

9M21 FINANCIAL PERFORMANCE*:

Net Sales:

up by 29.6% to TL 59.3 bn

EBITDA:

up by 31.6% to TL 8.1 bn

Net income attr. to parent:

TL 1,184 mn

Consolidated (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	18.352	23.361	27,3%	45.775	59.312	29,6%
Gross Profit	5.751	7.164	24,6%	13.377	17.636	31,8%
EBIT	1.867	2.505	34,2%	3.071	4.744	54,5%
EBITDA	3.022	3.588	18,7%	6.182	8.135	31,6%
Net Income	249	301	21,2%	-234	1.184	n.m.
Net Income** (excl. one-off gains)	249	301	21,2%	-234	596	n.m.

*All figures and tables in this report include IFRS16 impact.

** Excludes the TL 588 mn one-off profit related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş. and Migros Macedonia operations.

MESSAGE FROM CEO MR. HURŞİT ZORLU

In parallel with the acceleration of vaccination all over the world, we are going through a period in which the expectations for recovery in the global economy are increasing. In Turkey, we left behind a quarter in which restrictions were lifted, physical mobility increased and economic growth gained momentum as vaccination efforts increased since June. Despite strong economic growth figures, we are cautious for the outlook due to rising raw material prices, depreciation in the lira and low consumer confidence.

Anadolu Group companies continued to operate uninterrupted in this period, putting consumer needs at the center of its operations. In the first nine months of 2021, thanks to our balanced country and sectoral breakdown and our successful operational performance, we increased our sales revenues by 29.6% on a consolidated basis and our EBITDA by 31.6% above our sales revenue growth. Especially the soft drinks segment in addition to Migros and beer segment played an important role in this performance.

Evaluating the performances of our main operations in the nine months of 2021; The soft drink segment achieved one of the most successful performances of all time, with double-digit volume growth, strong turnover growth and healthy profitability. In the beer segment, strong results continued in Russia despite the effects of the pandemic and volume growth in Russia was above our expectations. Migros maintained its healthy growth in sales revenues, continued its investments in online services, pursued effective debt management strategies and has no short FX position as end of April.

I am also delighted to see that also our quick service restaurant and automotive sectors recorded successful results in the first nine months of the year as the pandemic restrictions eased, export markets reactivated and our company proactively adapted to the rapidly changing consumer needs. We also see an increase in activity in our stationary sector as schools re-open with face-to-face classes.

Despite unfavorable moves in TL since the beginning of the year, our consolidated net debt to EBITDA was at 1.2x at 9M21-end, lowest levels in recent history. These ratios were 1.7x at 9M20-end, 2.3x at 9M19-end and 3.6x at 9M18-end.

Improving profitability, strong FCF generation, focus on financing in local currency, idle asset sales, active use of derivative instruments in order to minimize the foreign currency risks on debt, lowering short FX positions, have played a key role in reducing leverage ratios across our Holding and Group companies. Consequently, our entire FX position of foreign currency holding-only debt is protected since the 2nd quarter.

As always Anadolu Group continues to carefully evaluate investment opportunities in our country and neighboring countries. As such, we are pleased to complete the purchase of Coca-Cola Bottlers Uzbekistan and include it in our soft drinks operations. Also as of October, we have completed the sale of 75% shares of our hourly car rental business MOOV, subsidiary of Çelik Motor to Getir.

As Anadolu Group, our key focus areas for the coming period are utmost care for the consumers, deleveraging, positive FCF generation, efficiency, and digitalization. We also continue to carry out comprehensive projects on sustainability and manage all our activities by considering environmental and social impacts.

