on Q1’24 financial results and comparative prior period, contains Sisecam’s unaudited financial information prepared in accordance with Turkish Financial Reporting Standards by application of IAS-29 inflation accounting provisions.*

Summary Financials (TRY Mn)	Q1'23	Q1'24	YoY
Revenue	48,556	40,584	-16%
Gross Profit	14,517	9,279	-36%
Gross Profit Margin	30%	23%	-704 bps
Şişecam EBIT	6,310	1,320	-79%
Şişecam EBIT Margin	13%	3%	-974 bps
Şişecam EBITDA	9,536	4,770	-50%
Şişecam EBITDA Margin	20%	12%	-789 bps
Parent Only Net Income	5,324	2,355	-56%
Parent Only Net Income Margin	11%	6%	-516 bps

Capex	4,671	4,326	-7%
Capex/Sales	10%	11%	104 bps

Analyst EBIT*	5,368	-317	-106%
Analyst EBIT Margin*	11%	-1%	-1,184 bps
Analyst EBITDA*	8,595	3,133	-64%
Analyst EBITDA Margin**	18%	8%	-998 bps

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

Financial Highlights (Q1’24 vs Q1’23)

- **Revenue** came in at TRY 40.6Bn, down by 16% YoY
- **Gross profit** was at TRY 9.3Bn, down by 36% YoY with a margin of 23%
- **EBITDA** came in at TRY 4.8Bn, down by 50% with 12% margin
- **Parent Only Net Income** came in at TRY 2.4Bn, down by 56% with 6% net margin
- **Capex** recorded at TRY 4.3Bn and Capex/Revenues stood at 11%
- **FCFE** had a negative balance of **TRY 10.3Bn. WC/Revenue** was at 33%
- **Currency Sensitivity:** TRY 15.6Bn **Net Long FX Position, Hard currency share in Gross Profit** is 9% (50% in Revenue, 41% in COGS) in Q1’24
- **Net Debt/EBITDA** was at 1.6x

Segmental Analysis[1]

			Q1'24	
Segmental Breakdown of Revenue* (TRY Mn)	**Q1'23**	**Q1'24**	**YoY**	**Topline Drivers YoY**
Architectural Glass	9,795	8,615	-12%	+21% volume, -33% pricing, prod. mix, currency
Industrial Glass	4,806	4,651	-3%	+11% volume, -14% pricing, prod. mix, currency
Glassware	5,851	5,223	-11%	-6% volume, -5% pricing, prod. mix, currency
Glass Packaging	7,932	7,113	-10%	+17% volume, -27% pricing, prod. mix, currency
Chemicals	13,006	9,626	-26%	+11% volume, -37% pricing, prod. mix, currency
Energy	6,327	4,300	-32%	+31% volume, -63% pricing, prod. mix, currency
Other	839	1,056	26%	
Consolidated	48,556	40,584	-16%	

**Based on Net External Revenue*

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

Segmental Analysis (cont'd)

Segmental Contribution to Revenue	Q1'23	Q1'24	Q1'24 YoY
Architectural Glass	20%	21%	106 bps
Industrial Glass	10%	11%	156 bps
Glassware	12%	13%	82 bps
Glass packaging	16%	18%	119 bps
Chemicals	27%	24%	-307 bps
Energy	13%	11%	-243 bps
Other	2%	2%	67 bps

Segmental Breakdown of EBITDA (TRY Mn)	Q1'23	Q1'24	Q1'24 YoY
Architectural Glass	2,356	861	-63%
Industrial Glass	105	-258	-347%
Glassware	733	423	-42%
Glass packaging	1,276	637	-50%
Chemicals	3,884	1,916	-51%
Energy	287	237	-17%
Other	1,029	871	-15%
Total	9,670	4,687	-52%
Elimination	-134	83	-162%
Consolidated	9,536	4,770	-50%

Segmental Analysis (cont'd)

Segmental Contribution to EBITDA	Q1'23	Q1'24	Q1'24 YoY
Architectural Glass	24%	18%	-599 bps
Industrial Glass	1%	-6%	-660 bps
Glassware	8%	9%	144 bps
Glass packaging	13%	14%	41 bps
Chemicals	40%	41%	72 bps
Energy	3%	5%	209 bps
Other	11%	19%	794 bps

Note: EBITDA contributions are based on pre-consolidation eliminations.

