

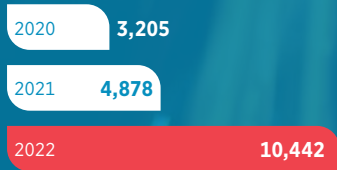
Sustainable service level with innovative products

INCREASE IN ŞİŞECAM GLASSWARE NET SALES REVENUE

114%

Europe's and the World's 2nd Largest Glassware Manufacturer

Şişecam Glassware Net Sales Revenue (TRY million)



Şişecam Glassware recorded net sales revenue of TRY 10,442 million as of year-end 2022.

AN OVERVIEW OF 2022

Despite the global economic downturn and increasing energy costs, Şişecam Glassware preserved its profitability and achieved growth through effective market, pricing, and portfolio management.

In the glassware business line, the service level was improved in 2022 through the lean and planned management of the product portfolio, formulation of product-based supply strategies, and implementation of action plans based on production capacity situations.

The service level was improved in 2022 through the lean and planned management of the product portfolio in line with the operational excellence target, the determination of product-based supply strategies, and the implementation of action plans based on production capacity situations.

The bonds established with business partners were strengthened through various meetings held in the period and future actions were set.

Differentiating in the market with its innovative products and sustainable service level, Şişecam Glassware made a positive contribution to its financial performance by increasing the weight of upper segment products in its product portfolio.

ACHIEVEMENTS IN 2022

Focusing on operational excellence and lean business processes, Şişecam Glassware strengthened its position as a reliable and sustainable supplier by providing uninterrupted service to the companies to which it is a supplier, unlike many companies that were adversely affected by global supply chain disruptions caused by the pandemic.

By focusing on the needs and expectations of its strategic business partners and end consumers, Şişecam Glassware successfully managed its processes together with its business partners by creating operational models for different needs in different markets. As a result, Şişecam also increased the level of its service and satisfaction with regard to its stakeholders.

In 2022, efforts to expand the product portfolio were continued with high-end products. In parallel, studies on simplification of operations and product packaging were carried out during the year.



Enhanced product portfolio

In Glassware design activities, Şişecam developed more than 600 designs in a total of 113 projects in automatic production and handmade products. Şişecam Glassware won awards from four global design platforms.

DESIGN ACTIVITIES

In Glassware design activities, more than 300 designs were made for new product development activities in a wide spectrum from beverage category products, such as glasses and goblets, to tabletop products such as bowls and storage containers, and kitchen products such as Borcam. In accessory and material design, 58 designs were made for three projects, three designs were approved, and 17 prototypes were created. Additionally, 23 pattern design studies were carried out for seven projects.

Various product concepts were prepared for sale at Paşabahçe Stores. Design and development activities continued for popular concepts.

An installation created from glass products was designed and exhibited during Italian Glass Week.

In the hand-made product range, 314 designs were made for 66 projects. Trendy colors were identified, and original designs were made in four workshops of the Glass Furnace Foundation.

For the Ambiente Fair, customer and NUDE designs were prepared and the new glass color New Orange was studied. Glassware Design studies were expanded to include Paşabahçe Stores, projects focused on accessory and material design were initiated, user experience research was initiated, and digitalization projects in design were expanded.

In the Packaging Design department, 667 designs were produced for 254 projects.

PRODUCT AND BRAND MANAGEMENT ACTIVITIES

Asset Management

Şişecam conducted its glassware activities during 2022, aiming to provide the highest level of service to its customers and final consumers with its standard and sustainable product portfolio, which it prepared by utilizing competitive analysis outputs and trend predictions.

In 2022, while improvements focused on efficiency and automation were completed in the existing product range, new products that meet the needs of the changing world were developed. In all distribution channels and geographies served, operational models for different needs were implemented in line with the principles of customer oriented and sustainable portfolio management.



In the upper segment product portfolio, while the portfolio was supported with new products added to product families such as Estrella, Timeless, Patisserie, and Golden Touch, the entry segment product portfolio was strengthened with new designs in line with market and customer needs.

New products were introduced to the market in the cooking and storage containers product groups in parallel with changing living conditions with the pandemic and daily needs globally.

V-Block Technology, the first of its kind in the world, was widely appreciated for contributing to the acceleration of the normalization process after Covid-19. V-Block Technology, which is approved by the Turkish Ministry of Health that the bacteria and viruses that it prevents from sheltering and multiplying on surfaces are not limited to Covid-19, continues its support against the spread of Influenza and many bacteria and viruses today.



Aware Collection: Made of 100% Recycled Glass

Şişecam Glassware makes a difference in the market with its 100% recycled glass composition, which it added to its glassware production competencies in line with its sustainability policies and environmental awareness, and maintained its leadership in the sector in 2022. The 100% recycled “Aware” collection with reduced carbon footprint and industrial waste, has been expanded by 15%, both with Şişecam’s own brands and customer projects, and offered for sale in 62 countries.