SUMMARY FINANCIALS

Beer (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Sales Volume (mhl)	10,6	11,1	4,4%	28,0	29,2	4,3%
Net Sales	3.768	4.993	32,5%	9.117	11.969	31,3%
Gross Profit	1.624	1.940	19,4%	3.586	4.455	24,2%
EBITDA (BNRI)	682	717	5,1%	1.264	1.382	9,3%
Net Income	31	97	219,3%	150	602	300,7%
Gross Profit Margin	43,1%	38,8%		39,3%	37,2%	
EBITDA Margin	18,1%	14,4%		13,9%	11,5%	
Net Income Margin	0,8%	2,0%		1,6%	5,0%	
Soft Drinks (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Sales Volume (mn unit case)	390	435	11,5%	957	1.109	15,9%
Net Sales	4.973	6.794	36,6%	11.207	16.365	46,0%
Gross Profit	1.893	2.428	28,3%	3.936	5.784	46,9%
EBITDA	1.406	1.639	16,6%	2.620	3.758	43,4%
EBITDA (Exc. Other)	1.421	1.622	14,1%	2.641	3.715	40,6%
Net Income	835	916	9,7%	1.317	2.040	54,9%
Gross Profit Margin	38,1%	35,7%		35,1%	35,3%	
EBITDA Margin	28,3%	24,1%		23,4%	23,0%	
Net Income Margin	16,8%	13,5%		11,8%	12,5%	
Migros (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	7.610	9.817	29,0%	20.863	25.921	24,2%
Gross Profit	1.804	2.408	33,5%	4.987	6.333	27,0%
EBITDA	628	905	44,0%	1.712	2.245	31,2%
Net Income	-2	156	n.m.	-278	367	n.m.
Gross Profit Margin	23,7%	24,5%		23,9%	24,4%	
EBITDA Margin	8,3%	9,2%		8,2%	8,7%	
Net Income Margin	0,0%	1,6%		-1,3%	1,4%	
Automotive (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	1.781	1.406	-21,0%	3.934	4.308	9,5%
Gross Profit	320	218	-31,7%	629	665	5,6%
EBITDA	239	125	-47,7%	433	375	-13,5%
Net Income	217	25	-88,6%	214	173	-19,0%
Gross Profit Margin	17,9%	15,5%		16,0%	15,4%	
EBITDA Margin	13,4%	8,9%		11,0%	8,7%	
Net Income Margin	12,2%	1,8%		5,4%	4,0%	
Energy and Industry (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	505	714	41,4%	1.304	1.570	20,4%
Gross Profit	79	235	n.m.	153	457	199,7%
EBITDA	55	198	259,0%	82	358	334,3%
Net Income	-122	102	n.m.	-387	89	n.m.
Gross Profit Margin	15,6%	32,9%		11,7%	29,1%	
EBITDA Margin	10,9%	27,7%		6,3%	22,8%	
Net Income Margin	-24,1%	14,3%		-29,7%	5,7%	
Other (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	44	39	-11,3%	118	130	10,1%
Gross Profit	31	30	-4,5%	91	96	6,4%
EBITDA	7	1	-89,0%	16	4	-75,5%
Net Income	-85	-127	-49,9%	-346	206	n.m.
Gross Profit Margin	71,6%	77,1%		76,8%	74,3%	
EBITDA Margin	15,2%	1,9%		13,5%	3,0%	
Net Income Margin	n.m.	n.m.		n.m.	n.m.	
Consolidated (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	18.352	23.361	27,3%	45.775	59.312	29,6%
Gross Profit	5.751	7.164	24,6%	13.377	17.636	31,8%
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Net Income	249	301	21,2%	-234	1.184	n.m.
Net Income* (excl. one-off gains)	249	301	21,2%	-234	596	n.m.
Gross Profit Margin	31,3%	30,7%		29,2%	29,7%	
EBITDA Margin	16,5%	15,4%		13,5%	13,7%	
Net Income Margin	1,4%	1,3%		-0,5%	2,0%	

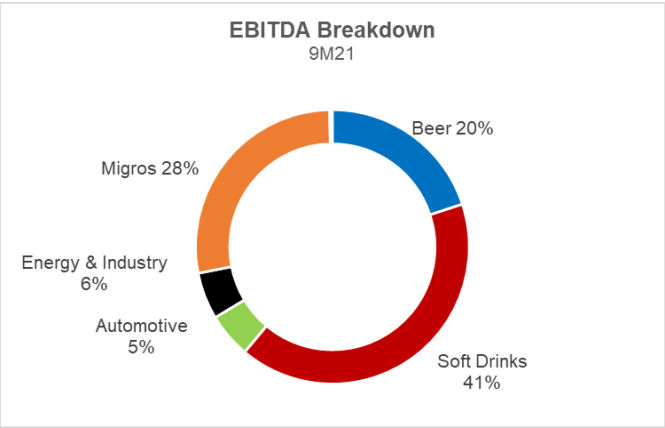
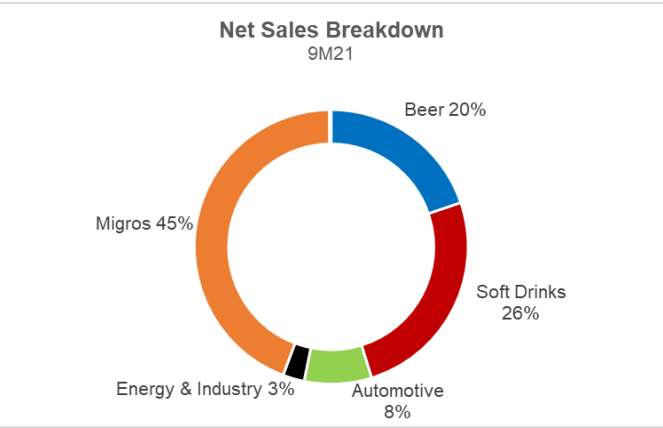
* Excludes the TL 588 mn one-off profit related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş. and Migros Macedonia operations.

