

## EARNINGS RELEASE

February 1, 2021



Şişecam (BIST-100: SISE) today reported financial results for the fourth quarter ended December 31, 2020

[Prof. Dr. Ahmet Kirman, Vice Chairman and CEO of Şişecam, commented:](#)

*“In the last quarter of 2020, our World was again surrounded by the uncertainty due to Covid-19 threat. Protective measures were back on the scene almost all around the globe. Although pandemic risks have persisted during the quarter, vaccine related developments brought some hopes to the markets. Yet, we maintained our cautious stance with macro risks in mind.*

*During the Covid-19 pandemic, which had an impact on a global scale, we supported a large ecosystem consisting of our employees, customers, suppliers, business partners and all the parties we work with. While closely monitoring the demand conditions in all our business lines, we also took actions to create a supply chain that can respond to the conditions created by the epidemic. We continued to monitor closely our business activities and global developments based on a very strict crisis management policy. We stayed focused on successfully managing our portfolio of operations to deliver stronger financial results and in the meantime, we kept on advancing in line with our restructuring schedule.*

*We are glad to see that we ended a highly successful quarter, with a decent topline growth and a strong nominal EBITDA. We benefited from the recovery seen in many of the end-markets. Flat Glass and Glassware operations, the two constituents of our portfolio that were strongly hit by Covid-19, had their second consecutive high performing quarters. Glass Packaging operations continued to be strong and resilient, while our Company’s cash generator, Chemicals operations continued to show resilience amid downward pricing pressure in its end markets. With the balancing nature of our portfolio of operations and hands-on management of production and operating costs, we managed to limit the negative impact of virus-related uncertainty surrounding our markets.*

*We also took solid steps in our Digital Transformation and Operating Model Transformation programs. As of January 2021, Glassware segment’s ERP system transition was completed and we are glad to say that the program has already stood out as one of the best practices globally among similar projects. As part of our Operating Model Transformation Program targeting to restructure the core operations as centers of excellence, we carried out the required studies on our supply chain operating model and gave start to the project. In the meantime, our Roots & Wings program, aiming to optimize our technology and performance of our human resources, continued at full speed with the go live of Finance job family with its new operating model as of February 2021 globally.*

*With the responsibility of protecting the public health, we accelerated our technology development studies as well. As you may recall, we have developed 100% domestic Antimicrobial V-Block Technology, a special coating technology that is effective against microorganisms including coronavirus. Official registration and permit processes for the production and sale of the products with V-Block Technology have been finalized as of 15 December 2020 and we are getting prepared to launch V-Block Technology applied Glassware products.*

*On a final note, we would like to remind all our stakeholders that even though sustainability again was one of the most common items in corporates agenda in 2020, as an heir of glass-production industry for 85 years and with full responsibility of conserving this cultural and intellectual heritage, we continue to consider sustainability as a part our DNA. Therefore, we have integrated an ESG focused approach to all of our fields of operations and sustainability remains tightly to our business strategy for more than a decade. We have been disclosing information to the Carbon Disclosure Project since 2011, and publishing sustainability reports since 2013. Committed to take further steps with the aim to improve our sustainable value chain, we revised our corporate sustainability strategy in 2017 and launched “CareforNext”, an integrated and compatible framework with the United Nations Sustainable Development Goals covering every phase of our Group’s product and service value chain, which will be further enhanced and tailored in line with the new developments during 2021.”*

Consolidated Summary Financial Results for Q4 & 2020

Summary Financials	2019	2020	YoY Change
Revenue	18.059	21.341	18%
Gross Profit	5.880	6.661	13%
Gross Margin	33%	31%	-134 bps
EBIT	3.494	4.338	24%
EBIT Margin	19%	20%	98 bps
EBITDA	4.868	5.989	23%
EBITDA Margin	27%	28%	111 bps
Net Income After Minority Interest	1.905	2.138	12%
Net Income Margin	11%	10%	-53 bps
Capex	2.890	1.873	-35%
Capex/Sales	16%	9%	-722 bps
Adjusted EBIT*	2.923	3.312	13%
Adjusted EBIT Margin*	16%	16%	-67 bps
Adjusted EBITDA*	4.298	4.962	15%
Adjusted EBITDA Margin*	24%	23%	-55 bps
Adjusted Net Income*	1.911	2.012	5%
Adjusted Net Income Margin*	11%	9%	-115 bps
Analyst EBIT**	2.457	2.755	12%
Analyst EBIT Margin**	14%	13%	-70 bps
Analyst EBITDA**	3.831	4.405	15%
Analyst EBITDA Margin**	21%	21%	-57 bps