Segmental EBITDA Margin	Q1'23	Q1'24	Q1'24 YoY
Architectural Glass	22%	9%	-1,281 bps
Industrial Glass	2%	-6%	-773 bps
Glassware	13%	8%	-444 bps
Glass packaging	16%	9%	-684 bps
Chemicals	27%	18%	-925 bps
Energy	4%	4%	62 bps
Other	53%	42%	-1,124 bps

Operational Highlights (Q1’24 vs Q1’23) [2]

		Q1’24 vs Q1’23
Architectural Glass		o Production up by 9% at 670K tons o 81% capacity utilization rate* o Sales volume up by 21% (domestic sales up by 28%, international sales up by 14%)
Industrials	Auto Glass & Encapsulation	o Sales volume** up by 10%
	Glass Fiber	o Production was down by 1% 16K tons o 89% capacity utilization rate o Sales volume up by 30%
Glass Packaging		o Production was flat at 556K tons o Sales volume up by 17% (domestic sales up by 33%, international sales up by 9%) o 92% capacity utilization rate (91% in Turkey and 94% in Russia) *
Glassware		o Sales volume down by 6% (domestic sales up by 4%, international sales down by 12%)
Chemicals	Soda Chemicals	o Production up by 7% o Sales volume up by 4% (domestic sales up by 21%, international sales up by 2%)
	Chromium Chemicals	o Sales volume up by 89% at 33K tons (domestic sales down by 10%, international sales up by 118%)
Energy		o Sales volume up by 31%, to 1.7Bn kWh

[2] *Glass and chemicals volume figures are based on metric ton*
** Actual output/effective capacity*
*** Auto Glass sales volume converted from m^2 to tons, Encapsulation sales volume converted from units to tons*

Architectural Glass: 21% share in Revenue | 18% share in EBITDA | #2 Topline & EBITDA Contributor Among Core Business Lines in Q1’24

Despite limited demand due to barriers in accessing and using external financing as a reflection of macro-economic challenges shaped by lasting inflation, Architectural Glass business line demonstrated its resilient positioning through different initiatives targeting construction and renovation markets.

Although the business line continued to follow inventory balancing strategies throughout the quarter due to subdued demand and low season dynamics, production was recorded at 670K tons, up by 9% YoY thanks to the new auto glass-dedicated production line, at which commercial production commenced in Q4'23. Turkey-based operations contributed 62% of flat glass output while facilities located in the EU region accounted for 22% of the consolidated production volume. The remaining balance was composed of Russian and Indian operations. Quarter-wise CUR stood at 81% (vs. 79% in Q1'23).

Consolidated sales volume increased by 21% YoY, primarily driven by stronger performance of Turkey operations on top of the low base. Turkey, the largest contributor to the consolidated sales volume with 62% share (vs. 57% in Q1'23), recorded a YoY growth of 33%. Despite the ongoing weakness in consumption given constrained financing capabilities of the client sectors due to tight monetary policies, domestic sales volume moved up by 28% YoY thanks to ease in the flow of imported goods following i) two additional import protection measures put in place in November 2023 and January, ii) Suez Canal blockage iii) depreciation of TRY. Furthermore, domestic sales were fueled by rapid re-urbanization efforts in the earthquake-affected region, and the uptrend in building renovation activities. Meanwhile, architectural glass exports soared by 68% YoY in volume terms thanks to the cease of logistic constraints that were in place last year due to massive earthquakes in Turkey and the market diversification with the inclusion of new wholesaler and processor clients in overseas markets particularly in Latin and North America. The Suez Canal blockage has also provided additional room for the export channel.

Throughout the quarter, construction and renovation demand in Central and Western Europe remained sluggish given macroeconomic setbacks. Meanwhile, heightened competition persisted although logistic constraints started to limit low-cost producers’ presence in the region through exports. Still, Architectural Glass business line sales from Europe-based facilities was flat YoY in volume terms. The region’s share in consolidated sales volume was recorded at 22% (vs. 26% in Q1’23).

India and Russia operations had an aggregate sales volume growth of 7% YoY driven by the vitality observed in India following the cold repair process as well as healthy demand conditions in Russia. Accordingly, those two regions accounted for 16% of the consolidated Architectural Glass sales volume.

