

KOÇ HOLDİNG A.Ş.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2021**

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)**

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

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**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2021**

CONTENTS	INDEX
CONSOLIDATED BALANCE SHEETS.....	1-2
CONSOLIDATED STATEMENTS OF INCOME	3
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	5
CONSOLIDATED STATEMENTS OF CASH FLOW	6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	7-62
NOTE 1 GROUP'S ORGANISATION AND NATURE OF OPERATIONS	7-13
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	14-18
NOTE 3 BUSINESS COMBINATIONS.....	19-21
NOTE 4 SEGMENT REPORTING.....	22-27
NOTE 5 CASH AND CASH EQUIVALENTS.....	28
NOTE 6 FINANCIAL ASSETS	28-29
NOTE 7 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD.....	30-32
NOTE 8 TRADE RECEIVABLES AND PAYABLES.....	33
NOTE 9 RECEIVABLES FROM FINANCE SECTOR OPERATIONS.....	34-35
NOTE 10 INVENTORIES.....	36
NOTE 11 PROPERTY, PLANT AND EQUIPMENT	36
NOTE 12 OTHER INTANGIBLE ASSETS	37
NOTE 13 BORROWINGS	38
NOTE 14 PAYABLES OF FINANCE SECTOR OPERATIONS	39
NOTE 15 TAX ASSETS AND LIABILITIES	39-41
NOTE 16 PROVISIONS	41-42
NOTE 17 OTHER RECEIVABLES AND PAYABLES.....	42
NOTE 18 OTHER ASSETS AND LIABILITIES	43-44
NOTE 19 EQUITY	45-46
NOTE 20 OTHER OPERATING INCOME/EXPENSES	47
NOTE 21 GAINS/LOSSES FROM INVESTMENT ACTIVITIES	47
NOTE 22 FINANCIAL INCOME/EXPENSES	48
NOTE 23 RELATED PARTY DISCLOSURES	48-49
NOTE 24 COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES	49-51
NOTE 25 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT	52-58
NOTE 26 FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS.....	58-60
NOTE 27 EARNINGS PER SHARE.....	60
NOTE 28 SUPPLEMENTARY CASH FLOW INFORMATION	61
NOTE 29 EVENTS AFTER THE BALANCE SHEET DATE.....	62

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		30 September 2021	30 September 2021	<i>Unaudited</i> 30 September 2021	<i>Audited</i> 31 December 2020
	Notes	(*) EUR'000	(*) USD'000	TL'000	TL'000
ASSETS					
Current assets:					
Cash and cash equivalents	5	6.626.310	7.727.935	68.340.445	60.360.801
Balances with the Central Bank of the Republic of Turkey		5.948.867	6.937.867	61.353.640	48.972.272
Financial assets	6	970.625	1.131.992	10.010.544	6.126.643
Trade receivables	8	3.297.746	3.845.997	34.011.305	20.478.731
- <i>Related parties</i>	8	187.152	218.266	1.930.193	1.239.528
- <i>Third parties</i>	8	3.110.594	3.627.731	32.081.112	19.239.203
Receivables from finance sector operations	9	18.441.575	21.507.490	190.197.187	157.462.310
Derivative instruments		338.614	394.909	3.492.297	2.317.060
Inventories	10	3.295.000	3.842.794	33.982.982	18.651.844
Other receivables	17	539.095	628.720	5.559.959	2.193.924
Other current assets	18	2.706.413	3.156.354	27.912.586	24.809.568
		42.164.245	49.174.058	434.860.945	341.373.153
Assets held for sale		3.425	3.994	35.320	201.321
Total current assets		42.167.670	49.178.052	434.896.265	341.574.474
Non-current assets:					
Financial assets	6	9.126.127	10.643.346	94.122.306	73.171.712
Investments accounted for using the equity method	7	963.570	1.123.764	9.937.783	8.367.140
Trade receivables	8	73.601	85.838	759.087	521.842
- <i>Third parties</i>	8	73.601	85.838	759.087	521.842
Receivables from finance sector operations	9	15.316.834	17.863.260	157.970.165	137.770.791
Derivative instruments		432.277	504.143	4.458.288	3.902.082
Investment properties		35.910	41.880	370.360	384.742
Property, plant and equipment	11	4.234.200	4.938.137	43.669.425	38.520.817
Intangible assets		1.571.698	1.832.993	16.209.706	12.932.015
- <i>Goodwill</i>		591.953	690.366	6.105.111	3.725.523
- <i>Other intangible assets</i>	12	979.745	1.142.627	10.104.595	9.206.492
Deferred tax assets	15	1.010.463	1.178.453	10.421.410	9.812.215
Other non-current assets	18	334.448	390.051	3.449.334	3.142.714
Total non-current assets		33.099.128	38.601.865	341.367.864	288.526.070
Total assets		75.266.798	87.779.917	776.264.129	630.100.544

(*) Euro ("EUR") and US Dollar ("USD") amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the official TL bid rate announced by the Central Bank of the Republic of Turkey ("CBRT") effective as of 30 September 2021, and therefore do not form part of these interim condensed consolidated financial statements (Note 2.1.3).

These interim condensed consolidated financial statements as of 1 January - 30 September 2021 have been approved for issue by the Board of Directors on 5 November 2021.

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		30 September 2021	30 September 2021	<i>Unaudited</i> 30 September 2021	<i>Audited</i> 31 December 2020
	Notes	(*) EUR'000	(*) USD'000	TL'000	TL'000
LIABILITIES					
Current liabilities:					
Short term borrowings	13	2.986.361	3.482.844	30.799.835	23.766.653
Short term portion of long term borrowings	13	5.233.967	6.104.115	53.980.519	47.957.577
Trade payables	8	4.977.452	5.804.954	51.334.948	29.039.594
- Related parties	8	188.320	219.629	1.942.243	2.638.387
- Third parties	8	4.789.132	5.585.325	49.392.705	26.401.207
Payables of finance sector operations	14	33.342.677	38.885.902	343.879.701	274.101.362
Derivative instruments		279.053	325.446	2.878.018	4.688.529
Current income tax liabilities	15	138.843	161.925	1.431.955	1.587.179
Short term provisions	16	261.908	305.450	2.701.185	1.878.630
Other payables	17	403.622	470.725	4.162.759	4.075.701
Other current liabilities	18	3.696.491	4.311.031	38.123.727	27.383.629
		51.320.374	59.852.392	529.292.647	414.478.854
Liabilities related to assets held for sale		-	-	-	14.110
Total current liabilities		51.320.374	59.852.392	529.292.647	414.492.964
Non-current liabilities:					
Long term borrowings	13	11.991.349	13.984.913	123.672.782	110.083.014
Payables of finance sector operations	14	415.873	485.012	4.289.108	3.069.577
Derivative instruments		548.978	640.246	5.661.889	6.748.047
Other payables	17	-	-	-	207.350
Deferred tax liabilities	15	161.289	188.104	1.663.458	1.258.612
Long term provisions		576.048	671.816	5.941.073	4.986.473
- Long term provisions for employee benefits		376.380	438.953	3.881.792	3.434.738
- Other long term provisions	16	199.668	232.863	2.059.281	1.551.735
Other non-current liabilities	18	150.747	175.809	1.554.728	1.183.455
Total non-current liabilities		13.844.284	16.145.900	142.783.038	127.536.528
Total liabilities		65.164.658	75.998.292	672.075.685	542.029.492
Equity:					
Paid-in share capital	19	245.881	286.759	2.535.898	2.535.898
Adjustment to share capital	19	93.789	109.381	967.288	967.288
Treasury shares	19	(1.230)	(1.435)	(12.687)	-
Share premium		900	1.050	9.286	9.286
Other comprehensive income/(expense) not to be reclassified to profit or loss	19	(32.239)	(37.599)	(332.498)	(278.721)
Other comprehensive income/(expense) to be reclassified to profit or loss	19	253.196	295.290	2.611.340	1.167.240
Restricted reserves	19	51.794	60.406	534.182	523.765
Prior years' income		3.827.994	4.464.399	39.480.021	32.144.813
Profit for the period		913.079	1.064.879	9.417.045	9.272.570
Equity holders of the parent		5.353.164	6.243.130	55.209.875	46.342.139
Non-controlling interests		4.748.976	5.538.495	48.978.569	41.728.913
Total equity		10.102.140	11.781.625	104.188.444	88.071.052
Total liabilities and equity		75.266.798	87.779.917	776.264.129	630.100.544
Commitments and contingent liabilities	24				

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The accompanying notes form an integral part of these interim condensed consolidated financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**CONSOLIDATED STATEMENTS OF INCOME
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2021 AND 2020**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		1 January - 30 September 2021	1 January - 30 September 2021	<i>Unaudited</i> 1 January - 30 September 2021	<i>Unaudited</i> 1 January - 30 September 2020	<i>Unaudited</i> 1 July - 30 September 2021	<i>Unaudited</i> 1 July - 30 September 2020
	Notes	(*) EUR'000	(*) USD'000	TL'000	TL'000	TL'000	TL'000
Revenue		18.233.665	21.811.358	176.268.491	96.786.163	73.750.872	40.226.775
Revenue from finance sector operations		4.897.106	5.857.984	47.341.300	28.933.625	17.899.284	11.526.286
Total revenue	4	23.130.771	27.669.342	223.609.791	125.719.788	91.650.156	51.753.061
Cost of sales		(15.294.169)	(18.295.093)	(147.851.792)	(81.861.981)	(62.775.023)	(32.973.509)
Cost of finance sector operations		(2.944.302)	(3.522.014)	(28.463.154)	(12.863.197)	(10.693.580)	(4.925.925)
Total costs		(18.238.471)	(21.817.107)	(176.314.946)	(94.725.178)	(73.468.603)	(37.899.434)
Gross profit (non-finance)		2.939.496	3.516.265	28.416.699	14.924.182	10.975.849	7.253.266
Gross profit (finance)		1.952.804	2.335.970	18.878.146	16.070.428	7.205.704	6.600.361
Gross profit		4.892.300	5.852.235	47.294.845	30.994.610	18.181.553	13.853.627
Marketing expenses		(1.049.076)	(1.254.919)	(10.141.626)	(6.631.599)	(3.809.625)	(2.638.147)
General administrative expenses		(1.156.121)	(1.382.968)	(11.176.454)	(8.689.169)	(3.975.525)	(3.154.311)
Research and development expenses		(42.159)	(50.431)	(407.562)	(316.723)	(155.274)	(113.304)
Other operating income	20	530.614	634.728	5.129.553	3.530.248	1.700.121	1.366.953
Other operating expenses	20	(995.590)	(1.190.938)	(9.624.566)	(9.505.148)	(2.283.821)	(3.853.362)
Share of profit/loss of investments accounted for using the equity method	7	341.618	408.648	3.302.490	1.630.963	1.364.086	958.540
Operating profit	4	2.521.586	3.016.355	24.376.680	11.013.182	11.021.515	6.419.996
Gains from investment activities	21	20.482	24.500	197.999	3.639.140	45.879	24.843
Losses from investment activities	21	(2.375)	(2.841)	(22.958)	(53.250)	(1.125)	(49.592)
Operating profit before financial income/(expense)		2.539.693	3.038.014	24.551.721	14.599.072	11.066.269	6.395.247
Financial income	22	1.402.337	1.677.495	13.556.673	11.776.696	2.947.465	3.033.132
Financial expense	22	(2.012.942)	(2.407.909)	(19.459.517)	(16.947.018)	(5.479.043)	(4.839.065)
Profit before tax	4	1.929.088	2.307.600	18.648.877	9.428.750	8.534.691	4.589.314
Tax income/(expense)		(218.738)	(261.657)	(2.114.582)	(948.041)	(1.256.183)	(703.654)
- Current income tax expense		(264.668)	(316.599)	(2.558.594)	(2.259.186)	(1.553.305)	(630.872)
- Deferred tax income	15	45.930	54.942	444.012	1.311.145	297.122	(72.782)
Profit for the period		1.710.350	2.045.943	16.534.295	8.480.709	7.278.508	3.885.660
Attributable to:							
Non-controlling interest		736.227	880.684	7.117.250	1.744.136	3.172.876	1.580.269
Equity holders of the parent	4	974.123	1.165.259	9.417.045	6.736.573	4.105.632	2.305.391
Earnings per share (Kr)	27			3,714	2,656	1,619	0,909

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**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2021 AND 2020**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	1 January - 30 September 2021 (*) EUR'000	1 January - 30 September 2021 (*) USD'000	Unaudited 1 January - 30 September 2021 TL'000	Unaudited 1 January - 30 September 2020 TL'000	Unaudited 1 July - 30 September 2021 TL'000	Unaudited 1 July - 30 September 2020 TL'000
Profit for the period	1.710.350	2.045.943	16.534.295	8.480.709	7.278.508	3.885.660
Other comprehensive income:						
Items not to be reclassified to profit/loss:	(12.362)	(14.788)	(119.510)	(123.793)	(24.180)	(21.071)
Gains/(losses) on remeasurements of defined benefit plans	(11.098)	(13.276)	(107.290)	(131.757)	(15.791)	(18.849)
Share of other comprehensive income/(expenses) of investments accounted for using the equity method	(1.264)	(1.512)	(12.220)	7.964	(8.389)	(2.222)
Taxes relating to other comprehensive income not to be reclassified to profit/loss	2.266	2.711	21.905	27.668	3.772	3.880
Gains/(losses) on remeasurements of defined benefit plans, tax effect	2.266	2.711	21.905	27.668	3.772	3.880
Items to be reclassified to profit/loss	345.213	412.948	3.337.239	2.778.768	951.149	1.621.429
Currency translation differences	225.944	270.276	2.184.234	3.257.049	474.212	1.955.456
Gains/(losses) on financial assets measured at fair value through other comprehensive income	(34.751)	(41.570)	(335.944)	470.186	(225.505)	(40.333)
Gains/(losses) on hedges of net investments in foreign operations	(88.449)	(105.804)	(855.055)	(1.621.103)	40.642	(911.336)
Gains/(losses) on cash flow hedges	224.670	268.754	2.171.934	1.154.891	511.242	831.222
Share of other comprehensive income/(expenses) of investments accounted for using the equity method	17.799	21.292	172.070	(482.255)	150.558	(213.580)
Taxes relating to other comprehensive income to be reclassified to profit/loss	(12.463)	(14.908)	(120.477)	46.302	(75.414)	60.228
Gains/(losses) on financial assets measured at fair value through other comprehensive income, tax effect	7.003	8.377	67.701	(23.290)	26.990	44.672
Gains/(losses) on hedges of net investments in foreign operations, tax effect	22.112	26.451	213.764	356.644	(10.161)	200.495
Gains/(losses) on cash flow hedges, tax effect	(41.578)	(49.736)	(401.942)	(287.052)	(92.243)	(184.939)
Other comprehensive income/(expense)	322.654	385.963	3.119.157	2.728.945	855.327	1.664.466
Total comprehensive income	2.033.004	2.431.906	19.653.452	11.209.654	8.133.835	5.550.126
Attributable to:						
Non-controlling interest	915.062	1.094.609	8.846.084	3.541.146	3.896.122	2.634.904
Equity holders of the parent	1.117.942	1.337.297	10.807.368	7.668.508	4.237.713	2.915.222

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2021 AND 2020

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

					Items not to be reclassified to profit/loss		Items to be reclassified to profit/loss			Retained earnings					
	Paid-in share capital	Adjustment to share capital	Treasury shares	Share premium	Gains/(losses) on remeasurement of defined benefit plans	Currency translation differences	Gains/(losses) on hedge	Gains/(losses) on financial assets measured at fair value through other comprehensive income	Restricted reserves	Prior years' income	Profit for the period	Equity holders of the parent	Non- controlling interests	Total equity	
Balances at 1 January 2020	2.535.898	967.288	-	9.286	(297.850)	2.529.699	(2.992.323)	57.615	523.765	28.557.523	4.391.159	36.282.060	13.369.975	49.652.035	
Transfers	-	-	-	-	-	-	-	-	-	4.391.159	(4.391.159)	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	(670.701)	-	(670.701)	(321.787)	(992.488)	
Acquisition of a subsidiary due to change of control	-	-	-	-	101.032	(886.526)	1.345.234	(68.948)	-	(101.032)	-	389.760	23.186.226	23.575.986	
Transactions with non-controlling interests	-	-	-	-	12	-	(3.411)	-	-	(32.136)	-	(35.535)	170.415	134.880	
Total comprehensive income/(expense)	-	-	-	-	(36.766)	1.627.323	(1.177.345)	518.723	-	-	6.736.573	7.668.508	3.541.146	11.209.654	
Balances at 30 September 2020	2.535.898	967.288	-	9.286	(233.572)	3.270.496	(2.827.845)	507.390	523.765	32.144.813	6.736.573	43.634.092	39.945.975	83.580.067	
Balances at 1 January 2021	2.535.898	967.288	-	9.286	(278.721)	3.173.469	(2.395.325)	389.096	523.765	32.144.813	9.272.570	46.342.139	41.728.913	88.071.052	
Transfers	-	-	-	-	-	-	-	-	(2.270)	9.274.840	(9.272.570)	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	(1.769.874)	-	(1.769.874)	(1.637.101)	(3.406.975)	
Increase/(decrease) through treasury share transactions (Note 19)	-	-	(12.687)	-	-	-	-	-	12.687	(12.687)	-	(12.687)	-	(12.687)	
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	(157.071)	-	(157.071)	(698.327)	(855.398)	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	739.000	739.000	
Total comprehensive income/(expense)	-	-	-	-	(53.777)	1.177.428	383.984	(117.312)	-	-	9.417.045	10.807.368	8.846.084	19.653.452	
Balances at 30 September 2021	2.535.898	967.288	(12.687)	9.286	(332.498)	4.350.897	(2.011.341)	271.784	534.182	39.480.021	9.417.045	55.209.875	48.978.569	104.188.444	