Q4'19	Q3'20	Q4'20	QoQ Change	YoY Change
4.843	5.798	6.708	16%	39%
1.533	1.888	2.191	16%	43%
32%	33%	33%	11 bps	101 bps
1.051	1.619	1.097	-32%	4%
22%	28%	16%	-1157 bps	-537 bps
1.432	2.034	1.559	-23%	9%
30%	35%	23%	-1184 bps	-633 bps
546	866	746	-14%	37%
11%	15%	11%	-382 bps	-15 bps
1.227	466	782	68%	-36%
25%	8%	12%	362 bps	-1368 bps
768	1.110	1.111	0%	45%
16%	19%	17%	-258 bps	71 bps
1.148	1.525	1.573	3%	37%
24%	26%	23%	-286 bps	-26 bps
511	866	628	-27%	23%
11%	15%	9%	-557 bps	-118 bps
628	852	1.084	27%	73%
13%	15%	16%	147 bps	320 bps
1.008	1.267	1.546	22%	53%
21%	22%	23%	120 bps	223 bps

\*Excluding one-off impacts

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

## Financial Highlights (Q4'20 vs Q4'19)<sup>1</sup>

- **Revenue** came in at TRY 6.7Bn, up by 39% YoY (EUR 727Mn, down by 4% YoY in EUR terms)
- **Gross profit** was at TRY 2.2Bn, up by 43% YoY with a margin of 33%
- **Adjusted EBITDA** came in at TRY 1.6Bn, up by 37% (EUR 171Mn, down by 5% YoY in EUR terms) with 23% margin, down by 26bps YoY
- **Adjusted Net Income after Minority Interest** came in at TRY 628Mn with a margin of 9%
- **Capex** came in at TRY 782Mn (EUR 83Mn). Capex to sales ratio is at 12%
- **FCFE** was TRY 760Mn (EUR 95Mn) in 2020, **WC/Revenue** was at 29%
- **Currency Sensitivity:** TRY 6.6Bn **Net Long Fx Position**, **EUR+USD share in Gross Profit** is 14% (54% in Revenue, 40% in COGS)
- **Net Debt/EBITDA** was at 0.65

## Segmental Analysis

Segmental Breakdown of Revenue ('000 TRY)	Q4'19	2019	Q3'20	Q4'20	2020	Q4'20	2020	Q4'20	Q4 topline drivers (YoY)
						QoQ	YoY		
Flat Glass	1.737.485	6.588.009	2.106.118	2.551.903	7.341.892	21%	11%	47%	+9% volume, +22% pricing and product mix, +16% currency impact
Glassware	870.068	3.074.818	811.048	1.087.805	3.196.871	34%	4%	25%	-4% volume, +29% pricing and product mix, currency impact
Glass packaging	1.161.273	4.293.177	1.557.286	1.468.204	5.449.024	-6%	27%	26%	+2% volume, +11% pricing and product mix, +13% currency impact
Chemicals	970.085	3.700.600	1.089.803	1.218.718	4.272.387	12%	15%	26%	-2% volume, -8% pricing and product mix, +36% currency impact
Other	103.733	402.082	233.878	381.631	1.080.512	63%	169%	268%	
Total	4.842.644	18.058.686	5.798.133	6.708.261	21.340.686	16%	18%	39%	

Segmental Contribution to Revenue	Q4'19	2019	Q3'20	Q4'20	2020	Q4'20	2020	Q4'20
						QoQ	YoY	
Flat Glass	36%	36%	36%	38%	34%	172 bps	-208 bps	216 bps
Glassware	18%	17%	14%	16%	15%	223 bps	-205 bps	-175 bps
Glass packaging	24%	24%	27%	22%	26%	-497 bps	176 bps	-209 bps
Chemicals	20%	20%	19%	18%	20%	-63 bps	-47 bps	-186 bps
Other	2%	2%	4%	6%	5%	166 bps	284 bps	355 bps

