

**KOÇ HOLDİNG A.Ş.**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2021  
TOGETHER WITH AUDITOR’S REVIEW REPORT**

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR’S REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED  
CONSOLIDATED FINANCIAL INFORMATION**

To the General Assembly of Koç Holding A.Ş.

*Introduction*

1. We have reviewed the accompanying condensed consolidated statement of balance sheet of Koç Holding A.Ş. (the “Company” or “Koç Holding”), its subsidiaries and its joint ventures (“collectively referred as the “Group”) as at 30 June 2021, the condensed consolidated statement of income, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of changes in equity, condensed consolidated cash flows and other explanatory notes for the six-month period then ended (“interim condensed consolidated financial information”). The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

*Scope of review*

2. We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410, “Review of interim financial information performed by the independent auditor of the entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information of the Group is not prepared, in all material respects, in accordance with TAS 34.



*Other matter*

4. As explained in Note 2.1.3 to the interim condensed consolidated financial information, EUR and USD amounts shown in the accompanying interim condensed consolidated financial information have been translated from Turkish Lira (“TL”) , as a matter of arithmetic computation only, at the official EUR and USD bid rates announced by the Central Bank of the Republic of Turkey (“CBRT”) effective as of 30 June 2021 for the consolidated balance sheet; and the official EUR and USD average CBRT bid rates for the first six months of 2021 for the consolidated statement of income, consolidated statement of other comprehensive income and consolidated statement of cash flows, and they do not form part of these interim condensed consolidated financial information.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Halûk Yalçın, SMMM  
Partner

İstanbul, 12 August 2021

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

**KOÇ HOLDİNG A.Ş.**

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

<b>CONTENTS</b>	<b>INDEX</b>
<b>CONSOLIDATED BALANCE SHEETS.....</b>	<b>1-2</b>
<b>CONSOLIDATED STATEMENTS OF INCOME .....</b>	<b>3</b>
<b>CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME .....</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY .....</b>	<b>5</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOW .....</b>	<b>6</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>7-58</b>
NOTE 1 GROUP'S ORGANISATION AND NATURE OF OPERATIONS .....	7-12
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS .....	13-15
NOTE 3 BUSINESS COMBINATIONS.....	16-17
NOTE 4 SEGMENT REPORTING.....	18-23
NOTE 5 CASH AND CASH EQUIVALENTS.....	24
NOTE 6 FINANCIAL ASSETS .....	24-25
NOTE 7 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD.....	26-28
NOTE 8 TRADE RECEIVABLES AND PAYABLES.....	29
NOTE 9 RECEIVABLES FROM FINANCE SECTOR OPERATIONS.....	30-31
NOTE 10 INVENTORIES.....	32
NOTE 11 PROPERTY, PLANT AND EQUIPMENT .....	32
NOTE 12 OTHER INTANGIBLE ASSETS .....	33
NOTE 13 BORROWINGS .....	34
NOTE 14 PAYABLES OF FINANCE SECTOR OPERATIONS .....	35
NOTE 15 TAX ASSETS AND LIABILITIES .....	35-37
NOTE 16 PROVISIONS .....	37-38
NOTE 17 OTHER RECEIVABLES AND PAYABLES.....	38
NOTE 18 OTHER ASSETS AND LIABILITIES .....	39-40
NOTE 19 EQUITY .....	41-42
NOTE 20 OTHER OPERATING INCOME/EXPENSES .....	43
NOTE 21 GAINS/LOSSES FROM INVESTMENT ACTIVITIES .....	43
NOTE 22 FINANCIAL INCOME/EXPENSES .....	44
NOTE 23 RELATED PARTY DISCLOSURES .....	44-45
NOTE 24 COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES .....	45-47
NOTE 25 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT .....	48-54
NOTE 26 FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS.....	54-56
NOTE 27 EARNINGS PER SHARE.....	56
NOTE 28 SUPPLEMENTARY CASH FLOW INFORMATION .....	57
NOTE 29 EVENTS AFTER THE BALANCE SHEET DATE.....	58

**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 JUNE 2021 AND 31 DECEMBER 2020**

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

		<b>30 June 2021</b>	<b>30 June 2021</b>	<i>Reviewed</i> <b>30 June 2021</b>	<i>Audited</i> <b>31 December 2020</b>
	<b>Notes</b>	<b>(*) EUR'000</b>	<b>(*) USD'000</b>	<b>TL'000</b>	<b>TL'000</b>
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	5	6.762.367	8.051.343	70.088.555	60.360.801
Balances with the Central Bank of the Republic of Turkey		5.660.372	6.739.297	58.666.930	48.972.272
Financial assets	6	940.384	1.119.631	9.746.610	6.126.643
Trade receivables	8	2.852.838	3.396.618	29.568.235	20.478.731
- <i>Related parties</i>	8	175.735	209.232	1.821.408	1.239.528
- <i>Third parties</i>	8	2.677.103	3.187.386	27.746.827	19.239.203
Receivables from finance sector operations	9	16.709.605	19.894.627	173.186.703	157.462.310
Derivative instruments		374.555	445.949	3.882.077	2.317.060
Inventories	10	3.063.183	3.647.056	31.748.356	18.651.844
Other receivables	17	414.166	493.110	4.292.623	2.193.924
Other current assets	18	2.713.565	3.230.798	28.124.746	24.809.568
		39.491.035	47.018.429	409.304.835	341.373.153
Assets held for sale		3.408	4.057	35.320	201.321
<b>Total current assets</b>		<b>39.494.443</b>	<b>47.022.486</b>	<b>409.340.155</b>	<b>341.574.474</b>
<b>Non-current assets:</b>					
Financial assets	6	8.059.177	9.595.339	83.529.343	73.171.712
Investments accounted for using the equity method	7	808.767	962.926	8.382.466	8.367.140
Trade receivables	8	76.343	90.895	791.259	521.842
- <i>Third parties</i>	8	76.343	90.895	791.259	521.842
Receivables from finance sector operations	9	15.177.880	18.070.939	157.311.138	137.770.791
Derivative instruments		443.954	528.576	4.601.358	3.902.082
Investment properties		35.975	42.833	372.866	384.742
Property, plant and equipment	11	4.000.286	4.762.782	41.460.968	38.520.817
Intangible assets		1.357.645	1.616.426	14.071.312	12.932.015
- <i>Goodwill</i>		411.465	489.895	4.264.632	3.725.523
- <i>Other intangible assets</i>	12	946.180	1.126.531	9.806.680	9.206.492
Deferred tax assets	15	988.293	1.176.671	10.243.160	9.812.215
Other non-current assets	18	597.842	711.797	6.196.331	3.142.714
<b>Total non-current assets</b>		<b>31.546.162</b>	<b>37.559.184</b>	<b>326.960.201</b>	<b>288.526.070</b>
<b>Total assets</b>		<b>71.040.605</b>	<b>84.581.670</b>	<b>736.300.356</b>	<b>630.100.544</b>

(\*) 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 June 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 June 2021 have been approved for issue by the Board of Directors on 12 August 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 JUNE 2021 AND 31 DECEMBER 2020**

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

		<b>30 June 2021</b>	<b>30 June 2021</b>	<i>Reviewed</i> <b>30 June 2021</b>	<i>Audited</i> <b>31 December 2020</b>
	<b>Notes</b>	<b>(*) EUR'000</b>	<b>(*) USD'000</b>	<b>TL'000</b>	<b>TL'000</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Short term borrowings	13	3.221.787	3.835.892	33.392.208	23.766.653
Short term portion of long term borrowings	13	5.508.778	6.558.808	57.095.733	47.957.577
Trade payables	8	4.446.867	5.294.485	46.089.551	29.039.594
- <i>Related parties</i>	8	231.950	276.162	2.404.042	2.638.387
- <i>Third parties</i>	8	4.214.917	5.018.323	43.685.509	26.401.207
Payables of finance sector operations	14	30.754.405	36.616.509	318.754.035	274.101.362
Derivative instruments		236.458	281.530	2.450.773	4.688.529
Current income tax liabilities	15	43.400	51.673	449.823	1.587.179
Short term provisions	16	245.374	292.144	2.543.174	1.878.630
Other payables	17	331.535	394.729	3.436.194	4.075.701
Other current liabilities	18	3.275.807	3.900.212	33.952.131	27.383.629
		48.064.411	57.225.982	498.163.622	414.478.854
Liabilities related to assets held for sale		-	-	-	14.110
<b>Total current liabilities</b>		<b>48.064.411</b>	<b>57.225.982</b>	<b>498.163.622</b>	<b>414.492.964</b>
<b>Non-current liabilities:</b>					
Long term borrowings	13	11.965.802	14.246.606	124.019.554	110.083.014
Payables of finance sector operations	14	253.317	301.601	2.625.500	3.069.577
Derivative instruments		559.780	666.479	5.801.837	6.748.047
Other payables	17	-	-	-	207.350
Deferred tax liabilities	15	161.384	192.145	1.672.664	1.258.612
Long term provisions		541.523	644.743	5.612.612	4.986.473
- <i>Long term provisions for employee benefits</i>		357.111	425.180	3.701.273	3.434.738
- <i>Other long term provisions</i>	16	184.412	219.563	1.911.339	1.551.735
Other non-current liabilities	18	142.976	170.229	1.481.874	1.183.455
<b>Total non-current liabilities</b>		<b>13.624.782</b>	<b>16.221.803</b>	<b>141.214.041</b>	<b>127.536.528</b>
<b>Total liabilities</b>		<b>61.689.193</b>	<b>73.447.785</b>	<b>639.377.663</b>	<b>542.029.492</b>
<b>Equity:</b>					
Paid-in share capital	19	244.672	291.308	2.535.898	2.535.898
Adjustment to share capital	19	93.327	111.116	967.288	967.288
Share premium		896	1.067	9.286	9.286
Other comprehensive income/(expense) not to be reclassified to profit or loss	19	(30.302)	(36.078)	(314.069)	(278.721)
Other comprehensive income/(expense) to be reclassified to profit or loss	19	237.429	282.685	2.460.830	1.167.240
Restricted reserves	19	50.316	59.907	521.495	523.765
Prior years' income		3.825.537	4.554.723	39.649.779	32.144.813
Profit for the period		512.462	610.143	5.311.413	9.272.570
Equity holders of the parent		4.934.337	5.874.871	51.141.920	46.342.139
Non-controlling interests		4.417.075	5.259.014	45.780.773	41.728.913
<b>Total equity</b>		<b>9.351.412</b>	<b>11.133.885</b>	<b>96.922.693</b>	<b>88.071.052</b>
<b>Total liabilities and equity</b>		<b>71.040.605</b>	<b>84.581.670</b>	<b>736.300.356</b>	<b>630.100.544</b>
<b>Commitments and contingent liabilities</b>	<b>24</b>				

(\*) EUR and USD amounts presented above have been translated from TL for convenience purposes only, at the official TL bid rate announced by the CBRT effective as of 30 June 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.**

