

Second Quarter 2021 Results



August 12th, 2021



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Q2 & 1H 2021 Highlights

- Net Revenues increased by 69.4% and 85.3% at historical highs in Q2 and 1H respectively
- Gross Margin impacted by commodities supper cycle but still presenting a grow in Gross Profit through higher volumes and manufacturing efficiency
- Controlled SG&A Expenses allowed to leverage EBITDA reaching TL 87.5 million more than double the 2Q20 level
- Net Profit attributed to good performance in Operational and Financial Results
- Dividend approved by GAM for TL 0,1263/share plus %100 bonus shares / share to be distributed in

Q3

SECOND QUARTER 2021 • RESULTS

(TL million)	2Q21	2Q20	% Var	1H21	1H20	% Var
Net Revenues	551.4	325.5	69.4	895.4	483.3	85.3
Gross Profit	103.1	59.1	74.4	163.7	109.2	49.8
Gross Margin	18.7%	18.2%		18.3%	22.6%	
EBITDA	87.5	39.3	122.7	147.0	49.0	200.2
EBITDA Margin	15.9%	12.1%		16.4%	10.1%	
Net profit	36.9	20.4	80.7	56.6	4.3	1,216.6
Net profit margin	6.7%	6.3%		6.3%	0.9%	

Klimasan delivered an all-time high Q2 in sales and EBITDA,

Despite the challenging trading environment, demonstrating a resilient business model and operational excellence

2Q21 net revenues increased by 69.4%

versus prior year period to a Q2 record TL551.4 million

Gross profit reached TL103.1 million in 2Q21,

increased by 74.4% compared to same period last year

Surge in raw material costs has adversely impacted gross margins. However due to rigorous management of SG&A and manufacturing costs,

Klimasan managed to overall maintain EBITDA margins

Strong improvement in net Investing activities

driven by good returns in investment portfolio

EBITDA of TL87.5 million was 122.7% higher

versus 2Q20 at a record level for the second quarter

Net Profit of TL36.9 million,

significantly improved versus TL20.4 million in 2Q20

Demand in Turkey, our largest market, is

increased by more than 3x



COVID-19 Impact

- Our business model – working across many channels and a diverse geographies – has minimized the impact of localized or sector specific disruptions caused by the ongoing pandemic and public health measures to control it
- Whilst Food service and immediate consumption channels continue to be affected by the pandemic in some geographies, our business model, strong financial discipline and well invested assets, leave us well placed to make further progress through the year as markets gradually open up
- Owing to the success of science and the availability of vaccines around the world, demand recovery is already evident that will compound share gains made during the pandemic.



Sustainability Agenda

- FF GEN Coolers – Energy consumption reduction of 50% by 2030 (vs 2020)
- Life extend program – Refurbishing products to extend the usage life and upgrade to more efficient components at our new refurbishment facility in Manisa
- Recyclability of parts/components and offering Green Disposal services
- Reducing carbon footprint of Manisa plant