<sup>1</sup>reference to [Appendix](#) for segmental breakdown analysis

## Segmental Analysis (cont'd)

						Q4'20	2020	Q4'20
Segmental Breakdown of Adjusted EBITDA ('000 TRY)	Q4'19	2019	Q3'20	Q4'20	2020	QoQ	YoY	
Flat Glass	371.403,67	562.056,49	356.709,94	562.056,49	1.141.557,17	58%	103%	51%
Glassware	160.494,00	229.973,00	154.815,00	229.973,00	551.370,00	49%	140%	43%
Glass packaging	323.741,86	456.697,31	522.482,87	456.697,31	1.636.110,18	-13%	258%	41%
Chemicals	345.316,00	435.487,17	436.677,06	435.487,17	1.628.729,23	0%	274%	26%
Other	-37.970,53	-114.002,25	53.767,84	-114.002,25	17.599,84	NM	NM	NM
Elimination	-15.001,00	2.891,00	832,00	2.891,00	-12.936,00	NM	NM	NM
Total	1.147.984	1.573.103	1.525.285	1.573.103	4.962.430	3%	215%	37%
Segmental Contribution to Adjusted EBITDA	Q4'19	2019	Q3'20	Q4'20	2020	QoQ	YoY	
Flat Glass	32%	32%	23%	36%	23%	1.240 bps	-921 bps	386 bps
Glassware	14%	11%	10%	15%	11%	449 bps	36 bps	85 bps
Glass packaging	28%	26%	33%	29%	33%	-375 bps	697 bps	125 bps
Chemicals	30%	27%	29%	28%	33%	-91 bps	533 bps	-196 bps
Other	-3%	4%	5%	-7%	0%	NM	NM	NM

						Q4'20	2020	Q4'20
Segmental Adjusted EBITDA Margin	Q4'19	2019	Q3'20	Q4'20	2020	QoQ	YoY	
Flat Glass	21%	21%	17%	22%	15%	509 bps	-585 bps	71 bps
Glassware	18%	15%	19%	21%	17%	202 bps	190 bps	265 bps
Glass packaging	28%	27%	33%	31%	30%	-225 bps	343 bps	321 bps
Chemicals	28%	26%	31%	30%	31%	-194 bps	464 bps	169 bps
Other	-9%	11%	10%	-18%	1%	NM	NM	NM

## Operational Highlights (Q4'20 vs Q4'19)

- Flat Glass
  - Total **flat glass production** at 655K tons, remained flat YoY
  - **9% YoY increase** in total **sales volume** (total of architectural glass (tons), auto glass (converted from m2 to tons) and encapsulation converted from units to tons)
  - **93% capacity utilization rate** (actual output/effective capacity)
  
- Glass Packaging
  - **1%YoY increase** in total **glass packaging production** at 578K tons
  - **2% YoY increase** in total **sales volume** (9% growth both in domestic sales and exports, 5% contraction in sales from non-Turkey operating regions)
  - **97% capacity utilization rate (95% in Turkey and 98% in Russia)** (actual output/effective capacity)
  
- Chemicals
  - Soda Ash
    - **18% YoY decrease** in total **production** at 494K tons
    - **84% capacity utilization rate**
    - **12% YoY decrease** in total **sales volume** at 537K tons (10% decrease in domestic sales, 13% decline in international sales)
    - **1% YoY increase in average USD/ton price**
  - Chromium Chemicals
    - **53% capacity utilization rate**
    - **3% YoY increase** in total **sales volume** at 36.6K tons (21% decline in domestic sales, 7% increase in international sales)
    - **15% YoY contraction in average USD/ton price**
  - Glass Fiber
    - **10% YoY increase** in total **production** at 13K tons
    - **72% capacity utilization rate, sales volume/output ratio of 145%**
    - **108% YoY increase** in total **sales volume** at 18K tons
    - TRY 136Mn revenues, appr. 3x higher than the level recorded in Q4'19
  - Electricity
    - **8% YoY decrease** in total **production** at 222Mn kWh
    - **8% YoY decrease** in total **sales volume** at 201Mn kWh
    - 26% YoY increase in TRY/kWh average price
    - TRY 63Mn revenues, up by 15% YoY
  - Oxyvit
    - TRY 29Mn revenues, up by 21% YoY
  