CONSOLIDATED FINANCIAL PERFORMANCE

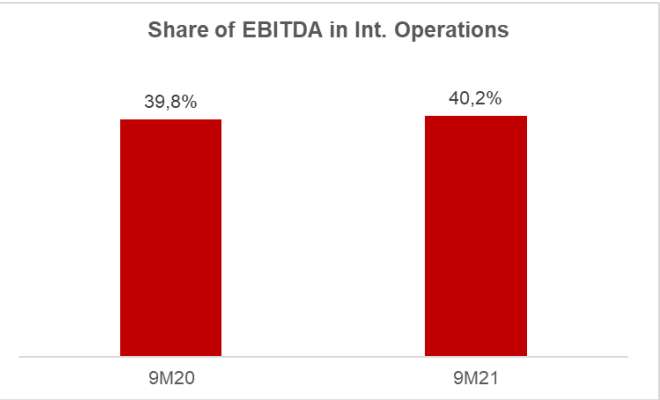
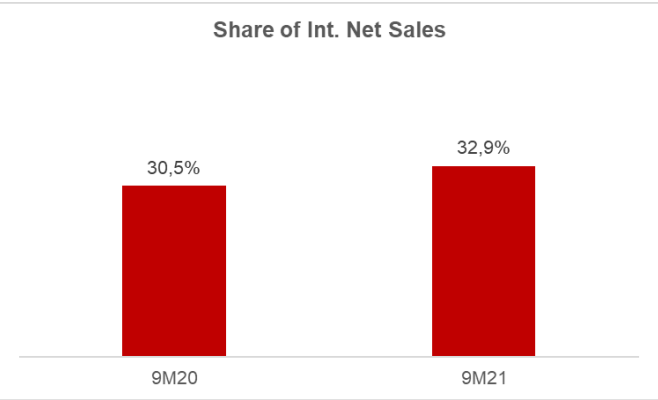
Consolidated (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	18.352	23.361	27,3%	45.775	59.312	29,6%
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Net Income	249	301	21,2%	-234	1.184	n.m.
Net Income* (excl. one-off gains)	249	301	21,2%	-234	596	n.m.
Gross Profit Margin	31,3%	30,7%		29,2%	29,7%	
EBITDA Margin	16,5%	15,4%		13,5%	13,7%	
Net Income Margin	1,4%	1,3%		-0,5%	2,0%	

* Excludes the TL 588 mn one-off profit related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş. and Migros Macedonia operations.

AG Anadolu Grubu Holding (“Anadolu Grubu”)’s consolidated revenues increased by 29.6% YoY to reach TL 59.3 bn in 9M21. Within our main segments, soft drinks had the strongest performance with a 46.0% revenue growth followed by 31.3% growth in beer and 24.2% growth in Migros. Auto segment revenues grew 9.5% in 9M21 compared to the same quarter of last year. On the other hand, Energy and Industry segment’s revenues increased by 20.4% YoY while “Other segment” which has a small share in our total revenue mix increased revenues by 10.1% YoY in 9M21.



Sum of segmental percentages may exceed 100% due to eliminations.



Share of international revenues increased to 32.9% in 9M21 thanks particularly to strong performance of soft drinks’ international operations. On the other hand, share of int. EBITDA increased from 39.8% in 9M20 to 40.2% in 9M21 on the back of strong performance of soft drinks on international countries.

Consolidated EBITDA increased by 31.6% to TL 8.1 bn in 9M21. Soft Drinks, Migros and Beer led the growth in EBITDA with 43%, 31% and 9% increases respectively. Soft Drinks, Migros and Beer's share in total EBITDA were 41%, 28% and 20% respectively in 9M21 while auto, energy and industrial, other segments had a combined share of 11% in total EBITDA mix during this period.

The group recorded TL 1,184 mn net profit in 9M21. Recall that, in the first quarter TL 588 mn of the bottom-line is attributable to one off gains related the sale of our real estate company AND Anadolu Gayrimenkul Yatırımları A.Ş. and Migros Macedonia operations. Excluding this impact, the bottom-line was TL 596 mn in 9M21. We have also recorded TL 141 mn financial income as a result of maturity of our derivatives positions which were initiated in order to minimize the foreign currency risks on our debt.