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**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2021 AND 2020**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		1 January - 30 September 2021	1 January - 30 September 2021	<i>Unaudited</i> 1 January - 30 September 2021	<i>Unaudited</i> 1 January - 30 September 2020
	Notes	(*) EUR'000	(*) USD'000	TL'000	TL'000
A. Cash flows from operating activities:					
Profit for the period		1.710.350	2.045.943	16.534.295	8.480.709
Adjustments to reconcile net cash generated:					
Tax (income)/expense		218.738	261.657	2.114.582	948.041
Undistributed profits of investments accounted for using the equity method	7	(341.618)	(408.648)	(3.302.490)	(1.630.963)
Depreciation and amortisation	4	381.683	456.575	3.689.807	2.981.179
Adjustments for provisions	28	172.735	206.628	1.669.865	947.009
Adjustments for impairment loss/(reversal of impairment loss)	28	308.871	369.476	2.985.921	5.909.634
Adjustments for non-finance sector interest (income)/expenses, net	22	343.045	410.354	3.316.283	2.993.605
Adjustments for finance sector interest (income)/expenses		(759.572)	(908.611)	(7.342.939)	(991.183)
Fair value losses/(gains) on derivative instruments		172.964	206.902	1.672.082	426.069
Unrealised foreign exchange losses/(gains)		499.710	597.759	4.830.792	2.169.802
- Exchange (gains)/losses on borrowings, net		1.856.068	2.220.253	17.942.978	21.398.146
- Exchange (gains)/losses on cash and cash equivalents, net		(1.356.358)	(1.622.494)	(13.112.186)	(19.228.344)
Losses/(gains) on disposal of non-current assets	21	(12.398)	(14.831)	(119.853)	(86.154)
Losses/(gains) on disposal of non-current assets held for sale	21	293	350	2.831	-
Adjustments for dividend income	21	(928)	(1.110)	(8.967)	-
Other adjustments related to reconciliation of profit/(loss)	21	-	-	-	(3.506.614)
- Income arising from change of control	21	-	-	-	(2.995.339)
- Termination fee income	21	-	-	-	(511.275)
Changes in net working capital	28	706.582	845.224	6.830.674	(11.757.905)
Income taxes refund/(paid)		(275.651)	(329.738)	(2.664.778)	(2.477.981)
Dividends received from Joint Ventures and Associates, net	7	203.307	243.199	1.965.411	1.109.116
Total cash flows from operating activities		3.328.111	3.981.129	32.173.516	5.514.364
B. Cash flows from investing activities:					
Cash outflows from purchases of property, plant and equipment and intangible assets	4	(854.106)	(1.021.694)	(8.256.818)	(4.554.008)
Cash inflows from sale of property, plant and equipment and intangible assets		158.551	189.661	1.532.746	1.000.328
Cash outflows to gain control of subsidiaries	3	(257.553)	(308.088)	(2.489.816)	-
Cash inflows from disposal of non-current assets held for sale		218	261	2.107	-
Cash outflows from acquisition of interest/capital increase in financial assets		(9.047)	(10.822)	(87.461)	(48.274)
Cash outflows from capital increases of Joint Ventures		(9.895)	(11.837)	(95.657)	(95.776)
Dividends received	21	928	1.110	8.967	-
Cash inflows from sale of subsidiaries without loss of control		-	-	-	142.316
Cash outflows from acquisition of additional interest in subsidiaries		-	-	-	(7.412)
Other cash inflows/(outflows)		(2.116.075)	(2.531.277)	(20.456.517)	20.923.108
- Cash inflows due to business combinations, net		-	-	-	40.462.468
- Cash inflows from termination fee	21	-	-	-	511.275
- Cash outflows from purchase/sale of financial assets measured at fair value through other comprehensive income and measured at amortised cost, net		(2.116.075)	(2.531.277)	(20.456.517)	(20.050.635)
Total cash flows from investing activities		(3.086.979)	(3.692.686)	(29.842.449)	17.360.282
C. Cash flows from financing activities:					
Dividends paid		(352.426)	(421.577)	(3.406.975)	(992.488)
Cash inflows from borrowings	13	4.971.499	5.946.975	48.060.475	75.778.000
Cash outflows from repayments of borrowings	13	(4.163.244)	(4.980.129)	(40.246.913)	(75.165.966)
Cash inflows/(outflows) from derivative instruments, net		(198.335)	(237.252)	(1.917.348)	(615.045)
Cash outflows from payments of lease liabilities	13	(80.983)	(96.873)	(782.876)	(520.440)
Non-finance sectors interest paid		(431.761)	(516.478)	(4.173.920)	(3.627.952)
Non-finance sectors interest received		131.864	157.737	1.274.750	731.864
Transactions with non-controlling interests		(88.485)	(105.846)	(855.398)	-
Cash outflows from purchase of treasury shares	19	(1.312)	(1.570)	(12.687)	-
Total cash flows from financing activities		(213.183)	(255.013)	(2.060.892)	(4.412.027)
Effects of exchange rate changes on cash and cash equivalents		1.356.358	1.622.494	13.112.186	19.228.344
Net increase in cash and cash equivalents		1.384.307	1.655.924	13.382.361	37.690.963
Cash and cash equivalents at the beginning of the period		8.751.115	10.468.202	84.598.776	35.955.112
Cash and cash equivalents at the end of the period	28	10.135.422	12.124.126	97.981.137	73.646.075

(*) EUR and USD amounts presented above have been translated from TL for convenience purposes only, at the EUR and USD average CBRT bid rates for the nine month period ended 30 September 2021, and therefore do not form part of these interim condensed consolidated financial statements (Note 2.1.3).

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Koç Holding A.Ş. ("Koç Holding") was established on 11 December 1963 in Turkey. Koç Holding's business activities include ensuring the establishment of participating in various companies and promoting the achievements of these companies; ensuring a more profitable, efficient management appropriate for current conditions and creating common service areas and therefore lightening the financial burden of these services on the companies.

Total end of period and average number of personnel employed by the Parent Company Koç Holding, its Subsidiaries and Joint Ventures (together referred as the "Group") by their categories are as follows:

	End of period		Average	
	30 September 2021	31 December 2020	1 January - 30 September 2021	1 January - 30 September 2020
Monthly paid	47.792	45.091	46.232	46.049
Hourly paid	60.672	55.550	56.013	48.787
Total number of personnel	108.464	100.641	102.245	94.836

The registered address of Koç Holding is as follows:

Nakkaştepe Azizbey Sok. No: 1
Kuzguncuk-İSTANBUL

Koç Holding is subject to regulations of the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa İstanbul ("BIST") since 10 January 1986. As of 30 September 2021, shareholding structure of Koç Holding is as follows:

	%
Companies owned by Koç Family members	45,05
Koç Family members	19,24
Vehbi Koç Vakfı	7,26
Koç Holding Emekli ve Yardım Sandığı Vakfı	1,99
Other (*)	26,46
	100,00

(*) Includes treasury shares of 0,02% as of 30 September 2021 (Note 19).

Koç Holding is organised mainly in Turkey under five core business segments:

- Energy
- Automotive
- Consumer durables
- Finance
- Other (*)

(*) Other operations of Group mainly comprise of food, retail, tourism, information technologies and ship construction, none of which are of a sufficient size to be reported separately.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

The subsidiaries ("Subsidiaries"), the joint ventures ("Joint Ventures") and the associates ("Associates") included in the consolidation scope of Koç Holding, their country of incorporation, nature of business and their respective business segments are as follows:

Energy Sector

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş. ("Akpa")	Turkey	Marketing
Anadoluhisarı Tankercilik A.Ş. ("Anadoluhisarı Tankercilik")	Turkey	Petroleum Shipping
Aygaz A.Ş. ("Aygaz")	Turkey	LPG
Aygaz Doğal Gaz İletim A.Ş. ("Aygaz İletim")	Turkey	Natural Gas
Aygaz Doğal Gaz Toptan Satış A.Ş. ("Aygaz Toptan Satış")	Turkey	Natural Gas
Bakırköy Tankercilik A.Ş. ("Bakırköy Tankercilik")	Turkey	Petroleum Shipping
Bal Kaynak Su İhracat İthalat San. ve Tic. A.Ş. ("Bal Kaynak Su")	Turkey	Trading of Water Products
Beykoz Tankercilik A.Ş. ("Beykoz Tankercilik")	Turkey	Petroleum Shipping
Çengelköy Tankercilik A.Ş. ("Çengelköy Tankercilik")	Turkey	Petroleum Shipping
Ditaş Deniz İşletmeciliği ve Tic. A.Ş. ("Ditaş")	Turkey	Petroleum Shipping
Enerji Yatırımları A.Ş. ("Enerji Yatırımları")	Turkey	Investment
Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş. ("Eltek")	Turkey	Power Generation
Entek Elektrik Üretimi A.Ş. ("Entek")	Turkey	Power Generation
Göztepe Tankercilik A.Ş. ("Göztepe Tankercilik")	Turkey	Petroleum Shipping
Kadıköy Tankercilik A.Ş. ("Kadıköy Tankercilik")	Turkey	Petroleum Shipping
Kandilli Tankercilik A.Ş. ("Kandilli Tankercilik")	Turkey	Petroleum Shipping
Karaköy Tankercilik A.Ş. ("Karaköy Tankercilik")	Turkey	Petroleum Shipping
Karşıyaka Tankercilik A.Ş. ("Karşıyaka Tankercilik")	Turkey	Petroleum Shipping
Kartal Tankercilik A.Ş. ("Kartal Tankercilik")	Turkey	Petroleum Shipping
Körfez Ulaştırma A.Ş. ("Körfez")	Turkey	Air, Sea, Road and Railway Transportation
Kuleli Tankercilik A.Ş. ("Kuleli Tankercilik")	Turkey	Petroleum Shipping
Kuzguncuk Tankercilik A.Ş. ("Kuzguncuk Tankercilik")	Turkey	Petroleum Shipping
Maltepe Tankercilik A.Ş. ("Maltepe Tankercilik")	Turkey	Petroleum Shipping
Menzelet Kılavuzlu Elektrik Üretimi A.Ş. ("Menzelet Kılavuzlu Elektrik")	Turkey	Power Generation
Pendik Tankercilik A.Ş. ("Pendik Tankercilik")	Turkey	Petroleum Shipping
Salacak Tankercilik A.Ş. ("Salacak Tankercilik")	Turkey	Petroleum Shipping
Sarıyer Tankercilik A.Ş. ("Sarıyer Tankercilik")	Turkey	Petroleum Shipping
Sendeo Dağıtım Hizmetleri A.Ş. ("Sendeo") ⁽¹⁾	Turkey	Cargo Transport/Distribution
Steag Rüzgar Süloğlu Enerji Üretim ve Ticaret A.Ş. ("Süloğlu Enerji") ⁽²⁾	Turkey	Electricity
Steag Turkey Enerji Yatırımları ve Hizmetleri A.Ş. ("Steag Turkey") ⁽²⁾	Turkey	Electricity
T Damla Denizcilik A.Ş. ("T Damla Denizcilik")	Turkey	Mooring and Tug Service
Tuzla Tankercilik A.Ş. ("Tuzla Tankercilik")	Turkey	Petroleum Shipping
Türkiye Petrol Rafinerileri A.Ş. ("Tüpraş")	Turkey	Production and Trading of Petroleum Products
Tüpraş Trading Ltd. ("Tüpraş Trading")	The UK	Petroleum Products Trading
Üsküdar Tankercilik A.Ş. ("Üsküdar Tankercilik")	Turkey	Petroleum Shipping
	Country of incorporation	Nature of business
<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>
Ayas Enerji Üretim ve Ticaret A.Ş. ("Ayas Enerji")	Oyak Birleşik Enerji A.Ş.	Turkey
Güney Tankercilik A.Ş. ("Güney Tankercilik")	Türk Hava Yolları	Turkey
Kuzey Tankercilik A.Ş. ("Kuzey Tankercilik")	Türk Hava Yolları	Turkey
Opet Aygaz Gayrimenkul A.Ş. ("Opet Aygaz Gayrimenkul")	Öztürk Family	Turkey
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. ("Opet Fuchs")	Fuchs Petrolub SE	Turkey
Opet International Limited ("Opet International")	Öztürk Family	The UK
Opet Market ve Akaryakıt İstasyon İşletmeciliği A.Ş. ("Opet Market ve Akaryakıt")	Öztürk Family	Turkey
Opet Petrolcülük A.Ş. ("Opet")	Öztürk Family	Turkey
Opet Trade B.V. ("Opet Trade BV")	Öztürk Family	Netherlands
Tasfiye Halinde Opet Trade (Singapore) Pte. Ltd. ("Opet Singapore") ⁽³⁾	Öztürk Family	Singapore
THY Opet Havacılık Yakıtları A.Ş. ("THY Opet")	Türk Hava Yolları	Turkey
United LPG Ltd. ("United LPG") ⁽⁴⁾	United Enterprises & Co. Ltd.	Bangladesh

(1) The title of Aygaz Aykargo Dağıtım Hizmetleri A.Ş. was changed and registered as "Sendeo Dağıtım Hizmetleri A.Ş." ("Sendeo") on 2 September 2021.

(2) Acquired by Entek on 4 August 2021 and included in the scope of consolidation (Note 3).

(3) In the process of liquidation.

(4) Aygaz acquired 50% of United LPG shares in 2021. With the Shareholders Agreement signed on 20 January 2021, the title of the joint venture company was decided to be United Aygaz LPG Ltd., which will be effective following the completion of necessary approvals.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Automotive Sector

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Olympic Commercial and Tourist Enterprises S.A. ("Olympic")	Greece	Car Rental and Trading
Otokar Europe SAS ("Otokar Europe")	France	Sales and Marketing
Otokar Europe Filiala Bucuresti S.R.L. ("Otokar Europe Filiala")	Romania	Sales and Marketing
Otokar Land Systems LLC ("Otokar Land Systems")	UAE	Sales and Marketing
Otokar Otomotiv ve Savunma Sanayi A.Ş. ("Otokar")	Turkey	Production
Otokoç ABG Hollanda B.V. ("Otokoç Hollanda")	The Netherlands	Investment
Otokoç Azerbaijan MMC ("Otokoç Azerbaijan")	Azerbaijan	Car Rental
Otokoç Otomotiv Tic. ve San. A.Ş. ("Otokoç")	Turkey	Car Rental and Trading
Otokoç Hungary KFT ("Otokoç Hungary")	Hungary	Car Rental
Otokoç Sigorta Aracılık Hizmetleri A.Ş. ("Otokoç Sigorta")	Turkey	Insurance

<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Al Jasoor Heavy Vehicle Industry LLC ("Al Jasoor")	Tawazun	UAE	Sales and Marketing
Fer Mas Oto Ticaret A.Ş. ("Fer-Mas")	Stellantis N.V.	Turkey	Trading
Ford Otomotiv Sanayi A.Ş. ("Ford Otosan")	Ford Deutschland Holding GmbH	Turkey	Production
Koç Fiat Kredi Finansman A.Ş. ("Fiat Finans")	Stellantis N.V.	Turkey	Consumer Finance
Tofaş Türk Otomobil Fabrikası A.Ş. ("Tofaş")	Stellantis N.V.	Turkey	Production
Türk Traktör ve Ziraat Makinaları A.Ş. ("Türk Traktör")	CNH Österreich GmbH	Turkey	Production

Liquidation process of Tasfiye Halinde Otoyol Sanayi A.Ş. ("Otoyol") was completed on 20 January 2021.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Consumer Durables Sector

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Arçelik A.Ş. ("Arçelik")	Turkey	Production/Sales
Arçelik Hitachi Home Appliances B.V. ("Arçelik Hitachi") ⁽¹⁾	The Netherlands	Holding
Arçelik Hitachi Home Appliances (Shanghai) Co., Ltd. ("Arçelik Hitachi Shanghai") ⁽¹⁾	China	Production/Sales
Arçelik Hitachi Home Appliances (Thailand) Ltd. ("Arçelik Hitachi Thailand") ⁽¹⁾	Thailand	Production/Sales
Arçelik Hitachi Home Appliances Sales (China) Ltd. ("Arçelik Hitachi China") ⁽¹⁾	China	Sales
Arçelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd ("Arçelik Hitachi Singapore") ⁽¹⁾	Singapore	Sales
Arçelik Hitachi Home Appliances Sales (Thailand) Ltd. ("Arçelik Hitachi Sales Thailand") ⁽¹⁾	Thailand	Sales
Arçelik Hitachi Home Appliances Sales Malaysia Sdn. Bhd. ("Arçelik Hitachi Malaysia") ⁽¹⁾	Malaysia	Sales
Arçelik Hitachi Home Appliances Sales Middle East Fze ("Arçelik Hitachi Dubai") ⁽¹⁾	United Arab Emirates	Sales
Arçelik Hitachi Home Appliances Sales Vietnam Co., Ltd. ("Arçelik Hitachi Vietnam") ⁽¹⁾	Vietnam	Sales
Arçelik Hitachi Home Appliances Sales Hong Kong Limited ("Arçelik Hitachi Hong Kong") ⁽¹⁾	Hong Kong, China	Sales
Arçelik Hitachi Taiwan Home Appliances Sales Ltd. ("Arçelik Hitachi Taiwan") ⁽¹⁾	Taiwan	Sales
Arçelik Pazarlama A.Ş. ("Arçelik Pazarlama")	Turkey	Service/Sales/Marketing
Arçelik Üretim ve Teknoloji A.Ş. ("Arçelik Üretim ve Teknoloji") ⁽²⁾	Turkey	Production/Sales
Arch R&D Co. Ltd. ("Arch R&D")	China	R&D
Ardutch B.V. ("Ardutch")	The Netherlands	Holding
Ardutch B.V. Taiwan ("Ardutch Taiwan")	Taiwan	Procurement
Beko A and NZ Pty Ltd. ("Beko Australia")	Australia, New Zealand	Sales
Beko APAC IBC Co. ("Beko APAC")	Thailand	Services
Beko Appliances Indonesia, PT ("Beko Indonesia")	Indonesia	Sales
Beko Appliances Malaysia Sdn Bhd. ("Beko Malaysia")	Malaysia	Sales
Beko Balkans D.O.O ("Beko Balkans")	Serbia	Sales
Beko Central Asia LLC ("Beko Central Asia") ⁽³⁾	Kazakhstan	Sales
Beko Cesko ("Beko Cesko") ⁽⁴⁾	Czechia	-
Beko Egypt Trading LLC ("Beko Egypt")	Egypt	Sales
Beko Electronics España S.L. ("Beko Espana")	Spain	Sales
Beko France S.A.S. ("Beko France")	France	Sales
Beko Grundig Deutschland GmbH ("Beko Deutschland")	Germany	Sales
Beko Grundig Schweiz GmbH ("Beko Grundig Schweiz")	Switzerland	Sales
Beko Gulf FZE ("Beko Gulf")	UAE	Sales
Beko Home Appliances Portugal ("Beko Portugal")	Portugal	Sales
Beko Hong Kong Ltd. ("Beko Hong Kong")	Hong Kong, China	Procurement
Beko Israel Household Appliances Ltd. ("Beko Israel")	Israel	Sales
Beko Italy SRL ("Beko Italy")	Italy	Sales
Beko LLC. ("Beko Russia")	Russia	Production/Sales
Beko Morocco Household Appliances SARL ("Beko Morocco")	Morocco	Sales
Beko Pilipinas Corporation ("Beko Philippines")	Philippines	Sales
Beko Plc. ("Beko UK")	The UK, Ireland	Sales
Beko Shanghai Trading Company Ltd. ("Beko Shanghai")	China	Sales
Beko Slovakia S.R.O. ("Beko Slovakia")	Slovakia	Sales
Beko S.A. ("Beko Polska")	Poland	Sales
Beko S.A. Czech Republic ("Beko Czech")	Czechia	Sales
Beko Thai Co.Ltd. ("Beko Thailand")	Thailand	Production/Sales
Beko Ukraine LLC ("Beko Ukraine")	Ukraine	Sales
Beko US INC. ("Beko US")	United States of America	Sales
Bilkom Bilişim Hizmetleri A.Ş. ("Bilkom")	Turkey	Trading
Changzhou Beko Electrical Appliances Co. Ltd. ("Beko China")	China	Production/Sales
Dawlance (Private) Ltd. ("DPL")	Pakistan	Production/Sales
Defy Appliances (Proprietary) Limited ("Defy")	Republic of South Africa	Production/Sales
Defy (Botswana) (Proprietary) Limited ("Defy Botswana")	Botswana	Sales
Defy (Namibia) (Proprietary) Limited ("Defy Namibia")	Namibia	Sales
Defy (Swaziland) (Proprietary) Limited ("Defy Swaziland")	Swaziland	Sales
DEL Electronics (Pvt.) Ltd. ("DEL")	Pakistan	Sales
Elektra Bregenz AG ("Elektra Bregenz")	Austria	Sales

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Consumer Durables Sector (Continued)

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Grundig Intermedia Ges.m.b.H ("Grundig Austria") ⁽⁴⁾	Austria	-
Grundig Multimedia A.G. ("Grundig Switzerland")	Switzerland	Sales
Grundig Multimedia B.V. ("Grundig Multimedia")	The Netherlands	Holding
Grundig Nordic AB. ("Grundig Sweden")	Sweden	Sales
Grundig Nordic No AS ("Grundig Norway")	Norway	Sales
Grundig Portuguesa Lda ("Grundig Portugal") ⁽⁴⁾	Portugal	-
Pan Asia Private Equity Ltd. ("Pan Asia")	British Virgin Islands	Holding
PT Arçelik Hitachi Home Appliances Sales Indonesia ("Arçelik Hitachi Indonesia") ⁽¹⁾	Indonesia	Sales
PT Home Appliances Indonesia ("PT Home")	Indonesia	Sales
Retail Holdings Bhold B.V. ("Retail Holdings") ⁽⁴⁾	The Netherlands	Holding
SC Arctic SA ("Arctic")	Romania	Production/Sales
Singer Bangladesh Limited ("Singer Bangladesh")	Bangladesh	Production/Sales
United Refrigeration Industries Ltd. ("United Refrigeration")	Pakistan	Production/Sales
Vietbeko Limited Liability Company ("Vietbeko")	Vietnam	Sales
Wat Motor San. ve Tic. A.Ş. ("Wat Motor")	Turkey	Production/Sales

<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Arçelik-LG Klima San. ve Tic. A.Ş. ("Arçelik LG")	LG Electronics Inc.	Turkey	Air Conditioner Production
VoltBek Home Appliances Private Limited ("VoltBek")	Tata Group	India	Production/Sales

- (1) Acquired by Arçelik on 1 July 2021 and included in the scope of consolidation (Note 3).
(2) Acquired by Arçelik on 30 June 2021 and included in the scope of consolidation (Note 3). The title of Whirlpool Beyaz Eşya Sanayi ve Ticaret A.Ş. was changed and registered as Arçelik Üretim ve Teknoloji A.Ş. ("Arçelik Üretim ve Teknoloji") on 1 October 2021.
(3) Included in the scope of consolidation in 2021.
(4) Non-operational companies as of the balance sheet date.