- Glassware
  - **9% YoY decrease** in total **sales volume** (Please Note: Q3'20 figure was corrected from 25% YoY decrease to 1% YoY decrease)

### **Flat Glass: 38% share in Revenue | 36% share in EBITDA | “Largest Topline Growth Contributor in Q4’20”**

**Flat glass** operations hit an all-time high quarterly revenue during fourth quarter, with TRY 2.6Bn on the back of solid operational performance recorded in both architectural (70% share in total revenue) and auto glass operations (30% share in total revenue). Share of international operations (including exports from Turkey) in total revenue increased by 3pp to 60% in Q4’20. A second consecutive strong quarter was recorded, in terms of sales volume, as recovery seen especially in architectural glass continued with an elevated pace. Capacity utilization rates (CUR) both in Turkey and International operations were realized at pre-Covid levels, even exceeded in some regions. At consolidated level, total flat glass production was at 655K tons (49% Turkey, 51% International) while CUR came in at 93%. Our new line in Turkey, Polatlı facility became active in the beginning of October while cold repairs at two lines continued throughout the quarter. Sales volume in Turkey, corresponding to 56% of total sales volume (49% domestic, 7% export) was up by 3% YoY thanks to boosted sales of particularly high margin value added products, leading short-term supply shortage in the market. Construction and automotive industry in Turkey, having buoyed up by lower interest rates before recent rate hikes, fared better than other sectors particularly in the second half. Positive contribution from home appliances and furniture industry continued in this quarter as well. Sales volume generated from international operations, corresponding to 44% of total volume sold (27% Europe, 9% Russia, 8% India), was up by 24% YoY while Europe was the leader of this positive result with 26% YoY increase. Our additional capacity in Italy was also supportive of the strong performance in the region. This line in Italy was ineffective due to muted demand in H1’20, whilst its cold repair had been terminated within Q4’19. Sales orders in Europe were strong with the pent-up demand helping construction industry while industry players were in good shape amid progressive lockdown restrictions and exits. After a long lasting downward trend, flat glass prices started to move higher in Europe as well as in other international regions we operate in thanks to recovery in flat glass demand as Russian and Indian operations recorded strong sales volume increases of 7% and 12% YoY respectively. Higher year on year sales volume was generated from auto-glass operations thanks to increase in OEM activities in Turkey where higher demand and consequently production were registered. Passenger car sales continued to drop in Europe while demand on commercial vehicle was relatively better. Aftermarket operations in the fourth quarter was supportive for the overall operational performance of auto-glass operations as well.

### **Glass Packaging: 22% share in Revenue | 29% share in EBITDA | “Largest EBITDA Margin Contributor in Q4’20”**

Having stood as the most resilient component of Şişecam portfolio of operations during the hardest times of Covid-19 pandemic, **Glass packaging**, maintained its strong performance in Q4’20. CUR stayed above 95% in all operating regions and recorded at 97% on a consolidated basis. Total output, 55% of which produced in domestic facilities, was almost flat YoY and sales/output ratio stood at 96%. The business line continued to benefit from upward pricing in all operating regions and recorded a consolidated sales volume growth of 2% YoY. Although on premise sales weakened with the renewal of lockdown measures in the second half of the quarter, thanks to client industries’ packaging product purchases ahead of the price adjustments and higher prioritization of health concerns, domestic operations, corresponding to 42% of consolidated sales (vs. 40% in Q4’19), recorded an eye-catching performance with 9% increase YoY in volume terms. Exports from Turkey maintained its upward trend, but at a slower pace parallel to this channel’s role of balancing overall Turkey operations. Non-Turkey operating regions’ sales, on the other hand, contracted by 5% partially due to high base impact of 4Q’19. Decline in wine and vodka production due to excise tax hike on grapes and alcoholic beverages and the Bulk law put in place in the wine market in June, has also had a negative impact on the sales volume. While beer production in Russia was flat at the previous year level, a low single digit decline was observed in the glass bottled product consumption resulting from bottle lowering tendency at the end-client market. As a result, Non-Turkey operations’ share in consolidated sales volume declined by 4pp to 43% in Q4’20 YoY. Glass Packaging business line generated 57% of its revenues from international sales including exports from Turkey, while the remaining 43% was generated from domestic sales.