The abundance of low-cost products, continuous decline in energy costs, hence production costs and ongoing weaker demand continued to put pressure on the pricing environment. Accordingly, EUR-based product prices went down by on average 25% YoY across all regions.

Architectural Glass segment, with TRY 8.6Bn net external revenue, recorded a topline contraction of 12% YoY.

Industrial Glass: 11% share in Revenue

Industrial Glass business line, consisting of automotive glass, encapsulation and glass fiber operations, generated TRY 4.7Bn net external revenue with an annual contraction of 3%.

Automotive glass and encapsulation sub-segment, composing vast majority of the division's topline, recorded a sales volume growth of 10% YoY thanks to ongoing recovery in automotive industry in Turkey, accelerated demand of OEMs. Auto Replacement Glass ("ARG") channel, continued to support the business line's outperformance with its 14% share in consolidated automotive glass & encapsulation revenue.

Triggered mainly by a sales volume increase in export markets thanks to portfolio extension efforts with new customer additions pursued through new product developments, Glass Fiber sales volume went up by 30% YoY. Weak pricing market persisted in the domestic market mainly due to intense competition given the presence of low-cost imports during times of slower demand. Pricing dynamics were not different in the surrounding region including EU.

Glass Packaging: 18% share in Revenue | 14% share in EBITDA | #3 Topline & EBITDA Contributor in Q1'24

With a quarterly average CUR of 92%, the consolidated Glass Packaging production remained flat at 556K tons YoY in Q1'24 on the back of continued stock optimization primarily in Turkey and Georgia. Comprising 57% of production from Turkey and 41% from Russia-based facilities, there was no major change in the composition. One of two furnaces in Kirishi facility (Russia), which was taken offline in Q3'23 for the cold repair process, re-ignited and started production at the end of February.

Benefiting from a favorable demand environment in our key Glass Packaging markets, Turkey, and Russia, we experienced a robust 17% YoY surge in consolidated sales volume. Domestic sales recorded an impressive 33% growth driven by improving consumer sentiment with the wage increases, heightened demand for local non-alcoholic beverages, particularly mineral water, and soft drinks, along with anticipated energy price increases leading to pulled forward orders, while the food sector witnessed some slowdown attributed to end product price competition. Increased macroeconomic visibility following general elections along with the low base of Q1'23 also supported the robust growth in Turkey. Exports from Turkey, having 14% share in overall sales, registered a 5% decline, as strong demand in the ME was unable to fully offset weak demand in Europe. In Russia, the sales volume increased by 10%, primarily driven by Increased demand for glass packaging in the beer sector due to the ongoing aluminum cans supply constraints. Notably higher than expected excise rate hike within the wine and champagne sectors, effective from May 2024, also contributed to the sales growth in Russia. The share of our international sales in overall Glass Packaging business line sales volume contracted 475 bps to 61%, primarily attributable to subdued demand in the USA and Europe, export clients of Turkey based facilities.

To accommodate the change in production cost and the inflation, mid-single digit upward price adjustments in Russia and low-double digits in Turkey have been made year-to-date in local currency, hence average per ton prices moved north by 4% in USD QoQ. However, per-ton prices remained notably below Q1’23 levels in USD terms.

Glass Packaging business line, with TRY 7.1 Bn net external revenue, recorded a topline contraction of 10% YoY.

Chemicals: 24% share in Revenue | 41% share in EBITDA | #1 Topline & EBITDA Contributor in Q1’24

In Q1’24, soda ash continued to be oversupplied yet with some short-term tightness in Mainland China. Soda Ash demand outlook was rather mixed. There were some signs of recovery in China through the end of the quarter triggered mainly by growing demand from electric vehicle and solar glass sectors along with ongoing lithium carbonate projects, while demand remained subdued in Europe and stable in the rest of the world. Meanwhile, Şişecam consolidated soda ash production rebounded by 7% YoY mainly with the low base effects from the Wyoming facility.

Despite the ongoing cautious stock management approach of our client industries amidst moderately improved macroeconomic sentiment for 2024, consolidated soda ash sales volume grew by 4% YoY. Domestic sales surged by 21% mainly driven by the Mersin facility, while overseas sales volume soared by 63%. Remarkable growth in both domestic sales and exports has been primarily propelled by the low base of 2023, which was caused by devastating earthquakes leading to temporary closures of some client industries in the region and significant logistical constraints. While the demand outlook for the glass sector is expected to become more favorable globally in the second half of the year, demand from major soda ash-consuming industries such as glass and detergent remained within seasonal limits in Q1’24. Consequently, international sales, which constituted 88% of the consolidated sales volume, grew by 2% YoY.