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

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

		1 January - 30 June 2021	1 January - 30 June 2021	Reviewed 1 January - 30 June 2021	Reviewed 1 January - 30 June 2020	1 April - 30 June 2021	1 April - 30 June 2020
	Notes	(*) EUR'000	(*) USD'000	TL'000	TL'000	TL'000	TL'000
Revenue		10.815.920	13.033.834	102.517.619	56.559.388	59.216.018	24.363.855
Revenue from finance sector operations		3.106.222	3.743.184	29.442.016	17.407.339	15.438.618	10.167.141
<b>Total revenue</b>	<b>4</b>	<b>13.922.142</b>	<b>16.777.018</b>	<b>131.959.635</b>	<b>73.966.727</b>	<b>74.654.636</b>	<b>34.530.996</b>
Cost of sales		(8.975.858)	(10.816.448)	(85.076.769)	(48.888.472)	(49.684.491)	(19.578.881)
Cost of finance sector operations		(1.874.744)	(2.259.179)	(17.769.574)	(7.937.272)	(9.641.180)	(4.894.341)
<b>Total costs</b>		<b>(10.850.602)</b>	<b>(13.075.627)</b>	<b>(102.846.343)</b>	<b>(56.825.744)</b>	<b>(59.325.671)</b>	<b>(24.473.222)</b>
Gross profit (non-finance)		1.840.062	2.217.386	17.440.850	7.670.916	9.531.527	4.784.974
Gross profit (finance)		1.231.478	1.484.005	11.672.442	9.470.067	5.797.438	5.272.800
<b>Gross profit</b>		<b>3.071.540</b>	<b>3.701.391</b>	<b>29.113.292</b>	<b>17.140.983</b>	<b>15.328.965</b>	<b>10.057.774</b>
Marketing expenses		(668.045)	(805.035)	(6.332.001)	(3.993.452)	(3.387.553)	(1.941.274)
General administrative expenses		(759.720)	(915.508)	(7.200.929)	(5.534.858)	(3.755.008)	(3.004.842)
Research and development expenses		(26.617)	(32.075)	(252.288)	(203.419)	(131.800)	(101.323)
Other operating income	20	361.815	436.009	3.429.432	2.163.295	1.521.476	968.469
Other operating expenses	20	(774.471)	(933.284)	(7.340.745)	(5.651.786)	(2.347.805)	(2.677.523)
Share of profit/loss of investments accounted for using the equity method	7	204.508	246.444	1.938.404	672.423	953.147	231.381
<b>Operating profit</b>	<b>4</b>	<b>1.409.010</b>	<b>1.697.942</b>	<b>13.355.165</b>	<b>4.593.186</b>	<b>8.181.422</b>	<b>3.532.662</b>
Gains from investment activities	21	16.049	19.340	152.120	3.614.297	35.854	33.562
Losses from investment activities	21	(2.303)	(2.776)	(21.833)	(3.658)	(14.753)	(1.145)
<b>Operating profit before financial income/(expense)</b>		<b>1.422.756</b>	<b>1.714.506</b>	<b>13.485.452</b>	<b>8.203.825</b>	<b>8.202.523</b>	<b>3.565.079</b>
Financial income	22	1.119.304	1.348.828	10.609.208	8.743.564	4.159.637	5.418.561
Financial expense	22	(1.474.982)	(1.777.443)	(13.980.474)	(12.107.953)	(5.994.907)	(6.886.824)
<b>Profit before tax</b>	<b>4</b>	<b>1.067.078</b>	<b>1.285.891</b>	<b>10.114.186</b>	<b>4.839.436</b>	<b>6.367.253</b>	<b>2.096.816</b>
<b>Tax income/(expense)</b>		<b>(90.564)</b>	<b>(109.135)</b>	<b>(858.399)</b>	<b>(244.387)</b>	<b>(390.085)</b>	<b>(374.288)</b>
- Current income tax expense		(106.061)	(127.810)	(1.005.289)	(1.628.314)	(473.796)	(1.362.534)
- Deferred tax income	15	15.497	18.675	146.890	1.383.927	83.711	988.246
<b>Profit for the period</b>		<b>976.514</b>	<b>1.176.756</b>	<b>9.255.787</b>	<b>4.595.049</b>	<b>5.977.168</b>	<b>1.722.528</b>
<b>Attributable to:</b>							
Non-controlling interest		416.143	501.478	3.944.374	163.867	2.778.939	761.158
<b>Equity holders of the parent</b>	<b>4</b>	<b>560.371</b>	<b>675.278</b>	<b>5.311.413</b>	<b>4.431.182</b>	<b>3.198.229</b>	<b>961.370</b>
<b>Earnings per share (Kr)</b>	<b>27</b>			<b>2,094</b>	<b>1,747</b>	<b>1,261</b>	<b>0,379</b>

(\*) 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 six month period ended 30 June 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.**

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

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

	1 January - 30 June 2021 (*) EUR'000	1 January - 30 June 2021 (*) USD'000	Reviewed 1 January - 30 June 2021 TL'000	Reviewed 1 January - 30 June 2020 TL'000	1 April - 30 June 2021 TL'000	1 April - 30 June 2020 TL'000
<b>Profit for the period</b>	<b>976.514</b>	<b>1.176.756</b>	<b>9.255.787</b>	<b>4.595.049</b>	<b>5.977.168</b>	<b>1.722.528</b>
<b>Other comprehensive income:</b>						
<b>Items not to be reclassified to profit/loss:</b>	<b>(10.057)</b>	<b>(12.120)</b>	<b>(95.330)</b>	<b>(102.722)</b>	<b>(77.928)</b>	<b>(56.730)</b>
Gains/(losses) on remeasurements of defined benefit plans	(9.653)	(11.633)	(91.499)	(112.908)	(72.510)	(50.618)
Share of other comprehensive income/(expenses) of investments accounted for using the equity method	(404)	(487)	(3.831)	10.186	(5.418)	(6.112)
<b>Taxes relating to other comprehensive income not to be reclassified to profit/loss</b>	<b>1.913</b>	<b>2.305</b>	<b>18.133</b>	<b>23.788</b>	<b>14.558</b>	<b>10.741</b>
Gains/(losses) on remeasurements of defined benefit plans, tax effect	1.913	2.305	18.133	23.788	14.558	10.741
<b>Items to be reclassified to profit/loss</b>	<b>329.706</b>	<b>397.318</b>	<b>3.125.089</b>	<b>1.157.339</b>	<b>(291.032)</b>	<b>1.244.285</b>
Currency translation differences	258.379	311.365	2.449.021	1.301.593	981.025	863.206
Gains/(losses) on financial assets measured at fair value through other comprehensive income	(11.652)	(14.041)	(110.439)	510.519	169.915	1.092.113
Gains/(losses) on hedges of net investments in foreign operations	(94.499)	(113.877)	(895.697)	(709.767)	(395.219)	(315.236)
Gains/(losses) on cash flow hedges	175.208	211.136	1.660.692	323.669	(1.103.619)	(381.246)
Share of other comprehensive income/(expenses) of investments accounted for using the equity method	2.270	2.735	21.512	(268.675)	56.866	(14.552)
<b>Taxes relating to other comprehensive income to be reclassified to profit/loss</b>	<b>(4.754)</b>	<b>(5.729)</b>	<b>(45.063)</b>	<b>(13.926)</b>	<b>336.453</b>	<b>(80.253)</b>
Gains/(losses) on financial assets measured at fair value through other comprehensive income, tax effect	4.295	5.176	40.711	(67.962)	(36.054)	(211.570)
Gains/(losses) on hedges of net investments in foreign operations, tax effect	23.625	28.469	223.925	156.149	123.829	69.352
Gains/(losses) on cash flow hedges, tax effect	(32.674)	(39.374)	(309.699)	(102.113)	248.678	61.965
<b>Other comprehensive income/(expense)</b>	<b>316.808</b>	<b>381.774</b>	<b>3.002.829</b>	<b>1.064.479</b>	<b>(17.949)</b>	<b>1.118.043</b>
<b>Total comprehensive income</b>	<b>1.293.322</b>	<b>1.558.530</b>	<b>12.258.616</b>	<b>5.659.528</b>	<b>5.959.219</b>	<b>2.840.571</b>
<b>Attributable to:</b>						
Non-controlling interest	600.203	723.280	5.688.961	906.242	2.809.570	1.355.369
<b>Equity holders of the parent</b>	<b>693.119</b>	<b>835.250</b>	<b>6.569.655</b>	<b>4.753.286</b>	<b>3.149.649</b>	<b>1.485.202</b>

(\*) 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 six month period ended 30 June 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.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE INTERIM PERIODS ENDED 30 JUNE 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	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
<b>Balances at 1 January 2020</b>	<b>2.535.898</b>	<b>967.288</b>	<b>9.286</b>	<b>(297.850)</b>	<b>2.529.699</b>	<b>(2.992.323)</b>	<b>57.615</b>	<b>523.765</b>	<b>28.557.523</b>	<b>4.391.159</b>	<b>36.282.060</b>	<b>13.369.975</b>	<b>49.652.035</b>
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	-	-	-	-	-	-	-	-	(31.592)	-	(31.592)	173.908	142.316
Total comprehensive income/(expense)	-	-	-	(28.111)	657.117	(673.325)	366.423	-	-	4.431.182	4.753.286	906.242	5.659.528
<b>Balances at 30 June 2020</b>	<b>2.535.898</b>	<b>967.288</b>	<b>9.286</b>	<b>(224.929)</b>	<b>2.300.290</b>	<b>(2.320.414)</b>	<b>355.090</b>	<b>523.765</b>	<b>32.145.357</b>	<b>4.431.182</b>	<b>40.722.813</b>	<b>37.314.564</b>	<b>78.037.377</b>
<b>Balances at 1 January 2021</b>	<b>2.535.898</b>	<b>967.288</b>	<b>9.286</b>	<b>(278.721)</b>	<b>3.173.469</b>	<b>(2.395.325)</b>	<b>389.096</b>	<b>523.765</b>	<b>32.144.813</b>	<b>9.272.570</b>	<b>46.342.139</b>	<b>41.728.913</b>	<b>88.071.052</b>
Transfers	-	-	-	-	-	-	-	(2.270)	9.274.840	(9.272.570)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(1.769.874)	-	(1.769.874)	(1.637.101)	(3.406.975)
Total comprehensive income/(expense)	-	-	-	(35.348)	1.156.388	101.579	35.623	-	-	5.311.413	6.569.655	5.688.961	12.258.616
<b>Balances at 30 June 2021</b>	<b>2.535.898</b>	<b>967.288</b>	<b>9.286</b>	<b>(314.069)</b>	<b>4.329.857</b>	<b>(2.293.746)</b>	<b>424.719</b>	<b>521.495</b>	<b>39.649.779</b>	<b>5.311.413</b>	<b>51.141.920</b>	<b>45.780.773</b>	<b>96.922.693</b>