### **Chemicals: 18% share in Revenue | 28% share in EBITDA | | “Largest EBITDA Margin Contributor in 2020”**

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**Chemicals** segment exposed to pricing pressure throughout the year due to the weak demand environment as an outcome of the pandemic. Nevertheless, per ton soda ash prices were slightly up YoY in USD-terms given the sales terms on annual contracts but the postponements of product deliveries led to tightening in volume sales in Q4'20, as well. Chemicals operations revenues were mainly supported by Turkish Lira depreciation with its hard currency-denominated revenues standing at 87% in Q4'20. Excluding mining operations, this business line generated 12% of its topline from intra-group sales (vs. 17% in Q4'19). On the same basis, breakdown of domestic and international revenues stood at 24% and 76% (vs. 28% and 72% in Q4'19).

Although Q4'20 soda ash sales volume was slightly above the previous quarter, it continued to stay weak YoY due to the negative impact of the pandemic and also due to the upcoming annual contract negotiation period with an expectation of downward price adjustments. Soda ash output came down in this quarter and CUR went below 85% level parallel to the scheduled maintenance program and in line with inventory optimization plans. Global pricing trend is effective during the negotiations and considering the market dynamics ahead of the contracting period, soda ash prices were expected to be under pressure for 2021. On the volume side, uncertainty regarding the outbreak had led client industries to maintain a cautious stance on their raw material procurement in 2020 and the demand was down by almost 10% during the year. However, the demand is expected to be relatively strong in 2021 given the positive momentum in Flat Glass segment. Re-ignition of offline furnaces in European flat glass market in the second half of 2021 has the potential to bring additional momentum to soda ash market and offset the weakness in 2020.

The notable decline in chromium chemicals sub-segment's CUR was a result of scheduled maintenance undertaken in the first half of the quarter. Yet, with the revival of demand in its main export markets, namely China and Brazil, Chemicals segment have seen a recovery in its chromium chemicals sales compared to the previous quarter. Accordingly, chromium chemicals' volume was up by 17% QoQ and 3% YoY to 35K tons and the upward trend is expected to persist throughout 2021 with sales volume reaching to average sales volume recorded on a per quarter basis in 2019

Chemicals segment's operational profitability was positively impacted from Turkish Lira depreciation in Q4'20 given that the hard currency-denominated share of COGS recorded at 52%, thanks to favorable raw material pricing and local currency depreciation.

### **Glassware: 16% share in Revenue | 15% share in EBITDA | | “Highest EBITDA Margin increase in Q4'20”**

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After a strong operational third quarter, **Glassware operations** recorded historically high quarterly revenue backed by solid operational performance seen particularly in Turkey and Russia. Retail channel continued to demonstrate resilience with the increase of at home consumption as outdoor leisure activities kept muted due to progressive lockdown measures put in place in fourth quarter including the holiday season. Domestic operations had particularly benefitted from positive pricing and mix on this channel. Brought forward orders ahead of change in order management system as part of the Digital Transformation Project has also contributed to high sales volume recorded in December. Despite continued planned downtimes in production lines, in a limited way compared to first half, decrease in unit cost with better utilization rates in Europe resulted in better profitability levels. Depreciation of Turkish Lira against hard currencies continued to be supportive while international revenues' share in total was at 58%. Official registration and permit processes for the production and sales of the products with V-Block Technology have been finalized as of 15 December 2020. This technology is primarily applied on a selected group of beverage and tableware products with a 10% allocation of total glassware business segment production capacity.