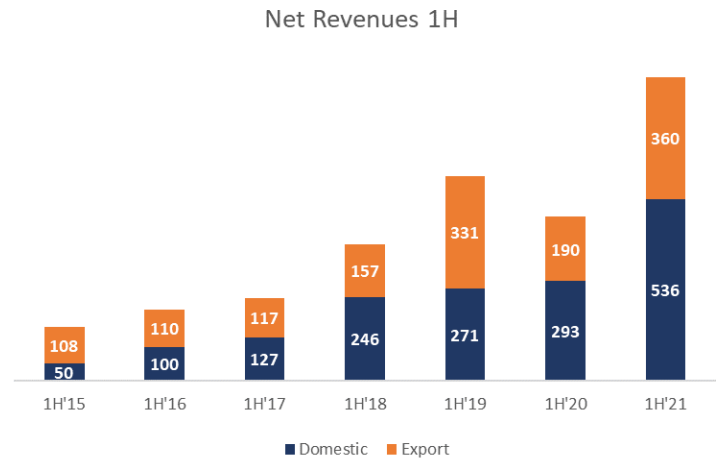
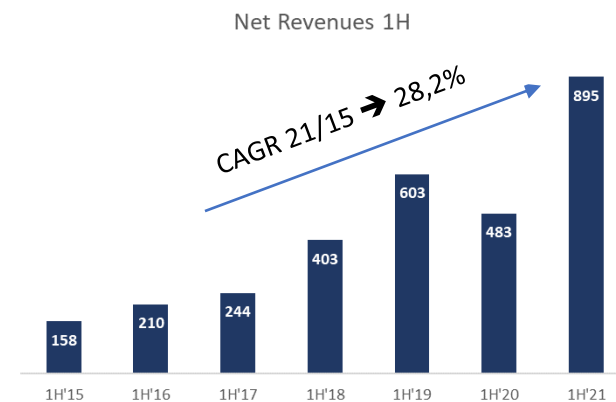
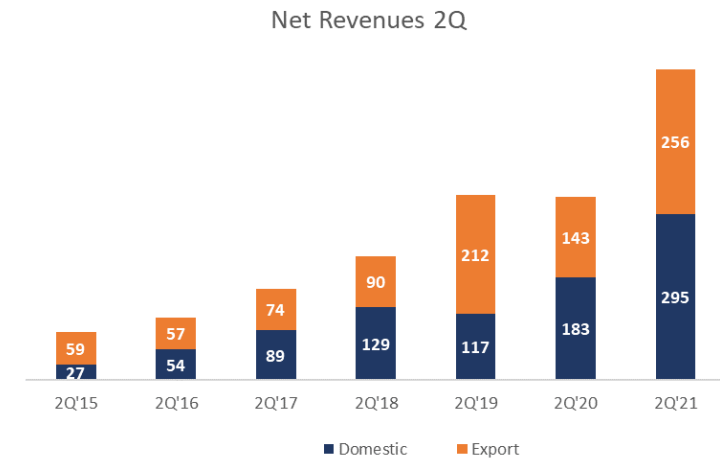
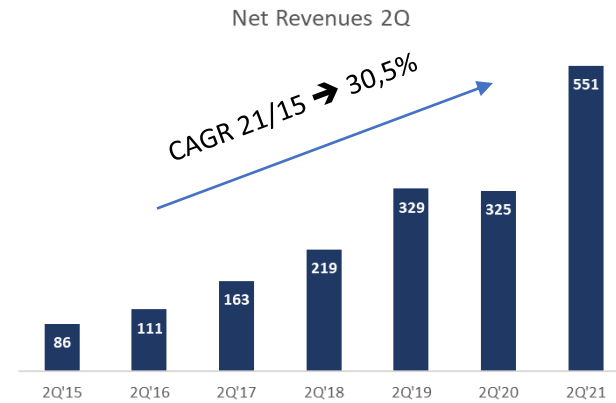
An illustration on a teal background shows a man in a suit looking through a telescope. A large, glowing lightbulb is positioned above him, symbolizing ideas and growth. The text 'Growth Opportunities' is overlaid in white.

Growth Opportunities

- IoT Technology- connected assets and control tower services
- New channels:
 - Supermarkets
 - Condominiums / Gyms
 - Wine coolers
- New Regions
- Extended Lifecycle and asset management services

Net Revenues

- Net Revenue increased 85.3% over last year 1H, delivering a record first half of TL895 million.
- Revenue from Services & Parts increased by 8.4% to TL66.4mn in 1H21.
- Revenue in Turkey, our largest market, tripled versus 1Q20
- The Middle East also significant growth offsetting declines in Europe and Africa



Innovation & Customization

Product Innovation
a key business driver



Customer Diversification & New Channels



Profit and Loss Statement

- Gross profit increased by 49.8% to TL163.7 million against 1H prior year. This was driven by the escalation of input costs affected by supply cost interruptions, commodity supercycle and logistics cost escalation, leading to a contraction of margins to 18.3%, compared to 22.6% for the same period last year
- Rigorous cost control mitigated the adverse effects of the surge in raw material costs with SG&A expenses decreasing by 23% to TL64.1.
- Good performance in investment portfolio resulted in Net Investing result reaching TL49.8mn from TL6.6mn in 1H20
- Net Financial Result deteriorated from TL31.3mn in 1H20 to TL104.3mn owing to Net FX losses
- Record EBITDA level for first half in 2021, increased by 200% to TL 147.0 million.