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 CASH FLOWS  
FOR THE INTERIM PERIODS ENDED 30 JUNE 2021 AND 2020**

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

		<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2021</b>	<i>Reviewed</i> <b>1 January - 30 June 2021</b>	<i>Reviewed</i> <b>1 January - 30 June 2020</b>
	<b>Notes</b>	<b>(*) EUR'000</b>	<b>(*) USD'000</b>	<b>TL'000</b>	<b>TL'000</b>
<b>A. Cash flows from operating activities:</b>					
Profit for the period		976.514	1.176.756	9.255.787	4.595.049
<b>Adjustments to reconcile net cash generated:</b>					
Tax (income)/expense		90.564	109.135	858.399	244.387
Undistributed profits of investments accounted for using the equity method	7	(204.508)	(246.444)	(1.938.404)	(672.423)
Depreciation and amortisation	4	246.935	297.572	2.340.549	1.912.818
Adjustments for provisions	28	126.518	152.461	1.199.184	648.300
Adjustments for impairment loss/(reversal of impairment loss)	28	207.070	249.532	1.962.697	3.577.558
Adjustments for non-finance sector interest (income)/expenses, net	22	218.687	263.531	2.072.800	2.014.868
Adjustments for finance sector interest (income)/expenses		(413.018)	(497.711)	(3.914.746)	(1.159.776)
Fair value losses/(gains) on derivative instruments		53.974	65.042	511.588	326.737
Unrealised foreign exchange losses/(gains)		743.554	896.027	7.047.701	(1.958.067)
- Exchange (gains)/losses on borrowings, net		2.079.078	2.505.414	19.706.333	7.966.983
- Exchange (gains)/losses on cash and cash equivalents, net		(1.335.524)	(1.609.387)	(12.658.632)	(9.925.050)
Losses/(gains) on disposal of non-current assets	21	(11.382)	(13.716)	(107.887)	(77.859)
Losses/(gains) on disposal of non-current assets held for sale	21	299	360	2.831	-
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)
		<b>2.035.207</b>	<b>2.452.545</b>	<b>19.290.499</b>	<b>5.944.978</b>
Changes in net working capital	28	(147.680)	(177.964)	(1.399.774)	4.833.399
Income taxes refund/(paid)		(220.436)	(265.639)	(2.089.385)	(1.011.881)
Dividends received from Joint Ventures and Associates, net	7	207.357	249.877	1.965.411	1.109.116
<b>Total cash flows from operating activities</b>		<b>1.874.448</b>	<b>2.258.819</b>	<b>17.766.751</b>	<b>10.875.612</b>
<b>B. Cash flows from investing activities:</b>					
Cash outflows from purchases of property, plant and equipment and intangible assets	4	(574.028)	(691.739)	(5.440.870)	(2.714.012)
Cash inflows from sale of property, plant and equipment and intangible assets		112.782	135.909	1.068.996	706.319
Cash outflows to gain control of subsidiaries	3,18	(353.180)	(425.604)	(3.347.585)	-
Cash inflows from disposal of non-current assets held for sale		222	268	2.107	-
Cash inflows from sale of subsidiaries without loss of control		-	-	-	142.316
Cash outflows from acquisition of interest/capital increase in financial assets		(8.808)	(10.614)	(83.484)	(48.714)
Cash outflows from capital increases of Joint Ventures		(4.590)	(5.531)	(43.507)	(35.947)
Other cash inflows/(outflows)		(1.219.428)	(1.469.484)	(11.558.224)	25.041.241
- Cash inflows due to business combinations, net		-	-	-	41.536.741
- 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		(1.219.428)	(1.469.484)	(11.558.224)	(17.006.775)
<b>Total cash flows from investing activities</b>		<b>(2.047.030)</b>	<b>(2.466.795)</b>	<b>(19.402.567)</b>	<b>23.091.203</b>
<b>C. Cash flows from financing activities:</b>					
Dividends paid		(359.446)	(433.154)	(3.406.975)	(992.488)
Cash inflows from borrowings	13	5.187.656	6.251.437	49.170.680	54.350.202
Cash outflows from repayments of borrowings	13	(3.971.112)	(4.785.429)	(37.639.789)	(52.468.141)
Cash inflows/(outflows) from derivative instruments, net		(108.450)	(130.688)	(1.027.929)	(461.666)
Cash outflows from payments of lease liabilities	13	(51.486)	(62.044)	(488.007)	(415.012)
Non-finance sectors interest paid		(267.271)	(322.077)	(2.533.298)	(2.384.898)
Non-finance sectors interest received		98.662	118.893	935.156	473.996
<b>Total cash flows from financing activities</b>		<b>528.553</b>	<b>636.938</b>	<b>5.009.838</b>	<b>(1.898.007)</b>
Effects of exchange rate changes on cash and cash equivalents		1.335.524	1.609.387	12.658.632	9.925.050
Net increase in cash and cash equivalents		1.691.495	2.038.349	16.032.654	41.993.858
Cash and cash equivalents at the beginning of the period		8.925.428	10.755.677	84.598.776	35.955.112
<b>Cash and cash equivalents at the end of the period</b>	<b>28</b>	<b>10.616.923</b>	<b>12.794.026</b>	<b>100.631.430</b>	<b>77.948.970</b>

(\*) 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 six month period ended 30 June 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 JUNE 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:

	<b>End of period</b>		<b>Average</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>
Monthly paid	46.240	45.091	45.758	46.138
Hourly paid	56.351	55.550	54.368	47.316
<b>Total number of personnel</b>	<b>102.591</b>	<b>100.641</b>	<b>100.126</b>	<b>93.454</b>

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 ("BİST") since 10 January 1986. As of 30 June 2021, shareholding structure of Koç Holding is as follows:

	<b>%</b>
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
	<b>100,00</b>

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 JUNE 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**

<b>Subsidiaries</b>	<b>Country of incorporation</b>	<b>Nature of business</b>
Aygaz Aykargo Dağıtım Hizmetleri A.Ş. ("Aygaz Aykargo")	Turkey	Cargo Transport/Distribution
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş. ("Akpa")	Turkey	Marketing
Anadoluhisari Tankercilik A.Ş. ("Anadoluhisari 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
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

<b>Joint Ventures</b>	<b>Joint Venture Partner</b>	<b>Country of incorporation</b>	<b>Nature of business</b>
Ayas Enerji Üretim ve Ticaret A.Ş. ("Ayas Enerji")	Oyak Birleşik Enerji A.Ş.	Turkey	Power Generation
Güney Tankercilik A.Ş. ("Güney Tankercilik")	Türk Hava Yolları	Turkey	Petroleum Shipping
Kuzey Tankercilik A.Ş. ("Kuzey Tankercilik")	Türk Hava Yolları	Turkey	Petroleum Shipping
Opet Aygaz Gayrimenkul A.Ş. ("Opet Aygaz Gayrimenkul")	Öztürk Family	Turkey	Real Estate
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. ("Opet Fuchs")	Fuchs Petrolub SE	Turkey	Lubricant Trading
Opet International Limited ("Opet International")	Öztürk Family	The UK	Petroleum Products Trading
Opet Market ve Akaryakıt İstasyon İşletmeciliği A.Ş. ("Opet Market ve Akaryakıt")	Öztürk Family	Turkey	Petroleum Products Trading and Retail
Opet Petrolcülük A.Ş. ("Opet")	Öztürk Family	Turkey	Petroleum Products Trading
Opet Trade B.V. ("Opet Trade BV")	Öztürk Family	Netherlands	Petroleum Products Trading
Tasfiye Halinde Opet Trade (Singapore) Pte. Ltd. ("Opet Singapore") <sup>(1)</sup>	Öztürk Family	Singapore	Petroleum Products Trading
THY Opet Havacılık Yakıtları A.Ş. ("THY Opet")	Türk Hava Yolları	Turkey	Petroleum Products Trading
United LPG Ltd. ("United LPG") <sup>(2)</sup>	United Enterprises & Co. Ltd.	Bangladesh	LPG Supply, Filling and Distribution

(1) In the process of liquidation.

(2) 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 JUNE 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 JUNE 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**

<b><u>Subsidiaries</u></b>	<b><u>Country of incorporation</u></b>	<b><u>Nature of business</u></b>
Arçelik A.Ş. ("Arçelik")	Turkey	Production/Sales
Arçelik Pazarlama A.Ş. ("Arçelik Pazarlama")	Turkey	Service/Sales/Marketing
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") <sup>(1)</sup>	Kazakhstan	Sales
Beko Cesko ("Beko Cesko") <sup>(2)</sup>	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
Grundig Intermedia Ges.m.b.H ("Grundig Austria") <sup>(2)</sup>	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") <sup>(2)</sup>	Portugal	-
Pan Asia Private Equity Ltd. ("Pan Asia")	British Virgin Islands	Holding
PT Home Appliances Indonesia ("PT Home")	Indonesia	Sales
Retail Holdings Bhold B.V. ("Retail Holdings")	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
Whirlpool Beyaz Eşya Sanayi ve Ticaret A.Ş. ("Whirlpool Beyaz Eşya") <sup>(3)</sup>	Turkey	Production/Sales

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

(2) Non-operational companies as of the balance sheet date.

(3) Acquired on 30 June 2021 (Note 3). Necessary procedures will be completed in the following periods in order to change the title of the company.

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 JUNE 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>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

**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") <sup>(1)</sup>	Malta	Banking
Yapı Kredi Diversified Payment Rights Finance Company ("Yapı Kredi SPC") <sup>(2)</sup>	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 JUNE 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. (“Koç Sistem”)	Turkey	Technology	
KoçSistem Azerbaijan LLC (“Koç Sistem 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”) <sup>(1)</sup>	The Netherlands	Holding	
Token Payment Services SRL (“Token Payment”) <sup>(1)</sup>	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 JUNE 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 5<sup>th</sup> 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 June 2021 of TL10,3645 = EUR1 and TL8,7052 = 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 six month period ended 30 June 2021 of TL9,4784 = EUR1 and TL7,8655 = 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 JUNE 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 June 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 June 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 June 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 June 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 JUNE 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 June 2021 from interests reported as of 31 December 2020, except for the Companies mentioned below:

	Proportion of effective interest		Direct and indirect ownership interest held by Koç Holding		Ownership interest held by Koç Family members		Total ownership interest	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
<b><u>Subsidiaries</u></b>								
Beko Central Asia <sup>(1)</sup>	40,56	40,56	100,00	100,00	-	-	100,00	100,00
International Appliances <sup>(2)</sup>	-	23,11	-	100,00	-	-	-	100,00
Otoyol <sup>(3)</sup>	-	53,95	-	53,95	-	10,18	-	64,13
Token International <sup>(1)</sup>	54,44	54,44	100,00	100,00	-	-	100,00	100,00
Token Payment <sup>(1)</sup>	54,44	54,44	100,00	100,00	-	-	100,00	100,00
Whirlpool Beyaz Eşya <sup>(4)</sup>	40,56	-	100,00	-	-	-	100,00	-
Yapı Kredi Koray <sup>(5)</sup>	-	13,55	-	30,45	-	-	-	30,45

**Joint Ventures**

United LPG <sup>(6)</sup>	20,34	-	50,00	-	-	-	50,00	-
---------------------------	-------	---	-------	---	---	---	-------	---

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

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

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

(4) Acquired on 30 June 2021 (Note 3).

(5) 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.

(6) Aygaz acquired 50% of United LPG shares in 2021.

**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 JUNE 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 Whirlpool Beyaz Eşya Sanayi ve Ticaret A.Ş. ("Whirlpool Beyaz Eşya") on 30 June 2021.

Whirlpool Beyaz Eşya 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 Whirlpool Türkiye until 2023. TL152,2 million, which is calculated by Arçelik management based on the best estimations as of 30 June 2021, is included in the consideration amount and has been considered in 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	963.767
- Cash consideration amount	811.540
- Contingent and deferred consideration amount (Note 18)	152.227
Net assets acquired	(616.856)
<b>Goodwill (provisionally calculated)</b>	<b>346.911</b>

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	226.359
Inventories	436.643
Other current assets	312.374
Property, plant and equipment (Note 11)	225.300
Intangible assets (Note 12)	3.775
Deferred tax assets (Note 15)	70.593
Trade and other payables	(1.024.332)
Other liabilities	(83.910)
<b>Fair value of total identifiable net assets (100%)</b>	<b>616.856</b>

**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 JUNE 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)
<b>Cash outflow due to acquisition (net)</b>	<b>361.486</b>

Had the financial statements of Whirlpool Beyaz Eşya been consolidated from 1 January 2021, Whirlpool Beyaz Eşya'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 TL30.973 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 Netherland 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 Netherland B.V. ("acquired entity") as of 1 July 2021 (Note 18 and Note 29). 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.

**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 JUNE 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 June 2021 and 2020 are presented separately.