**Share of international revenues was at 59% while domestic revenue was at 41% in Q4'20.**

						Q4'20	2020	Q4'20
Regional Breakdown of Revenue	Q4'19	2019	Q3'20	Q4'20	2020	QoQ	YoY	
<b>Revenue from Turkey Operations</b>	<b>63%</b>	<b>61%</b>	<b>60%</b>	<b>61%</b>	<b>62%</b>	86 bps	92 bps	-195 bps
Sales in Turkey	39%	37%	39%	41%	40%	162 bps	295 bps	116 bps
Exports from Turkey	23%	23%	21%	20%	22%	-75 bps	-141 bps	-251 bps
<b>Revenue from Foreign Operations</b>	<b>37%</b>	<b>39%</b>	<b>40%</b>	<b>39%</b>	<b>38%</b>	-86 bps	-92 bps	195 bps
<b>Russia, Ukraine and Georgia</b>	<b>15%</b>	<b>14%</b>	<b>14%</b>	<b>13%</b>	<b>14%</b>	-99 bps	-47 bps	-143 bps
<b>Europe</b>	<b>20%</b>	<b>22%</b>	<b>23%</b>	<b>23%</b>	<b>21%</b>	-50 bps	-14 bps	284 bps
<b>Other</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	63 bps	-30 bps	54 bps

**Adjusted EBITDA recorded at TRY 1.6Bn with 23% Margin while Adjusted Net Income came in at TRY 628Mn**

- Gross profit margin was at 33% with an increase of 1pp YoY; main drivers were: a) increased capacity utilization rates, b) higher pricing, c) favorable raw material pricing, especially in Chemicals business and local currency depreciation
- Opex to sales was at 17% with a decrease of more than 2pp; main drivers were: a) larger scale of operations at a better pricing environment b) cease of royalty and loan guarantee charges on subsidiaries merged under Şişecam, neutral effect at consolidated level
- Operationally strong quarter for JVs participation income was recorded at TRY 57Mn with 171% YoY increase
- 34% YoY increase in other income & investing activities, which are mostly composed of interest income on overdue receivables, government incentives, materials sales and revaluation of tangible assets, which was recorded at TRY 209Mn with TRY 150Mn booked as revaluation of investment properties
- TRY 455Mn fx loss was recorded on Eurobond investments, trade receivables & payables and financing activities vs. TRY195Mn fx gain in Q4'19
- TRY 52Mn tax expense was recorded with an effective tax rate of 7%, TRY 160mn calculated tax allowance was reduced to TRY 52Mn mostly due to higher dividend collection from JV's, which is exempted from tax calculation.
- TRY 277Mn interest expense was recorded on bank loans and bond issuance while TRY119 interest income was recorded from derivatives

## Cash Flow Analysis

- **Cash inflow from operating activities was at TRY 4.3Bn** increased from TRY 3.4Bn in 2019 most of which was coming from increase in non-cash items deducted from net income in relation with downward revision on deferred corporate incentive reconciliation, rise in tax-exempt intragroup dividends, higher provision expenses for severance payments due to a decrease in discount rate and TRY 30Mn provision expense recorded in relation with Competition Board investigation on Flat Glass operations. TRY 68Mn YoY decrease was recorded in working capital needs
- **Cash outflow from investing activities was at TRY 1.6Bn** decreased from TRY 3Bn in 2019 whilst Capex came in at TRY 782Mn decreased by 36%, majority of the capex was spent for cold repair investments of flat glass and glassware operations
- **Cash flow from financing activities decreased from TRY 4.9Bn** inflow in 2019 to TRY 2.7Bn outflow mostly due to USD 300Mn principal repayment of 2020 bond
- **Cash conversion cycle** shortened by more than 4 days YoY and 35 days compared to first half 2020 with improved inventory turnover rates. **FCF came in at TRY 760Mn.**
- **Positive change in cash position** was at TRY 1Bn including fx translation impact
- **Cash and cash equivalents** (including financial investments amounting to USD 528Mn) increased from TRY 11.3Bn (USD 1.9Bn) in 2019 to TRY 13.2Bn (USD 1.8Bn) in 2020, out of which 89% was in hard currencies.