International Appliances Limited ("International Appliances") merged with Singer Bangladesh in 2021.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Finance Sector

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Koç Finansal Hizmetler A.Ş. ("Koç Finansal Hizmetler" or "KFS")	Turkey	Holding
Koç Finansman A.Ş. ("Koç Finansman")	Turkey	Consumer Finance
Stiching Custody Services YKB ("Stiching Custody")	The Netherlands	Custody
Yapı Kredi Azerbaijan C.J.S.C. ("Yapı Kredi Azerbaijan")	Azerbaijan	Banking
Yapı Kredi Bank Nederland N.V. ("Yapı Kredi Nederland")	The Netherlands	Banking
Yapı Kredi Bank Malta Ltd. ("Yapı Kredi Malta") ⁽¹⁾	Malta	Banking
Yapı Kredi Diversified Payment Rights Finance Company ("Yapı Kredi SPC") ⁽²⁾	Cayman Islands	Special Purpose Company
Yapı Kredi Faktoring A.Ş. ("Yapı Kredi Faktoring")	Turkey	Factoring
Yapı Kredi Finansal Kiralama A.O. ("Yapı Kredi Finansal Kiralama")	Turkey	Leasing
Yapı Kredi Holding B.V. ("Yapı Kredi Holding")	The Netherlands	Financial Consulting
Yapı Kredi Portföy Yönetimi A.Ş. ("Yapı Kredi Portföy")	Turkey	Portfolio Management
Yapı Kredi Yatırım Menkul Değerler A.Ş. ("Yapı Kredi Menkul")	Turkey	Brokerage
Yapı ve Kredi Bankası A.Ş. ("Yapı Kredi Bankası")	Turkey	Banking
<u>Associates</u>	<u>Country of incorporation</u>	<u>Nature of Business</u>
Allianz Yaşam ve Emeklilik A.Ş. ("Allianz Emeklilik")	Turkey	Insurance
Banque de Commerce et de Placements S.A. ("Banque de Commerce")	Switzerland	Banking

(1) In the process of liquidation.

(2) Although Yapı Kredi Bankası has no shareholding interest, the special purpose company established for securitisation transactions is included in the scope of consolidation.

Sale of shares constituting 30,45% of Yapı Kredi Koray Gayrimenkul Yatırım Ortaklığı A.Ş. ("Yapı Kredi Koray") capital, previously held by Yapı ve Kredi Bankası A.Ş. to Koray Gayrimenkul ve Yatırım A.Ş., was completed on 17 May 2021.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Other Sectors

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	
Ayvalık Marina ve Yat İşletmeciliği San. ve Tic. A.Ş. (“Ayvalık Marina”)	Turkey	Tourism	
Divan Turizm İşletmeleri A.Ş. (“Divan”)	Turkey	Tourism	
Düzey Tüketim Malları Sanayi Pazarlama A.Ş. (“Düzey”)	Turkey	Trading	
Entegart Teknoloji Çözüm ve Hizmetleri A.Ş. (“Entegart”)	Turkey	Technology	
Koç Bilgi ve Savunma Teknolojileri A.Ş. (“Koç Bilgi ve Savunma”)	Turkey	Technology	
KoçDigital Çözümler A.Ş. (“KoçDigital”)	Turkey	Technology	
KoçSistem Bilgi ve İletişim Hizmetleri A.Ş. (“KoçSistem”)	Turkey	Technology	
KoçSistem Azerbaijan LLC (“KoçSistem Azerbaijan”)	Azerbaijan	Technology	
Koç Yapı Malzemeleri Ticaret A.Ş. (“Koç Yapı Malzeme”)	Turkey	Trading	
Marmaris Altınyunus Turistik Tesisleri A.Ş. (“Mares”)	Turkey	Tourism	
Ram Dış Ticaret A.Ş. (“Ram Dış Ticaret”)	Turkey	Foreign Trade	
RMK Marine Gemi Yapım Sanayi ve Deniz Taş. İşl. A.Ş. (“RMK Marine”)	Turkey	Ship Construction	
Setur Antalya Marina İşletmeciliği A.Ş. (“Antalya Marina”)	Turkey	Tourism	
Setur Servis Turistik A.Ş. (“Setur”)	Turkey	Tourism	
Setur Yalova Marina İşletmeciliği A.Ş. (“Yalova Marina”)	Turkey	Tourism	
Tat Gıda Sanayi A.Ş. (“Tat Gıda”)	Turkey	Food	
Tek-Art Kalamış ve Fenerbahçe Marmara Turizm Tesisleri A.Ş. (“Tek-Art Marina”)	Turkey	Tourism	
Token Finansal Teknolojiler A.Ş. (“Token”)	Turkey	Information Technologies	
Token Ödeme Hizmetleri ve Elektronik Para A.Ş. (“Token Ödeme Hizmetleri”)	Turkey	Payment Services	
Token International Holdings B.V. (“Token International”) ⁽¹⁾	The Netherlands	Holding	
Token Payment Services SRL (“Token Payment”) ⁽¹⁾	Romania	Payment Services	
Zer Merkezi Hizmetler ve Ticaret A.Ş. (“Zer Ticaret”)	Turkey	Trading	
<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Ingage Dijital Pazarlama Hizmetleri A.Ş. (“Ingage”)	Russell Square Holding	Turkey	Digital Marketing
Koçtaş Yapı Marketleri Ticaret A.Ş. (“Koçtaş Yapı Market”)	Kingfisher Plc	Turkey	Retail
Makmarin Kaş Marina İşl. Turizm ve Tic. A.Ş. (“Kaş Marina”)	Makyol İnşaat	Turkey	Tourism
Netsel Turizm Yatırımları A.Ş. (“Netsel”)	Torunlar GYO A.Ş.	Turkey	Tourism

(1) Included in the scope of consolidation in 2021.

For the purpose of segment presentation in these consolidated financial statements; Koç Holding's stand-alone financial statements have been included in the "Other" segment (Note 4).

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676.

In accordance with the Turkish Accounting Standard No: 34 "Interim Financial Reporting", entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020.

The interim condensed consolidated financial statements are presented in accordance with the "Announcement regarding to TAS Taxonomy" which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

Koç Holding, its Subsidiaries and Joint Ventures registered in Turkey maintain their books of account and prepare their statutory financial statements in TL in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Treasury and Finance, banking law, accounting principles and instructions promulgated by the Banking Regulation and the Supervision Agency ("BRSA") and TFRS together with notes and explanations related to the accounting and financial reporting standards issued by POA in case of no specific regulations have been introduced by these institutions. Foreign Subsidiaries, Joint Ventures and Associates maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These interim condensed consolidated financial statements have been prepared under the historical cost conversion except for the financial assets and liabilities presented at fair values, and the revaluations related to the differences between the carrying value and fair value of the non-current assets recognised in business combinations. Adjustments and restatements, required for the fair presentation of the interim condensed consolidated financial statements in conformity with the TFRS, have been accounted for in the statutory financial statements which are prepared in accordance with the historical cost principle.

2.1.2 Comparatives and adjustment of prior periods' financial statements

The current period condensed consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period condensed consolidated financial statements.

2.1.3 EUR and USD amounts presented in the financial statements

EUR and USD amounts shown in the consolidated balance sheet prepared in accordance with the TFRS have been translated from TL, as a matter of arithmetic computation only, at the official EUR and USD bid rates announced by the CBRT effective as of 30 September 2021 of TL10,3135 = EUR1 and TL8,8433 = USD1, respectively and EUR and USD amounts shown in the consolidated statements of income, comprehensive income and cash flows have been translated from TL, as a matter of arithmetic computation only, at the average EUR and USD bid rates calculated from the official daily bid rates announced by the CBRT for the nine month period ended 30 September 2021 of TL9,6672 = EUR1 and TL8,0815 = USD1, respectively, and do not form part of these interim condensed consolidated financial statements.

KOÇ HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Amendments in International Financial Reporting Standards

The accounting policies applied in the preparation of the interim condensed consolidated financial statements as of 1 January - 30 September 2021 are consistent with those applied in the preparation of the consolidated financial statements as of 31 December 2020, except for the new and amended TFRS standards which are valid as of 1 January 2021 and Turkey Financial Reporting Interpretations Committee's ("TFRIC") interpretations summarised below.

Standards, amendments and interpretations that are applicable from 1 January 2021:

- TFRS 16 - "Leases - COVID 19 Related Rent Concessions (Amendments)"
- TFRS 7, TFRS 4 and TFRS 16 - "Interest Rate Benchmark Reform Phase 2"
- Deferral of TFRS 9

The impacts of these amendments on the financial position and performance of the Group is being assessed.

Standards and amendments that are issued but not effective as of 30 September 2021:

- TAS 1 - "Presentation of Financial Statements on Classification of Liabilities (Amendments)"
- Annual improvements and amendments on TFRSs - TFRS 3, TAS 16, TAS 37, TFRS 1, TFRS 9 and TFRS 16
- TAS 1 "Practice statement 2" and narrow scope amendments on TAS 8
- TAS 12 "Deferred tax related to assets and liabilities arising from a single transaction (Amendments)"

2.3 Changes in Accounting Policies, Estimates and Errors

Any change in accounting policies resulting from the first time adoption of a new TFRS is made either retrospectively or prospectively in accordance with the transition requirements of TFRS. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements.

If changes in accounting estimates are related to only one period, they are recognised in the period when the changes are applied; if changes in estimates are related to future periods, they are recognised both in the period where the change is applied and in future periods prospectively. The Group doesn't have any significant changes in accounting policy and accounting estimates in the current period.

2.4 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended 30 September 2021 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these interim condensed consolidated financial statements for the period ended 30 September 2021 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2020. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Group accounting

There has been no change in total ownership interests and effective interests of the Subsidiaries, Associates and Joint Ventures of the Group reported as of 30 September 2021 from interests reported as of 31 December 2020, except for the Companies mentioned below:

Subsidiaries	Proportion of effective interest		Direct and indirect ownership interest held by Koç Holding		Ownership interest held by Koç Family members		Total ownership interest	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
Arch R&D ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Arctic ⁽¹⁾	40,84	39,23	96,72	96,72	-	-	96,72	96,72
Arçelik ⁽¹⁾	42,22	40,56	44,49	40,56	11,42	11,42	55,91	51,98
Arçelik Hitachi ⁽²⁾	25,33	-	60,00	-	-	-	60,00	-
Arçelik Hitachi China ⁽²⁾	25,33	-	100,00	-	-	-	100,00	-
Arçelik Hitachi Dubai ⁽²⁾	25,33	-	100,00	-	-	-	100,00	-
Arçelik Hitachi Hong Kong ⁽²⁾	25,33	-	100,00	-	-	-	100,00	-
Arçelik Hitachi Indonesia ⁽²⁾	17,10	-	67,50	-	-	-	67,50	-
Arçelik Hitachi Malaysia ⁽²⁾	25,33	-	100,00	-	-	-	100,00	-
Arçelik Hitachi Sales Thailand ⁽²⁾	25,33	-	100,00	-	-	-	100,00	-
Arçelik Hitachi Shanghai ⁽²⁾	24,07	-	95,00	-	-	-	95,00	-
Arçelik Hitachi Singapore ⁽²⁾	25,33	-	100,00	-	-	-	100,00	-
Arçelik Hitachi Taiwan ⁽²⁾	25,33	-	100,00	-	-	-	100,00	-
Arçelik Hitachi Thailand ⁽²⁾	21,30	-	84,07	-	-	-	84,07	-
Arçelik Hitachi Vietnam ⁽²⁾	25,33	-	100,00	-	-	-	100,00	-
Arçelik Pazarlama ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Arçelik Üretim ve Teknoloji ^(1,3)	42,22	-	100,00	-	-	-	100,00	-
Ardutch ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Ardutch Taiwan ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko APAC ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Australia ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Balkans ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Central Asia ^(1,4)	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Cesko ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko China ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Czech ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Deutschland ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Espana ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Egypt ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko France ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Grundig Schweiz ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Gulf ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Hong Kong ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Indonesia ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Israel ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Italy ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Malaysia ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Morocco ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko UK ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Phillipines ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Polska ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Portugal ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Russia ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Shanghai ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Slovakia ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Thailand ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko Ukraine ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Beko US ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
DEL ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

<u>Subsidiaries</u>	<u>Proportion of effective interest</u>		<u>Direct and indirect ownership interest held by Koç Holding</u>		<u>Ownership interest held by Koç Family members</u>		<u>Total ownership interest</u>	
	<u>30 Sep</u>	<u>31 Dec</u>	<u>30 Sep</u>	<u>31 Dec</u>	<u>30 Sep</u>	<u>31 Dec</u>	<u>30 Sep</u>	<u>31 Dec</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
DPL ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Defy ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Defy Botswana ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Defy Namibia ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Defy Swaziland ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Elektra Bregenz ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Grundig Austria ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Grundig Multimedia ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Grundig Norway ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Grundig Portugal ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Grundig Sweden ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Grundig Switzerland ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
International Appliances ⁽⁵⁾	-	23,11	-	100,00	-	-	-	100,00
Koç Finansman ⁽¹⁾	65,53	64,75	94,50	94,50	5,50	5,50	100,00	100,00
Koç Bilgi ve Savunma ⁽¹⁾	60,12	60,00	92,24	92,24	7,76	7,76	100,00	100,00
Otoyol ⁽⁶⁾	-	53,95	-	53,95	-	10,18	-	64,13
Pan Asia ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
PT Home ⁽¹⁾	28,29	27,17	67,00	67,00	-	-	67,00	67,00
Ram Dış Ticaret ⁽¹⁾	58,28	57,72	83,45	83,45	14,66	14,66	98,11	98,11
Retail Holdings ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Sendeo ⁽⁷⁾	67,38	40,68	100,00	100,00	-	-	100,00	100,00
Singer Bangladesh ⁽¹⁾	24,06	23,11	56,99	56,99	-	-	56,99	56,99
Süloğlu Enerji ⁽⁸⁾	69,80	-	100,00	-	-	-	100,00	-
Steag Turkey ⁽⁸⁾	69,80	-	100,00	-	-	-	100,00	-
Tat Gıda ⁽¹⁾	43,83	43,82	44,07	44,07	7,12	7,12	51,19	51,19
Token International ⁽⁴⁾	54,44	54,44	100,00	100,00	-	-	100,00	100,00
Token Payment ⁽⁴⁾	54,44	54,44	100,00	100,00	-	-	100,00	100,00
United Refrigeration ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Vietbeko ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Wat Motor ⁽¹⁾	42,22	40,56	100,00	100,00	-	-	100,00	100,00
Yapı Kredi Koray ⁽⁹⁾	-	13,55	-	30,45	-	-	-	30,45
<u>Joint Ventures</u>								
Arçelik LG Klima ⁽¹⁾	24,00	23,25	50,00	50,00	-	-	50,00	50,00
United LPG ⁽¹⁰⁾	20,34	-	50,00	-	-	-	50,00	-
Voltbek ⁽¹⁾	21,69	20,87	50,00	50,00	-	-	50,00	50,00

- (1) Koç Holding's effective ownership interest rate has changed following the Arçelik's purchase of shares constituting 3,94% of Arçelik's share capital within the scope of the share buyback program.
- (2) Acquired by Arçelik on 1 July 2021 and included in the scope of consolidation (Note 3).
- (3) Acquired by Arçelik on 30 June 2021 and included in the scope of consolidation (Note 3). The title of Whirlpool Beyaz Eşya Sanayi ve Ticaret A.Ş. was changed and registered as Arçelik Üretim ve Teknoloji A.Ş. ("Arçelik Üretim ve Teknoloji") on 1 October 2021.
- (4) Included in the scope of consolidation in 2021.
- (5) International Appliances Limited ("International Appliances") merged with Singer Bangladesh in 2021.
- (6) Liquidation process of Tasfiye Halinde Otoyol Sanayi A.Ş. ("Otoyol") was completed on 20 January 2021.
- (7) Koç Holding's effective ownership interest rate has changed following the Koç Holding's purchase of 45% of Aygaz Aykargo Dağıtım Hizmetleri A.Ş. shares on 3 August 2021, whose 100% capital was previously owned by Aygaz A.Ş. The title of Aygaz Aykargo Dağıtım Hizmetleri A.Ş. was changed and registered as "Sendeo Dağıtım Hizmetleri A.Ş." ("Sendeo") on 2 September 2021.
- (8) Acquired by Entek on 4 August 2021 and included in the scope of consolidation (Note 3).
- (9) Sale of shares constituting 30,45% of Yapı Kredi Koray capital, previously held by Yapı ve Kredi Bankası A.Ş., to Koray Gayrimenkul ve Yatırım A.Ş., was completed on 17 May 2021.
- (10) Aygaz acquired 50% of United LPG shares in 2021.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Significant Accounting Estimates and Assumptions

Preparation of consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results. Significant accounting estimates and assumptions are consistent with financial statements for the year ended 31 December 2020.