<b>1 January - 30 June 2021</b>	<b>Energy</b>	<b>Automotive</b>	<b>Consumer durables</b>	<b>Finance</b>	<b>Other</b>	<b>Total</b>
External revenue	71.531.967	53.049.243	30.865.887	29.414.824	5.155.076	190.016.997
Intra segment revenue	10.267.006	4.272.794	784.249	49.456	664.759	16.038.264
Inter segment revenue	277.823	257.036	205.662	146.970	4.443.423	5.330.914
<b>Combined revenue</b>	<b>82.076.796</b>	<b>57.579.073</b>	<b>31.855.798</b>	<b>29.611.250</b>	<b>10.263.258</b>	<b>211.386.175</b>
<b>Combined gross profit</b>	<b>6.692.198</b>	<b>9.097.167</b>	<b>9.151.530</b>	<b>10.561.009</b>	<b>1.626.069</b>	<b>37.127.973</b>
Operating expenses	(2.468.727)	(2.611.806)	(6.503.154)	(3.911.931)	(1.566.183)	(17.061.801)
Other operating income/(expenses) (net) <sup>(1)</sup>	53.240	(277.552)	(1.305)	(2.270.677)	6.788	(2.489.506)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) <sup>(2)</sup>	(2.080.136)	183.131	169.246	-	(18.583)	(1.746.342)
<b>Combined operating profit</b>	<b>2.196.575</b>	<b>6.390.940</b>	<b>2.816.317</b>	<b>4.378.401</b>	<b>48.091</b>	<b>15.830.324</b>
Gains/(losses) from investment activities (net)	8.982	37.896	710	-	120.050	167.638
Financial income/(expenses) (net)	(1.422.126)	(480.255)	(893.346)	-	224.249	(2.571.478)
<b>Combined profit before tax</b>	<b>783.431</b>	<b>5.948.581</b>	<b>1.923.681</b>	<b>4.378.401</b>	<b>392.390</b>	<b>13.426.484</b>
Tax income/(expense) (net)	486.784	(308.618)	(261.879)	(949.820)	(68.120)	(1.101.653)
<b>Combined net profit for the period</b>	<b>1.270.215</b>	<b>5.639.963</b>	<b>1.661.802</b>	<b>3.428.581</b>	<b>324.270</b>	<b>12.324.831</b>
<b>Net profit for the period <sup>(3)</sup></b>	<b>481.814</b>	<b>2.443.371</b>	<b>685.246</b>	<b>1.565.639</b>	<b>135.343</b>	<b>5.311.413</b>

(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 JUNE 2021**

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

**NOTE 4 - SEGMENT REPORTING (Continued)**

<b>1 January - 30 June 2020</b>	<b>Energy</b>	<b>Automotive</b>	<b>Consumer durables</b>	<b>Finance</b>	<b>Other</b>	<b>Total</b>
External revenue	42.174.602	28.440.950	17.486.656	21.026.231	3.811.928	112.940.367
Intra segment revenue	5.876.981	2.349.528	587.656	20.341	823.756	9.658.262
Inter segment revenue	176.015	114.420	93.901	154.302	2.989.334	3.527.972
<b>Combined revenue</b>	<b>48.227.598</b>	<b>30.904.898</b>	<b>18.168.213</b>	<b>21.200.874</b>	<b>7.625.018</b>	<b>126.126.601</b>
<b>Combined gross profit</b>	<b>1.238.686</b>	<b>4.635.541</b>	<b>5.110.412</b>	<b>10.882.803</b>	<b>1.164.901</b>	<b>23.032.343</b>
Operating expenses	(1.996.939)	(1.771.788)	(4.125.315)	(3.505.126)	(1.199.020)	(12.598.188)
Other operating income/(expenses) (net) <sup>(1)</sup>	(277.406)	62.152	286.159	(4.333.261)	112.757	(4.149.599)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) <sup>(2)</sup>	(572.817)	36.506	339.730	-	(22.425)	(219.006)
<b>Combined operating profit/(loss)</b>	<b>(1.608.476)</b>	<b>2.962.411</b>	<b>1.610.986</b>	<b>3.044.416</b>	<b>56.213</b>	<b>6.065.550</b>
Gains/(losses) from investment activities (net) <sup>(3)</sup>	53.246	4.254	567	21.713	3.537.744	3.617.524
Financial income/(expenses) (net)	(1.836.088)	(789.571)	(928.986)	-	(151.050)	(3.705.695)
<b>Combined profit/(loss) before tax</b>	<b>(3.391.318)</b>	<b>2.177.094</b>	<b>682.567</b>	<b>3.066.129</b>	<b>3.442.907</b>	<b>5.977.379</b>
Tax income/(expense) (net)	684.210	(91.030)	(181.203)	(668.191)	(122.507)	(378.721)
<b>Combined net profit/(loss) for the period</b>	<b>(2.707.108)</b>	<b>2.086.064</b>	<b>501.364</b>	<b>2.397.938</b>	<b>3.320.400</b>	<b>5.598.658</b>
<b>Net profit/(loss) for the period <sup>(4)</sup></b>	<b>(1.001.027)</b>	<b>919.042</b>	<b>210.461</b>	<b>857.206</b>	<b>3.445.500</b>	<b>4.431.182</b>

(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 JUNE 2021**

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

**NOTE 4 - SEGMENT REPORTING (Continued)**

<b>1 April - 30 June 2021</b>	<b>Energy</b>	<b>Automotive</b>	<b>Consumer durables</b>	<b>Finance</b>	<b>Other</b>	<b>Total</b>
External revenue	42.638.785	24.546.585	16.181.051	15.392.372	2.853.791	101.612.584
Intra segment revenue	6.019.502	2.343.853	486.052	29.153	280.528	9.159.088
Inter segment revenue	137.916	77.790	83.118	94.432	2.544.802	2.938.058
<b>Combined revenue</b>	<b>48.796.203</b>	<b>26.968.228</b>	<b>16.750.221</b>	<b>15.515.957</b>	<b>5.679.121</b>	<b>113.709.730</b>
<b>Combined gross profit</b>	<b>4.095.519</b>	<b>4.607.071</b>	<b>4.538.487</b>	<b>5.327.714</b>	<b>924.944</b>	<b>19.493.735</b>
Operating expenses	(1.321.659)	(1.338.302)	(3.456.284)	(2.016.885)	(817.613)	(8.950.743)
Other operating income/(expenses) (net) <sup>(1)</sup>	41.847	32.364	(2.298)	(582.188)	6.322	(503.953)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) <sup>(2)</sup>	(308.561)	33.282	27.088	-	(9.645)	(257.836)
<b>Combined operating profit</b>	<b>2.507.146</b>	<b>3.334.415</b>	<b>1.106.993</b>	<b>2.728.641</b>	<b>104.008</b>	<b>9.781.203</b>
Gains/(losses) from investment activities (net)	5.475	23.321	1.114	-	13.351	43.261
Financial income/(expenses) (net)	(932.319)	(382.665)	(494.549)	-	84.150	(1.725.383)
<b>Combined profit before tax</b>	<b>1.580.302</b>	<b>2.975.071</b>	<b>613.558</b>	<b>2.728.641</b>	<b>201.509</b>	<b>8.099.081</b>
Tax income/(expense) (net)	309.207	(233.225)	(58.104)	(612.442)	(24.084)	(618.648)
<b>Combined net profit for the period</b>	<b>1.889.509</b>	<b>2.741.846</b>	<b>555.454</b>	<b>2.116.199</b>	<b>177.425</b>	<b>7.480.433</b>
<b>Net profit for the period <sup>(3)</sup></b>	<b>771.882</b>	<b>1.178.863</b>	<b>227.138</b>	<b>963.134</b>	<b>57.212</b>	<b>3.198.229</b>

(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 JUNE 2021**

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

**NOTE 4 - SEGMENT REPORTING (Continued)**

<b>1 April - 30 June 2020</b>	<b>Energy</b>	<b>Automotive</b>	<b>Consumer durables</b>	<b>Finance</b>	<b>Other</b>	<b>Total</b>
External revenue	16.963.101	11.697.053	8.682.994	10.117.225	1.695.594	49.155.967
Intra segment revenue	2.136.911	1.300.111	404.954	13.318	413.893	4.269.187
Inter segment revenue	82.248	53.162	52.139	124.952	1.689.802	2.002.303
<b>Combined revenue</b>	<b>19.182.260</b>	<b>13.050.326</b>	<b>9.140.087</b>	<b>10.255.495</b>	<b>3.799.289</b>	<b>55.427.457</b>
<b>Combined gross profit</b>	<b>1.491.413</b>	<b>2.120.985</b>	<b>2.554.104</b>	<b>5.011.183</b>	<b>515.343</b>	<b>11.693.028</b>
Operating expenses	(999.304)	(774.759)	(1.967.503)	(1.779.318)	(526.976)	(6.047.860)
Other operating income/(expenses) (net) <sup>(1)</sup>	(37.220)	36.664	86.139	(1.861.946)	27.284	(1.749.079)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) <sup>(2)</sup>	(106.126)	17.076	146.545	-	(1.373)	56.122
<b>Combined operating profit</b>	<b>348.763</b>	<b>1.399.966</b>	<b>819.285</b>	<b>1.369.919</b>	<b>14.278</b>	<b>3.952.211</b>
Gains/(losses) from investment activities (net)	2.402	3.584	97	14.879	12.835	33.797
Financial income/(expenses) (net)	(749.585)	(416.788)	(443.687)	-	6.736	(1.603.324)
<b>Combined profit/(loss) before tax</b>	<b>(398.420)</b>	<b>986.762</b>	<b>375.695</b>	<b>1.384.798</b>	<b>33.849</b>	<b>2.382.684</b>
Tax income/(expense) (net)	147.547	(83.228)	(126.003)	(310.620)	(17.257)	(389.561)
<b>Combined net profit/(loss) for the period</b>	<b>(250.873)</b>	<b>903.534</b>	<b>249.692</b>	<b>1.074.178</b>	<b>16.592</b>	<b>1.993.123</b>
<b>Net profit/(loss) for the period <sup>(3)</sup></b>	<b>(43.716)</b>	<b>418.506</b>	<b>98.807</b>	<b>308.232</b>	<b>179.541</b>	<b>961.370</b>

(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 JUNE 2021**

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

**NOTE 4 - SEGMENT REPORTING (Continued)**

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
<b>a) <u>Revenue</u></b>				
Energy	82.076.796	48.227.598	48.796.203	19.182.260
Automotive	57.579.073	30.904.898	26.968.228	13.050.326
Consumer durables	31.855.798	18.168.213	16.750.221	9.140.087
Finance	29.611.250	21.200.874	15.515.957	10.255.495
Other	10.263.258	7.625.018	5.679.121	3.799.289
<b>Combined</b>	<b>211.386.175</b>	<b>126.126.601</b>	<b>113.709.730</b>	<b>55.427.457</b>
Less: Joint Ventures (Note 7.c)	(73.301.727)	(47.880.973)	(35.923.428)	(18.627.289)
Less: Consolidation eliminations and adjustments	(6.124.813)	(4.278.901)	(3.131.666)	(2.269.172)
<b>Consolidated</b>	<b>131.959.635</b>	<b>73.966.727</b>	<b>74.654.636</b>	<b>34.530.996</b>
<b>b) <u>Operating profit</u></b>				
Energy	2.196.575	(1.608.476)	2.507.146	348.763
Automotive	6.390.940	2.962.411	3.334.415	1.399.966
Consumer durables	2.816.317	1.610.986	1.106.993	819.285
Finance	4.378.401	3.044.416	2.728.641	1.369.919
Other	48.091	56.213	104.008	14.278
<b>Combined</b>	<b>15.830.324</b>	<b>6.065.550</b>	<b>9.781.203</b>	<b>3.952.211</b>
Less: Joint Ventures (Note 7.c)	(5.510.653)	(2.505.276)	(3.015.076)	(905.837)
Less: Consolidation eliminations and adjustments	1.097.090	360.489	462.148	254.907
Add: Net profit shares of Joint Ventures and associates (Note 7.b)	1.938.404	672.423	953.147	231.381
<b>Consolidated</b>	<b>13.355.165</b>	<b>4.593.186</b>	<b>8.181.422</b>	<b>3.532.662</b>
<b>c) <u>Depreciation and amortisation</u> (*)</b>				
Energy	763.354	645.302	389.345	334.537
Automotive	1.594.885	1.284.146	830.969	652.987
Consumer durables	737.223	590.758	386.547	303.441
Finance	503.041	388.281	251.349	236.076
Other	205.447	172.523	103.213	69.200
<b>Combined</b>	<b>3.803.950</b>	<b>3.081.010</b>	<b>1.961.423</b>	<b>1.596.241</b>
Less: Joint Ventures	(1.408.405)	(1.120.297)	(720.600)	(552.244)
Less: Consolidation eliminations and adjustments	(54.996)	(47.895)	(29.924)	(27.173)
<b>Consolidated</b>	<b>2.340.549</b>	<b>1.912.818</b>	<b>1.210.899</b>	<b>1.016.824</b>

(\*) Includes the depreciation expenses of right-of-use assets. As of 30 June 2021, combined depreciation expense of the right-of-use assets amounted to TL674.627 thousand (30 June 2020: TL479.600 thousand) and consolidated depreciation expense amounted to TL451.178 thousand (30 June 2020: TL332.022 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 JUNE 2021**