## Debt Position

**Sişecam's gross debt came in at TRY 17.1Bn (USD 2.3Bn)** vs. TRY 16Bn (USD 2.7Bn) in 2019.

- 66% of bank loans is in hard currencies (35% EUR, 31% USD) <sup>2</sup>
- The total guaranteed amount of Eurobonds, with maturities up to 2026, is USD 500Mn. USD 300Mn principal repayment was made in relation with SISE 2020 Eurobond, which matured on May 9<sup>th</sup>
- TRY 196Mn financial lease was recorded under financial liabilities
- 73% of gross debt were long-term liabilities, which was at 67% in 2019

**Net debt was TRY 3.9Bn (USD 533Mn) in 2020** vs TRY 4.5Bn (USD 760Mn) in 2019. **Net Debt to EBITDA** was at 0.65x in 2020

## FX Position

**The company's net long FX position** increased to TRY 6.6Bn (USD 937Mn) in Q4'20 vs TRY 3.5Bn (USD 590Mn) in 2019 after the repayment of USD 300 Mn SISE 2020 Eurobond that matured on May 9<sup>th</sup>. Company has EUR 403Mn short and USD 1.3Bn long position in 2020 vs. EUR 318Mn short and USD 914Mn long position in 2019.

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<sup>2</sup> Cross currency swap was made for USD 575Mn of 2026 bond in exchange of EUR 421Mn in 2019. After cross currency swap agreements made in April and June in 2019, 68% of the bond converted to EURs, 14% converted to TL and rest of 18% kept in USD. Swap transaction for the interest payment of USD 40Mn was recognized.

### Important Events during and after the Reporting Period

- On 02.11.2020, Şişecam has been notified that Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş., filed a lawsuit for the annulation of the decisions, taken at the EGM of Anadolu Cam Sanayii A.Ş. held on 26.08.2020 and approved by the Trade Registry on 30.09.2020
- On 03.11.2020, Collective Labor Union Agreement, covering the period of 01.01.2020 - 31.12.2022, was signed between Petrol-İş Union and Şişecam for Soda Ash and Chromium Chemicals production plants and salt facilities located in Mersin
- On 10.12.2020, Şişecam disposed TL 225.000 nominal value part of total TRY 530.315,35 value shares of İş Finansal Kiralama A.Ş. to Trakya Yatırım Holding AŞ for a total amount of TL 843.750 in cash and to evaluate the profit to be incurred as a result of the sales transaction within the scope of Article 5/1-e of the Corporate Tax Law
- Official registration and permit processes for the production and sales of the products with V-Block Technology had been finalized as of 15 December 2020
- On 16.12.2020, as part of the periodic review carried out by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri, Corporate Governance rating of Şişecam had been revised up to 95,38 (9,54 out of 10)
- On 18.12.2020, Şişecam disposed TL 305.315 nominal value part of total TRY 530.315,35 value shares of İş Finansal Kiralama A.Ş. to Borsa İstanbul AŞ equity market for a total amount of TL 1.181.569 in cash and to evaluate the profit to be incurred as a result of the sales transaction within the scope of Article 5/1-e of the Corporate Tax Law
- On 04.01.2021, Şişecam distributed second installment of Anadolu Cam Sanayii A.Ş. cash dividend (TRY 41.7Mn), to the company's minority shareholder determined based on the ex-date (24 August 2020) announced before the entity was merged under Şişecam

## Appendix

Sub-Segmental Breakdown of Revenue	Q4'19	2019	Q3'20	Q4'20	2020
<b>Flat Glass</b>	36%	36%	36%	38%	34%
Architectural	23%	24%	25%	26%	23%
Autoglass & Encapsulation	13%	13%	12%	13%	11%
<b>Glassware</b>	18%	17%	14%	16%	15%
<b>Glass Packaging</b>	24%	24%	27%	22%	26%
<b>Chemicals</b>	20%	20%	19%	18%	20%
Soda Chemicals & Energy	13%	13%	12%	12%	13%
Chromium Chemicals & Oxyvit	4%	4%	4%	4%	4%
Glass Fiber	2%	2%	1%	2%	2%
Mining & Other	1%	2%	2%	1%	2%
<b>Other</b>	2%	2%	4%	6%	5%