Despite unfavorable moves in TL since the beginning of the year and uncertainties with regards to pandemic, we have managed to keep our leverage ratios under control on the back of strong operational performance as well as conservative and proactive balance sheet management, positive FCF, utilization of idle assets, efficient and disciplined working capital management. In the first nine months of the year we have managed to generate TL 6.0 bn FCF, up 19% compared to the same period last year.

Focus on financing in local currency, active use of derivative instruments in order to minimize the foreign currency risks on debt and lowering short FX positions have played a key role reducing leverage particularly at the Holding and Migros but also on our other Group companies as well. Consequently entire part of our FX position of foreign currency holding-only debt is protected since the 2nd quarter. These actions have also positively impacted the bottom-line performance.

Consolidated net debt to EBITDA declined to 1.2x at 9M21-end, lowest level in the last years. Net debt/EBITDA would have been 1.0x excluding the 252 mn USD worth CCI Uzbekistan acquisition. This ratio was 3.6x at 9M18-end, 2.3x at 9M19-end and 1.7x at 9M20-end.

Despite the acquisition of CCI Uzbekistan, net leverage of soft drinks segment remained at historically low levels at 0.4x at 9M21-end. Migros net debt to EBITDA declined to 1.0x at 9M21-end, while auto segment net debt to EBITDA also continued to drop reaching 0.6x levels in 9M21-end. Lastly, net debt to EBITDA at energy & industrial segment was 3.0x at 9M21-end improving significantly from 19.3x at the end of same period of last year.

As of 9M21-end, 29% of our consolidated debt is short term and 71% is long term. Average duration of our debt is 30 months.

In line with the strategy of deleveraging the businesses through cash flows and focus on our core business, strategic options as always are evaluated for the divestiture or more efficient use our assets.

As such, equity stake sale of 75% of Moov Dijital Ulaşım Çözümleri Ticaret A.Ş (MOOV), hourly car rental service company and 100% owned by our subsidiary Çelik Motor Ticaret A.Ş. to Getir Perakende Lojistik A.Ş for an amount of USD 23.4 mn has been completed as end of October.

On the other hand, as we announced at the beginning of August, the privatization process of Coca-Cola Bottlers Uzbekistan ("CCBU") has recently ended, and CCI has won the tender. Acquisition of CCBU was completed on Sep 29th, 2021 and accordingly the CCBU P&L results were not consolidated in our 3Q21 and 9M21 consolidated P&L statements, while consolidated balance sheet includes CCBU figures as of 30.09.2021.

Segmental Indebtedness (incl. IFRS16)

9M21 (TL mn)	Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	8.223	4.708	3.515	1,7
Soft Drinks	6.372	4.634	1.739	0,4
Migros	5.940	3.202	2.738	1,0
Automotive	1.090	760	330	0,6
Energy & Industry	1.839	173	1.666	3,0
Other (Inc. Holding)	3.192	493	2.699	n.m.
<i>Holding-only</i>	<i>3.191</i>	<i>431</i>	<i>2.760</i>	<i>n.m.</i>
Consolidated*	26.594	13.970	12.623	1,2
Condolitated (Euro mn)*	2.584	1.357	1.226	1,2

9M20 (TL mn)	Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	6.159	3.781	2.378	1,3
Soft Drinks	6.382	4.832	1.550	0,5
Migros	6.485	3.267	3.218	1,5
Automotive	1.497	396	1.101	1,9
Energy & Industry	2.591	179	2.412	19,3
Other (Inc. Holding)	3.013	426	2.587	n.m.
<i>Holding-only</i>	<i>3.013</i>	<i>370</i>	<i>2.643</i>	<i>n.m.</i>
Consolidated	26.058	12.882	13.176	1,7
Condolitated (Euro mn)	2.899	1.411	1.488	1,7

FY2020 (TL mn)	Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	6.034	3.864	2.169	1,1
Soft Drinks	6.160	4.684	1.477	0,5
Migros	6.772	3.237	3.536	1,5
Automotive	1.340	459	881	1,4
Energy & Industry	2.491	348	2.143	7,1
Other (Inc. Holding)	3.068	335	2.733	n.m.
<i>Holding-only</i>	<i>3.068</i>	<i>288</i>	<i>2.780</i>	<i>n.m.</i>
Consolidated	25.797	12.927	12.870	1,5
Condolitated (Euro mn)	2.864	1.435	1.429	1,5

* Consolidated Net debt/EBITDA would have been 1.0x excluding the acquisition of Coca-Cola Bottlers Uzbekistan (USD 252 mn)