(TL Million)	2Q 21			2Q 20			1H21			1H20			L12M		
	2Q 21	2Q 20	% change	1H21	1H20	% change	Jul20-Jun21	FY20	% change	Jul20-Jun21	FY20	% change	Jul20-Jun21	FY20	% change
Revenues	551,4	325,5	69,4%	895,4	483,3	85,3%	1.390,4	978,3	42,1%						
Cost of Sales	(448,3)	(266,4)	68,3%	(731,8)	(374,1)	95,6%	(1.110,2)	(752,5)	47,5%						
Gross Profit	103,1	59,1	74,4%	163,7	109,2	49,8%	280,2	225,8	24,1%						
Operating Expenses	(24,4)	(30,4)	-19,8%	(34,8)	(77,0)	-54,8%	(107,7)	(150,0)	-28,2%						
Operating Profit	78,7	28,7	174,4%	128,9	32,2	300,3%	172,5	75,8	127,5%						
Net Income/(Loss) from Investing Activities	14,9	4,6	226,7%	49,8	6,7	649,1%	97,2	54,0	79,9%						
Net Financial Result	(34,1)	(10,3)	230,4%	(104,3)	(31,3)	232,9%	(137,9)	(64,9)	112,3%						
Profit/(Loss) Before Tax	59,5	22,9	159,5%	74,4	7,5	888,3%	131,8	64,9	103,1%						
Income Tax	(22,6)	(2,5)	805,7%	(17,9)	(3,2)	452,3%	(31,0)	(16,3)	89,6%						
Profit/(Loss) After Tax	36,9	20,4	80,7%	56,6	4,3	1216,6%	100,8	48,6	107,6%						
Depreciation & Amortization	8,8	10,6		18,2	16,8		35,7	34,3							
EBITDA	87,5	39,3	122,7%	147,0	49,0	200,2%	208,2	110,1	89,0%						

Balance Sheet

- Increase in Trade Receivables as a consequence of higher sales
- Higher inventory to enter the high season period
- Equity increase as a result of Profit during H1

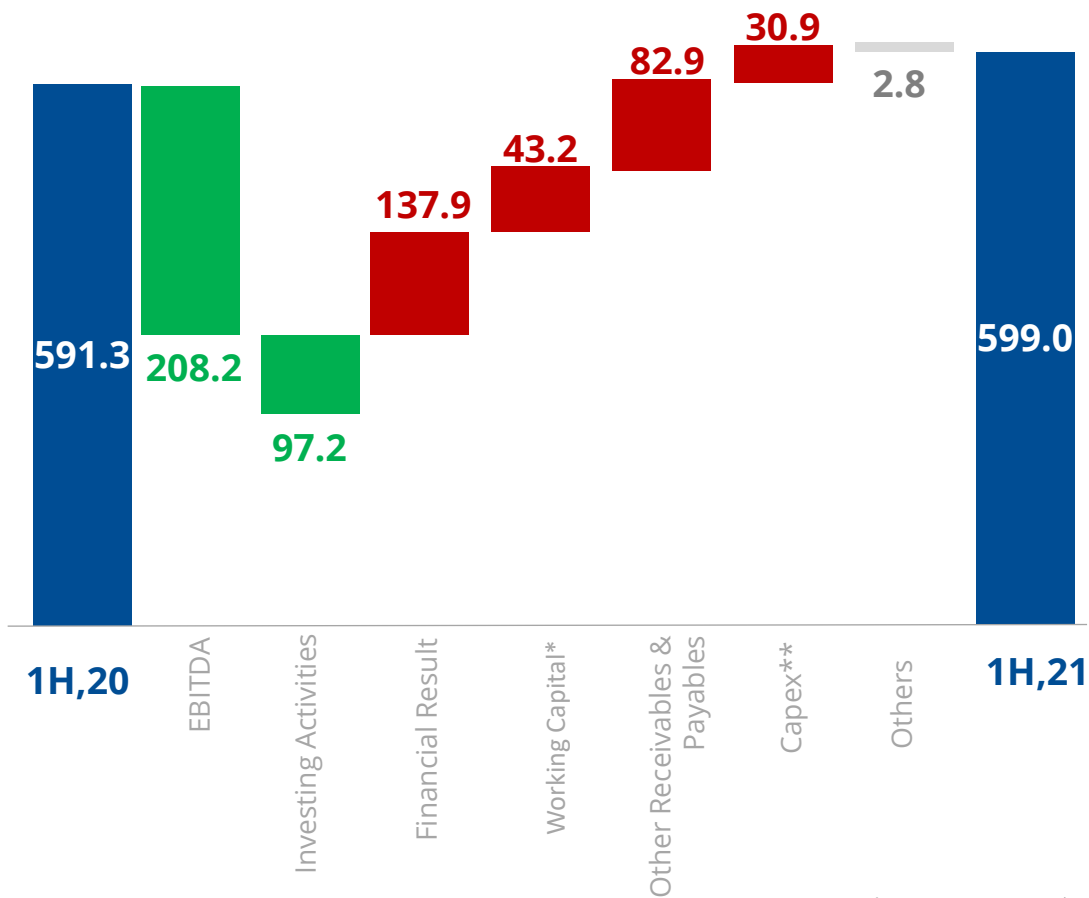
(TL Million)	Jun 30th 2021	Dec 31st 2020
Cash & Cash Equivalents	510,5	467,3
Trade Receivables	618,1	232,7
Inventory	256,4	187,4
Fixed Assets	204,4	191,1
Other	463,0	401,1
Total Assets	2.052,5	1.479,7
ST Financial Loans	545,1	306,7
Trade Payables	418,2	223,3
LT Financial Loans	564,4	532,0
Other	126,2	65,4
Total Equity	398,6	341,6
Total Liabilities&Shareholders' Equity	2.052,5	1.479,7