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

**NOTE 4 - SEGMENT REPORTING (Continued)**

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
<b>d) <u>Profit before tax</u></b>				
Energy	783.431	(3.391.318)	1.580.302	(398.420)
Automotive	5.948.581	2.177.094	2.975.071	986.762
Consumer durables	1.923.681	682.567	613.558	375.695
Finance	4.378.401	3.066.129	2.728.641	1.384.798
Other	392.390	3.442.907	201.509	33.849
<b>Combined</b>	<b>13.426.484</b>	<b>5.977.379</b>	<b>8.099.081</b>	<b>2.382.684</b>
Less: Joint Ventures (Note 7.c)	(5.250.702)	(1.810.366)	(2.684.975)	(517.249)
Add: Net profit shares of Joint Ventures and associates (Note 7.b)	1.938.404	672.423	953.147	231.381
<b>Consolidated</b>	<b>10.114.186</b>	<b>4.839.436</b>	<b>6.367.253</b>	<b>2.096.816</b>
<b>e) <u>Net profit for the period</u></b>				
Energy	1.270.215	(2.707.108)	1.889.509	(250.873)
Automotive	5.639.963	2.086.064	2.741.846	903.534
Consumer durables	1.661.802	501.364	555.454	249.692
Finance	3.428.581	2.397.938	2.116.199	1.074.178
Other	324.270	3.320.400	177.425	16.592
<b>Combined</b>	<b>12.324.831</b>	<b>5.598.658</b>	<b>7.480.433</b>	<b>1.993.123</b>
Less: Joint Ventures (Note 7.c)	(5.007.448)	(1.676.032)	(2.456.412)	(501.976)
Add: Net profit shares of Joint Ventures and associates (Note 7.b)	1.938.404	672.423	953.147	231.381
Less: Non-controlling interests	(3.944.374)	(163.867)	(2.778.939)	(761.158)
<b>Consolidated (attributable to the equity holders of the parent)</b>	<b>5.311.413</b>	<b>4.431.182</b>	<b>3.198.229</b>	<b>961.370</b>
<b>f) <u>Capital expenditures</u> (*)</b>				
Energy	971.599	722.119	566.143	315.550
Automotive	4.673.919	1.933.238	3.024.691	1.023.881
Consumer durables	934.710	604.867	526.404	294.043
Finance	336.885	279.500	246.627	199.283
Other	234.777	135.218	160.598	68.062
<b>Combined</b>	<b>7.151.890</b>	<b>3.674.942</b>	<b>4.524.463</b>	<b>1.900.819</b>
Less: Joint Ventures	(1.711.020)	(960.930)	(908.928)	(551.890)
<b>Consolidated</b>	<b>5.440.870</b>	<b>2.714.012</b>	<b>3.615.535</b>	<b>1.348.929</b>

(\*) 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 JUNE 2021**

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

**NOTE 5 - CASH AND CASH EQUIVALENTS**

	30 June 2021			31 December 2020		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Cash in hand	8.326.464	10.008	8.336.472	6.056.965	5.955	6.062.920
Cheques received	139	93.450	93.589	31	83.672	83.703
Banks						
- Demand deposits	19.284.289	2.981.293	22.265.582	10.848.518	2.170.692	13.019.210
- Time deposits	6.768.096	32.235.743	39.003.839	8.364.924	30.893.850	39.258.774
- Reverse repo receivables	-	-	-	1.696.865	-	1.696.865
Other	-	389.073	389.073	-	239.329	239.329
	<b>34.378.988</b>	<b>35.709.567</b>	<b>70.088.555</b>	<b>26.967.303</b>	<b>33.393.498</b>	<b>60.360.801</b>

As of 30 June 2021, total blocked deposits amounted to TL2.586.684 thousand (31 December 2020: 2.214.489 thousand). As of 30 June 2021, TL2.546.117 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 TL14.438.643 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 June 2021			31 December 2020		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Financial assets measured at fair value through profit or loss	680.979	213.862	894.841	676.762	130.378	807.140
Financial assets measured at fair value through other comprehensive income	5.911.594	20.353.112	26.264.706	4.000.489	21.478.197	25.478.686
Financial assets measured at amortised cost	3.154.037	62.962.369	66.116.406	1.449.392	51.563.137	53.012.529
	<b>9.746.610</b>	<b>83.529.343</b>	<b>93.275.953</b>	<b>6.126.643</b>	<b>73.171.712</b>	<b>79.298.355</b>

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

	30 June 2021			31 December 2020		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
<b>Debt securities:</b>						
Government bonds	223.115	-	223.115	276.735	-	276.735
	223.115	-	223.115	276.735	-	276.735
<b>Equity securities:</b>						
Listed	229.418	-	229.418	171.581	-	171.581
Unlisted	228.446	213.862	442.308	228.446	130.378	358.824
	457.864	213.862	671.726	400.027	130.378	530.405
	<b>680.979</b>	<b>213.862</b>	<b>894.841</b>	<b>676.762</b>	<b>130.378</b>	<b>807.140</b>

**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 JUNE 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**

	<b>30 June 2021</b>			<b>31 December 2020</b>		
	<b>Finance</b>	<b>Non-Finance</b>	<b>Total</b>	<b>Finance</b>	<b>Non-Finance</b>	<b>Total</b>
<b>Debt securities:</b>						
Government bonds	22.801.259	-	22.801.259	19.883.975	-	19.883.975
Eurobonds	2.082.797	-	2.082.797	3.737.019	-	3.737.019
Private sector bonds	775.767	-	775.767	1.391.365	-	1.391.365
	25.659.823	-	25.659.823	25.012.359	-	25.012.359
<b>Equity securities:</b>						
Listed	-	512.250	512.250	-	374.700	374.700
Unlisted	92.633	-	92.633	91.627	-	91.627
	92.633	512.250	604.883	91.627	374.700	466.327
	<b>25.752.456</b>	<b>512.250</b>	<b>26.264.706</b>	<b>25.103.986</b>	<b>374.700</b>	<b>25.478.686</b>

**c) Financial assets measured at amortised cost**

	<b>30 June 2021</b>			<b>31 December 2020</b>		
	<b>Finance</b>	<b>Non-Finance</b>	<b>Total</b>	<b>Finance</b>	<b>Non-Finance</b>	<b>Total</b>
<b>Debt securities:</b>						
Government bonds	38.905.254	-	38.905.254	30.852.439	-	30.852.439
Eurobonds	24.169.015	-	24.169.015	20.079.499	-	20.079.499
Other	3.042.137	-	3.042.137	2.080.591	-	2.080.591
	<b>66.116.406</b>	<b>-</b>	<b>66.116.406</b>	<b>53.012.529</b>	<b>-</b>	<b>53.012.529</b>

**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 JUNE 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:

	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>
Ford Otosan	38,65	2.732.435	38,65	2.756.689
Tofaş	37,59	1.594.167	37,59	1.666.373
Banque de Commerce	30,67	1.370.082	30,67	1.203.097
Opet	41,33	751.818	41,33	725.036
Türk Traktör	37,50	455.086	37,50	540.438
Allianz Emeklilik	20,00	359.012	20,00	359.544
Other		1.119.866		1.115.963
		<b>8.382.466</b>		<b>8.367.140</b>
Joint Ventures		6.653.372		6.804.499
Associates		1.729.094		1.562.641
		<b>8.382.466</b>		<b>8.367.140</b>

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

	<b>2021</b>	<b>2020</b>
<b>Beginning of the period - 1 January</b>	<b>8.367.140</b>	<b>19.955.652</b>
Shares of profit/(loss)	1.938.404	672.423
Shares of other comprehensive income/(loss)	17.681	(258.489)
Dividend paid	(2.007.647)	(1.109.567)
Dividend received	42.236	451
Contribution to capital increases	43.507	35.947
Disposals from the scope of consolidation (*)	(22.921)	-
Disposals through business combinations	-	(14.482.000)
Additions through business combinations	-	1.249.107
Profit eliminations	4.066	(2.164)
<b>End of the period - 30 June</b>	<b>8.382.466</b>	<b>6.061.360</b>

(\*) 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:**

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
Ford Otosan	988.637	349.302	390.225	107.686
Tofaş	557.829	238.524	325.939	108.390
Opet	51.573	(226.809)	51.867	(66.531)
Türk Traktör	228.173	60.211	97.576	28.713
Koç Finansal Hizmetler	-	200.579	-	-
Other	112.192	50.616	87.540	53.123
	<b>1.938.404</b>	<b>672.423</b>	<b>953.147</b>	<b>231.381</b>
Joint Ventures	1.874.889	636.059	919.364	209.061
Associates	63.515	36.364	33.783	22.320
	<b>1.938.404</b>	<b>672.423</b>	<b>953.147</b>	<b>231.381</b>

**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 JUNE 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:*

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
Ford Otosan	(143.043)	(126.315)	(27.377)	(59.063)
Tofaş	(66.220)	(79.130)	(10.489)	(46.078)
Banque de Commerce	166.985	157.864	89.287	60.241
Opet	16.539	14.817	7.506	5.307
Türk Traktör	5.226	(164)	2.259	244
Koç Finansal Hizmetler	-	(259.619)	-	-
Other	38.194	34.058	(9.738)	18.685
	<b>17.681</b>	<b>(258.489)</b>	<b>51.448</b>	<b>(20.664)</b>
Joint Ventures	(136.071)	(416.585)	(28.569)	(83.373)
Associates	153.752	158.096	80.017	62.709
	<b>17.681</b>	<b>(258.489)</b>	<b>51.448</b>	<b>(20.664)</b>

*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	77.350	(20.258)	92.331	(36.197)
	<b>1.964.140</b>	<b>1.073.620</b>	<b>92.331</b>	<b>(36.197)</b>

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

**Revenue**

Ford Otosan	26.786.745	15.093.915	10.532.603	5.727.306
Tofaş	14.363.124	7.696.174	7.759.945	3.147.788
Opet	20.910.033	16.068.978	11.326.715	7.340.652
Türk Traktör	5.576.420	2.178.600	2.892.490	987.999
Koç Finansal Hizmetler	-	3.688.956	-	-
Other	5.665.405	3.154.350	3.411.675	1.423.544
	<b>73.301.727</b>	<b>47.880.973</b>	<b>35.923.428</b>	<b>18.627.289</b>

**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 JUNE 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*

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
Ford Otosan <sup>(1)</sup>	2.479.241	1.264.518	1.094.584	470.862
Tofaş	1.549.431	622.321	935.542	306.139
Opet <sup>(2)</sup>	405.012	(299.469)	338.217	(22.431)
Türk Traktör	734.525	220.202	363.906	105.368
Koç Finansal Hizmetler	-	681.616	-	-
Other	342.444	16.088	282.827	45.899
	<b>5.510.653</b>	<b>2.505.276</b>	<b>3.015.076</b>	<b>905.837</b>

*Profit before tax*

Ford Otosan <sup>(1)</sup>	2.467.182	890.620	988.345	279.940
Tofaş	1.512.136	636.703	899.131	290.666
Opet <sup>(2)</sup>	175.423	(546.808)	176.016	(162.076)
Türk Traktör	798.467	164.311	377.570	82.325
Koç Finansal Hizmetler	-	687.495	-	-
Other	297.494	(21.955)	243.913	26.394
	<b>5.250.702</b>	<b>1.810.366</b>	<b>2.684.975</b>	<b>517.249</b>

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

Ford Otosan <sup>(1)</sup>	2.557.835	908.267	1.009.602	280.009
Tofaş	1.483.844	634.581	866.911	288.366
Opet <sup>(2)</sup>	124.785	(548.775)	125.496	(160.975)
Türk Traktör	608.461	160.562	260.203	76.568
Koç Finansal Hizmetler	-	548.683	-	-
Other	232.523	(27.286)	194.200	18.008
	<b>5.007.448</b>	<b>1.676.032</b>	<b>2.456.412</b>	<b>501.976</b>

(1) The operational results of Ford Otosan, a Joint Venture of the Group, for the period January-June 2021 include TL323 million doubtful receivable provision (TL258,4 million net amount with TL64,6 million deferred tax impact) provided for the misconduct identified regarding dealer receivables and risks (profit/loss impact in the consolidated financial statements: TL100 million).

(2) The operational results of Opet, a Joint Venture of the Group, for the period January-June 2020 include TL135 million provision provided for the administrative penalty notified to Opet by the Competition Board (100% of the provision provided at Opet standalone level: TL325 million).