Breakdown of COGS Items	Q4'19	2019	Q3'20	Q4'20	2020
Input & Materials & Packaging	45%	47%	41%	41%	41%
Ngas	17%	19%	16%	17%	16%
Electricity	6%	5%	7%	7%	7%
Labor	12%	10%	18%	13%	13%
Depreciation	8%	8%	8%	9%	9%
Outsourcing & Other	11%	10%	10%	14%	14%

Breakdown of Opex Items	Q4'19	2019	Q3'20	Q4'20	2020
Indirect Material Costs	3%	2%	1%	2%	1%
Salaries and wages expenses	18%	20%	16%	19%	19%
Outsourced service	36%	38%	45%	43%	45%
Miscellaneous expenses	35%	33%	31%	31%	28%
Depreciation and amortization expenses	8%	7%	6%	5%	6%

Regional Breakdown of Adjusted EBITDA	Q4'19	2019	Q3'20	Q4'20	2020
<b>Turkey</b>	<b>952</b>	<b>3.348</b>	<b>1.174</b>	<b>1.243</b>	<b>4.737</b>
<b>Foreign Operations</b>	<b>254</b>	<b>1.168</b>	<b>357</b>	<b>620</b>	<b>1.530</b>
Russia, Ukraine and Georgia	171	628	219	321	853
Europe	64	466	158	234	646
Other	19	73	-20	65	31

Regional Breakdown Adjusted EBITDA Margin	Q4'19	2019	Q3'20	Q4'20	2020
<b>Turkey</b>	<b>31%</b>	<b>30%</b>	<b>34%</b>	<b>30%</b>	<b>36%</b>
<b>Foreign Operations</b>	<b>14%</b>	<b>17%</b>	<b>15%</b>	<b>24%</b>	<b>19%</b>
Russia, Ukraine and Georgia	9%	9%	9%	12%	11%
Europe	4%	7%	7%	9%	8%
Other	1%	1%	-1%	2%	0%

## One-Off Impacts excluded from Financials:

### **Excluding From EBIT:**

- **Q4'20: - TRY 14Mn:**
  - TRY 165Mn Revaluation loss on fixed income instruments, including provision expense financial investments to comply with IFRS 9
  - TRY 150Mn revaluation gain on investment properties
- **Q3'20: + TRY 509Mn:** Revaluation gain on fixed income instruments, including provision income financial investments to comply with IFRS 9
- **Q4'19: + TRY 284 Million:**
  - TRY 238 Million Revaluation gain on fixed income instruments including impairment on financial investments in order to comply with IFRS 9
  - TRY 3 Million Restructuring expense in encapsulation unit of Trakya Cam
  - TRY 3 Million Revaluation gain on assets for sale
- **2020: + TRY 1.026Mn:**
  - TRY 866Mn Revaluation gain on fixed income instruments, including provision income financial investments to comply with IFRS 9
  - TRY 10Mn Sale of a part of the land in Çayirova
  - TRY 150Mn revaluation gain on investment properties
- **2019: + TRY 570 Million:**
  - TRY 566 Million Revaluation gain on fixed income instruments including impairment on financial investments in order to comply with IFRS 9
  - TRY 49 Million Revaluation gain on assets for sale
  - TRY 12 Million Restructuring expense in encapsulation unit of Trakya Cam
  - TRY 33 Million Retrospective payment regarding carbon emission quota acquisition

### **Excluding From Net income:**

- **Q4'20: TRY 117Mn:** Revaluation gain on investment properties
- **2020: + TRY 126Mn:**
  - TRY 10Mn Sale of a part of the land in Çayirova
  - TRY 117Mn revaluation gain on investment properties
- **2019: - TRY 4Mn:**
  - TRY 12 Million Restructuring expense in encapsulation unit of Trakya Cam
- **Q4'19: + TRY 35 Million:**
  - TRY 3 Million Restructuring expense in encapsulation unit of Trakya Cam
  - TRY 38 Million Revaluation gain investment properties

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