Cash Flow

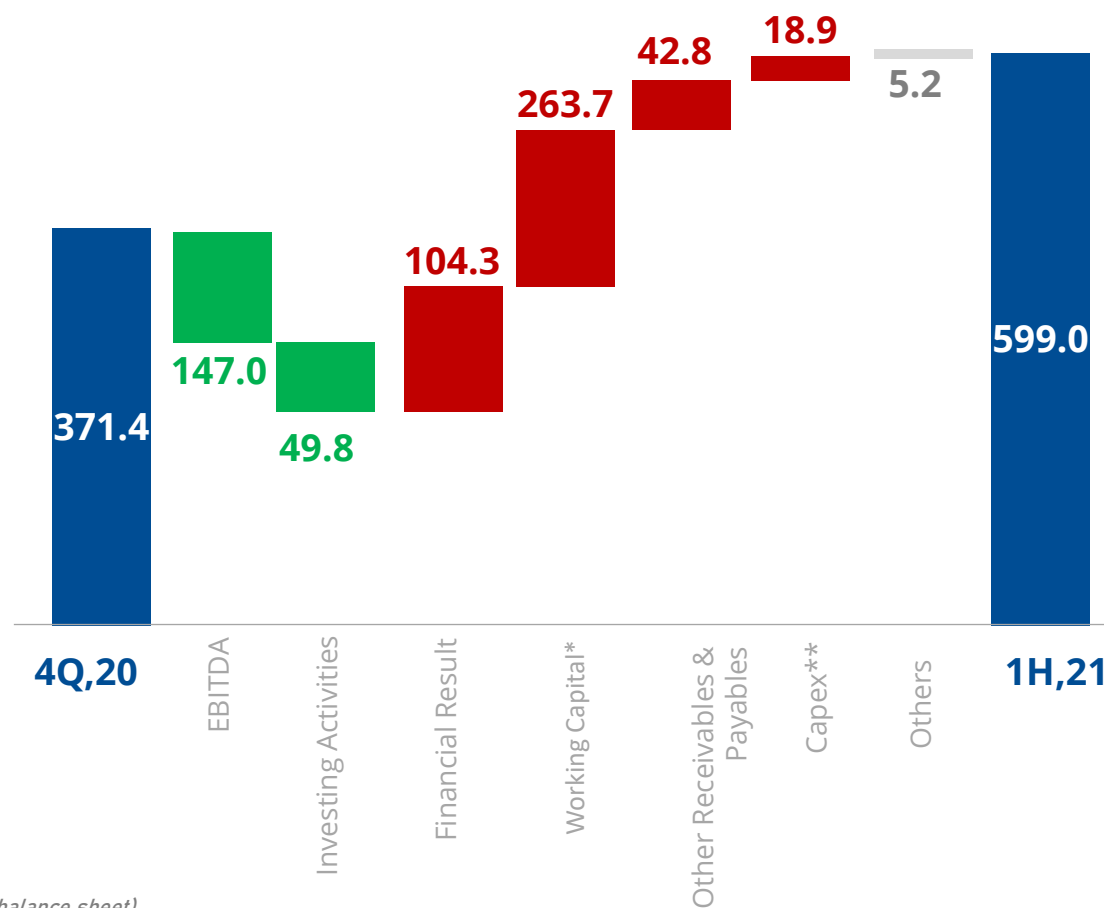
(TL Million)	1H 21	1H 20
A. Cash Flows From Operating Activities	(217,4)	(234,4)
Profit for the Period	56,6	4,3
Non-cash Adjustments	52,1	72,9
Changes in Working Capital	(306,5)	(306,4)
Changes in Inventories	(68,9)	(95,4)
Changes in AR	(391,3)	(140,2)
Changes in AP	196,5	(10,6)
Changes net on Other Receivables & Payables	(42,8)	(60,2)
Cash Generated from Other Operations	(19,5)	(5,2)
B. Cash Flows From Investing Activities	(62,4)	(46,2)
Payments/Proceeds for Acquisitions/Sale of Property, Plant and Equipment & Intangibles - Net	(25,7)	(12,4)
Cash Outflow for Aquisition of Shares in Other Entities or Shares in Funds or Debt Instruments	(51,5)	(42,8)
Interest Received	14,8	9,1
C. Cash Flows From Financing Activities	108,1	68,8
Proceeds from/Cash Outflow of Borrowings - Net	123,1	108,7
Cash Outflow of Finance Lease Liabilities	(4,5)	(2,2)
Cash Inflow/Outflows from Derivative Instruments - Net	-	-
Interest Paid	(10,5)	(11,3)
Dividends Paid	-	(26,5)
D. Effects of Foreign Exchange Rate Changes on Cash and Cash Equivalents	151,5	56,2
NET INCREASE / (DECREASE) ON CASH AND CASH EQUIVALENTS (A+B+C+D)	(20,3)	(155,5)
E. Cash and Cash Equivalents at the Begining of the Period	243,5	229,5
Cash and Cash Equivalents at the End of the Period (A+B+C+D+E)	223,2	74,0