**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 JUNE 2021**

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

**NOTE 8 - TRADE RECEIVABLES AND PAYABLES**

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Trade receivables</b>		
Trade receivables	27.906.306	18.730.557
Notes and cheques receivable	2.044.209	2.212.791
Less: Provision for expected credit loss	(997.078)	(876.978)
Less: Unearned finance income	(415.351)	(305.325)
	<b>28.538.086</b>	<b>19.761.045</b>
Due from related parties (Note 23)	1.821.408	1.239.528
	<b>30.359.494</b>	<b>21.000.573</b>
Short-term trade receivables	29.568.235	20.478.731
Long-term trade receivables	791.259	521.842
	<b>30.359.494</b>	<b>21.000.573</b>

Tüpraş and Arçelik, the Subsidiaries of the Group, offset TL2.547.414 thousand (31 December 2020: TL2.976.335 thousand) and TL1.455.772 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 June 2021.

Tüpraş, a Subsidiary of the Group, offset the supplier financing transaction amounting to TL947.674 thousand from its trade receivables as of 30 June 2021 (31 December 2020: TL1.127.270 thousand).

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

	<b>2021</b>	<b>2020</b>
<b>Beginning of the period - 1 January</b>	<b>876.978</b>	<b>670.932</b>
Increases during the period	39.103	44.558
Collections	(3.841)	(2.210)
Write-offs (*)	(6.578)	(3.713)
Business combinations	14.232	-
Currency translation differences	77.184	53.957
<b>End of the period - 30 June</b>	<b>997.078</b>	<b>763.524</b>

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

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Trade payables</b>		
Trade payables	43.838.597	26.594.467
Less: Unearned finance expense	(153.088)	(193.260)
	<b>43.685.509</b>	<b>26.401.207</b>
Due to related parties (Note 23)	2.404.042	2.638.387
	<b>46.089.551</b>	<b>29.039.594</b>

**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 JUNE 2021**

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

**NOTE 9 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Short-term receivables from finance sector operations	173.186.703	157.462.310
Long-term receivables from finance sector operations	157.311.138	137.770.791
	<b>330.497.841</b>	<b>295.233.101</b>

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

<b>30 June 2021</b>	<b>Corporate and commercial loans</b>	<b>Consumer loans</b>	<b>Credit card receivables</b>	<b>Leasing receivables</b>	<b>Factoring receivables</b>	<b>Total</b>
Stage 1	173.174.786	59.662.970	35.590.658	10.881.244	4.461.884	283.771.542
Stage 2	44.581.778	4.460.999	3.411.057	805.030	706.835	53.965.699
Stage 3	14.109.876	2.086.512	1.290.784	422.142	136.207	18.045.521
<b>Gross</b>	<b>231.866.440</b>	<b>66.210.481</b>	<b>40.292.499</b>	<b>12.108.416</b>	<b>5.304.926</b>	<b>355.782.762</b>
Stage 1 and 2	(9.829.300)	(1.948.961)	(500.140)	(226.929)	(59.517)	(12.564.847)
Stage 3	(9.421.230)	(1.754.744)	(1.091.936)	(342.384)	(109.780)	(12.720.074)
<b>Expected credit losses (-)</b>	<b>(19.250.530)</b>	<b>(3.703.705)</b>	<b>(1.592.076)</b>	<b>(569.313)</b>	<b>(169.297)</b>	<b>(25.284.921)</b>
<b>Net</b>	<b>212.615.910</b>	<b>62.506.776</b>	<b>38.700.423</b>	<b>11.539.103</b>	<b>5.135.629</b>	<b>330.497.841</b>

<b>31 December 2020</b>	<b>Corporate and commercial loans</b>	<b>Consumer loans</b>	<b>Credit card receivables</b>	<b>Leasing receivables</b>	<b>Factoring receivables</b>	<b>Total</b>
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
<b>Gross</b>	<b>213.589.975</b>	<b>55.066.328</b>	<b>35.081.228</b>	<b>10.971.858</b>	<b>5.304.108</b>	<b>320.013.497</b>
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)
<b>Expected credit losses (-)</b>	<b>(19.476.670)</b>	<b>(2.952.673)</b>	<b>(1.629.165)</b>	<b>(567.972)</b>	<b>(153.916)</b>	<b>(24.780.396)</b>
<b>Net</b>	<b>194.113.305</b>	<b>52.113.655</b>	<b>33.452.063</b>	<b>10.403.886</b>	<b>5.150.192</b>	<b>295.233.101</b>

**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 JUNE 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:

<b>2021</b>	<b>Corporate and commercial loans</b>	<b>Consumer loans</b>	<b>Credit card receivables</b>	<b>Leasing receivables</b>	<b>Factoring receivables</b>	<b>Total</b>
<b>Beginning of the period - 1 January</b>	<b>19.476.670</b>	<b>2.952.673</b>	<b>1.629.165</b>	<b>567.972</b>	<b>153.916</b>	<b>24.780.396</b>
Increases during the period	937.829	771.322	36.149	131.013	34.502	1.910.815
Collections	(1.106.355)	(157.277)	(152.614)	(66.210)	(19.121)	(1.501.577)
Write-offs	(1.026.733)	(5.413)	(1.286)	(68.627)	-	(1.102.059)
Currency translation differences	969.119	142.400	80.662	5.165	-	1.197.346
<b>End of the period - 30 June</b>	<b>19.250.530</b>	<b>3.703.705</b>	<b>1.592.076</b>	<b>569.313</b>	<b>169.297</b>	<b>25.284.921</b>

<b>2020</b>	<b>Corporate and commercial loans</b>	<b>Consumer loans</b>	<b>Credit card receivables</b>	<b>Leasing receivables</b>	<b>Factoring receivables</b>	<b>Total</b>
<b>Beginning of the period - 1 January</b>	<b>-</b>	<b>136.772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136.772</b>
Business combinations	14.974.996	1.613.578	1.315.886	537.478	115.273	18.557.211
Increases during the period	2.630.952	558.110	235.130	56.543	34.408	3.515.143
Collections	(795.562)	(144.574)	(114.909)	(14.404)	(30.138)	(1.099.587)
Write-offs	(336.756)	(160.828)	(112.956)	-	-	(610.540)
Disposals due to sale of portfolio	(155.546)	-	-	-	-	(155.546)
Currency translation differences	535.652	64.504	48.758	-	-	648.914
<b>End of the period - 30 June</b>	<b>16.853.736</b>	<b>2.067.562</b>	<b>1.371.909</b>	<b>579.617</b>	<b>119.543</b>	<b>20.992.367</b>

**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 JUNE 2021**

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

**NOTE 10 - INVENTORIES**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Raw materials and supplies	7.210.575	4.651.008
Work in progress	3.095.666	2.023.063
Finished goods	9.298.835	6.393.546
Merchandise	4.284.714	2.842.834
Goods in transit	7.961.331	2.847.526
Other inventories	92.440	81.775
Less: Provision for impairment	(195.205)	(187.908)
	<b>31.748.356</b>	<b>18.651.844</b>

**NOTE 11 - PROPERTY, PLANT AND EQUIPMENT**

	<b>2021</b>	<b>2020</b>
<b>As of 1 January</b>		
Cost	58.945.017	44.775.528
Accumulated depreciation	(20.424.200)	(14.621.623)
<b>Net book value</b>	<b>38.520.817</b>	<b>30.153.905</b>
<b>Net book value at the beginning of the period</b>	<b>38.520.817</b>	<b>30.153.905</b>
Additions	4.070.948	2.310.757
Business combinations (Note 3)	225.300	4.363.139
Disposals	(319.790)	(152.331)
Transfers (*)	(459.437)	(416.719)
Currency translation differences	1.260.767	777.733
Current period depreciation	(1.837.637)	(1.479.224)
<b>Net book value at the end of the period</b>	<b>41.460.968</b>	<b>35.557.260</b>
<b>As of 30 June</b>		
Cost	64.283.414	54.507.706
Accumulated depreciation	(22.822.446)	(18.950.446)
<b>Net book value</b>	<b>41.460.968</b>	<b>35.557.260</b>

(\*) Includes transfers amounting to TL458.125 thousand from other non-current assets used in operational lease classified under property, plant and equipment to inventories and transfers amounting to TL1.312 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 TL2.651.622 thousand as of 30 June 2021 (31 December 2020: TL2.536.934 thousand). For the period ended 30 June 2021, additions to the right-of-use assets amounted to TL612.121 thousand (30 June 2020: TL434.676 thousand) and depreciation expenses amounted to TL451.178 thousand (30 June 2020: TL332.022 thousand).

As of 30 June 2021, the Group has property, plant and equipment purchase commitment amounting to TL770.255 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 JUNE 2021**

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

**NOTE 12 - OTHER INTANGIBLE ASSETS**

	<b>2021</b>	<b>2020</b>
<b>As of 1 January</b>		
Cost	13.031.377	6.422.797
Accumulated amortisation	(3.824.885)	(2.309.375)
<b>Net book value</b>	<b>9.206.492</b>	<b>4.113.422</b>
<b>Net book value at the beginning of the period</b>	<b>9.206.492</b>	<b>4.113.422</b>
Additions	619.793	446.458
Business combinations (Note 3)	3.775	4.389.666
Disposals	(237)	(301)
Transfers (*)	1.312	4.474
Currency translation differences	462.340	164.263
Current period amortisation	(486.795)	(399.532)
<b>Net book value at the end of the period</b>	<b>9.806.680</b>	<b>8.718.450</b>
<b>As of 30 June</b>		
Cost	14.191.293	12.149.241
Accumulated amortisation	(4.384.613)	(3.430.791)
<b>Net book value</b>	<b>9.806.680</b>	<b>8.718.450</b>

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

Total research and development expenditures incurred excluding amortisation amounts to TL511.682 thousand as of 30 June 2021 (30 June 2020: TL383.408 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 JUNE 2021**

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

**NOTE 13 - BORROWINGS**

	<b>30 June 2021</b>			<b>31 December 2020</b>		
	<b>Finance</b>	<b>Non-Finance</b>	<b>Total</b>	<b>Finance</b>	<b>Non-Finance</b>	<b>Total</b>
<b>Short-term borrowings (*):</b>						
Bank borrowings	42.907.620	24.173.148	67.080.768	37.881.282	16.818.409	54.699.691
Debt securities in issue	17.485.128	4.992.868	22.477.996	10.398.036	5.926.812	16.324.848
Factoring payables	-	250.990	250.990	-	120.716	120.716
Lease liabilities	255.513	422.674	678.187	232.704	346.271	578.975
	<b>60.648.261</b>	<b>29.839.680</b>	<b>90.487.941</b>	<b>48.512.022</b>	<b>23.212.208</b>	<b>71.724.230</b>
<b>Long-term borrowings:</b>						
Bank borrowings	24.872.997	19.900.719	44.773.716	19.424.990	23.553.516	42.978.506
Debt securities in issue	45.369.732	31.784.545	77.154.277	43.602.359	21.429.708	65.032.067
Lease liabilities	869.111	1.222.450	2.091.561	861.826	1.210.615	2.072.441
	<b>71.111.840</b>	<b>52.907.714</b>	<b>124.019.554</b>	<b>63.889.175</b>	<b>46.193.839</b>	<b>110.083.014</b>
<b>Total borrowings</b>	<b>131.760.101</b>	<b>82.747.394</b>	<b>214.507.495</b>	<b>112.401.197</b>	<b>69.406.047</b>	<b>181.807.244</b>

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

Group companies operating in Non-Finance sector have financial liabilities amounting to TL1.421.912 thousand obtained from Yapı Kredi Bankası and eliminated during the preparation of consolidated financial statements as of 30 June 2021 (31 December 2020: TL1.194.394 thousand).