2.6 Convenience Translation into English of Consolidated Financial Statements

The accounting principles described in Note 2.1 (defined as Turkish Financial Reporting Standards) to the interim condensed consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting, classification of some income statement items and also for certain disclosure requirements of the POA.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 - BUSINESS COMBINATIONS

i) Arçelik, a Subsidiary of the Group, acquired all the shares of Arçelik Üretim ve Teknoloji A.Ş. ("Arçelik Üretim ve Teknoloji") (formerly Whirlpool Beyaz Eşya) on 30 June 2021.

Arçelik Üretim ve Teknoloji manufactures washing machines and cooling units in two production facilities under the Whirlpool brand. As a result of this acquisition, Arçelik's cooling unit and washing machine production capacity is expected to increase by approximately 20%.

In addition to TL811,5 million paid at the date of the transaction, total consideration amount includes deferred consideration amount to be paid regarding to the changes in the amount of net assets acquired resulting from the audit of the closing balance sheet and the contingent consideration amount which is likely to be paid as a result of the assessments made regarding to the collection or offsetting expectation of VAT receivables in the closing balance sheet of Arçelik Üretim ve Teknoloji until 2023. TL99,4 million, which is calculated by Arçelik management based on the best estimations as of 30 September 2021, is included in the consideration amount and has been considered in the provisional acquisition accounting and goodwill calculation. The maturity of the related amounts is expected to be less than one year and the impact of the net present value calculation is insignificant. In accordance with TFRS 3, the differences that will arise in the contingent payment amount due to the operational results in the following periods, will be accounted for in the consolidated statement of income.

The difference between total consideration amount and net assets acquired has been provisionally accounted in accordance with TFRS 3, "Business Combinations".

The details of the goodwill calculation, total consideration amount and the net assets acquired are as follows:

Total consideration amount	910.935
- Cash consideration amount	811.540
- Contingent and deferred consideration amount (Note 18)	99.395
Net assets acquired	(564.024)
Goodwill (provisionally calculated)	346.911

The provisional fair values of identifiable assets and liabilities in accordance with TFRS 3 arising from the acquisition are as follows:

Cash and cash equivalents	450.054
Trade receivables	218.279
Inventories	464.996
Other current assets	312.374
Property, plant and equipment (Note 11)	227.751
Intangible assets (Note 12)	3.775
Deferred tax assets (Note 15)	66.393
Trade and other payables	(1.090.908)
Other liabilities	(88.690)
Fair value of total identifiable net assets (100%)	564.024

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 - BUSINESS COMBINATIONS (Continued)

The details of cash outflow due to acquisition are as follows:

Total consideration - cash	811.540
Cash and cash equivalents - acquired	(450.054)
Cash outflow due to acquisition (net)	361.486

Had the financial statements of Arçelik Üretim ve Teknoloji been consolidated from 1 January 2021, Arçelik Üretim ve Teknoloji's additional contribution to consolidated revenue and net profit attributable to equity holders of the parent would have amounted to TL1.408.996 thousand and TL9.545 thousand, respectively.

ii) A share purchase agreement was signed on 16 December 2020 between Arçelik and Hitachi Global Life Solutions Inc. ("Hitachi GLS") in order to establish a partnership that Arçelik will control with the majority interest, to operate in the global home appliances market outside the Japanese market. Following the said agreement, Partnership Agreement, Master Brand Agreement and other related agreements were signed between the parties. In this context, Hitachi GLS has incorporated a new company named Hitachi Home Appliances Nederland B.V. in the Netherlands and transferred all the assets of home appliances business owned by its 11 subsidiaries to the new company. Arçelik acquired 60% of the shares of Hitachi Home Appliances Nederland B.V. ("acquired entity") as of 1 July 2021. Transaction value for 60% of the shares was determined as USD343 million on a cash-free and debt-free basis, including all the minority interests. A final price adjustment will be made according to the amounts to be finalised after the audit of the financial statements as of 30 June 2021 and the changes in the value of minority interests.

The difference between total consideration amount and net assets acquired has been provisionally accounted in accordance with TFRS 3, "Business Combinations".

The details of the goodwill calculation, total consideration amount and the net assets acquired are as follows:

Total consideration amount	2.976.479
Net assets acquired	(1.108.500)
Goodwill (provisionally calculated)	1.867.979

The provisional fair values of identifiable assets and liabilities in accordance with TFRS 3 arising from the acquisition are as follows:

Cash and cash equivalents	1.282.166
Trade receivables	1.347.940
Inventories	796.086
Other current assets	166.675
Property, plant and equipment (Note 11)	723.815
Intangible assets (Note 12)	33.504
Right of use of assets (Note 11)	49.986
Deferred tax assets (Note 15)	57.061
Other non-current assets	18.237
Trade and other payables	(1.738.954)
Lease liabilities (Note 13)	(56.067)
Other liabilities	(832.949)
Fair value of total identifiable net assets (100%)	1.847.500
Net assets acquired (corresponding to 60% of shares purchased)	1.108.500

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 - BUSINESS COMBINATIONS (Continued)

The details of cash outflow due to acquisition are as follows:

Total consideration - cash	2.976.479
Cash and cash equivalents - acquired	(1.282.166)

Cash outflow due to acquisition (net)	1.694.313
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Had the financial statements of Arçelik Hitachi been consolidated from 1 January 2021, Arçelik Hitachi's additional contribution to consolidated revenue and net profit attributable to equity holders of the parent would have amounted to TL4.108.139 thousand and TL130.162 thousand, respectively.

iii) Entek, a Subsidiary of the Group, acquired all the shares of STEAG Rüzgar Süloğlu Enerji Üretim ve Ticaret A.Ş. ("Süloğlu Enerji") and STEAG Turkey Enerji Yatırımları ve Hizmetleri A.Ş. ("Steag Turkey"), which own a wind power plant with an electrical installed capacity of 60 MW, on 4 August 2021.

The difference between total consideration amount and net assets acquired has been provisionally accounted in accordance with TFRS 3, "Business Combinations".

The details of the goodwill calculation, total consideration amount and the net assets acquired are as follows:

Total consideration amount	490.243
Net assets acquired	(489.645)

Goodwill (provisionally calculated)	598
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The provisional fair values of identifiable assets and liabilities in accordance with TFRS 3 arising from the acquisition are as follows:

Cash and cash equivalents	56.226
Trade receivables	11.910
Other receivables	4.550
Inventories	160
Other current assets	3.032
Property, plant and equipment (Note 11)	461.935
Intangible assets (Note 12)	310.219
Borrowings (Note 13)	(228.151)
Trade payables	(6.195)
Other payables	(4.604)
Other liabilities	(2.834)
Provisions for employee benefits	(185)
Deferred tax liabilities (Note 15)	(116.418)

Fair value of total identifiable net assets (100%)	489.645
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The details of cash outflow due to acquisition are as follows:

Total consideration - cash	490.243
Cash and cash equivalents - acquired	(56.226)

Cash outflow due to acquisition (net)	434.017
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Had the financial statements of Süloğlu Enerji and Steag Turkey been consolidated from 1 January 2021, Süloğlu Enerji and Steag Turkey's additional contribution to consolidated revenue and net profit attributable to equity holders of the parent would have amounted to TL68.811 thousand and TL5.866 thousand, respectively.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING

The financial information of the Joint Ventures has been included in the segment results, prepared within the framework of the Group's managerial approach, by full consolidation method (as 100%). The segment reporting information prepared in conformity with this approach is defined as "combined financial information".

"Combined revenue" reported below is before intra and inter segment revenue eliminations. Other financial information except for "combined revenue" represents the amounts after the related consolidation adjustments and profit eliminations.

The reconciliations of the combined financial information to the amounts reported in the consolidated financial statements for the periods ended 30 September 2021 and 2020 are presented separately.

1 January - 30 September 2021	Energy	Automotive	Consumer durables	Finance	Other	Total
External revenue	126.614.964	84.211.113	50.800.361	47.306.021	8.643.046	317.575.505
Intra segment revenue	19.190.225	6.297.423	1.229.097	79.098	964.356	27.760.199
Inter segment revenue	470.410	338.739	275.522	215.596	6.724.791	8.025.058
Combined revenue	146.275.599	90.847.275	52.304.980	47.600.715	16.332.193	353.360.762
Combined gross profit	11.321.967	14.292.992	14.414.241	17.264.938	2.707.040	60.001.178
Operating expenses	(3.979.905)	(4.001.102)	(10.447.473)	(5.920.854)	(2.413.968)	(26.763.302)
Other operating income/(expenses) (net) ⁽¹⁾	421.335	(141.350)	18.286	(2.718.048)	10.413	(2.409.364)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) ⁽²⁾	(2.211.281)	109.996	122.126	-	(20.158)	(1.999.317)
Combined operating profit	5.552.116	10.260.536	4.107.180	8.626.036	283.327	28.829.195
Gains/(losses) from investment activities (net)	20.866	19.297	2.140	-	148.520	190.823
Financial income/(expenses) (net)	(2.874.312)	(722.737)	(1.403.590)	-	229.964	(4.770.675)
Combined profit before tax	2.698.670	9.557.096	2.705.730	8.626.036	661.811	24.249.343
Tax income/(expense) (net)	235.446	(326.643)	(330.036)	(2.011.316)	(125.241)	(2.557.790)
Combined net profit for the period	2.934.116	9.230.453	2.375.694	6.614.720	536.570	21.691.553
Net profit for the period ⁽³⁾	1.033.410	4.211.333	970.340	3.006.255	195.707	9.417.045

(1) Provisions for loan impairment in Finance sector have been accounted for under "Other operating income/expenses" account.

(2) Includes the foreign exchange gains/losses and credit finance income/charges arising from trading activities (trade receivables and payables) of Non-Finance sectors.

(3) Represents consolidated net profit attributable to the equity holders of the parent.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

1 January - 30 September 2020	Energy	Automotive	Consumer durables	Finance	Other	Total
External revenue	71.192.947	52.562.409	31.140.607	32.529.307	6.232.588	193.657.858
Intra segment revenue	10.220.877	5.242.019	939.622	57.230	1.169.409	17.629.157
Inter segment revenue	276.245	169.179	139.191	198.906	4.541.179	5.324.700
Combined revenue	81.690.069	57.973.607	32.219.420	32.785.443	11.943.176	216.611.715
Combined gross profit	3.655.634	8.512.497	9.426.458	17.194.166	1.906.144	40.694.899
Operating expenses	(3.028.815)	(2.865.998)	(6.920.695)	(5.237.419)	(1.823.794)	(19.876.721)
Other operating income/(expenses) (net) ⁽¹⁾	(258.261)	75.284	293.159	(6.810.257)	119.518	(6.580.557)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) ⁽²⁾	(1.258.922)	215.345	812.046	-	(46.593)	(278.124)
Combined operating profit/(loss)	(890.364)	5.937.128	3.610.968	5.146.490	155.275	13.959.497
Gains/(losses) from investment activities (net) ⁽³⁾	58.561	16.369	(46.436)	21.885	3.553.849	3.604.228
Financial income/(expenses) (net)	(2.767.141)	(1.015.172)	(1.501.397)	-	(81.933)	(5.365.643)
Combined profit/(loss) before tax	(3.598.944)	4.938.325	2.063.135	5.168.375	3.627.191	12.198.082
Tax income/(expense) (net)	795.263	(310.009)	(443.853)	(1.134.327)	(154.371)	(1.247.297)
Combined net profit/(loss) for the period	(2.803.681)	4.628.316	1.619.282	4.034.048	3.472.820	10.950.785
Net profit/(loss) for the period ⁽⁴⁾	(1.109.214)	2.067.895	671.788	1.783.412	3.322.692	6.736.573

(1) Provisions for loan impairment in Finance sector have been accounted for under "Other operating income/expenses" account.

(2) Includes the foreign exchange gains/losses and credit finance income/charges arising from trading activities (trade receivables and payables) of Non-Finance sectors.

(3) Income amounting to TL2.995.339 thousand resulting from the change of control of Yapı Kredi Bankası due to the acquisition of additional 9,02% shares and termination fee income amounting to TL511.275 thousand which was paid by UniCredit S.P.A to Koç Holding and other shareholders of KFS (impact on net income attributable to equity holders of the parent: TL385.097 thousand), have been accounted for under the "gains/(losses) from investment activities" account of Other sector (Note 21).

(4) Represents consolidated net profit attributable to the equity holders of the parent.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

1 July - 30 September 2021	Energy	Automotive	Consumer durables	Finance	Other	Total
External revenue	55.082.997	31.161.870	19.934.474	17.891.197	3.487.970	127.558.508
Intra segment revenue	8.923.219	2.024.629	444.848	29.642	299.597	11.721.935
Inter segment revenue	192.587	81.703	69.860	68.626	2.281.368	2.694.144
Combined revenue	64.198.803	33.268.202	20.449.182	17.989.465	6.068.935	141.974.587
Combined gross profit	4.629.769	5.195.825	5.262.711	6.703.929	1.080.971	22.873.205
Operating expenses	(1.511.178)	(1.389.296)	(3.944.319)	(2.008.923)	(847.785)	(9.701.501)
Other operating income/(expenses) (net) ⁽¹⁾	368.095	136.202	19.591	(447.371)	3.625	80.142
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) ⁽²⁾	(131.145)	(73.135)	(47.120)	-	(1.575)	(252.975)
Combined operating profit	3.355.541	3.869.596	1.290.863	4.247.635	235.236	12.998.871
Gains/(losses) from investment activities (net)	11.884	(18.599)	1.430	-	28.470	23.185
Financial income/(expenses) (net)	(1.452.186)	(242.482)	(510.244)	-	5.715	(2.199.197)
Combined profit before tax	1.915.239	3.608.515	782.049	4.247.635	269.421	10.822.859
Tax income/(expense) (net)	(251.338)	(18.025)	(68.157)	(1.061.496)	(57.121)	(1.456.137)
Combined net profit for the period	1.663.901	3.590.490	713.892	3.186.139	212.300	9.366.722
Net profit for the period ⁽³⁾	551.596	1.767.962	285.094	1.440.616	60.364	4.105.632

(1) Provisions for loan impairment in Finance sector have been accounted for under "Other operating income/expenses" account.

(2) Includes the foreign exchange gains/losses and credit finance income/charges arising from trading activities (trade receivables and payables) of Non-Finance sectors.

(3) Represents consolidated net profit attributable to the equity holders of the parent.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

1 July - 30 September 2020	Energy	Automotive	Consumer durables	Finance	Other	Total
External revenue	29.018.345	24.121.459	13.653.951	11.503.076	2.420.660	80.717.491
Intra segment revenue	4.343.896	2.892.491	351.966	36.889	345.653	7.970.895
Inter segment revenue	100.230	54.759	45.290	44.604	1.551.845	1.796.728
Combined revenue	33.462.471	27.068.709	14.051.207	11.584.569	4.318.158	90.485.114
Combined gross profit	2.416.948	3.876.956	4.316.046	6.311.363	741.243	17.662.556
Operating expenses	(1.031.876)	(1.094.210)	(2.795.380)	(1.732.293)	(624.774)	(7.278.533)
Other operating income/(expenses) (net) ⁽¹⁾	19.145	13.132	7.000	(2.476.996)	6.761	(2.430.958)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) ⁽²⁾	(686.105)	178.839	472.316	-	(24.168)	(59.118)
Combined operating profit	718.112	2.974.717	1.999.982	2.102.074	99.062	7.893.947
Gains/(losses) from investment activities (net)	5.315	12.115	(47.003)	172	16.105	(13.296)
Financial income/(expenses) (net)	(931.053)	(225.601)	(572.411)	-	69.117	(1.659.948)
Combined profit/(loss) before tax	(207.626)	2.761.231	1.380.568	2.102.246	184.284	6.220.703
Tax income/(expense) (net)	111.053	(218.979)	(262.650)	(466.136)	(31.864)	(868.576)
Combined net profit/(loss) for the period	(96.573)	2.542.252	1.117.918	1.636.110	152.420	5.352.127
Net profit/(loss) for the period ⁽³⁾	(108.187)	1.148.853	461.327	732.516	70.882	2.305.391

(1) Provisions for loan impairment in Finance sector have been accounted for under "Other operating income/expenses" account.

(2) Includes the foreign exchange gains/losses and credit finance income/charges arising from trading activities (trade receivables and payables) of Non-Finance sectors.

(3) Represents consolidated net profit attributable to the equity holders of the parent.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
a) <u>Revenue</u>				
Energy	146.275.599	81.690.069	64.198.803	33.462.471
Automotive	90.847.275	57.973.607	33.268.202	27.068.709
Consumer durables	52.304.980	32.219.420	20.449.182	14.051.207
Finance	47.600.715	32.785.443	17.989.465	11.584.569
Other	16.332.193	11.943.176	6.068.935	4.318.158
Combined	353.360.762	216.611.715	141.974.587	90.485.114
Less: Joint Ventures (Note 7.c)	(120.474.015)	(84.377.148)	(47.172.288)	(36.496.175)
Less: Consolidation eliminations and adjustments	(9.276.956)	(6.514.779)	(3.152.143)	(2.235.878)
Consolidated	223.609.791	125.719.788	91.650.156	51.753.061
b) <u>Operating profit</u>				
Energy	5.552.116	(890.364)	3.355.541	718.112
Automotive	10.260.536	5.937.128	3.869.596	2.974.717
Consumer durables	4.107.180	3.610.968	1.290.863	1.999.982
Finance	8.626.036	5.146.490	4.247.635	2.102.074
Other	283.327	155.275	235.236	99.062
Combined	28.829.195	13.959.497	12.998.871	7.893.947
Less: Joint Ventures (Note 7.c)	(9.347.298)	(5.219.952)	(3.836.645)	(2.714.676)
Less: Consolidation eliminations and adjustments	1.592.293	642.674	495.203	282.185
Add: Net profit shares of Joint Ventures and associates (Note 7.b)	3.302.490	1.630.963	1.364.086	958.540
Consolidated	24.376.680	11.013.182	11.021.515	6.419.996
c) <u>Depreciation and amortisation</u> (*)				
Energy	1.167.232	972.194	403.878	326.892
Automotive	2.491.020	1.876.220	896.135	592.074
Consumer durables	1.204.463	915.876	467.240	325.118
Finance	763.750	634.175	260.709	245.894
Other	321.545	263.326	116.098	90.803
Combined	5.948.010	4.661.791	2.144.060	1.580.781
Less: Joint Ventures	(2.172.679)	(1.604.383)	(764.274)	(484.086)
Less: Consolidation eliminations and adjustments	(85.524)	(76.229)	(30.528)	(28.334)
Consolidated	3.689.807	2.981.179	1.349.258	1.068.361

(*) Includes the depreciation expenses of right-of-use assets. As of 30 September 2021, combined depreciation expense of the right-of-use assets amounted to TL1.047.738 thousand (30 September 2020: TL752.343 thousand) and consolidated depreciation expense amounted to TL688.028 thousand (30 September 2020: TL528.285 thousand).