BEER SEGMENT

Beer (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Sales Volume (mhl)	10,6	11,1	4,4%	28,0	29,2	4,3%
Net Sales	3.768	4.993	32,5%	9.117	11.969	31,3%
Gross Profit	1.624	1.940	19,4%	3.586	4.455	24,2%
EBITDA (BNRI)	682	717	5,1%	1.264	1.382	9,3%
Net Income	31	97	219,3%	150	602	300,7%
<i>Gross Profit Margin</i>	43,1%	38,8%		39,3%	37,2%	
<i>EBITDA Margin</i>	18,1%	14,4%		13,9%	11,5%	
<i>Net Income Margin</i>	0,8%	2,0%		1,6%	5,0%	

Beer Group consolidated sales volume grew by 4.3% and reached 29.2 mhl in 9M21. The volume growth was attributable to the strong performance achieved in international beer operations; which significantly outperformed our expectations in the quarter. International beer operations' volumes grew by 6.2% YoY to 9.5 mhl in 3Q21 as a result of remarkable volume performance delivered primarily in Russia and Georgia. International beer operation's year-on-year volume increase was 4.4% in 9M21 taking up the int. volumes to 25.5 mhl. Despite the increase in on-trade volumes versus last year, the forest fires that raged across Turkey's southern provinces for nearly two weeks affected hotel reservations as well as the traditional trade sales during the peak season and had a negative impact on Turkey beer volumes.

Beer group sales revenues in the first nine months of the year increased by 31.3% YoY to reach TL 12.0 bn. International beer operations revenue grew by 35.6% YoY and reached TL 4.0 bn in 3Q21. The strong topline performance in international beer operations was assisted by higher volumes as well as better pricing. Favorable product mix and increased contribution of operations with higher rev/hl also supported the revenue performance in the quarter. Turkey beer sales revenue grew by 21.9% YoY to TL 1,0 bn in 3Q21.

Beer group gross profit was TL 4.5 bn; yielding a margin of 37.2%, 211 bps below last year. In international beer operations, gross margin declined as a result of the year-on-year higher fx hedge rates as well as the increase in raw material and commodity prices which started to impact gross profitability since the beginning of the quarter despite strong pricing. Turkey beer's gross margin was also below last year, negatively impacted by volume decline as well as the pressure coming from raw material price increases.

EBITDA (BNRI) increased by 9.3% to TL 1.4 bn in the first nine months of the year, yielding a margin of 11.5%. The pressure on the gross profitability in 3Q21 was reflected to Beer group EBITDA (BNRI) despite year-on-year savings in international operation's OpEx which was realized despite an already tight level of last year; thanks to our Zero-Based Spending program.

Beer Group bottom-line reached TL 602 mn in 9M21 improving significantly over last year.

On top of an already high level in the first half, FCF in 9M21 reached TL 1.5 bn vs. TL 687 mn a year ago.

SOFT DRINKS

Soft Drinks (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Sales Volume (mn unit case)	390	435	11,5%	957	1.109	15,9%
Net Sales	4.973	6.794	36,6%	11.207	16.365	46,0%
Gross Profit	1.893	2.428	28,3%	3.936	5.784	46,9%
EBITDA	1.406	1.639	16,6%	2.620	3.758	43,4%
EBITDA (Exc. Other)	1.421	1.622	14,1%	2.641	3.715	40,6%
Net Income	835	916	9,7%	1.317	2.040	54,9%
<i>Gross Profit Margin</i>	38,1%	35,7%		35,1%	35,3%	
<i>EBITDA Margin</i>	28,3%	24,1%		23,4%	23,0%	
<i>Net Income Margin</i>	16,8%	13,5%		11,8%	12,5%	

In 9M21, consolidated sales volume of the soft drinks segment registered a growth of 15.9%, reaching 1.1 bn unit case. Extending the strong business momentum in the first half of the year, soft drinks operations recorded strong results in the third quarter both in Turkey and international markets as well. In Turkey, the historical sales volume record was broken in July, and the high momentum was maintained for the rest of the quarter. Likewise, international markets kept its momentum and sales volumes increased by 16.6% YoY in 9M21.

Net sales revenue rose by 36.6% in 3Q21, driven by sales volume momentum, Revenue Growth Management ("RGM") initiatives, and positive FX conversion impact of international operations. As a result, soft drinks net sales revenue increased by 46.0% YoY in 9M21. In Turkey, net sales revenue in 3Q21 posted a solid 33.6% yearly growth. Net sales revenue per unit case grew by 16.6%. Significant increase in revenue was mainly driven by carbonated soft drinks, higher IC share versus the previous year, and effective pricing. In international operations, strategic RGM initiatives, effective discount management, and improved category mix were the main drivers of NSR growth.