The downward trend in soda ash prices continued unabated due to market oversupply given capacity additions made particularly in China in an environment with weak demand dynamics, and lower natural gas spot prices on a YoY basis. Excluding temporary tightness experienced in some regions, which resulted in product price fluctuations, average global USD soda ash prices went down by ~30% YoY.

Despite persistent macroeconomic concerns and geopolitical tensions, Şişecam's chromium chemicals sales volume sustained the positive trend observed in the last quarter of 2023, registering an 89% YoY growth in Q1’24. The cease of logistic constraints at Mersin port was one of the main factors contributing to the significant growth in sales. International sales, comprising 89% of total sales, surged by 118% YoY with an enhanced client portfolio and recovering chromium sector outlook.

In Q1’24, sales price of chromium chemicals decreased YoY, yet the market dynamics were adequate to maintain the price levels recorded in the last quarter of 2023.

The chemicals segment’s net external revenue was recorded at TRY 9.6Bn, down by 26% YoY.

Glassware: 13% share in Revenue | 9% share in EBITDA

Weaker consumer sentiment stemming from global high inflationary environment and economic slowdown given elections in Turkey and India left its mark over Glassware business line through lower than typical low season sales performance in Q1’24. Although sales volume was 6% down YoY, it was higher than the consolidated level recorded in the previous quarter. Sluggish macroeconomy preceding the elections, coupled with increased demand for cash given high interest rates, led companies to defer purchases until after the elections particularly in Horeca channel. Yet, growth in retail wholesalers, national retailer & store channels, driven by successful marketing strategies, supported domestic operations, resulting in a 4% YoY increase in domestic sales volume.

Despite the still slow-moving retail market in Europe, strong performance in Horeca, retail and discount channels driven by Şişecam brand awareness and enlarged catchment area, supported sales in the region. Yet stagnant global beer industry limited the sales volume growth in B2B channel.

Meanwhile sales to MEA region mainly supported by Ramadan promotions and change in sales mix in Q1’24. However declining consumption due to sluggish demand in Russia, compounded by overstocked retailers and the tendency to save on non-essential products limited Russia based operations performance. As a result, international sales volume was down by 12% YoY.

Reflecting the changes in costs through dynamic pricing models, mid to high-teen product price adjustments were put in place in Glassware segment throughout 2023. In Q1’24, Glassware business line, with TRY 5.2Bn net external revenue, recorded a topline contraction of 11% YoY while international sales contributed 53% to the topline.

Based on Şişecam consolidated figures, share of international revenue stood at 61% in Q1’24 while the rest was generated from domestic sales.

Regional Breakdown of Revenue	Q1'23	Q1'24	Q1'24 YoY
Revenue from Turkey Operations	**57%**	**59%**	234 bps
Sales in Turkey	39%	39%	45 bps
Exports from Turkey	18%	20%	188 bps
Revenue from Foreign Operations	**43%**	**41%**	-234 bps

In Q1’24 FY, EBITDA recorded at TRY 5Bn with 12% margin while Parent Only Net Income stood at TRY 2.4Bn