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 - SEGMENT REPORTING (Continued)

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
d) <u>Profit before tax</u>				
Energy	2.698.670	(3.598.944)	1.915.239	(207.626)
Automotive	9.557.096	4.938.325	3.608.515	2.761.231
Consumer durables	2.705.730	2.063.135	782.049	1.380.568
Finance	8.626.036	5.168.375	4.247.635	2.102.246
Other	661.811	3.627.191	269.421	184.284
Combined	24.249.343	12.198.082	10.822.859	6.220.703
Less: Joint Ventures (Note 7.c)	(8.902.956)	(4.400.295)	(3.652.254)	(2.589.929)
Add: Net profit shares of Joint Ventures and associates (Note 7.b)	3.302.490	1.630.963	1.364.086	958.540
Consolidated	18.648.877	9.428.750	8.534.691	4.589.314
e) <u>Net profit for the period</u>				
Energy	2.934.116	(2.803.681)	1.663.901	(96.573)
Automotive	9.230.453	4.628.316	3.590.490	2.542.252
Consumer durables	2.375.694	1.619.282	713.892	1.117.918
Finance	6.614.720	4.034.048	3.186.139	1.636.110
Other	536.570	3.472.820	212.300	152.420
Combined	21.691.553	10.950.785	9.366.722	5.352.127
Less: Joint Ventures (Note 7.c)	(8.459.748)	(4.101.039)	(3.452.300)	(2.425.007)
Add: Net profit shares of Joint Ventures and associates (Note 7.b)	3.302.490	1.630.963	1.364.086	958.540
Less: Non-controlling interests	(7.117.250)	(1.744.136)	(3.172.876)	(1.580.269)
Consolidated (attributable to the equity holders of the parent)	9.417.045	6.736.573	4.105.632	2.305.391
f) <u>Capital expenditures</u> (*)				
Energy	1.508.599	1.153.705	537.000	431.586
Automotive	7.031.730	3.307.429	2.357.811	1.374.191
Consumer durables	1.581.334	989.671	646.624	384.804
Finance	508.103	409.822	171.218	130.322
Other	436.976	207.100	202.199	71.882
Combined	11.066.742	6.067.727	3.914.852	2.392.785
Less: Joint Ventures	(2.809.924)	(1.513.719)	(1.098.904)	(552.789)
Consolidated	8.256.818	4.554.008	2.815.948	1.839.996

(*) Capital expenditures do not include the additions related to the right-of-use assets.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 5 - CASH AND CASH EQUIVALENTS

	30 September 2021			31 December 2020		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Cash in hand	8.947.092	12.713	8.959.805	6.056.965	5.955	6.062.920
Cheques received	273	64.878	65.151	31	83.672	83.703
Banks						
- Demand deposits	17.118.230	3.661.785	20.780.015	10.848.518	2.170.692	13.019.210
- Time deposits	12.692.073	25.487.974	38.180.047	8.364.924	30.893.850	39.258.774
- Reverse repo receivables	2.079	-	2.079	1.696.865	-	1.696.865
Other	-	353.348	353.348	-	239.329	239.329
	38.759.747	29.580.698	68.340.445	26.967.303	33.393.498	60.360.801

As of 30 September 2021, total blocked deposits amounted to TL2.702.361 thousand (31 December 2020: 2.214.489 thousand). As of 30 September 2021, TL2.659.092 thousand (31 December 2020: 2.214.489 thousand) of the related amount consists of the revenue shares collected by Tüpraş, a Subsidiary of the Group, as indicated in the Petroleum Market License Regulation.

Group companies operating in Non-Finance sectors have cash and cash equivalent balances amounting to TL19.061.915 thousand held at Yapı Kredi Bankası and eliminated during the preparation of consolidated financial statements (31 December 2020: TL15.324.156 thousand).

NOTE 6 - FINANCIAL ASSETS

	30 September 2021			31 December 2020		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Financial assets measured at fair value through profit or loss	642.188	216.513	858.701	676.762	130.378	807.140
Financial assets measured at fair value through other comprehensive income	6.642.149	22.257.355	28.899.504	4.000.489	21.478.197	25.478.686
Financial assets measured at amortised cost	2.726.207	71.648.438	74.374.645	1.449.392	51.563.137	53.012.529
	10.010.544	94.122.306	104.132.850	6.126.643	73.171.712	79.298.355

a) Financial assets measured at fair value through profit or loss

	30 September 2021			31 December 2020		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Debt securities:						
Government bonds	205.201	-	205.201	276.735	-	276.735
	205.201	-	205.201	276.735	-	276.735
Equity securities:						
Listed	208.541	-	208.541	171.581	-	171.581
Unlisted	228.446	216.513	444.959	228.446	130.378	358.824
	436.987	216.513	653.500	400.027	130.378	530.405
	642.188	216.513	858.701	676.762	130.378	807.140

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 6 - FINANCIAL ASSETS (Continued)

b) Financial assets measured at fair value through other comprehensive income

	30 September 2021			31 December 2020		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Debt securities:						
Government bonds	24.984.463	-	24.984.463	19.883.975	-	19.883.975
Eurobonds	2.788.000	-	2.788.000	3.737.019	-	3.737.019
Private sector bonds	647.564	-	647.564	1.391.365	-	1.391.365
	28.420.027	-	28.420.027	25.012.359	-	25.012.359
Equity securities:						
Listed	-	386.826	386.826	-	374.700	374.700
Unlisted	92.651	-	92.651	91.627	-	91.627
	92.651	386.826	479.477	91.627	374.700	466.327
	28.512.678	386.826	28.899.504	25.103.986	374.700	25.478.686

c) Financial assets measured at amortised cost

	30 September 2021			31 December 2020		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Debt securities:						
Government bonds	42.721.823	-	42.721.823	30.852.439	-	30.852.439
Eurobonds	28.342.569	-	28.342.569	20.079.499	-	20.079.499
Other	3.310.253	-	3.310.253	2.080.591	-	2.080.591
	74.374.645	-	74.374.645	53.012.529	-	53.012.529

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 7 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

a) The details of carrying values and consolidation rates subject to equity accounting of Joint Ventures and associates are as follows:

	30 September 2021		31 December 2020	
	%	Amount	%	Amount
Ford Otosan	38,65	3.514.223	38,65	2.756.689
Tofaş	37,59	1.866.869	37,59	1.666.373
Banque de Commerce	30,67	1.378.883	30,67	1.203.097
Opet	41,33	985.719	41,33	725.036
Türk Traktör	37,50	536.280	37,50	540.438
Allianz Emeklilik	20,00	397.072	20,00	359.544
Other		1.258.737		1.115.963
		9.937.783		8.367.140
Joint Ventures		8.161.828		6.804.499
Associates		1.775.955		1.562.641
		9.937.783		8.367.140

b) The movement of Joint Ventures and associates is as follows:

	2021	2020
Beginning of the period - 1 January	8.367.140	19.955.652
Shares of profit/(loss)	3.302.490	1.630.963
Shares of other comprehensive income/(loss)	159.850	(474.291)
Dividend paid	42.236	7.890
Dividend received	(2.007.647)	(1.117.006)
Contribution to capital increases	95.657	35.947
Disposals from the scope of consolidation (*)	(22.921)	-
Disposals through business combinations	-	(14.482.000)
Additions through business combinations	-	1.249.107
Transactions with non-controlling interests	-	59.829
Profit eliminations	978	(1.863)
End of the period - 30 September	9.937.783	6.864.228

(*) Sale of shares constituting 30,45% of Yapı Kredi Koray capital, previously held by Yapı ve Kredi Bankası A.Ş., to Koray Gayrimenkul ve Yatırım A.Ş., was completed on 17 May 2021.

Shares of profit/(loss) of Joint Ventures and associates:

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Ford Otosan	1.719.990	871.667	731.353	522.365
Tofaş	776.038	430.309	218.209	191.785
Opet	283.213	(160.111)	231.640	66.698
Türk Traktör	311.340	135.165	83.167	74.954
Koç Finansal Hizmetler	-	200.579	-	-
Other	211.909	153.354	99.717	102.738
	3.302.490	1.630.963	1.364.086	958.540
Joint Ventures	3.205.816	1.574.959	1.330.927	938.900
Associates	96.674	56.004	33.159	19.640
	3.302.490	1.630.963	1.364.086	958.540

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 7 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Shares of other comprehensive income/(loss) of Joint Ventures and associates:

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Ford Otosan	(92.609)	(408.317)	50.434	(282.002)
Tofaş	(11.727)	(270.529)	54.493	(191.399)
Banque de Commerce	175.786	335.800	8.801	177.936
Opet	18.800	30.909	2.261	16.092
Türk Traktör	3.253	(1.367)	(1.973)	(1.203)
Koç Finansal Hizmetler	-	(259.619)	-	-
Other	66.347	98.832	28.153	64.774
	159.850	(474.291)	142.169	(215.802)
Joint Ventures	(7.604)	(806.076)	128.467	(389.491)
Associates	167.454	331.785	13.702	173.689
	159.850	(474.291)	142.169	(215.802)

Dividend income/(capital increases) from Joint Ventures and associates:

Ford Otosan	870.753	421.054	-	-
Tofaş	563.814	451.051	-	-
Banque de Commerce	-	19.433	-	-
Opet	82.660	123.990	-	-
Allianz Emeklilik	50.813	40.850	-	-
Türk Traktör	318.750	37.500	-	-
Other	25.200	(12.819)	(52.150)	7.439
	1.911.990	1.081.059	(52.150)	7.439

c) Significant income statement items of Joint Ventures are as follows:

Revenue

Ford Otosan	45.657.489	28.490.189	18.870.744	13.396.274
Tofaş	20.186.613	14.660.308	5.823.489	6.964.134
Opet	37.336.547	28.408.277	16.426.514	12.339.299
Türk Traktör	8.043.340	3.802.685	2.466.920	1.624.085
Koç Finansal Hizmetler	-	3.688.956	-	-
Other	9.250.026	5.326.733	3.584.621	2.172.383
	120.474.015	84.377.148	47.172.288	36.496.175

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 7 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Operating profit

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Ford Otosan ⁽¹⁾	4.266.795	2.761.663	1.787.554	1.497.145
Tofaş	2.309.418	1.140.942	759.987	518.621
Opet ⁽²⁾	1.164.191	(99.890)	759.179	199.579
Türk Traktör	976.905	488.623	242.380	268.421
Koç Finansal Hizmetler	-	681.616	-	-
Other	629.989	246.998	287.545	230.910
	9.347.298	5.219.952	3.836.645	2.714.676

Profit before tax

Ford Otosan ⁽¹⁾	4.369.578	2.306.704	1.902.396	1.416.084
Tofaş	2.107.038	1.186.730	594.902	550.027
Opet ⁽²⁾	815.099	(386.069)	639.676	160.739
Türk Traktör	1.045.159	414.775	246.692	250.464
Koç Finansal Hizmetler	-	687.495	-	-
Other	566.082	190.660	268.588	212.615
	8.902.956	4.400.295	3.652.254	2.589.929

Net profit for the period (before non-controlling interests)

Ford Otosan ⁽¹⁾	4.450.018	2.266.535	1.892.183	1.358.268
Tofaş	2.064.672	1.144.966	580.828	510.385
Opet ⁽²⁾	685.247	(387.397)	560.462	161.378
Türk Traktör	830.239	360.440	221.778	199.878
Koç Finansal Hizmetler	-	548.683	-	-
Other	429.572	167.812	197.049	195.098
	8.459.748	4.101.039	3.452.300	2.425.007

(1) The operational results of Ford Otosan, a Joint Venture of the Group, for the period January-September 2021 include TL225 million doubtful receivable provision (TL168,8 million net amount with TL56,3 million deferred tax impact) provided for the misconduct identified regarding dealer receivables and risks (profit/loss impact in the consolidated financial statements: TL65,3 million).

(2) The operational results of Opet, a Joint Venture of the Group, for the period January-September 2020 include TL325 million administrative penalty expense regarding the payment realised to the Competition Authority. In the lawsuit filed by Opet for the cancellation of the related penalty, a stay of execution decision was granted and related administrative penalty was repaid to Opet with its legal interest in September 2021. Therefore, the operational results of Opet for the period January-September 2021 include TL325 million income resulting from the cancellation of the administrative penalty. The Competition Authority applied to the Court of Appeal for the annulment of the cancellation decision of the Court of First Instance and the trial continues.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	30 September 2021	31 December 2020
Trade receivables		
Trade receivables	32.317.530	18.730.557
Notes and cheques receivable	1.929.440	2.212.791
Less: Provision for expected credit loss	(1.013.064)	(876.978)
Less: Unearned finance income	(393.707)	(305.325)
	32.840.199	19.761.045
Due from related parties (Note 23)	1.930.193	1.239.528
	34.770.392	21.000.573
Short-term trade receivables	34.011.305	20.478.731
Long-term trade receivables	759.087	521.842
	34.770.392	21.000.573

Tüpraş and Arçelik, the Subsidiaries of the Group, offset TL2.515.867 thousand (31 December 2020: TL2.976.335 thousand) and TL1.545.024 thousand (31 December 2020: TL1.238.538 thousand) respectively, from their trade receivables that were collected from factoring companies as a part of irrevocable factoring agreements as of 30 September 2021.

Tüpraş, a Subsidiary of the Group, offset the supplier financing transaction amounting to TL198.212 thousand from its trade receivables as of 30 September 2021 (31 December 2020: TL1.127.270 thousand).

Movement of the provision for expected credit losses is as follows:

	2021	2020
Beginning of the period - 1 January	876.978	670.932
Increases during the period	57.868	69.866
Collections	(11.295)	(7.642)
Write-offs (*)	(12.924)	(14.773)
Business combinations	30.575	-
Currency translation differences	71.862	138.289
End of the period - 30 September	1.013.064	856.672

(*) Doubtful receivables, for which no possibility of collection is foreseen, are written off from the records along with their related provisions.

	30 September 2021	31 December 2020
Trade payables		
Trade payables	49.545.013	26.594.467
Less: Unearned finance expense	(152.308)	(193.260)
	49.392.705	26.401.207
Due to related parties (Note 23)	1.942.243	2.638.387
	51.334.948	29.039.594

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

	30 September 2021	31 December 2020
Short-term receivables from finance sector operations	190.197.187	157.462.310
Long-term receivables from finance sector operations	157.970.165	137.770.791
	348.167.352	295.233.101

The breakdown of receivables from finance sector operations is as follows:

30 September 2021	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Stage 1	180.159.665	66.091.543	41.058.186	10.709.329	4.251.962	302.270.685
Stage 2	43.089.518	5.096.173	3.717.383	780.136	700.013	53.383.223
Stage 3	13.924.389	2.288.651	1.339.421	410.350	141.194	18.104.005
Gross	237.173.572	73.476.367	46.114.990	11.899.815	5.093.169	373.757.913
Stage 1 and 2	(9.926.950)	(2.028.008)	(497.868)	(263.275)	(63.242)	(12.779.343)
Stage 3	(9.299.489)	(1.923.082)	(1.138.038)	(337.258)	(113.351)	(12.811.218)
Expected credit losses (-)	(19.226.439)	(3.951.090)	(1.635.906)	(600.533)	(176.593)	(25.590.561)
Net	217.947.133	69.525.277	44.479.084	11.299.282	4.916.576	348.167.352

31 December 2020	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Stage 1	155.936.992	50.365.217	31.670.721	9.641.699	4.660.312	252.274.941
Stage 2	41.458.785	3.000.365	2.243.270	900.722	517.400	48.120.542
Stage 3	16.194.198	1.700.746	1.167.237	429.437	126.396	19.618.014
Gross	213.589.975	55.066.328	35.081.228	10.971.858	5.304.108	320.013.497
Stage 1 and 2	(8.877.299)	(1.471.479)	(504.166)	(237.430)	(49.361)	(11.139.735)
Stage 3	(10.599.371)	(1.481.194)	(1.124.999)	(330.542)	(104.555)	(13.640.661)
Expected credit losses (-)	(19.476.670)	(2.952.673)	(1.629.165)	(567.972)	(153.916)	(24.780.396)
Net	194.113.305	52.113.655	33.452.063	10.403.886	5.150.192	295.233.101

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Movement of the expected credit losses is as follows:

2021	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Beginning of the period - 1 January	19,476.670	2,952.673	1,629.165	567.972	153.916	24,780.396
Increases during the period	1,451.532	1,110.249	118.011	148.606	51.611	2,880.009
Collections	(1,675.011)	(247.390)	(193.542)	(69.164)	(28.805)	(2,213.912)
Write-offs	(1,026.114)	(6,474)	(1,502)	(68.627)	(129)	(1,102.846)
Currency translation differences	999.362	142.032	83.774	21.746	-	1,246.914
End of the period - 30 September	19,226.439	3,951.090	1,635.906	600.533	176.593	25,590.561

2020	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Beginning of the period - 1 January	-	136.772	-	-	-	136.772
Business combinations	14,974.996	1,613.578	1,315.886	537.478	115.273	18,557.211
Increases during the period	4,158.071	1,206.348	238.776	88.921	48.333	5,740.449
Collections	(1,617.663)	(365.211)	(190.316)	(14.404)	(35.703)	(2,223.297)
Write-offs	(447.485)	(161.834)	(113.007)	-	-	(722.326)
Disposals due to sale of portfolio	(155.546)	-	-	-	-	(155.546)
Currency translation differences	1,243.992	141.681	107.723	2,066	-	1,495.462
End of the period - 30 September	18,156.365	2,571.334	1,359.062	614.061	127.903	22,828.725

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 10 - INVENTORIES

	30 September 2021	31 December 2020
Raw materials and supplies	7.777.694	4.651.008
Work in progress	3.650.399	2.023.063
Finished goods	10.354.053	6.393.546
Merchandise	3.988.781	2.842.834
Goods in transit	8.341.492	2.847.526
Other inventories	101.033	81.775
Less: Provision for impairment	(230.470)	(187.908)
	33.982.982	18.651.844

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	2021	2020
As of 1 January		
Cost	58.945.017	44.775.528
Accumulated depreciation	(20.424.200)	(14.621.623)
Net book value	38.520.817	30.153.905
Net book value at the beginning of the period	38.520.817	30.153.905
Additions	6.531.252	3.842.504
Business combinations (Note 3)	1.463.487	4.363.139
Disposals	(466.487)	(198.907)
Transfers (*)	(581.563)	(603.194)
Provision for impairment	-	(22.065)
Currency translation differences	1.089.914	1.787.999
Current period depreciation	(2.887.995)	(2.295.714)
Net book value at the end of the period	43.669.425	37.027.667
As of 30 September		
Cost	70.469.621	57.145.485
Accumulated depreciation	(26.800.196)	(20.117.818)
Net book value	43.669.425	37.027.667

(*) Includes transfers amounting to TL582.087 thousand from other non-current assets used in operational lease classified under property, plant and equipment to inventories and transfers amounting to TL524 thousand from property, plant and equipment to other intangible assets (Note 12).

