

First Quarter 2021 Results



May 10th, 2021



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Q1 2021 Highlights

- Net Revenues increased by 118% at historical highs
- 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
- Net Profit attributed to good performance in Operational and Financial Results

(TL million)	1Q21	1Q20	% Var
Net Revenues	344.0	157.8	117.9
Gross Profit	60.6	50.1	20.8
Gross Margin	17.6%	31.8%	
EBITDA	59.5	9.7	514.6
EBITDA Margin	17.3%	6.1%	
Net profit	19.6	(16.1)	
Net profit margin	5.7%	n/a	

Klimasan delivered an all-time high Q1 in sales and EBITDA,

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

1Q21 net revenues increased by 117.9%

versus prior year period to a Q1 record TL344.0 million

Gross profit reached TL60.6 million,

increased by 20.8% 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 TL59.5 million was 516.1% higher

versus 1Q20, and a record for the first quarter

Net Profit of TL19.6 million,

significantly improved versus a loss of TL16.1 million in 1Q20

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.
- Food service and immediate consumption channels, our business model, strong financial discipline and well invested assets, leave us well placed to make further progress through the year.
- Owing to the success of science, delivering effective vaccines around the world, we anticipate demand will improve as we move through the year. In fact, the pandemic has been offered new opportunities of growth.

Sustainability Agenda

Life|Cycle

- FF GEN Coolers – Energy consumption reduction of 50% by 2030 (vs 2020)
- Life extend program – Refurbishing products to extend the usage life
- Recyclabe and Green Disposal



Growth Opportunities

- IoT Technology



- New channels:

- Supermarkets



- Vaccine Coolers



Metalfrío



- Condominiums

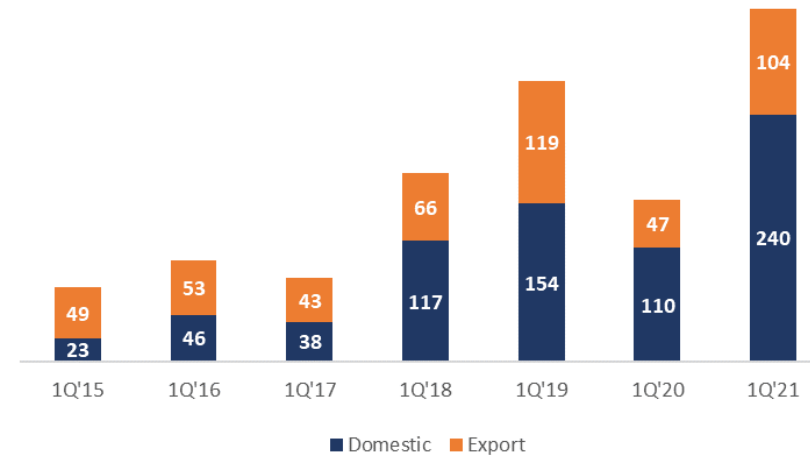
- Gyms

- New Regions

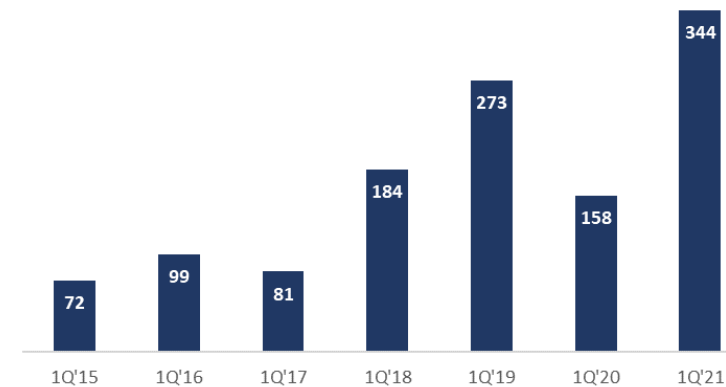
Net Revenues

- Net Revenue increased 117.9% on last year, delivering a record first quarter of TL344 million.
- Revenue from Services & Parts increased by 65.4% to TL20.4mn
- Revenue in Turkey, our largest market, tripled versus 1Q20
- The Middle East also significant growth offsetting declines in Europe and Africa

Net Revenues



Net Revenues



Product Innovation

a key business driver

Innovation & Customization



Customer Diversification & New Channels



Profit and Loss Statement

- Gross profit increased by 20.8% to TL60.6 million against the prior year. This was driven by the escalation of input costs, leading to a contraction of margins to 17.6%, compared to 31.8% 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 7% to TL28.1.
- Good performance in investment portfolio resulted in Net Investing result reaching TL34.9mn from TL2.1mn in 1Q20
- Net Financial Result deteriorated from TL21.0mn in 1Q20 to TL70.1mn owing to Net FX losses
- Record EBITDA level for first quarter in 2021, increased by 514.6% to TL 59.5 million.