- Gross profit margin was 23% in Q1’24 compared to 30% in Q1’23. The decline was primarily attributed to lower capacity utilization rates at glass production facilities, driven by gross pull reductions aiming to optimize inventory levels in an environment where the topline underperformed the previous year due to lower product pricing, as well as the limiting impact of lower TRY depreciation compared to CPI index change on the translation of international operations’ results into TRY. Increased labor costs in a high-inflation environment, along with cost increases that were not fully reflected in product prices due to weak demand conditions, further contributed to margin contraction. While margin contractions were evident across all core business lines, they were particularly visible in the Architectural Glass and Chemicals segments, owing to suppressed product pricing and limited TRY depreciation compared to the inflation.
- OPEX/Sales, up by 480 bps to 24% due to white-collar wage increases and rising hard currency logistic costs given Suez Canal blockage.
- TRY 427Mn income from participated JVs vs. TRY 258Mn with better financial performance of the JV with Saint Gobain in Egypt and Solvay in Bulgaria.
- Other income & investing activities recorded at TRY 462Mn compared to TRY 342Mn.
- TRY 1.6Bn FX gain was recorded on Eurobond investments, trade receivables & payables and financing activities vs. TRY 191Mn.
- TRY 2.2Bn net interest expense was recorded on bank loans and debt issuances while TRY 215Mn net interest income was generated on derivatives.
- TRY 4.5Bn monetary gain was recorded in Q1’24 compared to 3.8Bn.
- TRY 2.0Bn was recorded as deferred tax expense vs TRY 1.1Bn mainly in relation with deferred tax expense effect of net investment hedge, increased deferred tax liability from indexation of non-monetary items given IAS-29 inflationary accounting implementation, higher use of the incentives on capital expenditures.
- Effective tax rate for Q1’24 stood at 48% given net investment hedge effect and the rise in deferred tax expense due to the indexation of 31/12/2023 deferred tax liability to 31/03/2024. In addition, the postponement of inflationary accounting application in statutory financials prepared in accordance with Turkish tax code to Q2’24 resulted in a deferred tax expense on the inflated value of fixed assets and inventories. The accounting method difference, which led to a higher deferred tax base on inventories and fixed assets, ended up in a rise in deferred tax liability and deferred tax expense.

Cash Flow Analysis (Q1'24 vs Q1'23)

- **Cash inflow from operating activities** came in at **TRY 3.3Bn** vs. TRY 1.1Bn thanks to improved working capital changes and non-cash adjustments. Rise in changes in net working capital were mainly driven by reduced inventories as a result of the inventory optimization strategies implemented and reduced trade payables compared to Q1'23. In addition, adjustments in non-cash items were recorded at TRY 673Mn mainly in relation with interest expense adjustments particularly on TRY bonds given the rate hikes.
- **Cash outflow from investing activities stood at TRY 2.1Bn** vs. TRY 2.5Bn given;
  i. TRY 3.3Bn advance payments in relation with the capex program
  ii. TRY 257Mn cash payment for the acquisition of Icron
  iii. TRY 4.3Bn capital expenditures vs. TRY 4.7Bn mainly in relation with
    - *Glass Packaging business line; mainly in relation with greenfield Hungary investment and payments made in relation with planned cold repair process in Turkey in 2024 corresponded to 43% of Sisecam's total capex.*
    - *Architectural Glass segment mainly in relation with greenfield flat glass facility and furnace as well the new patterned glass furnace investments in Turkey-Tarsus corresponded to 23% of the total capex.*
    - *Chemicals segment, mainly in relation with operational efficiency and maintenance investments in Turkey Mersin and USA Wyoming plants corresponded to 12% of the total capex.*
    - *The remaining balance was related to cold repair undertaken in Eskişehir Glassware facility and Industrial Glass segment maintenance expenses combined with One Şişecam digital transformation and efficiency improvement programs.*
- **Cash outflow from financing activities recorded at TRY 1.5Bn** vs. TRY 3.1Bn.
- **Cash conversion cycle** was at 137 days with DIO, DRO and DPO at 115, 71 and 49, respectively.
- FCFE was flat with a negative balance of TRY 10.3Bn including monetary loss on CCE.
- With **TRY 773Mn increase YoY in cash** including FX translation gains and monetary loss on cash & cash equivalents, period-end cash position came in at **TRY 38.4Bn**.
- **Cash and cash equivalents including a)** TRY 4.3Bn-liquid fund investments b) TRY 5.3Bn-financial assets (USD 53Mn-Eurobond investments, USD 104Mn-FX protected deposit) decreased by TRY 777Mn over Q1'23 to TRY 43.7Bn in Q1'24.
- Excluding the financial assets, 80% of cash and cash equivalents was kept in hard currencies of which 49% was in EUR and 51% in USD).

Debt Position (Q1’24 vs 2023)

Gross debt recorded at TRY 95Bn vs. TRY 98Bn

- *75% of financial liabilities were in hard currencies (28% EUR, 47% USD)* [3]
- *TRY 2.1Bn principal + interest payments were made in Q1’24 on TRY short-term bonds and TRY 778Mn coupon payment was recorded in March on USD 700Mn-Şişecam 2026 Eurobonds*
- *TRY 2.7Bn financial lease was booked under financial liabilities*
- *Long-term liabilities corresponded to 59% of gross debt (54% in 2023)*

Net debt was TRY 51Bn vs. TRY 45Bn in 2023. **Net Debt to EBITDA** was at 1.6x.