Net book value of the right-of-use assets classified under property, plant and equipment is TL2.635.231 thousand as of 30 September 2021 (31 December 2020: TL2.536.934 thousand). For the period ended 30 September 2021, additions to the right-of-use assets amounted to TL873.427 thousand (30 September 2020: TL612.450 thousand) and depreciation expenses amounted to TL688.028 thousand (30 September 2020: TL528.285 thousand).

As of 30 September 2021, the Group has property, plant and equipment purchase commitments amounting to TL749.286 thousand.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 12 - OTHER INTANGIBLE ASSETS

	2021	2020
As of 1 January		
Cost	13.031.377	6.422.797
Accumulated amortisation	(3.824.885)	(2.309.375)
Net book value	9.206.492	4.113.422
Net book value at the beginning of the period	9.206.492	4.113.422
Additions	928.366	698.587
Business combinations (Note 3)	347.498	4.389.666
Disposals	(2.715)	(330)
Transfers (*)	(524)	8.887
Currency translation differences	370.949	533.627
Current period amortisation	(745.471)	(623.577)
Net book value at the end of the period	10.104.595	9.120.282
As of 30 September		
Cost	14.781.197	12.802.757
Accumulated amortisation	(4.676.602)	(3.682.475)
Net book value	10.104.595	9.120.282

(*) Includes transfers from property, plant and equipment.

Total research and development expenditures incurred excluding amortisation amounts to TL824.989 thousand as of 30 September 2021 (30 September 2020: TL618.021 thousand).

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 13 - BORROWINGS

	30 September 2021			31 December 2020		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Short-term borrowings (*):						
Bank borrowings	40.812.493	24.921.579	65.734.072	37.881.282	16.818.409	54.699.691
Debt securities in issue	17.666.757	558.045	18.224.802	10.398.036	5.926.812	16.324.848
Factoring payables	-	164.561	164.561	-	120.716	120.716
Lease liabilities	257.196	399.723	656.919	232.704	346.271	578.975
	58.736.446	26.043.908	84.780.354	48.512.022	23.212.208	71.724.230
Long-term borrowings:						
Bank borrowings	23.540.380	19.963.210	43.503.590	19.424.990	23.553.516	42.978.506
Debt securities in issue	45.954.178	32.092.862	78.047.040	43.602.359	21.429.708	65.032.067
Lease liabilities	875.321	1.246.831	2.122.152	861.826	1.210.615	2.072.441
	70.369.879	53.302.903	123.672.782	63.889.175	46.193.839	110.083.014
Total borrowings	129.106.325	79.346.811	208.453.136	112.401.197	69.406.047	181.807.244

(*) Includes short-term portion of long-term borrowings.

Group companies operating in Non-Finance sector have financial liabilities amounting to TL1.808.515 thousand obtained from Yapı Kredi Bankası and eliminated during the preparation of consolidated financial statements as of 30 September 2021 (31 December 2020: TL1.194.394 thousand).

The redemption schedule of long-term bank borrowings is as follows:

	30 September 2021	31 December 2020
1-2 years	56.296.972	29.627.469
2-3 years	15.290.005	26.718.488
3-4 years	24.604.859	19.492.295
4-5 years	9.154.052	14.837.939
5 years and over	18.326.894	19.406.823
	123.672.782	110.083.014

Movements of the financial liabilities as of 1 January - 30 September 2021 and 2020 is as follows:

	2021	2020
Beginning of the period - 1 January	181.807.244	60.296.091
Additions	48.060.475	75.778.000
Repayments of borrowings	(40.246.913)	(75.165.966)
New lease contracts / impact of lease modifications	450.626	397.577
Cash outflows from payments of lease liabilities	(782.876)	(520.440)
Change in exchange rates	18.741.193	21.937.018
Change in interest accruals	601.674	4.023.291
Currency translation differences	615.572	970.887
Business combinations (Note 3)	284.218	104.433.891
Consolidation eliminations and adjustments	(1.078.077)	(3.278.642)
End of the period - 30 September	208.453.136	188.871.707

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 14 - PAYABLES OF FINANCE SECTOR OPERATIONS

	30 September 2021	31 December 2020
Short-term payables to finance sector operations	343.879.701	274.101.362
Long-term payables to finance sector operations	4.289.108	3.069.577
	348.168.809	277.170.939

Breakdown of payables to finance sector operations is as follows:

	30 September 2021			31 December 2020		
	Demand	Time	Total	Demand	Time	Total
TL deposits						
Saving deposits	20.552.603	55.904.541	76.457.144	14.237.372	45.300.790	59.538.162
Commercial deposits	13.534.051	28.625.791	42.159.842	11.075.227	21.263.847	32.339.074
Interbank deposits	196.611	5.592.323	5.788.934	279.641	4.413.447	4.693.088
Funds deposited under repurchase agreements	-	39.091.736	39.091.736	-	25.215.811	25.215.811
Public sector deposits	1.815.115	35.438	1.850.553	1.235.151	22.227	1.257.378
	36.098.380	129.249.829	165.348.209	26.827.391	96.216.122	123.043.513
Foreign currency deposits						
Saving deposits	45.859.187	58.975.195	104.834.382	37.024.581	54.666.486	91.691.067
Commercial deposits	39.149.982	34.307.685	73.457.667	30.749.719	28.482.008	59.231.727
Interbank deposits	1.205.637	7.652	1.213.289	340.710	49.464	390.174
Funds deposited under repurchase agreements	-	3.315.262	3.315.262	-	2.814.458	2.814.458
	86.214.806	96.605.794	182.820.600	68.115.010	86.012.416	154.127.426
	122.313.186	225.855.623	348.168.809	94.942.401	182.228.538	277.170.939

NOTE 15 - TAX ASSETS AND LIABILITIES

	30 September 2021	31 December 2020
Current income tax liabilities	2.675.128	3.762.667
Less: Prepaid income tax	(1.243.173)	(2.175.488)
Current income tax liabilities (net)	1.431.955	1.587.179
Deferred tax assets	10.421.410	9.812.215
Deferred tax liabilities	(1.663.458)	(1.258.612)
Deferred tax assets (net)	8.757.952	8.553.603

Turkish tax legislation does not permit a parent company to file a consolidated tax return. Therefore, tax liabilities, as reflected in consolidated financial statements, have been calculated on a separate-entity basis.

The corporation tax rate is 25% in Turkey as of 30 September 2021 (2020: 22%). Corporation tax is payable on the total income of the company after adjusting for certain disallowable expenses, income not subject to tax and allowances.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 15 - TAX ASSETS AND LIABILITIES (Continued)

Koç Holding, its Subsidiaries and Joint Ventures, recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TFRS and the Turkish tax legislations.

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Property, plant and equipment and intangible assets	14.389.954	13.065.961	(2.947.515)	(2.600.563)
Investment incentives ⁽¹⁾	-	-	5.729.690	4.988.546
Impairment provision for loans and receivables	(14.552.617)	(12.520.303)	3.086.946	2.528.641
Deductible tax losses and other tax advantages ⁽²⁾	(4.234.508)	(4.874.269)	939.167	1.157.950
Provision for employment termination benefits	(1.790.842)	(1.539.193)	376.904	314.667
Provision for the Pension Fund	(1.461.542)	(1.461.542)	292.308	292.308
Inventories	(884.740)	(852.948)	281.565	228.559
Warranty and assembly provisions	(1.115.777)	(1.193.179)	270.339	251.663
Unearned finance income (net)	(331.433)	(79.033)	71.555	16.312
Provisions for unused vacations	(288.655)	(276.496)	59.276	56.913
Derivative instruments	(345.381)	(4.614.842)	36.563	928.242
Deferred income	(106.094)	(135.590)	29.758	31.253
Expense accruals (net)	(120.557)	(90.999)	28.433	19.825
Provisions for lawsuits	(41.419)	(41.165)	10.235	9.004
Other (net)	(2.239.438)	(1.508.121)	492.728	330.283
Deferred tax assets (net)			8.757.952	8.553.603

(1) Tüpraş, a Subsidiary of the Group, was granted a large-scaled investment incentive for the Residium Upgrade Project (RUP), in the first quarter of 2011, within the scope of the decree of the Council of Ministers dated 14 July 2009 and numbered 2009/15199. In accordance with the related legislation, Tüpraş can deduct 30% of its capital expenditures related with RUP, with a rate of 50% from tax base in accordance with the legislation provisions, at the time investment is completed and the revenue is started to be recognised. As of 7 October 2013, RUP was granted Strategic Investment Incentive by Incentive Implementation and Foreign Investment Department of Ministry of Economy of Republic of Turkey that would be applicable after 19 October 2012. Within the scope of the Strategic Investment, Tüpraş can deduct 50% of its capital expenditures related with RUP, with a rate of 90% from tax base in accordance with the legislation provisions. In accordance with the related investment incentives, tax credits of TL5.385.242 thousand as of 30 September 2021 (31 December 2020: TL4.546.105 thousand) that Tüpraş will benefit in the foreseeable future have been recognised as deferred tax asset in the consolidated financial statements.

Gains of Arçelik, arising from investments under incentive certificate are subject to corporate income tax at reduced rates being effective from the financial year which the investment starts to be operated partially or entirely till the period that the investment reaches to the contribution amount. In accordance with the related investment incentives, tax credits of TL341.675 thousand as of 30 September 2021 (31 December 2020: TL409.654 thousand) that Arçelik will benefit in the foreseeable future have been recognised as deferred tax asset in the consolidated financial statements.

Otokar, a Subsidiary of the Group, was granted an investment certificate by the Incentive Implementation and Foreign Investment Department of Ministry of Industry and Technology of Republic of Turkey for its modernisation investment which is intended to be completed in four-year period. In accordance with the related investment certificate, tax credits of TL2.773 thousand as of 30 September 2021 that Otokar will benefit in the foreseeable future have been recognised as deferred tax asset in the consolidated financial statements (31 December 2020: TL32.787 thousand).

(2) Tax losses at Tüpraş, a Subsidiary of the Group, which are to be used within the next five years and have been recognised as deferred tax asset in the consolidated financial statements amounted to TL602.877 thousand (31 December 2020: TL835.278 thousand) as of 30 September 2021.

Net deferred tax assets and liabilities recognised in the Subsidiaries' financial statements prepared in accordance with TFRS, are separately classified under deferred tax assets and liabilities accounts in Koç Holding's consolidated balance sheet. Temporary differences and deferred tax assets and liabilities presented above, which are prepared on the basis of gross amounts, present the net deferred tax position.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 15 - TAX ASSETS AND LIABILITIES (Continued)

The redemption schedule of carry forward tax losses which are not considered in deferred tax calculation is as follows:

	30 September 2021	31 December 2020
Up to 1 year	57.286	211.148
Up to 2 years	82.116	67.569
Up to 3 years	86.703	101.960
Up to 4 years	273.089	201.016
5 years and above	942.158	790.087
	1.441.352	1.371.780

Movements in deferred tax assets/(liabilities) are as follows:

	2021	2020
Beginning of the period - 1 January	8.553.603	4.460.023
Charge to the income statement	444.012	1.311.145
Charge to equity:		
- Gains/(losses) on financial assets measured at fair value through other comprehensive income	67.701	(23.290)
- Gains/(losses) on cash flow hedges	(401.942)	(287.052)
- Gains/(losses) on hedges of net investments in foreign operation	164.724	272.790
- Gains/(losses) on remeasurements of defined benefit plans	21.905	27.668
Business combinations (Note 3)	7.036	1.825.190
Currency translation differences	(99.087)	(54.552)
End of the period - 30 September	8.757.952	7.531.922

NOTE 16 - PROVISIONS

a) Short-term provisions	30 September 2021	31 December 2020
Provisions for warranty and assembly	1.047.718	854.016
Provision for price revision (*)	300.222	249.205
Provisions for transportation	260.769	96.963
Expense accruals of construction contracts	221.798	189.553
Provisions for lawsuits	117.616	90.362
Provision for Energy Market Regulation Authority participation share	69.085	46.692
Other	683.977	351.839
	2.701.185	1.878.630

(*) As communicated to Aygaz Doğal Gaz Toptan Satış A.Ş., a Subsidiary of the Group, by Akfel Gaz Sanayi ve Ticaret A.Ş. ("Akfel"), from which natural gas is supplied; the price revision arbitration process initiated by Gazprom Export LLC ("Gazprom"), which Akfel has imported natural gas, was concluded against Akfel and, effective from 1 January 2017, the import price would be adjusted in favor of Gazprom, and in this context, it was decided to abolish the discount applied to Akfel and to reflect the change in import price to natural gas price applied to Aygaz Doğal Gaz Toptan Satış A.Ş. in accordance with the contract signed between Akfel and Aygaz Doğal Gaz Toptan Satış A.Ş. It was also notified that, the price determination mechanism in the contract will be revised according to the arbitration decision and the related amount of the debt and related invoices will be sent separately to Aygaz Doğal Gaz Toptan Satış A.Ş. as the contract price is updated retrospectively as of 1 January 2017. The amount of total debt was conveyed to Aygaz Doğal Gaz Toptan Satış A.Ş. by Akfel, however related invoices were not delivered yet as of the date of this report. As of 30 September 2021, total provision of USD33.949 thousand (TL300.222 thousand (31 December 2020: TL249.205 thousand)), USD15.368 thousand for 2017 and USD18.582 thousand for 2018, has been recognised in the consolidated financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 16 - PROVISIONS (Continued)

b) Other long-term provisions	30 September 2021	31 December 2020
Provisions for non-cash loans	1.425.262	1.062.888
Provisions for warranty	361.199	289.640
Provisions for lawsuits	152.824	134.514
Provisions for credit card points	63.921	64.693
Other	56.075	-
	2.059.281	1.551.735

NOTE 17 - OTHER RECEIVABLES AND PAYABLES

a) Other receivables	30 September 2021	31 December 2020
VAT and SCT receivables	4.433.459	1.336.388
Taxes and funds deductible	1.126.500	857.536
	5.559.959	2.193.924

b) Other short-term payables

Taxes and duties payable	3.633.564	3.567.023
Social security premiums payable	274.637	231.370
Payables to the Privatisation Administration (*)	220.348	244.656
Dividend payables to shareholders	34.210	32.652
	4.162.759	4.075.701

c) Other long-term payables

Payables to the Privatisation Administration (*)	-	207.350
	-	207.350

(*) Operating right for a period of 49 years of Menzelet and Kılavuzlu Hydroelectric Power Plants, that was acquired through the privatisation tender on 19 September 2017 with a total consideration of TL1.276.000 thousand, was taken over by Menzelet Kılavuzlu Elektrik Üretim A.Ş., of which 100% of shares are owned by Entek, following the payment of TL446.600 thousand to Privatisation Administration ("PA") that corresponds to 35% of the total tender price on 9 March 2018. The remaining amount will be paid to PA until 2022 in 4 equal installments with an annual interest rate of 11%.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 18 - OTHER ASSETS AND LIABILITIES

a) Other current assets	30 September 2021	31 December 2020
Pledged assets (*)	11.187.951	13.446.737
Interbank cheque clearing accounts	3.606.449	2.668.690
Advances given	3.397.446	1.162.363
Short-term assets used in operational lease	2.915.892	1.649.508
Prepaid expenses	2.731.682	2.945.613
Assets received for commitments of loans and receivables	1.323.228	724.207
Gold reserves	1.065.315	633.044
Income accruals	1.010.453	1.082.312
Deposits and guarantees given	161.919	178.792
Other	512.251	318.302
	27.912.586	24.809.568

(*) Includes collaterals given by Yapı Kredi Bankası, a Subsidiary of the Group, to the counter parties of derivative transactions.

The movement of short-term assets used in operational lease is as follows:

	2021	2020
Beginning of the period - 1 January	1.649.508	1.175.462
Additions	1.670.627	625.354
Transfers (*)	(326.088)	(310.072)
Currency translation differences	53.517	101.033
Current period depreciation	(131.672)	(79.770)
End of the period - 30 September	2.915.892	1.512.007

(*) Includes transfers to inventories.

b) Other non-current assets	30 September 2021	31 December 2020
Spare parts and other materials	1.810.118	1.780.871
Advances given	1.482.692	1.181.465
Prepaid expenses	35.771	91.183
Other	120.753	89.195
	3.449.334	3.142.714

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 18 - OTHER ASSETS AND LIABILITIES (Continued)

c) Other current liabilities	30 September 2021	31 December 2020
Credit card payables	17.020.962	12.785.096
Interbank cheque clearing accounts	4.760.548	2.826.822
Accruals for sales and incentive bonus	3.132.805	1.632.061
Revenue share (*)	2.582.547	2.210.451
Payables to personnel and premium accruals	1.505.557	881.103
Deposits and guarantees received	1.238.958	590.783
Advances received	1.151.616	1.067.752
Deferred income	1.136.278	1.093.320
Import deposits and transfer orders	984.967	457.953
Miscellaneous payables to bank customers	858.964	808.603
Accruals for rent and advertising expenses	309.423	157.263
Blocked accounts	245.169	93.766
License fee expense accruals	171.289	105.931
Saving deposit insurance fund payable	136.837	121.348
Liabilities related to the business combinations (Note 3)	99.395	-
Expense accrual on commodity hedge	-	247.432
Other	2.788.412	2.303.945
	38.123.727	27.383.629

(*) In accordance with the Petroleum Market License Regulation and Liquefied Petroleum Gas ("LPG") Market Regulation, revenue shares collected by Tüpraş, but not recognised in the statement of comprehensive income, have been recorded as revenue share within "Other current liabilities" and blocked in banks as overnight deposits according to the decision of National Petroleum Reserves Commission. Deposits related to the revenue share are classified as time deposits under "Cash and cash equivalents" (Note 5).

d) Other non-current liabilities

Deferred income	1.029.796	778.194
Deposits and guarantees received	281.267	236.905
Other	243.665	168.356
	1.554.728	1.183.455

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 19 - EQUITY

Share Capital

Koç Holding adopted the registered share capital system and its registered and issued share capital is as follows:

30 September 2021

Limit on registered share capital (historical)	5.000.000
Issued share capital in nominal value	2.535.898

Companies in Turkey may exceed the limit on registered share capital in the event of the issuance of free capital shares to existing shareholders.