(TL Million)	1Q 21	1Q 20	% change
Revenues	344,0	157,8	117,9%
Cost of Sales	(283,4)	(107,7)	
Gross Profit	60,6	50,1	20,8%
Operating Expenses	(10,4)	(46,6)	-77,7%
Operating Profit	50,2	3,5	1329,4%
Net Income/(Loss) from Investing Activities	34,9	2,1	
Net Financial Result	(70,1)	(21,0)	
Profit/(Loss) Before Tax	14,9	(15,4)	
Income Tax	4,7	(0,7)	
Profit/(Loss) After Tax	19,6	(16,1)	
Depreciation & Amortization	9,3	6,2	
EBITDA	59,5	9,7	514,6%

Balance Sheet

- Increase in Trade Receivables as a consequence of higher sales
- Higher inventory to enter the high season period (Q2)
- Equity increase as a result of Profit during Q1

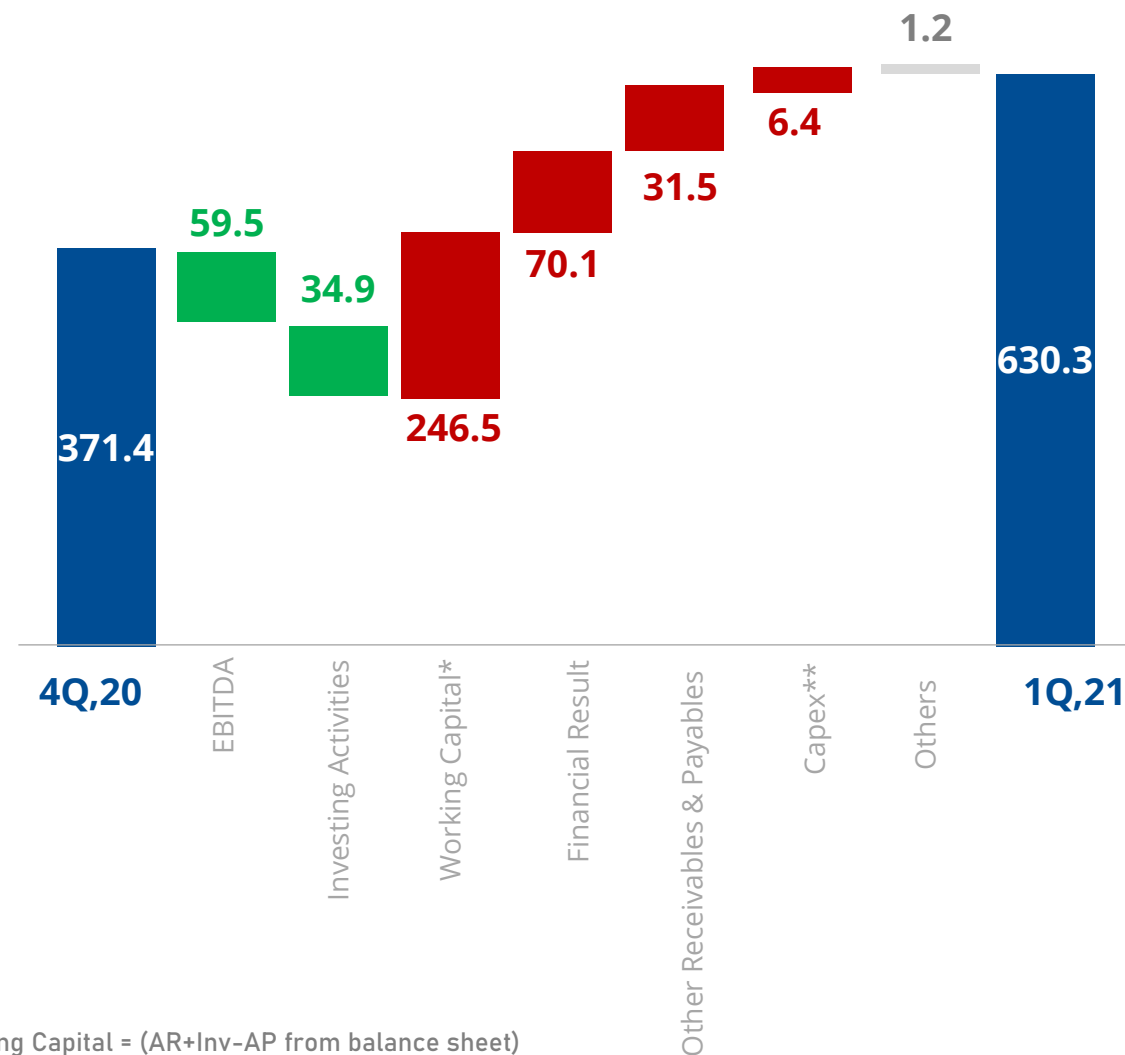
(TL Million)	Mar 31st 2021	Dec 31st 2020
Cash & Cash Equivalents	449,3	467,3
Trade Receivables	514,5	232,7
Inventory	306,6	187,4
Fixed Assets	194,7	191,1
Other	448,0	401,1
Total Assets	1.913,0	1.479,7
ST Financial Loans	391,5	306,7
Trade Payables	377,7	223,3
LT Financial Loans	688,1	532,0
Other	94,4	65,4
Total Equity	361,3	341,6
Total Liabilities&Shareholders' Equity	1.913,0	1.479,7