Gross margin of the segment increased to 35.3% in 9M21. The contraction in the third quarter was mainly attributable to Turkey, while the gross margin of international operations expanded. Despite the significant surge in commodity prices, margin contraction remained limited thanks to the hedging initiatives, proactive procurement management, and higher per unit case net sales prices.

The EBITDA margin stood at 23.0% in 9M21. While Turkey operation's EBITDA margin-excluding the impact of other income/expense, declined mainly due to depreciation of Turkish lira and higher commodity prices, decrease in EBITDA margin- excluding the effect of other income/(expense) of international operations remain limited. The contraction was mainly due to the higher direct marketing expenses.

Net profit was TL 2.0 bn in 9M21 vs. TL 1.3 bn in 9M20 on the back of strong business momentum, higher operating profit and FX gains due to the hard currency long position. Net profit was also positively impacted from the land sale in Yenibosna, as announced on September 13th, 2021, the income attributable to this land sale per IFRS was TL 140 million. In addition, there was a non-cash provision for spare parts amortization amounting to TL 205 million (excluding tax effects).

Free cash flow increased by 30.3% and reached TL 2.5 bn in the first nine months of the year vs TL 1.9 bn in the same period of the previous year. Disciplined CapEx management and tight working capital management, along with strong profitability resulted in solid cash generation.

Migros (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	7.610	9.817	29,0%	20.863	25.921	24,2%
Gross Profit	1.804	2.408	33,5%	4.987	6.333	27,0%
EBITDA	628	905	44,0%	1.712	2.245	31,2%
Net Income	-2	156	n.m.	-278	367	n.m.
Gross Profit Margin	23,7%	24,5%		23,9%	24,4%	
EBITDA Margin	8,3%	9,2%		8,2%	8,7%	
Net Income Margin	0,0%	1,6%		-1,3%	1,4%	

Net sales revenues of Migros increased by 24.2% YoY in 9M21 to TL 25.9 bn. Increasing demand, and increasing coverage of online operations supported the growth at the top-line level in 9M21. Additionally, Migros continued to improve its online operations for a better customer experience.

Online sales remained strong during the first nine months of 2021. Migros is now better equipped to meet a potential sudden increase in demand on the back of higher capacity and wider of coverage of its internet sales. The service coverage of online operations increased to 848 in 81 cities. Total number of stores increased by 211 to 2,484 in 9M21 vs. 9M20.

Gross profit increased by 27.0% YoY in 9M21 to reach TL 6.3 bn, implying a gross profit margin of 24.4%. Migros also generated TL 2.2 bn EBITDA in 9M21, up by 31.2% YoY, with an EBITDA margin of 8.7%. Migros' EBITDA margin excluding the IFRS 16 changes, increased to 6.0% and EBITDA grew by 40.5% YoY in 9M21.

In line with the plan implemented by the management for deleveraging, Migros' net debt/EBITDA ratio declined by 50 bps to 1.0x as of 9M21-end vs. the same period last year and 2020YE as well. While Migros is now in net cash position as end of September'21, excluding IFRS 16 effects net cash/EBITDA was at 0.2x as of 9M21-end vs. net debt/EBITDA at 0.4x as of 9M20-end.

The company has no short FX position. Migros net debt declined from TL 3.3 bn as of 9M20-end to TL 2.7 bn as of 9M21-end.

Migros reported a net consolidated profit of TL 367 mn in 9M21.

AUTOMOTIVE SEGMENT

Automotive (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	1.781	1.406	-21,0%	3.934	4.308	9,5%
Gross Profit	320	218	-31,7%	629	665	5,6%
EBITDA	239	125	-47,7%	433	375	-13,5%
Net Income	217	25	-88,6%	214	173	-19,0%
Gross Profit Margin	17,9%	15,5%		16,0%	15,4%	
EBITDA Margin	13,4%	8,9%		11,0%	8,7%	
Net Income Margin	12,2%	1,8%		5,4%	4,0%	

Automotive segment posted TL 4.3 bn net sales revenues in 9M21, up by 9.5% YoY. The key driver behind the revenue growth was successful performance of Anadolu Isuzu both in domestic and export markets. Anadolu Isuzu domestic revenues increased by 103% YoY, while international revenues increased by 139% YoY resulting a total revenue growth of 114% in the first nine months of the year. On the other hand, Çelik Motor sales revenues declined by 17.0% to TL 2.6 bn in the first nine months of the year. Anadolu Motor increased its revenues by 66.2% to TL 266 mn in the first nine months of the year.

Çelik Motor constituted 59% of automotive sales revenues, remaining shares were 34% of Anadolu Isuzu and 6% of Anadolu Motor in the first nine months of the year.