FX Position (Q1’24 vs 2023)

Net long FX position of **TRY 15.6Bn** was recorded in Q1’24 vs. TRY 12.3Bn net long position in 2023 year-end. The improvement in the FX position primarily stemmed from the reduction in liabilities denominated in USD and EUR. FX position was 550Mn long in USD and 89Mn short in EUR as stated in original currencies in Q1’24-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.*

One-Off Impacts on the Financials:

On EBIT:

- **Q1’24: +TRY 233 Mn:**
  - TRY 160 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
  - TRY 73 Mn: Insurance compensation

- **Q1’23: -TRY 228 Mn:**
  - TRY 158 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
  - TRY -386 Mn: Earthquake donation

On Net Income:

- **Q1’24: +TRY 155 Mn:**
  - TRY 55 Mn: Insurance compensation
  - TRY 100 Mn: Tax incentive income

- **Q1’23: -TRY 1,840 Mn:**
  - TRY 1,550 Mn: Earthquake tax
  - TRY 290 Mn: Earthquake donation

Operational Developments during and after Q1’24

- **Flat Glass**
    - Cold Repair
        - TR1 line, located in Kırklareli facility (Turkey), was inactive during Q1’24 due to cold repair work that started in 2023 January-end.

- **Glass Packaging**
    - New Investment:

        5th furnace investment with a gross production capacity of 198K tons/year in Eskişehir Glass Packaging facility, was ignited on 28/03/2024.
    - Cold Repair
        - One of the two furnaces, located in Kirishi facility (Russia), was re-ignited on 5/02/2024 following the cold repair process and commercial production started on 26/02/2024.
- **Glassware**
    - Cold Repair:
        - The furnace located in Eskisehir facility (Turkey) was re-ignited on 29/03/2024 following the cold repair process.

- **Other**
    - Planned Maintenance Work
        - Oxyvit facility
            - Vitamin-K unit was inactive for 20 days during Q1’24.

Important Events during and after Q1’24

- On 06/03/2024, Şişecam announced the decision to establish a new company in Egypt for the implementation of the approved second flat glass line project of Saint Gobain Glass Egypt SAE. The new company was established on 30/04/2024 through a partnership between Sisecam Investment B.V. (SIBV), Saint Gobain Nederland Beheer B.V., and Ali Moussa. Şişecam participated in the newly established company’s share capital with a 30% stake, by contributing a payment of 260,744,000 EGP (5,046,000 EUR).
- On 11/03/2024, Şişecam applied to the Capital Markets Board for the issuance of up to TRY 30Bn debt instruments domestically to qualified investors through sales and private placement methods and without public offering.
- Following the upgrade of Turkey's Long-Term Foreign-Currency Issuer Default Rating to "B+" from "B" and the revision of the outlook to "Positive" from "Stable" by Fitch Ratings on 09/03/2024; the International Credit Rating Agency has upgraded Şişecam's Long-Term Foreign-Currency Issuer Default Rating to "B+" from "B" and revised the outlook to "Positive" from "Stable" on 18/03/2024.
- Şişecam’s General Assembly Meeting for the year 2023 was held on 26/03/2024. Based on the decision taken by the GA, Şişecam paid TRY 2.20Bn gross dividend in cash on 31/05/2023.
- On 28/03/2024, Şişecam’s 5th furnace investment at the Eskişehir Glass Packaging facility was ignited, boasting a gross production capacity of 198K Tons/year. Consequently, the Eskişehir facility became the world's largest glass packaging facility with 5 furnaces and 24 lines on a single site. With this addition, our Company’s total gross glass packaging production capacity in Turkey has reached 1.9 Mn Tons/year across 3 facilities, contributing to a global capacity of 3.3 Mn Tons/year. This $145 Mn investment holds significance in meeting the rising demand in the glass packaging market and ensuring operational efficiency. Furthermore, the completion of cold repair at the Glassware facility in Eskişehir increased the gross production capacity to approximately 190K Tons/year. These investments positioned Şişecam's Eskişehir production facility as the largest integrated glass production point globally, with a consolidated gross capacity of approximately 1 Mn Tons/year across the glass packaging and glassware industries.
- On 03/04/2024, Şişecam and its subsidiaries Şişecam Otomotiv A.Ş. and Şişecam Elyaf Sanayii A.Ş. reached an agreement on the new period collective bargaining negotiations with Türkiye Cam Çimento ve Toprak İşverenleri and Kristal-İş for Flat Glass facilities located in Kırklareli, Mersin, Bursa and Ankara, for Glassware facilities located in Kırklareli, Eskişehir and Denizli and for Glass Packaging facilities located in Mersin, Yenişehir and Eskişehir. The new period collective bargaining negotiations reached an agreement with Türkiye Çimse-İş, as well, for Auto Glass Lüleburgaz facility, Glass Fiber Balikesir facility, for Bilecik facility of Camiş Madencilik A.Ş., a subsidiary of Şişecam, and for other workplaces associated with the union on the same date.