Net Debt

30 June'20 – 30 June'21



31 Dec'20 – 30 June'21



* Working Capital = (AR+Inv-AP from balance sheet)
 ** Tangible Capex

Liquidity / Net Debt

LIQUIDITY INDICATORS (TL Million)	2Q21	1Q21	4Q20	2Q20	Change 2Q21/2Q20
Cash and equivalents, bonds and securities	510,5	449,3	467,3	227,2	283,3
Short term debt(ST)	545,1	391,5	306,7	402,405	142,7
Long term debt(LT)	564,4	688,1	532,0	416,067	148,3
EUR denominated debt (*)	1.089,5	1.059,6	818,7	748,5	341,0
TRY denominated debt (**)	20,0	20,0	20,0	70,0	-50,0
Gross debt	1.109,5	1.079,6	838,7	818,5	291,0
Net cash/(Net debt)	-599,0	-630,3	-371,4	-591,3	-7,6
Shareholders' equity	398,6	361,3	341,6	296,2	102,5
Cash and equiv. / ST debt	0,9x	1,1x	1,5x	0,6x	
LT debt / (ST + LT)	50,9%	63,7%	63,4%	50,8%	
<i>* EUR denominated debt in original currency</i>	<i>108,9</i>	<i>108,4</i>	<i>90,9</i>	<i>97,1</i>	<i>11,8</i>
<i>** TRY denominated debt in original currency</i>	<i>20,0</i>	<i>20,0</i>	<i>20,0</i>	<i>70,0</i>	<i>-50,0</i>

Outlook

- We expect continuing challenges from the current pandemic impacting food service and immediate consumption channels whilst countries gradually open up trade following vaccination programs
- Our business model is expected to provide resilience to our business complemented by our diversified geographies and focus on cost management
- Engagement in eco-friendly solutions to expand addressable market
- We shall continue to focus on driving efficiencies both in operations and manufacturing to counterbalance the effect of rising input costs along with commercial policy adaptations

Thank you!

For more information contact:
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