Gross profit margin of the segment declined by 60 bps to 15.4% in 9M21. While Anadolu Isuzu and Anadolu Motor gross profits were up by 120.5% and 73.4% in 9M21 respectively Çelik Motor gross profit was down by 31,7% in 9M21.

EBITDA of the segment declined by 13.5% to TL 375 mn in 9M21. With increasing sales volume as well as margin, EBITDA margin of Anadolu Isuzu widened by 452 bps to 10.1% in 9M21. Anadolu Motor recorded TL 22 mn EBITDA in 9M21 with an EBITDA margin of 8.4% on the back of growth in sales volumes and improvement in operational performance. As such Anadolu Isuzu and Anadolu Motor EBITDAs increased by 288% and 122% respectively in the first nine months of the year. EBITDA margin of Çelik Motor declined to 8.0% in 9M21 with a contraction of 450bps in EBITDA margin.

With regards to contraction in EBITDA margin and EBITDA of Celik Motor, it is worth remembering that; Çelik Motor continued to optimize its fleet size as the company did in last 3 years and also continue to change its business model. During 2020, Çelik Motor continued to sell its short term and long term rental portfolio and accordingly decreased its fleet size by 6,200. The sales proceeds decreased net debt position and also contributed to the EBITDA and net profit in 2020. Thus, as the fleet size is now smaller than last year, second hand sales are contributing less to the company financials. Çelik Motor generated around TL 171 mn funds in 9M21 and the total fleet size of the company dropped to as low as 1,200 as of 9M21-end. Thus as our auto sales decline with a lower fleet size, our auto revenues and EBITDA are directly impacted as we observe in 2021.

Also as we have announced in October, we have completed the equity stake sale of 75% of Moov Dijital Ulaşım Çözümleri Ticaret A.Ş (MOOV), an hourly car rental service company and 100% owned by our subsidiary Celik Motor Ticaret A.Ş. to Getir Perakende Lojistik A.Ş. The transfer value is determined as 23.4mn USD. As such we expect Çelik Motor's fleet size to further decrease to null by the end of the year.

Net debt/EBITDA ratio of the segment further declined to 0.6x at 9M21-end vs. 1.9x at 9M20-end. Çelik Motor's net debt declined from TL 489 mn at 2020YE to TL 92 mn at 9M21-end.

ENERGY & INDUSTRY SEGMENT

Energy and Industry (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	505	714	41,4%	1.304	1.570	20,4%
Gross Profit	79	235	n.m.	153	457	199,7%
EBITDA	55	198	259,0%	82	358	334,3%
Net Income	-122	102	n.m.	-387	89	n.m.
Gross Profit Margin	15,6%	32,9%		11,7%	29,1%	
EBITDA Margin	10,9%	27,7%		6,3%	22,8%	
Net Income Margin	-24,1%	14,3%		-29,7%	5,7%	

Adel, McDonald's, Energy and our Real Estate company are included in Energy and Industry segment.

Energy and Industry segment reported TL 1.6 bn net sales revenues in 9M21, up by 20.4% YoY.

In Adel, due to Covid 19, schools continued mainly with remote education in the 2020-2021 period. Therefore, our net sales revenues declined 2% in the first nine months of the year compared to the previous year. However, on September 6, schools have resumed face-to-face classes and we see an increase activity in our stationary sector. We foresee that some of the postponed purchases of the first nine months of the year will be completed as schools re-open face-to-face classes. As such, we are revising our 2021 end-of-year expectations upwards with the contribution of the additional stationery tenders we won in the last quarter of the year. We now expect our revenues to grow 15-20% (low double-digit growth previously) and our EBITDA to grow above 5% (flat EBITDA previously) in 2021.

On the other hand, McDonald's sales revenues jumped by 68.4% to TL 935 mn on the back of easing restrictions, pricing adjustments and increase in takeaway services.

GUE revenues increased by 28.1% to TL 91 mn and 100% of the electricity produced at GUE was sold to Georgia in 9M21.

McDonald's holds 60% share in total sales of the segment, followed by 22% share of Adel, GUE 6% and 12% share of Kartal residential project. Additionally, as a result of 100% stake transfer of our real estate company AND Anadolu Gayrimenkul Yatırımları A.Ş. which among its other assets owns AND Kozyatagı building, net debt of the segment declined to TL 1.7 bn as of 9M21-end vs. TL 2.1 bn 2020YE.

Gross profit margin of the segment was 29.1% in 9M21. EBITDA was registered at TL 358 million, on the back of improvement in operational performance of McDonalds and energy business.

Net debt/EBITDA ratio of the segment decreased to 3.0x as of 9M21-end vs. 19.3x as of 9M20.