- On 22/04/2024, Citigroup Global Markets Limited, HSBC Bank plc, J.P. Morgan Securities plc and Merrill Lynch International were mandated for the planned Eurobond issuance of our 100% owned subsidiary, Sisecam UK PLC. The investor meetings and book building process were completed on 24/04/2024 and the net proceeds were transferred to Sisecam UK PLC accounts on 02/05/2024.

  The information regarding the bonds sold under Rule 144A/RegS regulations to qualified investors abroad and listed on the Irish Stock Exchange (Euronext Dublin) by Sisecam UK PLC is as follows:
    - USD 500,000,000 nominal value with a 5-year maturity, May 2, 2029 as the redemption date, and 8.25% coupon rate
    - USD 600,000,000 nominal value with an 8-year maturity, May 2, 2032 as the redemption date, and 8.625% coupon rate.
- On 22/04/2024, within the scope of debt profile management, along with the Eurobond issuance of Sisecam UK PLC, a tender offer was launched on Şişecam's USD 700 Mn (principal amount)-outstanding Eurobonds, issued in 2019 and due 2026, for a partial or full redemption before maturity. As a result of Sisecam Eurobond Tender Offer process, USD 328.2 Mn in aggregate principal amount of the notes was accepted for purchase on 21/05/2024.
- On 22/04/2024, International Credit Rating Agency Moody's upgraded Şişecam's credit rating from "B3" to "B2" and maintained its outlook as "positive". Concurrently, Moody's assigned a "B2" instrument rating with a "positive" outlook for the planned Eurobond issuance of Sisecam UK Plc, a 100% subsidiary of Şişecam. In its statement, Moody's highlighted that the proposed planned bond issuance and short-term debt refinancing would strengthen Şişecam's liquidity profile.
- On 23/04/2024, International Credit Rating Agency Fitch Ratings upgraded Şişecam's Long-Term Foreign-Currency Issuer Default Rating from "B+" to "BB-" and maintained its outlook as "positive". Concurrently, Fitch Ratings assigned an expected "BB-(EXP)" instrument rating for the planned Eurobond issuance of Sisecam UK Plc, a 100% subsidiary of Şişecam. In its statement, Fitch Ratings highlighted that upgrade reflects the company's credit enhancements such as the recently established offshore hard-currency liquidity and growing offshore EBITDA generation that allow a notch uplift above Turkey's 'B+' country ceiling.
- On 14/05/2024, the bookbuilding process of a tap Eurobond issuance of Sisecam UK PLC, to be consolidated with the Eurobonds with nominal values of USD 500Mn due 02/05/2029 and USD 600Mn due 02/05/2032 was finalized. The information regarding the bonds issued in two different maturities is as follows:
    - USD 175,000,000 nominal value with a 5-year maturity, May 2, 2029 as the redemption date, and 7.5% coupon rate
    - USD 225,000,000 nominal value with an 8-year maturity, May 2, 2032 as the redemption date, and 8.0% coupon rate.

- The audited bank-only and consolidated financial reports of Şişecam's parent company, Türkiye İş Bankası A.Ş., for the period ending 31/03/2024, was disclosed on the Public Disclosure Platform and Türkiye İş Bankası A.Ş.'s website on 10/05/2024. The financial reports of Türkiye İş Bankası A.Ş., which also included key figures related to Şişecam, were prepared in accordance with the accounting and financial reporting legislation of the Banking Regulation and Supervision Agency and did not include the provisions of TAS 29 'Financial Reporting in Hyperinflationary Economies'. Therefore, the information about Şişecam in the financial reports of Türkiye İş Bankası A.Ş., is expected to differ from the figures in our financial statements for the period ending 31/03/2024, which would be disclosed in accordance with the Capital Markets Board reporting regulations and applied the provisions of TAS 29. Unaudited and not subjected to inflation accounting financial statements of Şişecam, submitted to Türkiye İş Bankası A.Ş., are presented in the table below.