Digital Data Platform

With the Digital Data Platform, which was developed to be able to fully and accurately serve the customer needs of the digitalizing world, all information on Şişecam Glassware products was gathered on a single platform. With this platform, which is aimed to be put into use in 2023, it will be ensured that product information and visuals are made available to internal and external stakeholders, that they are integrated with all digital applications developed and to be developed, and that product data and visuals flow accurately to marketplaces.

Communication activities were carried out for customers and end-users to increase brand awareness and brand loyalty in a way that would serve brand and sales targets in line with the needs and trends of the sector and consumers.

In the communication activities of all campaigns, the priority media usage was set as digital, and brand communication was supported through traditional channels. Global communication efforts were emphasized during the year.

Along with the repositioning of the Paşabahçe brand in 2022, inspiring content and collaborations were developed in all communication activities.

The brand world of Borcam was renewed in parallel with the changing trends and the needs of new generation kitchens to reach more consumers. The Borcam communication campaign, prepared in line with the new brand world, was conducted in April-May to reach current and potential consumers. Multiple media including television, radio, outdoor, digital, and sales points were used across Türkiye. Digital communication activities were carried out in target markets globally.

During the year, global communication activities, brand, and influencer collaborations were carried out on digital channels to promote the presentation, beverage, and jar categories. Campaigns were supported with field activities in target countries. Şişecam Glassware performed comprehensive communication activities including print and digital media use, sponsorships, customer catalog works, and point of sale support activities. These efforts aimed to increase brand awareness and support sales in Türkiye, Russia, Italy, UK, Germany, Spain, and China. Work that will strengthen online sales points and social media communication in Brazil, America, Mexico, and the Middle East were done.

Şişecam participated in the Russia HouseHold Expo Fair in September, House Fair Düsseldorf in October, and the Züçder event in December. Global and Turkish distributor meetings were held in October and December.

Original and new designs in NUDE

In 2022, NUDE recorded growth in target markets by offering products to catering and retail channels with its timeless designs.

In 2022, global and domestic total sales revenues of NUDE branded products increased by 27% year-on-year.

Despite the negative impacts of the ongoing pandemic in the target markets in the household and catering channels, targeted turnover growth was achieved in international markets.

In 2022, while the NUDE brand continued its sales at Bloomingdale's, Saks Fifth Avenue, Neiman Marcus, Nordstrom, Macy's, Hudson Bay, and Fenwick stores on a global scale, Pottery Barn was also added to new sales points.

The sales made through nuderglass.com, which delivers NUDE branded products to more than 100 countries, grew by 14% year-on-year. NUDE Glass store was opened and put into operation on the Amazon USA marketplace platform.

In 2022, two new collections were launched and one collection was expanded by adding new products and colors. In addition, a handmade martini glass goblet was produced on behalf of the NUDE brand within the company's "The Pursuit of the Perfect Martini" projects under the collaboration with the No.3 Gin brand. The No.3 goblet and the Wedding Gift champagne goblet developed for the Chinese market to be launched in 2023 won two awards in the Tableware category of the Good Design Awards 2022 competition.

Sales of the NUDE Stem Zero collection, which features its lightness, thinness and Ion Shielding technology, rose by 58% on a unit basis and 84% on an amount basis after production capacity was increased by 35% with the commissioning of a tempering line in July.

An activation area was set up as part of Milan Design Week in June, and the Savage collection was introduced in the company of globally renowned mixologist and NUDE designer Remy Savage.

The World's Best Female Chef category was sponsored at the World's 50 Best Restaurants award ceremony. The event, attended by many restaurant chefs and operators, contributed to brand awareness.



EXPECTATIONS AND OBJECTIVES FOR 2023

Şişecam Glassware aims to maintain its sales and financial strength in 2023, when recession expectations are high. The necessary operational improvements to support this strategy were completed in 2022.

In parallel with the Paşabahçe Live Beautiful concept, which will be launched in 2023, the development of value-added, innovative products that respond to customer needs and add value to life will be continued without slowing down.

Şişecam Glassware will maintain its position as the most ambitious producer globally by using its automatic soda, automatic crystalline, borosilicate, and handmade production capabilities. By using its current portfolio power as well, it will reinforce its competitive advantage of being the player who best understands the customer and offers the best solution to the needs of the retail sector.

An accelerating growth trend is forecast in the global catering sector in 2023. In line with this expectation, Şişecam Glassware will provide products for catering services in 2023, as part of its strategy to be the best supplier in the sector by ensuring continuous and regular product availability. Şişecam Glassware's presence and ambitions in the sector will continue to increase with its product variety and service level that differentiate from the competition.

While bringing its products to the final consumer, Şişecam Glassware will also maintain healthy and strategic collaborations with its producing business partners in 2023. It will increase its global presence together with its business partners producing mainly white goods, glassware, and the like.

Şişecam Glassware will continue to contribute to the economies in the regions in which it operates by providing quality and sustainable service to its business partners serving the retail and catering sectors and engaging in industrial production on a global scale in 2023.