OTHER

Other (TL mn)	3Q20	3Q21	Change	9M20	9M21	Change
Net Sales	44	39	-11,3%	118	130	10,1%
Gross Profit	31	30	-4,5%	91	96	6,4%
EBITDA	7	1	-89,0%	16	4	-75,5%
Net Income	-85	-127	-49,9%	-346	206	n.m.
Gross Profit Margin	71,6%	77,1%		76,8%	74,3%	
EBITDA Margin	15,2%	1,9%		13,5%	3,0%	
Net Income Margin	n.m.	n.m.		n.m.	n.m.	

Holding, AEH Sigorta A.Ş. and other small scale businesses are consolidated under the other segment. Net sales revenues of the other segment was TL 130 mn in 9M21.

The Group recorded gain on sales of its subsidiary AND Anadolu Gayrimenkul Yatırımları A.Ş. With an amount of TL 460 mn as of March 30, 2021. The Holding also recorded TL 141 mn financial income as a result of maturity of our derivatives positions which were initiated in order to minimize the foreign currency risks on our debt. As such, net income of the other segment was TL 206 mn in 9M21.

SUMMARY SEGMENTAL FINANCIAL RESULTS – 9M21

TL mn	Net Sales	Yearly Change	Gross Profit	Yearly Change	EBITDA	Yearly Change	Net Profit	Yearly Change
Beer	11.969	31%	4.455	24%	1.380	9%	602	301%
Soft Drinks	16.365	46%	5.784	47%	3.758	43%	2.040	55%
Migros	25.921	24%	6.333	27%	2.245	31%	367	n.m.
Automotive	4.308	10%	665	6%	375	-13%	173	-19%
Energy and Industry	1.570	20%	457	200%	358	334%	89	123%
Other	130	10%	96	6%	4	-76%	206	n.m.
Consolidated	59.312	30%	17.636	32%	8.135	32%	1.184	n.m.

SUMMARY BALANCE SHEET

TL million		
	30.09.2021	31.12.2020
Cash and equivalents	13.954	12.878
Trade receivables	5.654	3.429
Inventories	8.852	7.169
Prepaid expenses	1.113	863
Other current assets	1.764	1.830
Non-current Assets or Disposal Groups Classified as Held for Sale	-	326
Current Assets	31.337	26.495
Investments accounted through equity method	465	141
Investment properties	-	173
Tangible assets	18.764	16.370
Right of use assets	3.451	3.390
Intangible assets	29.918	24.708
-Goodwill	9.509	7.012
-Other intangible assets	20.409	17.696
Other non-current assets	2.211	1.996
Non-Current Assets	54.809	46.778
Total Assets	86.146	73.273
Short term borrowings	4.043	5.529
Short term poriton of long term borrowings	3.798	3.577
- Bank Loans	2.901	2.768
- Lease Liabilities	897	809
Trade payables	19.433	14.286
Other current liabilities	5.765	4.591
Current Liabilities	33.039	27.983
Long term borrowings	18.753	16.691
- Bank Loans	15.843	13.894
- Lease Liabilities	2.910	2.797
Deferred tax liability	3.657	3.398
Other non-current liabilities	1.308	1.006
Non-Current Liabilities	23.718	21.095
Total Liabilities	56.757	49.078
Equity	29.389	24.195
Non-controlling interests	22.280	18.435
Equity of the parent	7.109	5.760
Total Liabilities & Equity	86.146	73.273

SUMMARY INCOME STATEMENT

TL million		
	30.09.2021	30.09.2020
Revenues	59.312	45.775
Cost of sales (-)	(41.676)	(32.398)
Gross Profit	17.636	13.377
Operating expenses (-)	(12.228)	(9.584)
Other operations income/(expense)	(473)	(459)
Gain/(Loss) from investments accounted through equity method	(190)	(263)
Operating Income/(Loss) (EBIT)	4.745	3.071
Income /(expense) from investment operations	1.267	459
Financial income/(expense)	(1.795)	(2.269)
Income/(Loss) Before Tax from Continuing Operations	4.217	1.261
Tax income/(expense)	(843)	(572)
Net Income/(Loss) from Continuing Operations	3.374	689
Net Income/(Loss) from Discontinued Operations	(43)	(115)
Net Income/(Loss)	3.331	574
Net Income/(Loss)		
Non-controlling interests	2.147	808
Equity holders of the parent	1.184	(234)

INVESTOR RELATIONS CONTACTS

Please visit our website at <https://www.anadolugrubu.com.tr/en> for financial reports and further information regarding AG Anadolu Grubu Holding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain certain forward-looking statements concerning for future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.