Cash Flow

(TL Million)	1Q 21	1Q 20
A. Cash Flows From Operating Activities	(278,3)	(124,3)
Profit for the Period	19,6	(16,1)
Non-cash Adjustments	(12,0)	57,2
Changes in Working Capital	(278,7)	(165,0)
Changes in Inventories	(118,5)	(131,3)
Changes in AR	(284,5)	(54,6)
Changes in AP	155,9	64,2
Changes net on Other Receivables & Payables	(31,5)	(43,3)
Cash Generated from Other Operations	(7,3)	(0,3)
B. Cash Flows From Investing Activities	(45,3)	(65,3)
Payments/Proceeds for Acquisitions/Sale of Property, Plant and Equipment & Intangibles - Net	(10,1)	(8,6)
Cash Outflow for Acquisition of Shares in Other Entities or Shares in Funds or Debt Instruments	(42,9)	(61,0)
Interest Received	7,7	4,3
C. Cash Flows From Financing Activities	141,0	4,5
Proceeds from/Cash Outflow of Borrowings - Net	144,8	15,4
Cash Outflow of Finance Lease Liabilities	(2,4)	(1,3)
Cash Inflow/Outflows from Derivative Instruments - Net	-	(7,9)
Interest Paid	(1,4)	(1,7)
D. Effects of Foreign Exchange Rate Changes on Cash and Cash Equivalents	113,5	17,9
NET INCREASE / (DECREASE) ON CASH AND CASH EQUIVALENTS (A+B+C+D)	(69,2)	(167,2)
E. Cash and Cash Equivalents at the Beginning of the Period	243,5	229,5
Cash and Cash Equivalents at the End of the Period (A+B+C+D+E)	174,4	62,3

Debt - UPDATE

Net Debt



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

Liquidity / Net Debt

LIQUIDITY INDICATORS (TL million)	1Q21	4Q20	Chg. 1Q21/ 4Q20
Cash and equivalents, bonds and securities	449.3	467.3	-18.0
Short term debt (ST)	391.5	314.9	76.6
Long term debt (LT)	688.1	534.4	153.7
Euro denominated debt	1,059.6	829.3	230.3
TRY denominated debt	20.0	20.0	0.0
Gross debt	1,079.6	849.3	230.3
Net cash / (Net debt)	-630.3	-382.0	-248.3
Shareholders' equity	361.3	341.6	19.7
Cash and equiv. / ST debt	1.2x	1.5x	n/a
LT debt / (ST + LT)	63.7%	62.9%	n/a

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!

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