Financial Item	**TRY ('000)**
Total Assets	286,916,869
Total Fixed Assets (*)	150,053,702
Shareholders' Equity	152,200,904
Interest Income	1,599,266
Securities Income	155,947
Current Period Profit/Loss	3,851,167
Prior Period Profit/Loss	2,736,034

(*) Includes investment properties, property, plant, and equipment, and intangible assets.

- On 25/09/2023 The Capital Markets Board approved Şişecam's application for the issuance of debt instruments up to a total amount of TRY 20Bn for sale to domestic qualified investors and private placement without public offering. Within the scope of this issue certificate, Şişecam completed seven bond issuances with an aggregate nominal value of TRY 17.85Bn, all outstanding.
    - 12.85Bn of the outstanding TRY bond liability has fixed interest rate with a weighted average maturity of 615 days and simple annual interest rate of 47.49% as of 31/05/2024.
    - 5.0Bn of the outstanding TRY bond liability has variable interest rate with a weighted average maturity of 737 days and 2.5% additional return on TLREF as of 31/05/2024.
- As of 31/05/2024, within the scope of share buyback program, excluding 67Mn treasury shares sold on 29/11/2022 and the shares sold on 10/05/2023, Şişecam bought back TRY 59.9Mn-nominal value shares, corresponding to 1.96% of the share capital.

Appendix

Sub-Segmental Breakdown of Revenue	Q1'23	Q1'24
Architectural	**20%**	**21%**
Industrial Glass	**10%**	**11%**
Auto & Encapsulation	8%	10%
Glass Fiber	2%	1%
Glassware	**12%**	**13%**
Glass Packaging	**16%**	**18%**
Chemicals	**27%**	**24%**
Soda Chemicals	26%	23%
Chromium Chemicals	1%	1%
Energy	**13%**	**11%**
Other	**2%**	**2%**
Mining & Other	2%	2%

Breakdown of COGS Items	Q1'23	Q1'24
Input & Materials & Packaging	29%	33%
Ngas	20%	16%
Electricity	5%	5%
Labor	11%	15%
Depreciation	6%	6%
Outsourcing & Other	29%	25%

Appendix (cont'd)

Breakdown of OPEX Items	Q1'23	Q1'24
Indirect material costs	1%	1%
Salaries and wages expenses	18%	21%
Outsourced service	56%	57%
Miscellaneous expenses	20%	16%
Depreciation and amortization expenses	5%	5%

Regional Breakdown of EBITDA (TRY Mn)	Q1'23	Q1'24
Turkey	**5,109**	**2,944**
Foreign Operations*	**4,461**	**1,851**
Russia, Ukraine and Georgia	545	534
Europe	2,386	530
US	1,479	680
Other	51	107

**Geography-based contribution to Non-Turkey margin*

Regional Breakdown EBITDA Margin	Q1'23	Q1'24
Turkey	**18%**	**12%**
Foreign Operations*	**21%**	**11%**
Russia, Ukraine and Georgia	3%	3%
Europe	11%	3%
US	7%	4%
Other	0.2%	1%

**Geography-based contribution to Non-Turkey margin*

Disclaimer

"Certain information set forth in this document contains "forward-looking information" relating to the Company that are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this document. Readers are cautioned not to put undue reliance on forward-looking statements.

Although forward-looking statements contained in this document are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company and its directors, managers and employees undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable regulations or by law.

This document includes only summary information and does not purport to be comprehensive. Information provided in this document has been obtained by the Company's management from sources believed to be reliable, however the Company cannot guarantee the accuracy completeness, or correctness of such information. This document has been issued for information purposes only and cannot be interpreted as advice to the investors and the Company cannot be held responsible for the results of investment decisions made on account of this document. This document has been issued specially to the person to whom the document is concerned and may not be reproduced, distributed, or shared with third parties for any purpose.

Neither the Company nor its directors, managers and employees shall have any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents due to the misleading information in this document."