The shareholding structure of Koç Holding is as follows:

	30 September 2021		31 December 2020	
	Share %	Amount	Share %	Amount
Temel Ticaret ve Yatırım A.Ş.	43,65	1.106.970	43,65	1.106.970
Koç Family Members	19,24	487.895	19,24	487.895
Rahmi M. Koç ve Mahdumları Maden, İnşaat, Turizm, Ulaştırma, Yatırım ve Ticaret A.Ş.	1,40	35.386	1,40	35.386
Total Koç Family members and companies owned by Koç Family members	64,29	1.630.251	64,29	1.630.251
Vehbi Koç Vakfı	7,26	184.172	7,26	184.172
Koç Holding Emekli ve Yardım Sandığı Vakfı	1,99	50.452	1,99	50.452
Treasury shares ⁽¹⁾	0,02	600	-	-
Other	26,44	670.423	26,46	671.023
Paid-in share capital	100,00	2.535.898	100,00	2.535.898
Adjustment to share capital ⁽²⁾		967.288		967.288
Total share capital		3.503.186		3.503.186

(1) Represents the shares that have been repurchased and publicly traded as of 30 September 2021.

(2) Adjustment to share capital includes the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with TAS 29 and fair value differences of share issues within the context of acquisitions and mergers.

The analysis of shares by group is as follows:

Group	Unit of shares	TL'000	Nature of shares
A	67.877.342.230	678.773	Registered
B	185.712.462.770	1.857.125	Registered
		2.535.898	

In the Articles of Association ("the Articles") Koç Holding sets out the following privileges for A-group shares:

1. In accordance with Article 6, pre-emptive rights are used in purchase of new shares issued for their own groups; however, pre-emptive rights not used by B-group shareholders, can be used by A-group shareholders within the terms of CMB Legislation.
2. In accordance with Article 15 paragraph "c", A-group shareholders have two voting rights for each share owned at the General Assembly meetings (except for resolutions to change the Articles and decisions given for filing release and liability suits).

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 19 - EQUITY (Continued)

Treasury shares

Driven by the recent market conditions and the impacts of the developments in the global economies on the sectors operated in and on the Turkish capital markets, the current market price and the current net asset value discount of Koç Holding A.Ş. shares traded at Borsa İstanbul is deemed ineffective in reflecting the true value and fundamentals of Koç Holding. In this respect, in order to contribute to the fair valuation of Koç Holding A.Ş. shares, the Board of Directors of Koç Holding A.Ş. resolved to initiate a share buyback program from the market as of 1 July 2021. Within the scope of the related decision, considering the transactions that were cleared as of 30 September 2021, shares with a nominal value of TL600 thousand corresponding to 0,02% of Koç Holding's share capital were repurchased with a total cost of TL12.687 thousand including the transaction costs. No treasury shares have been sold as of the issue date of this report. Information regarding the share buyback transactions after the balance sheet date are presented in Events After the Balance Sheet Date note (Note 29).

Other Comprehensive Income/Expense

	30 September 2021	31 December 2020
Items not to be reclassified to profit/loss:		
Gains/(losses) on remeasurement of defined benefit plans	(332.498)	(278.721)
	(332.498)	(278.721)
Items to be reclassified to profit/loss:		
Currency translation differences	4.350.897	3.173.469
Gains/(losses) on hedge	(2.011.341)	(2.395.325)
- <i>Cash flow hedge</i>	(797.849)	(1.492.778)
- <i>Net investment hedge</i>	(1.213.492)	(902.547)
Gains/(losses) on financial assets measured at fair value through other comprehensive income	271.784	389.096
	2.611.340	1.167.240

The movements in other comprehensive income/expenses are presented in the statement of comprehensive income and statement of changes in equity.

Restricted Reserves

The details of the restricted reserves are as follows:

	30 September 2021	31 December 2020
Legal reserves	507.179	507.179
Reserves for treasury shares (*)	12.687	-
Special reserves	14.316	16.586
	534.182	523.765

(*) In accordance with the TCC and CMB regulations, reserves are provided for the treasury shares in an amount corresponding to their purchase price. In this context, reserves for treasury shares, amounting to TL12.687 thousand including the transaction costs (31 December 2020: None), were provided within the restricted reserves in the consolidated financial statements as of 30 September 2021.

Within the scope of the Exemption for Sale of Property and Participation Shares, the gains in statutory financial statements arising from the sale of investments and sale of properties have been classified under "Special Reserves".

Dividend Distribution

At the Ordinary General Assembly Meeting of Koç Holding held on 9 April 2021, it was decided to distribute TL1.483.500.359,25 dividend to shareholders, TL274.373.252,93 dividend to usufruct shareholders and TL12.000.000 dividend to Koç Holding Emekli ve Yardım Sandığı Vakfı from taxable earnings of 2020. Cash dividend payments were completed as of 14-16 April 2021.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 20 - OTHER OPERATING INCOME/(EXPENSES)

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Other operating income				
Foreign exchange gains arising from trading activities	3.933.233	2.313.620	1.210.799	1.120.199
Credit finance income arising from trading activities	816.698	500.972	343.045	126.087
Income from claims and grants	69.051	345.221	32.047	22.290
Reversals of provisions	40.733	42.541	15.435	20.013
Other	269.838	327.894	98.795	78.364
	5.129.553	3.530.248	1.700.121	1.366.953
Other operating expenses				
Foreign exchange losses arising from trading activities	(6.083.929)	(2.439.516)	(1.591.793)	(1.198.237)
Expected credit losses for loans and receivables	(2.718.191)	(5.834.493)	(451.697)	(2.230.152)
Credit finance charges arising from trading activities	(432.714)	(547.736)	(120.842)	(77.132)
Provisions for lawsuits and penalties	(263.328)	(642.555)	(85.742)	(334.787)
Other	(126.404)	(40.848)	(33.747)	(13.054)
	(9.624.566)	(9.505.148)	(2.283.821)	(3.853.362)

NOTE 21 - GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Gains from investment activities				
Gain on sale of property, plant and equipment and scraps ⁽¹⁾	134.498	90.701	15.636	9.184
Rent income	54.534	41.825	23.821	15.659
Dividend income	8.967	-	6.422	-
Income arising from the change of control ⁽²⁾	-	2.995.339	-	-
Termination fee income ⁽³⁾	-	511.275	-	-
	197.999	3.639.140	45.879	24.843

(1) Includes TL89 million asset sales gain of Tat Gıda, a Subsidiary of the Group, regarding to its milk and dairy products business.

(2) Represents the income resulting from the change of control of Yapı Kredi Bankası due to the acquisition of additional 9,02% shares.

(3) Represents the termination fee paid by UniCredit S.P.A to Koç Holding and its Subsidiaries included in the scope of consolidation and having ownership interests in KFS, upon the termination of the shareholders agreement in line with the strategic goals of UniCredit S.P.A., which was executed among Koç Holding, UniCredit S.P.A and other parties in 2002.

Losses from investment activities				
Loss on sale of property, plant and equipment	(14.645)	(4.547)	(1.125)	(889)
Loss on impairment of property, plant and equipment ^(*)	(5.482)	(22.065)	-	(22.065)
Loss on liquidation of a subsidiary	(2.831)	-	-	-
Provision for impairment on assets held for sale	-	(26.638)	-	(26.638)
	(22.958)	(53.250)	(1.125)	(49.592)

(*) Represents the write-off amount of property, plant and equipment related to the destruction of Divan Talya Otel owned by Mares, a Subsidiary of the Group, as of 30 September 2021.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 22 - FINANCIAL INCOME/EXPENSES

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Financial income				
Foreign exchange gains ⁽¹⁾	8.702.866	9.445.897	1.383.530	1.995.427
Gains on derivative instruments	3.539.322	1.638.574	1.147.474	784.229
Interest income	1.297.053	678.620	407.330	245.946
Other financial income	17.432	13.605	9.131	7.530
	13.556.673	11.776.696	2.947.465	3.033.132
Financial expenses				
Foreign exchange losses ⁽¹⁾	(10.160.515)	(11.414.933)	(1.989.756)	(2.843.945)
Losses on derivative instruments	(4.624.665)	(1.764.933)	(1.809.462)	(692.991)
Interest expenses ⁽²⁾	(4.613.336)	(3.672.225)	(1.650.813)	(1.224.683)
Other financial expenses	(61.001)	(94.927)	(29.012)	(77.446)
	(19.459.517)	(16.947.018)	(5.479.043)	(4.839.065)

(1) Foreign exchange income/(expenses) arising from trading activities (trade receivables and payables) are accounted for under "other operating income/(expenses)".

(2) TL117.374 thousand of interest expenses is related to lease liabilities (30 September 2020: TL116.748 thousand).

NOTE 23 - RELATED PARTY DISCLOSURES

a) Related party balances

	30 September 2021			31 December 2020		
	Joint Ventures	Other	Total	Joint Ventures	Other	Total
Trade receivables	1.830.651	99.542	1.930.193	1.082.960	156.568	1.239.528
Trade payables	1.861.356	80.887	1.942.243	2.482.663	155.724	2.638.387
Loans and advances given	1.418.849	799.181	2.218.030	1.852.765	602.977	2.455.742
Deposits	4.814.041	11.721.624	16.535.665	4.387.722	9.568.162	13.955.884
Borrowings	-	119.763	119.763	-	127.688	127.688

b) Related party transactions

	1 January - 30 September 2021			1 January - 30 September 2020		
	Joint Ventures	Other	Total	Joint Ventures	Other	Total
Sales of goods and services	20.640.131	185.516	20.825.647	10.699.755	150.288	10.850.043
Purchases of goods and services	8.164.833	623.062	8.787.895	6.612.801	454.184	7.066.985
Interest expense (-)	-	(20.149)	(20.149)	-	(20.480)	(20.480)
	1 July - 30 September 2021			1 July - 30 September 2020		
	Joint Ventures	Other	Total	Joint Ventures	Other	Total
Sales of goods and services	9.332.099	75.549	9.407.648	4.338.036	56.963	4.394.999
Purchases of goods and services	2.758.146	80.438	2.838.584	3.550.640	57.157	3.607.797
Interest expense (-)	-	(6.330)	(6.330)	-	(8.247)	(8.247)

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 23 - RELATED PARTY DISCLOSURES (Continued)

The Joint Ventures of the Group have been accounted for using the equity method in the consolidated financial statements. Accordingly, the transactions of Group's Subsidiaries with Joint Ventures and the balances from Joint Ventures are not subject to elimination.

As of 30 September 2021, TL1.180.551 thousand (31 December 2020: TL273.932 thousand) of trade receivables is composed of Tüpraş balances against Opet and THY Opet, TL279.550 thousand (31 December 2020: TL259.790 thousand) of trade receivables is composed of balances of Zer Ticaret and TL177.939 thousand (31 December 2020: TL148.675 thousand) of trade receivables is composed of balances of Ram Dış Ticaret arising from the sales transactions with Joint Ventures and other related parties not included in the scope of consolidation. TL1.293.533 thousand (31 December 2020: TL2.201.432 thousand) of trade payables is composed of balances due to vehicle purchases of Otokoç from Ford Otosan and Tofaş, and TL484.429 thousand (31 December 2020: TL198.207 thousand) of trade payables is composed of balances due to air conditioner purchases of Arçelik from Arçelik LG. Loans and advances given and deposit balances arise from loan and deposit transactions of Yapı Kredi Bankası, a Subsidiary of the Group, with Joint Ventures and other related parties.

TL17.237.154 thousand (30 September 2020: TL8.652.644 thousand) of sales of goods and services is composed of balances arising from the sales of Tüpraş' petroleum products to Opet and THY Opet for the period ended 30 September 2021. TL6.339.079 thousand (30 September 2020: TL5.353.189 thousand) of purchases of goods and services is composed of balances due to Otokoç's vehicle purchases from Ford Otosan and Tofaş and TL1.008.215 thousand (30 September 2020: TL675.374 thousand) of purchases of goods and service is composed of transactions due to air conditioner purchases of Arçelik from Arçelik LG.

c) Key management compensation

The key management of Koç Holding is identified as the members of the Board of Directors (including the President), CEO and the Group Presidents. Total key management compensation incurred by Koç Holding for the nine months period ended 30 September 2021 amounted to TL77.335 thousand (30 September 2020: TL41.936 thousand). TL25.816 thousand of the respective amount is related to the payments made for employee leaves and the remaining portion is comprised of short-term employee benefits (30 September 2020: The total amount is comprised of short-term employee benefits).

After charging the costs to Koç Group companies to whom services are provided, the cost incurred by Koç Holding A.Ş. amounted to TL22.536 thousand (30 September 2020: TL16.878 thousand). TL4.096 thousand of this amount is related to the payments made for employee leaves (30 September 2020: None).

NOTE 24 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Guarantees given:

Finance:

Non-cash loans:

	30 September 2021	31 December 2020
Letters of guarantee	97.827.818	81.314.767
- TL	37.380.238	31.993.113
- Foreign currency	60.447.580	49.321.654
Letters of credit	18.811.123	9.340.321
Acceptance credits	340.517	238.025
Other	11.106.755	9.982.292
	128.086.213	100.875.405
Less: Provisions (Note 16.b)	(1.425.262)	(1.062.888)
	126.660.951	99.812.517

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 24 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Non-Finance:

	30 September 2021	31 December 2020
Letters of credit	10.650.644	3.953.337
Letters of guarantee	9.130.353	8.566.966
Guarantees given to banks	1.693.644	1.113.948
Guarantorships given to banks	919.703	-
Other	550	50
	22.394.894	13.634.301

Collaterals/pledges/mortgages/bill of guarantees ("CPMB") of Subsidiaries of the Group as of 30 September 2021 and 31 December 2020 are as follows (Foreign currency CPMBs are presented by their TL equivalents):

	30 September 2021	31 December 2020
A. Total amount of CPMB's given in the name of its own legal personality	16.793.371	10.383.712
-TL	4.107.753	3.968.860
-USD	11.438.844	5.417.499
-EUR	1.028.297	839.855
-Other	218.477	157.498
B. Total amount of CPMB's given on behalf of the fully consolidated companies	5.595.555	3.250.589
-TL	61.485	134.422
-USD	2.371.690	987.448
-EUR	1.255.568	1.207.093
-Other	1.906.812	921.626
C. Total amount of CPMB's given on behalf of third parties for ordinary course of business (*)	128.092.181	100.875.405
-TL	37.771.314	32.512.148
-USD	41.718.110	27.889.758
-EUR	43.817.922	35.840.641
-Other	4.784.835	4.632.858
D. Total amount of other CPMB's given		
i) Total amount of CPMB's given on behalf of the majority shareholder	-	-
ii) Total amount of CPMB's given to on behalf of other group companies which are not in scope of B and C	-	-
-TL	-	-
-USD	-	-
-EUR	-	-
-Other	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-
	150.481.107	114.509.706

(*) Significant portion of the amount is related to the CPMB's (non-cash loans) given by Yapı Kredi Bankası, a Subsidiary of the Group, to related and third parties within the scope of its ordinary business activities.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 24 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Finance:

Financial assets pledged as collateral:

As of 30 September 2021, financial assets measured at fair value through other comprehensive income, measured at amortised cost and measured at fair value through profit and loss whose total carrying amount is TL44.425.352 thousand (31 December 2020: TL29.672.528 thousand) are pledged to banks and other financial institutions against funds obtained under repurchase agreements, borrowed funds and total return swap transactions.

In addition, as of 30 September 2021, financial assets amounting to TL26.704.932 thousand (31 December 2020: TL21.435.802 thousand) are also pledged to regulatory authorities for legal requirements and other financial institutions as a guarantee for stock exchange and money market operations. These are mainly the CBRT, Borsa İstanbul, Settlement and Custody Bank and other various banks.

Guarantees received:

The summary of guarantees received regarding the non-finance sector companies is as follows:

	30 September 2021	31 December 2020
Letters of guarantee	6.628.099	5.365.051
Mortgages	2.967.211	2.780.688
Direct crediting limit	1.535.024	1.174.041
Bill of guarantees	293.401	281.616
Guarantee notes	62.404	65.321
Other	1.075.689	1.311.980
	12.561.828	10.978.697

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Instruments and Financial Risk Management

a) Credit Risk

The exposure of consolidated financial assets to credit risk is as follows:

30 September 2021	Trade receivables	Receivables from finance sector operations	Cash and cash equivalents	Financial assets	Derivative instruments
Maximum exposure to credit risk as of reporting date (A+B+C+D)	34.770.392	348.167.352	59.380.640	102.999.873	7.950.585
A. Net book value of neither past due nor impaired financial assets ⁽¹⁾	33.306.795	311.977.065	59.380.640	102.999.873	7.950.585
B. Net book value of past due but not impaired financial assets	1.468.995	43.676.842	-	-	-
C. Net book value of impaired assets	20.578	5.292.788	-	-	-
- Past due	20.578	5.292.788	-	-	-
- Gross amount	1.007.666	18.104.006	-	-	-
- Impairment	(987.088)	(12.811.218)	-	-	-
- Secured with guarantees	33.976	4.946.364	-	-	-
- Not past due	-	-	-	-	-
- Gross amount	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-
D. Expected credit losses (-) ⁽²⁾	(25.976)	(12.779.343)	-	-	-

(1) Trade receivables and receivables from finance sector operations include related party balances amounting to TL1.930.193 thousand and TL2.218.030 thousand, respectively (Note 23).

(2) Include expected credit losses related to receivables from finance sector operations classified under "A" and "B" categories in the table above.

As of 30 September 2021, Finance sector is exposed to credit risk arising from non-cash loans in the amount of TL128.086.213 thousand (Note 24). By taking the related risk into consideration, the maximum credit risk amount, to which the Group is exposed, is TL681.355.055 thousand.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2020	Trade receivables	Receivables from finance sector operations	Cash and cash equivalents	Financial assets	Derivative instruments
Maximum exposure to credit risk as of reporting date (A+B+C+D)	21.000.573	295.233.101	54.297.881	78.301.623	6.219.142
A. Book value of neither past due nor impaired financial assets ⁽¹⁾	19.098.364	297.534.818	54.297.881	78.301.623	6.219.142
B. Book value of past due but not impaired financial assets	1.838.173	2.860.665	-	-	-
C. Net book value of impaired assets	87.210	5.977.353	-	-	-
- Past due	87.210	5.977.353	-	-	-
- Gross amount	941.014	19.618.014	-	-	-
- Impairment	(853.804)	(13.640.661)	-	-	-
- Secured with guarantees	83.651	5.886.135	-	-	-
- Not past due	-	-	-	-	-
- Gross amount	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-
D. Expected credit losses (-) ⁽²⁾	(23.174)	(11.139.735)	-	-	-

(1) Trade receivables and receivables from finance sector operations include related party balances amounting to TL1.239.528 thousand and TL2.455.742 thousand, respectively (Note 23).

(2) Include expected credit losses related to receivables from finance sector operations classified under "A" and "B" categories in the table above.

As of 31 December 2020, Finance sector is exposed to credit risk arising from non-cash loans in the amount of TL100.875.405 thousand (Note 24). By taking the related risk into consideration, the maximum credit risk amount, to which the Group is exposed, is TL555.927.725 thousand.

b) Commodity price risk

Tüpraş, a Subsidiary of the Group, is exposed to risk arising from fluctuations in crude oil prices due to raw material inventory held for production. Tüpraş management manages the risk by regularly reviewing the amount of the inventory held.

Tüpraş sets its sales price according to Petroleum Market Law No: 5015 considering the product prices at the Mediterranean market, which are the closest reachable world competitive market and USD currency rates. The changes in prices in the Mediterranean market and USD currency rate are evaluated daily by Tüpraş management and sales prices are updated when prices calculated according to the aforementioned factors differ significantly from the current sales prices.

Since instability in crude oil prices may cause fluctuations in net profit and cash flows, Tüpraş management has constituted a hedging policy in order to eliminate the aforementioned risk. In accordance with the policy, short and long term hedging transactions are realised by utilising various derivative instruments.

As of 30 September 2021, Tüpraş has outstanding swap transactions and zero cost collar transactions for its 7.500 thousand barrels of inventory, which are exposed to commodity price risk, to avoid from fluctuations in oil prices. The weighted average price of swap transactions is USD65,5/barrel and have been made for 4.500 thousand barrels of inventory. Zero cost collar transactions have been made for 3.000 thousand barrels of inventory and the weighted average purchase price and weighted average sales price of the transactions are USD70,0/barrel and USD74,3/barrel, respectively.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

c) Product Profit Margin (Crack Margin) Risk

Besides the fluctuations in crude oil prices, Tüpraş is also exposed to the risk of fluctuations in crack margins arising from the changes in product prices. In order to eliminate the aforementioned risk in crack margins, a hedging policy has been constituted by considering historical product price levels, market expectations and forecasted sales volumes. In accordance with the policy, crack margins are hedged by utilising various derivative instruments.

d) Foreign Exchange Risk

Group's consolidated assets and liabilities denominated in foreign currency are as follows:

	30 September 2021	31 December 2020
Assets	305.775.964	256.050.015
Liabilities	(389.115.463)	(318.456.873)
Net balance sheet position	(83.339.499)	(62.406.858)
Derivative instruments net position	62.074.664	49.952.359
Net foreign currency position	(21.264.835)	(12.454.499)
Loans designated as hedging instruments ⁽¹⁾	6.923.741	5.977.809
Net foreign currency position after hedging instruments	(14.341.094)	(6.476.690)
Inventories under the natural hedge ⁽²⁾	17.202.090	7.532.609
Net foreign currency position after hedging instruments and the natural hedge	2.860.996	1.055.919

(1) The loans of Tüpraş related to financing the Residuum Upgrade Project (RUP) are designated as hedging instruments against the spot foreign exchange rate risk (USD/TL) associated with highly probable USD denominated export revenues. The loans of Tüpraş which are subject to cash flow hedge amounted to USD435,6 million (TL3.852 million) as of 30 September 2021 (31 December 2020: USD594 million).

The USD denominated loans of Entek are designated as hedging instruments against the spot foreign exchange rate risk (USD/TL) associated with highly probable USD denominated revenue related to Renewable Energy Sources Support Mechanism ("YEKDEM"). The loans of Entek which are subject to cash flow hedge amounted to USD49,5 million (TL438 million) as of 30 September 2021.

Foreign exchange gains/losses related to the loans of Tüpraş and Entek are recognised under equity as "gains/losses on cash flow hedges" until the realisation of the cash flows at the hedged items.

Arçelik and Otokoç Hollanda, Subsidiaries of the Group, designated EUR230 million (TL2.372 million) and EUR25,4 million (TL262 million) of bank loans, respectively, as hedging instruments in order to hedge the foreign currency risk arising from the translation of net assets of the subsidiaries operating in Europe from EUR to Turkish Lira (31 December 2020: Arçelik: EUR154 million - Otokoç: EUR25,7 million). Foreign exchange gains/losses of the related loans are recognised under equity as "gains/(losses) on net investment hedges" in order to offset the foreign exchange gains/(losses) arising from the translation of the net assets of investments in foreign operations to Turkish Lira.

(2) Tüpraş and Aygaz manage their foreign currency risk resulting from their net financial liabilities by reflecting the effects of the changes in foreign currencies to their selling prices of petroleum products ("natural hedge"). As of 30 September 2021, Tüpraş and Aygaz have raw materials and petroleum products amounting to TL16.525.986 thousand (31 December 2020: TL7.220.776 thousand) and TL676.104 thousand (31 December 2020: TL311.833 thousand), respectively.

Excluding the loans designated as hedging instruments and the inventories under the natural hedge, the Group has TL2.860.996 thousand (USD324 million) foreign exchange net long position as of 30 September 2021.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

As of 30 September 2021, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL1.428.230 thousand lower, mainly as a result of foreign exchange losses on the translation of the foreign exchange position as presented in detail in the table below. The net effect of the related foreign exchange losses on the net profit (attributable to equity holders) is approximately TL418 million.

The impact of 10% exchange increase in income statement (pre-tax profit):

	USD	EUR	Other	Total
30 September 2021				
Foreign currency net position (*)	(1.824.211)	188.927	207.054	(1.428.230)

(*) Profit before tax impacts arising from foreign exchange positions of Joint Ventures have been included in the sensitivity analysis.

Above sensitivity analysis has been performed by taking "net foreign currency position after hedging instruments" into account and based on a scenario of a sudden increase in exchange rates as of the balance sheet date. Therefore, related analysis does not include the profitability that will arise in the following months, via the reflection of the exchange rate increase on the sales prices of the products defined as "natural hedges". If "net foreign currency position after hedging instruments and the natural hedge" is taken into account, which is followed by the Group in the context of risk management policies, a possible 10% increase in foreign exchange rates would have a limited effect on Group's pre-tax profitability, since the net position after natural hedge is limited.

The impact of 10% exchange increase in other comprehensive income statement (pre-tax profit):

	USD	EUR	Other	Total
30 September 2021				
Hedged items (*)	(428.984)	(767.475)	-	(1.196.459)

(*) Related balances include foreign exchange impacts which are within the scope of cash flow hedge and net investment hedge in foreign operations and which are recognised under the hedging reserve.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	30 September 2021			
	USD ⁽¹⁾	EUR ⁽¹⁾	Other (TL Equivalent)	Total (TL Equivalent)
Assets:				
Trade receivables ⁽²⁾	475.595	630.847	2.925.414	13.637.480
Receivables from finance sector operations	2.172.117	2.644.933	2.849.303	49.336.496
Monetary financial assets	8.032.895	2.973.394	8.522.860	110.226.261
Non-monetary assets	4.340	480	25.217	68.549
Other assets	964.513	458.656	1.094.306	14.354.144
Current assets	11.649.460	6.708.310	15.417.100	187.622.930
Receivables from finance sector operations	4.329.987	3.944.082	410.256	79.378.921
Monetary financial assets	3.348.530	546.312	1.380.136	36.626.580
Other assets	89.549	120.721	110.566	2.147.533
Non-current assets	7.768.066	4.611.115	1.900.958	118.153.034
Total assets	19.417.526	11.319.425	17.318.058	305.775.964
Liabilities:				
Trade payables ⁽²⁾	3.956.899	425.402	396.501	39.775.930
Borrowings	4.319.447	1.876.940	42.276	57.598.258
Payables of finance sector operations	11.501.473	6.356.164	18.500.569	185.765.838
Other liabilities	343.768	301.586	229.591	6.380.044
Short-term liabilities	20.121.587	8.960.092	19.168.937	289.520.070
Borrowings	9.425.132	801.671	143.266	91.760.567
Payables of finance sector operations	17.365	396.361	1.918	4.243.357
Other liabilities	288.897	98.625	19.498	3.591.469
Long-term liabilities	9.731.394	1.296.657	164.682	99.595.393
Total liabilities	29.852.981	10.256.749	19.333.619	389.115.463
Net balance sheet position	(10.435.455)	1.062.676	(2.015.561)	(83.339.499)
Derivative assets	12.430.242	1.263.710	10.625.464	133.583.094
Derivative liabilities	(4.495.098)	(2.446.303)	(6.526.987)	(71.508.430)
Derivative instruments net position	7.935.144	(1.182.593)	4.098.477	62.074.664
Net foreign currency position	(2.500.311)	(119.917)	2.082.916	(21.264.835)
Loans designated as hedging instruments ⁽³⁾	485.095	255.384	-	6.923.741
Net foreign currency position after hedging instruments	(2.015.216)	135.467	2.082.916	(14.341.094)
Net foreign currency position of monetary items	(2.504.651)	(120.397)	2.057.699	(21.333.384)
Fair value of derivative instruments held for hedging	(55.432)	(8.579)	-	(578.677)

(1) Presented in original currencies.

(2) Represents balances before consolidation eliminations.

(3) Includes loans of Tüpraş, Arçelik, Otokoç and Entek designated as hedging instruments.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2020			
	USD ⁽¹⁾	EUR ⁽¹⁾	Other (TL Equivalent)	Total (TL Equivalent)
Assets:				
Trade receivables ⁽²⁾	514.086	605.976	2.447.114	11.679.328
Receivables from finance sector operations	2.222.544	3.016.483	2.276.572	45.763.328
Monetary financial assets	6.823.427	2.620.670	6.829.203	80.523.307
Non-monetary assets	4.128	275	42.257	75.035
Other assets	1.183.676	698.862	621.873	15.605.938
Current assets	10.747.861	6.942.266	12.217.019	153.646.936
Receivables from finance sector operations	5.131.102	3.741.644	350.904	71.720.109
Monetary financial assets	3.360.647	277.049	1.203.097	28.367.561
Other assets	129.048	146.924	44.658	2.315.409
Non-current assets	8.620.797	4.165.617	1.598.659	102.403.079
Total assets	19.368.658	11.107.883	13.815.678	256.050.015
Liabilities:				
Trade payables ⁽²⁾	2.374.129	383.228	416.748	21.296.124
Borrowings	2.914.644	1.903.242	69.619	38.608.777
Payables of finance sector operations	11.577.210	5.931.598	17.573.733	155.987.484
Other liabilities	232.664	202.809	57.429	3.592.188
Short-term liabilities	17.098.647	8.420.877	18.117.529	219.484.573
Borrowings	11.223.844	1.099.563	91.396	92.384.780
Payables of finance sector operations	60.721	290.267	2.888	3.063.302
Other liabilities	340.054	138.495	11.432	3.524.218
Long-term liabilities	11.624.619	1.528.325	105.716	98.972.300
Total liabilities	28.723.266	9.949.202	18.223.245	318.456.873
Net balance sheet position	(9.354.608)	1.158.681	(4.407.567)	(62.406.858)
Derivative assets	10.699.723	1.201.646	9.229.030	98.594.654
Derivative liabilities	(3.096.008)	(2.510.567)	(3.301.113)	(48.642.295)
Derivative instruments net position	7.603.715	(1.308.921)	5.927.917	49.952.359
Net foreign currency position	(1.750.893)	(150.240)	1.520.350	(12.454.499)
Loans designated as hedging instruments ⁽³⁾	593.982	179.585	-	5.977.809
Net foreign currency position after hedging instruments	(1.156.911)	29.345	1.520.350	(6.476.690)
Net foreign currency position of monetary items	(1.755.021)	(150.515)	1.478.093	(12.529.534)
Fair value of derivative instruments held for hedging	(80.800)	(10.521)	-	(687.882)

(1) Presented in original currencies.

(2) Represents balances before consolidation eliminations.

(3) Includes loans of Tüpraş, Arçelik and Otokaç designated as hedging instruments.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Export and import details (TL Equivalent)

Group's consolidated export and import balances are as follows:

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Export				
USD	23.174.964	12.326.718	8.321.342	4.138.745
EUR	9.372.155	6.189.948	3.500.841	2.677.964
Other	4.514.075	2.747.018	1.597.105	1.263.975
	37.061.194	21.263.684	13.419.288	8.080.684
Import				
USD	86.908.227	40.548.953	38.029.033	17.188.033
EUR	4.158.501	2.485.187	1.274.324	1.035.414
Other	25.347	24.215	8.196	14.946
	91.092.075	43.058.355	39.311.553	18.238.393

NOTE 26 - FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS

Fair value of financial instruments

Estimated fair values of financial instruments have been determined by the Group by using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data. Accordingly, estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

The following methods and assumptions are used to estimate the fair values of financial instruments:

Financial assets

Carrying values of cash and cash equivalents and trade receivables are assumed to reflect their fair values due to their short-term nature. The estimated fair value of interest bearing placements of cash and cash equivalents of finance sector is calculated based on discounted cash flows using prevailing money market interest rates at the balance sheet date with similar credit risk and remaining maturity.

The estimated fair value of receivables from finance sector operations represents the discounted amount of the estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates with similar currency and remaining maturity in order to determine their fair value.

The fair value of financial assets measured at amortised cost is determined based on market prices; or when market price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS (Continued)

Financial liabilities

Fair values of short-term trade payables and borrowings with floating interest rate are assumed to approximate their carrying values. The estimated fair value of issued debt securities and other long-term borrowings without quoted market price is based on discounted cash flows using market interest rates prevailing at the balance sheet date with similar credit risk and remaining maturity.

The estimated fair value of demand deposits with no stated maturity classified under payables to finance sector operations, represents the amount repayable on demand. The fair value of overnight deposits is considered to approximate their carrying values. The estimated fair value of fixed-interest deposits is calculated based on discounted cash flows using market interest rates applied to similar loans and other debts. In case the maturities are short-term, the carried value is assumed to reflect the fair value.

Within the framework of the methods and assumptions explained above, the carrying values and estimated fair values of financial assets and liabilities as of 30 September 2021 and 31 December 2020 are presented in the table below:

	30 September 2021		31 December 2020	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Cash and cash equivalents	68.340.445	68.251.546	60.360.801	58.594.910
Receivables from finance sector operations	348.167.352	347.209.579	295.233.101	296.632.401
Financial assets measured at amortised cost	74.374.645	73.206.014	53.012.529	54.582.472
Liabilities				
Borrowings	208.453.136	209.858.012	181.807.244	182.684.452
Payables to finance sector operations	348.168.809	350.624.865	277.170.939	277.342.697

Fair value estimation

The classification of the Group's consolidated financial assets and liabilities at fair value is as follows:

Level 1: *Quoted prices (unadjusted) in active markets for identical assets or liabilities*: The fair value of financial assets and financial liabilities are determined with reference to quoted market prices.

Level 2: *Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)*: The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other variables used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

Level 3: *Inputs for the asset or liability that are not based on observable market data.*

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS (Continued)

Assets and liabilities measured at fair value as of 30 September 2021 and 31 December 2020 are as follows:

30 September 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit/(loss)				
- Equity securities	14.185	194.356	444.959	653.500
- Debt instruments	205.201	-	-	205.201
Financial assets measured at fair value through other comprehensive income				
- Equity securities	386.826	92.651	-	479.477
- Debt instruments	26.316.615	2.103.412	-	28.420.027
Derivative instruments	-	7.950.585	-	7.950.585
Total assets	26.922.827	10.341.004	444.959	37.708.790
Derivative instruments	-	8.539.907	-	8.539.907
Total liabilities	-	8.539.907	-	8.539.907
31 December 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit/(loss)				
- Equity securities	10.254	161.327	358.824	530.405
- Debt instruments	276.735	-	-	276.735
Financial assets measured at fair value through other comprehensive income				
- Equity securities	374.700	91.627	-	466.327
- Debt instruments	22.848.275	2.164.084	-	25.012.359
Derivative instruments	-	6.219.142	-	6.219.142
Total assets	23.509.964	8.636.180	358.824	32.504.968
Derivative instruments	-	11.436.576	-	11.436.576
Total liabilities	-	11.436.576	-	11.436.576

NOTE 27 - EARNINGS PER SHARE

	1 January - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2021	1 July - 30 September 2020
Profit for the period	16.534.295	8.480.709	7.278.508	3.885.660
Less: Profit attributable to non-controlling interests	(7.117.250)	(1.744.136)	(3.172.876)	(1.580.269)
Profit attributable to equity holders of the parent	9.417.045	6.736.573	4.105.632	2.305.391
Weighted average number of shares with nominal value of Kr 1 each (*)	253.581.856.282	253.589.805.000	253.566.218.043	253.589.805.000
Earnings per share (Kr)	3,714	2,656	1,619	0,909

(*) Calculated by adjusting the treasury shares (Note 19).

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 - SUPPLEMENTARY CASH FLOW INFORMATION

Supplementary information for the details included in the consolidated cash flow statements as of 30 September 2021 and 2020 is as follows:

	30 September 2021	30 September 2020
Changes in provisions:		
Provisions for non-cash loans	362.374	126.300
Provisions for employee benefits	339.764	71.377
Provisions for warranty and assembly	265.261	320.514
Provisions for price revisions	51.017	63.411
Provisions for lawsuits and penalties	45.564	42.081
Cost accruals of construction contracts	32.245	30.035
Provisions for credit card points	(772)	7.333
Other provisions	574.412	285.958
	1.669.865	947.009
Adjustments for impairment loss/(reversal of impairment loss):		
Provisions for impairment on loans	2.880.009	5.740.449
Provisions for impairment on trade receivables	57.868	69.866
Provisions for impairment on inventories	42.562	50.616
Provisions for impairment of property, plant and equipment	5.482	22.065
Provision for impairment on assets held for sale	-	26.638
	2.985.921	5.909.634
Net changes in the operating assets and liabilities:		
Finance:		
Receivables from finance sector operations	(54.022.449)	(51.191.356)
Balances with Central Bank of the Republic of Turkey - required reserves	(6.490.779)	(14.898.767)
Payables from finance sector operations	70.997.870	62.954.627
Other assets and liabilities, net	4.291.905	(7.328.670)
	14.776.547	(10.464.166)
Non-Finance:		
Inventories	(14.342.247)	(571.115)
Trade receivables	(12.249.558)	(2.954.236)
Trade payables	19.459.297	(3.942.463)
Other receivables and payables, net	(5.925.554)	2.253.482
Other assets and liabilities, net	4.063.713	2.410.702
	(8.994.349)	(2.803.630)
Currency translation differences	1.048.476	1.509.891
	6.830.674	(11.757.905)
Cash and cash equivalents:		
Cash and cash equivalents (Note 5)	68.340.445	50.946.583
Add: Balances with Central Bank of the Republic of Turkey - free balances	32.343.053	24.768.886
Less: Blocked deposits (Note 5)	(2.702.361)	(2.069.394)
	97.981.137	73.646.075

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.6)

KOÇ HOLDİNG A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2021**

(Amounts on tables expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 29 - EVENTS AFTER THE BALANCE SHEET DATE

- i) Within the scope of the share buyback program initiated by the Board of Directors of Koç Holding A.Ş. on 1 July 2021 and considering the transactions that were cleared as of the issue date of this financial statements, shares with a nominal value of TL890 thousand corresponding to 0,03% of Koç Holding's share capital were repurchased with a total cost of TL19.066 thousand including the transaction costs.
- ii) In the tender organised and announced by the Privatisation Administration of Turkey for the privatisation of Fenerbahçe Kalamış Marina owned by Turkish Maritime Lines, by the method of Transfer of Operating Rights for a period of 40 years within the frame of the Law on Privatisation Practices No. 4046, Tek-Art Kalamış ve Fenerbahçe Marmara Turizm Tesisleri A.Ş., a Subsidiary of the Group, submitted the highest bid amounting to TL2.531 million on 7 October 2021. Approval of the Competition Board has been granted as of the date of this report and finalisation of the tender result is subject to final approval of Privatisation High Council.

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