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

	<b>30 June 2021</b>	<b>31 December 2020</b>
1-2 years	57.635.200	29.627.469
2-3 years	12.812.951	26.718.488
3-4 years	26.922.808	19.492.295
4-5 years	12.481.233	14.837.939
5 years and over	14.167.362	19.406.823
	<b>124.019.554</b>	<b>110.083.014</b>

Movement of the financial liabilities as of 1 January - 30 June 2021 and 2020 is as follows:

	<b>2021</b>	<b>2020</b>
<b>Beginning of the period - 1 January</b>	<b>181.807.244</b>	<b>60.296.091</b>
Additions	49.170.680	54.350.202
Repayments of borrowings	(37.639.789)	(52.468.141)
New lease contracts / impact of lease modifications	320.902	342.765
Cash outflows from payments of lease liabilities	(488.007)	(415.012)
Change in exchange rates	20.789.264	8.477.003
Change in interest accruals	652.584	2.505.581
Currency translation differences	579.566	395.609
Consolidation eliminations and adjustments	(684.949)	(2.734.552)
Business combinations	-	104.433.891
<b>End of the period - 30 June</b>	<b>214.507.495</b>	<b>175.183.437</b>

**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 JUNE 2021**

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

**NOTE 14 - PAYABLES OF FINANCE SECTOR OPERATIONS**

	30 June 2021	31 December 2020
Short-term payables to finance sector operations	318.754.035	274.101.362
Long-term payables to finance sector operations	2.625.500	3.069.577
	<b>321.379.535</b>	<b>277.170.939</b>

Breakdown of payables to finance sector operations is as follows:

	30 June 2021			31 December 2020		
	Demand	Time	Total	Demand	Time	Total
<b>TL deposits</b>						
Saving deposits	19.884.579	51.947.084	71.831.663	14.237.372	45.300.790	59.538.162
Commercial deposits	12.330.436	23.211.184	35.541.620	11.075.227	21.263.847	32.339.074
Interbank deposits	156.882	2.766.973	2.923.855	279.641	4.413.447	4.693.088
Funds deposited under repurchase agreements	-	34.333.601	34.333.601	-	25.215.811	25.215.811
Public sector deposits	1.658.222	25.266	1.683.488	1.235.151	22.227	1.257.378
	<b>34.030.119</b>	<b>112.284.108</b>	<b>146.314.227</b>	<b>26.827.391</b>	<b>96.216.122</b>	<b>123.043.513</b>
<b>Foreign currency deposits</b>						
Saving deposits	42.427.183	59.506.896	101.934.079	37.024.581	54.666.486	91.691.067
Commercial deposits	33.893.751	35.535.469	69.429.220	30.749.719	28.482.008	59.231.727
Interbank deposits	785.092	3.656	788.748	340.710	49.464	390.174
Funds deposited under repurchase agreements	-	2.913.261	2.913.261	-	2.814.458	2.814.458
	<b>77.106.026</b>	<b>97.959.282</b>	<b>175.065.308</b>	<b>68.115.010</b>	<b>86.012.416</b>	<b>154.127.426</b>
	<b>111.136.145</b>	<b>210.243.390</b>	<b>321.379.535</b>	<b>94.942.401</b>	<b>182.228.538</b>	<b>277.170.939</b>

**NOTE 15 - TAX ASSETS AND LIABILITIES**

	30 June 2021	31 December 2020
Current income tax liabilities	1.144.932	3.762.667
Less: Prepaid income tax	(695.109)	(2.175.488)
<b>Current income tax liabilities (net)</b>	<b>449.823</b>	<b>1.587.179</b>
Deferred tax assets	10.243.160	9.812.215
Deferred tax liabilities	(1.672.664)	(1.258.612)
<b>Deferred tax assets (net)</b>	<b>8.570.496</b>	<b>8.553.603</b>

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 June 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 JUNE 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:

	<b>Cumulative temporary differences</b>		<b>Deferred tax assets/(liabilities)</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Property, plant and equipment and intangible assets	14.329.759	13.065.961	(2.977.623)	(2.600.563)
Investment incentives <sup>(1)</sup>	-	-	5.635.395	4.988.546
Impairment provision for loans and receivables	(14.265.114)	(12.520.303)	3.031.254	2.528.641
Deductible tax losses and other tax advantages <sup>(2)</sup>	(5.113.782)	(4.874.269)	1.120.927	1.157.950
Provision for employment termination benefits	(1.764.870)	(1.539.193)	372.270	314.667
Warranty and assembly provisions	(1.475.753)	(1.193.179)	350.615	251.663
Inventories	(1.033.239)	(852.948)	308.169	228.559
Provision for the Pension Fund	(1.461.542)	(1.461.542)	292.308	292.308
Provisions for unused vacations	(340.696)	(276.496)	69.933	56.913
Unearned finance income (net)	(137.483)	(79.033)	33.370	16.312
Deferred income	(106.075)	(135.590)	29.339	31.253
Expense accruals (net)	(85.687)	(90.999)	19.503	19.825
Provisions for lawsuits	(42.752)	(41.165)	10.559	9.004
Derivative instruments	519.483	(4.614.842)	(193.788)	928.242
Other (net)	(2.055.389)	(1.508.121)	468.265	330.283
<b>Deferred tax assets (net)</b>			<b>8.570.496</b>	<b>8.553.603</b>

(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 TL5.388.860 thousand as of 30 June 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 TL244.707 thousand as of 30 June 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 TL1.828 thousand as of 30 June 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 TL759.837 thousand (31 December 2020: TL835.278 thousand) as of 30 June 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 JUNE 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:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Up to 1 year	58.280	211.148
Up to 2 years	51.834	67.569
Up to 3 years	91.053	101.960
Up to 4 years	208.848	201.016
5 years and above	740.474	790.087
	<b>1.150.489</b>	<b>1.371.780</b>

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

	<b>2021</b>	<b>2020</b>
<b>Beginning of the period - 1 January</b>	<b>8.553.603</b>	<b>4.460.023</b>
Charge to the income statement	146.890	1.383.927
Charge to equity:		
- Gains/(losses) on financial assets measured at fair value through other comprehensive income	40.711	(67.962)
- Gains/(losses) on cash flow hedges	(309.699)	(102.113)
- Gains/(losses) on hedges of net investments in foreign operation	170.665	120.353
- Gains/(losses) on remeasurements of defined benefit plans	18.133	23.788
Business combinations (Note 3)	70.593	1.825.190
Currency translation differences	(120.400)	(3.500)
<b>End of the period - 30 June</b>	<b>8.570.496</b>	<b>7.639.706</b>

**NOTE 16 - PROVISIONS**

<b>a) Short-term provisions</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Provisions for warranty and assembly	1.062.068	854.016
Provision for price revision (*)	295.534	249.205
Provisions for transportation	267.440	96.963
Expense accruals of construction contracts	218.167	189.553
Provisions for lawsuits	115.182	90.362
Provision for Energy Market Regulation Authority participation share	50.205	46.692
Other	534.578	351.839
	<b>2.543.174</b>	<b>1.878.630</b>

(\*) As communicated to Aygaz Doğal Gaz Tiptan 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 Tiptan Satış A.Ş. in accordance with the contract signed between Akfel and Aygaz Doğal Gaz Tiptan 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 Tiptan 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 Tiptan Satış A.Ş. by Akfel, however related invoices were not delivered yet as of the date of this report. As of 30 June 2021, total provision of USD33.949 thousand (TL295.534 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 JUNE 2021**

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

**NOTE 16 - PROVISIONS (Continued)**

<b>b) Other long-term provisions</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Provisions for non-cash loans	1.380.366	1.062.888
Provisions for warranty	319.239	289.640
Provisions for lawsuits	149.955	134.514
Provisions for credit card points	61.779	64.693
	<b>1.911.339</b>	<b>1.551.735</b>

**NOTE 17 - OTHER RECEIVABLES AND PAYABLES**

<b>a) Other receivables</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
VAT and SCT receivables	3.306.308	1.336.388
Taxes and funds deductible	986.315	857.536
	<b>4.292.623</b>	<b>2.193.924</b>

<b>b) Other short-term payables</b>		
Taxes and duties payable	2.962.374	3.567.023
Social security premiums payable	221.819	231.370
Payables to the Privatisation Administration (*)	214.599	244.656
Dividend payables to shareholders	37.402	32.652
	<b>3.436.194</b>	<b>4.075.701</b>

**c) Other long-term payables**

Payables to the Privatisation Administration (*)	-	207.350
	<b>-</b>	<b>207.350</b>

(\*) 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 JUNE 2021**

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

**NOTE 18 - OTHER ASSETS AND LIABILITIES**

<b>a) Other current assets</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Pledged assets (*)	11.111.500	13.446.737
Interbank cheque clearing accounts	3.600.718	2.668.690
Advances given	2.938.909	1.162.363
Prepaid expenses	2.929.051	2.945.613
Short-term assets used in operational lease	2.875.444	1.649.508
Gold reserves	1.782.539	633.044
Assets received for commitments of loans and receivables	1.390.496	724.207
Income accruals	977.814	1.082.312
Deposits and guarantees given	139.595	178.792
Other	378.680	318.302
	<b>28.124.746</b>	<b>24.809.568</b>

(\*) 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:

	<b>2021</b>	<b>2020</b>
<b>Beginning of the period - 1 January</b>	<b>1.649.508</b>	<b>1.175.462</b>
Additions	1.362.250	391.459
Transfers (*)	(113.241)	(302.800)
Currency translation differences	52.897	47.722
Current period depreciation	(75.970)	(48.759)
<b>End of the period - 30 June</b>	<b>2.875.444</b>	<b>1.263.084</b>

(\*) Includes transfers to inventories.

<b>b) Other non-current assets</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Advances given related to the acquisition of a subsidiary (*)	2.986.099	-
Spare parts and other materials	1.762.475	1.780.871
Advances given	1.289.372	1.181.465
Prepaid expenses	36.658	91.183
Other	121.727	89.195
	<b>6.196.331</b>	<b>3.142.714</b>

(\*) In accordance with the share purchase agreement (Note 3) signed between Arçelik and Hitachi Global Life Solutions Inc. ("Hitachi GLS"), Arçelik acquired 60% of the shares of Hitachi Home Appliances Netherland B.V. ("acquired entity") with a total consideration amount of USD343 million. 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. Consideration amount was paid as of 30 June 2021 and the control of the acquired entity was transferred to Arçelik on 1 July 2021 (Note 29).

**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 JUNE 2021**

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

**NOTE 18 - OTHER ASSETS AND LIABILITIES (Continued)**

<b>c) Other current liabilities</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Credit card payables	15.338.444	12.785.096
Interbank cheque clearing accounts	4.344.068	2.826.822
Revenue share (*)	2.445.329	2.210.451
Accruals for sales and incentive bonus	2.307.681	1.632.061
Deposits and guarantees received	1.209.497	590.783
Advances received	1.102.049	1.067.752
Payables to personnel and premium accruals	984.760	881.103
Import deposits and transfer orders	931.880	457.953
Miscellaneous payables to bank customers	819.411	808.603
Deferred income	749.738	1.093.320
Accruals for rent and advertising expenses	225.789	157.263
Liabilities related to the business combinations (Note 3)	152.227	-
License fee expense accruals	150.502	105.931
Saving deposit insurance fund payable	132.367	121.348
Blocked accounts	71.595	93.766
Expense accrual on commodity hedge	-	247.432
Other	2.986.794	2.303.945
	<b>33.952.131</b>	<b>27.383.629</b>

(\*) 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	974.585	778.194
Deposits and guarantees received	275.364	236.905
Other	231.925	168.356
	<b>1.481.874</b>	<b>1.183.455</b>

**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 JUNE 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 June 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:

	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>Share %</b>	<b>Amount</b>	<b>Share %</b>	<b>Amount</b>
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
<b>Total Koç Family members and companies owned by Koç Family members</b>	<b>64,29</b>	<b>1.630.251</b>	<b>64,29</b>	<b>1.630.251</b>
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
Other	26,46	671.023	26,46	671.023
<b>Paid-in share capital</b>	<b>100,00</b>	<b>2.535.898</b>	<b>100,00</b>	<b>2.535.898</b>
Adjustment to share capital (*)		967.288		967.288
<b>Total share capital</b>		<b>3.503.186</b>		<b>3.503.186</b>

(\*) 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:

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

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 JUNE 2021**

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

**NOTE 19 - EQUITY (Continued)**

**Other Comprehensive Income/Expense**

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Items not to be reclassified to profit/loss:</b>		
Gains/(losses) on remeasurement of defined benefit plans	(314.069)	(278.721)
	<b>(314.069)</b>	<b>(278.721)</b>
<b>Items to be reclassified to profit/loss:</b>		
Currency translation differences	4.329.857	3.173.469
Gains/(losses) on hedge	(2.293.746)	(2.395.325)
- <i>Cash flow hedge</i>	(1.085.179)	(1.492.778)
- <i>Net investment hedge</i>	(1.208.567)	(902.547)
Gains/(losses) on financial assets measured at fair value through other comprehensive income	424.719	389.096
	<b>2.460.830</b>	<b>1.167.240</b>

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:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Legal reserves	507.179	507.179
Special reserves	14.316	16.586
	<b>521.495</b>	<b>523.765</b>

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 JUNE 2021**

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

**NOTE 20 - OTHER OPERATING INCOME/(EXPENSES)**

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
<b>Other operating income</b>				
Foreign exchange gains arising from trading activities	2.722.434	1.193.421	1.123.721	534.457
Credit finance income arising from trading activities	473.653	374.885	279.324	282.733
Income from claims and grants	37.004	322.931	15.399	93.669
Reversals of provisions	25.298	22.528	11.478	7.827
Other	171.043	249.530	91.554	49.783
	<b>3.429.432</b>	<b>2.163.295</b>	<b>1.521.476</b>	<b>968.469</b>
<b>Other operating expenses</b>				
Foreign exchange losses arising from trading activities	(4.492.136)	(1.241.279)	(1.513.446)	(587.067)
Expected credit losses for loans and receivables	(2.266.494)	(3.604.341)	(632.182)	(1.887.357)
Credit finance charges arising from trading activities	(311.872)	(470.604)	(123.610)	(142.957)
Provisions for lawsuits and penalties	(177.586)	(307.768)	(47.086)	(51.447)
Other	(92.657)	(27.794)	(31.481)	(8.695)
	<b>(7.340.745)</b>	<b>(5.651.786)</b>	<b>(2.347.805)</b>	<b>(2.677.523)</b>

**NOTE 21 - GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES**

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
<b>Gains from investment activities</b>				
Gain on sale of property, plant and equipment and scraps <sup>(1)</sup>	121.407	81.517	20.599	21.568
Rent income	30.713	26.166	15.255	11.994
Income arising from the change of control <sup>(2)</sup>	-	2.995.339	-	-
Termination fee income <sup>(3)</sup>	-	511.275	-	-
	<b>152.120</b>	<b>3.614.297</b>	<b>35.854</b>	<b>33.562</b>

(1) Includes TL89 million of 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.

<b>Losses from investment activities</b>				
Loss on sale of property, plant and equipment	(13.520)	(3.658)	(9.271)	(1.145)
Loss on impairment of property, plant and equipment <sup>(*)</sup>	(5.482)	-	(5.482)	-
Loss on liquidation of a subsidiary	(2.831)	-	-	-
	<b>(21.833)</b>	<b>(3.658)</b>	<b>(14.753)</b>	<b>(1.145)</b>

(\*) 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.

**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 JUNE 2021**

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

**NOTE 22 - FINANCIAL INCOME/EXPENSES**

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
<b>Financial income</b>				
Foreign exchange gains <sup>(1)</sup>	7.319.336	7.450.470	3.373.622	4.737.665
Gains on derivative instruments	2.391.848	854.345	359.413	474.952
Interest income	889.723	432.674	420.575	201.871
Other financial income	8.301	6.075	6.027	4.073
	<b>10.609.208</b>	<b>8.743.564</b>	<b>4.159.637</b>	<b>5.418.561</b>
<b>Financial expenses</b>				
Foreign exchange losses <sup>(1)</sup>	(8.170.759)	(8.570.988)	(2.341.509)	(5.057.581)
Interest expenses <sup>(2)</sup>	(2.962.523)	(2.447.542)	(1.536.773)	(1.207.540)
Losses on derivative instruments	(2.815.203)	(1.071.942)	(2.101.536)	(620.410)
Other financial expenses	(31.989)	(17.481)	(15.089)	(1.293)
	<b>(13.980.474)</b>	<b>(12.107.953)</b>	<b>(5.994.907)</b>	<b>(6.886.824)</b>

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

(2) TL78.543 thousand of interest expenses is related to lease liabilities (30 June 2020: TL77.355 thousand).

**NOTE 23 - RELATED PARTY DISCLOSURES**

**a) Related party balances**

	<b>30 June 2021</b>			<b>31 December 2020</b>		
	<b>Joint Ventures</b>	<b>Other</b>	<b>Total</b>	<b>Joint Ventures</b>	<b>Other</b>	<b>Total</b>
Trade receivables	1.744.888	76.520	1.821.408	1.082.960	156.568	1.239.528
Trade payables	2.076.500	327.542	2.404.042	2.482.663	155.724	2.638.387
Loans and advances given	1.231.018	1.033.478	2.264.496	1.852.765	602.977	2.455.742
Deposits	3.252.976	11.671.652	14.924.628	4.387.722	9.568.162	13.955.884
Borrowings	-	129.175	129.175	-	127.688	127.688

**b) Related party transactions**

	<b>1 January - 30 June 2021</b>			<b>1 January - 30 June 2020</b>		
	<b>Joint Ventures</b>	<b>Other</b>	<b>Total</b>	<b>Joint Ventures</b>	<b>Other</b>	<b>Total</b>
Sales of goods and services	11.308.032	109.967	11.417.999	6.402.806	93.325	6.496.131
Purchases of goods and services	5.406.687	542.624	5.949.311	3.062.161	397.027	3.459.188
Interest expense (-)	-	(13.819)	(13.819)	-	(12.233)	(12.233)
	<b>1 April - 30 June 2021</b>			<b>1 April - 30 June 2020</b>		
	<b>Joint Ventures</b>	<b>Other</b>	<b>Total</b>	<b>Joint Ventures</b>	<b>Other</b>	<b>Total</b>
Sales of goods and services	6.618.875	59.439	6.678.314	3.010.799	49.649	3.060.448
Purchases of goods and services	3.027.909	384.101	3.412.010	1.716.248	294.078	2.010.326
Interest expense (-)	-	(6.402)	(6.402)	-	(6.155)	(6.155)



**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 JUNE 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 June 2021, TL810.110 thousand (31 December 2020: TL273.932 thousand) of trade receivables is composed of Tüpraş balances against Opet and THY Opet, TL260.332 thousand (31 December 2020: TL259.790 thousand) of trade receivables is composed of balances of Zer Ticaret and TL143.184 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. TL1.425.731 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 TL578.094 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.

TL8.979.230 thousand (30 June 2020: TL5.045.900 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 June 2021. TL4.293.705 thousand (30 June 2020: TL2.359.524 thousand) of purchases of goods and services is composed of balances due to Otokoç's vehicle purchases from Ford Otosan and Tofaş and TL675.358 thousand (30 June 2020: TL391.401 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 six months period ended 30 June 2021 amounted to TL59.863 thousand (30 June 2020: TL27.523 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 June 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 TL16.500 thousand (30 June 2020: TL11.282 thousand). TL4.096 thousand of this amount is related to the payments made for employee leaves (30 June 2020: None).

**NOTE 24 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES**

**Guarantees given:**

Finance:

Non-cash loans:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Letters of guarantee	94.810.832	81.314.767
- TL	35.738.555	31.993.113
- Foreign currency	59.072.277	49.321.654
Letters of credit	16.048.903	9.340.321
Acceptance credits	283.805	238.025
Other	11.763.471	9.982.292
	<b>122.907.011</b>	<b>100.875.405</b>
Less: Provisions (Note 16.b)	(1.380.366)	(1.062.888)
	<b>121.526.645</b>	<b>99.812.517</b>

**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 JUNE 2021**

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

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

Non-Finance:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Letters of guarantee	8.832.628	8.566.966
Letters of credit	8.610.254	3.953.337
Guarantees given to banks	1.206.965	1.113.948
Other	45	50
	<b>18.649.892</b>	<b>13.634.301</b>

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

	<b>30 June 2021</b>	<b>31 December 2020</b>
A. Total amount of CPMB's given in the name of its own legal personality	14.736.550	10.383.712
-TL	3.520.140	3.968.860
-USD	9.971.460	5.417.499
-EUR	1.076.591	839.855
-Other	168.359	157.498
B. Total amount of CPMB's given on behalf of the fully consolidated companies	3.906.142	3.250.589
-TL	24.377	134.422
-USD	1.196.886	987.448
-EUR	1.262.862	1.207.093
-Other	1.422.017	921.626
C. Total amount of CPMB's given on behalf of third parties for ordinary course of business (*)	122.914.211	100.875.405
-TL	36.361.103	32.512.148
-USD	37.598.783	27.889.758
-EUR	44.221.214	35.840.641
-Other	4.733.111	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	-	-
	<b>141.556.903</b>	<b>114.509.706</b>

(\*) 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 JUNE 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 June 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 TL39.176.089 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 June 2021, financial assets amounting to TL25.022.745 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:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Letters of guarantee	6.436.273	5.365.051
Mortgages	2.929.560	2.780.688
Direct crediting limit	1.481.226	1.174.041
Bill of guarantees	289.213	281.616
Guarantee notes	62.403	65.321
Other	1.193.443	1.311.980
	<b>12.392.118</b>	<b>10.978.697</b>

**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 JUNE 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:

<b>30 June 2021</b>	<b>Trade receivables</b>	<b>Receivables from finance sector operations</b>	<b>Cash and cash equivalents</b>	<b>Financial assets</b>	<b>Derivative instruments</b>
<b>Maximum exposure to credit risk as of reporting date (A+B+C+D)</b>	<b>30.359.494</b>	<b>330.497.841</b>	<b>61.752.083</b>	<b>91.999.344</b>	<b>8.483.435</b>
A. Net book value of neither past due nor impaired financial assets <sup>(1)</sup>	28.688.353	293.278.875	61.752.083	91.999.344	8.483.435
B. Net book value of past due but not impaired financial assets	1.633.386	44.458.366	-	-	-
C. Net book value of impaired assets	63.848	5.325.447	-	-	-
- Past due	63.848	5.325.447	-	-	-
- Gross amount	1.034.833	18.045.521	-	-	-
- Impairment	(970.985)	(12.720.074)	-	-	-
- Secured with guarantees	59.515	5.124.961	-	-	-
- Not past due	-	-	-	-	-
- Gross amount	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-
D. Expected credit losses (-) <sup>(2)</sup>	(26.093)	(12.564.847)	-	-	-

(1) Trade receivables and receivables from finance sector operations include related party balances amounting to TL1.821.408 thousand and TL2.264.496 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 June 2021, Finance sector is exposed to credit risk arising from non-cash loans in the amount of TL122.907.011 thousand (Note 24). By taking the related risk into consideration, the maximum credit risk amount, to which the Group is exposed, is TL645.999.208 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 JUNE 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
<b>Maximum exposure to credit risk as of reporting date (A+B+C+D)</b>	<b>21.000.573</b>	<b>295.233.101</b>	<b>54.297.881</b>	<b>78.301.623</b>	<b>6.219.142</b>
A. Book value of neither past due nor impaired financial assets <sup>(1)</sup>	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 (-) <sup>(2)</sup>	(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.

(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 June 2021, 3.000 thousand barrels of Tüpraş's inventory which are exposed to price risk was hedged with derivative instruments (swap transactions) and the weighted average fixed price of these transactions is USD62,7/barrel.

**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.

**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 JUNE 2021**

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

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

**d) Foreign Exchange Risk**

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

	<b>30 June 2021</b>	<b>31 December 2020</b>
Assets	299.288.212	256.050.015
Liabilities	(380.069.570)	(318.456.873)
<b>Net balance sheet position</b>	<b>(80.781.358)</b>	<b>(62.406.858)</b>
Derivative instruments net position	60.870.714	49.952.359
<b>Net foreign currency position</b>	<b>(19.910.644)</b>	<b>(12.454.499)</b>
Loans designated as hedging instruments <sup>(1)</sup>	7.015.994	5.977.809
<b>Net foreign currency position after hedging instruments</b>	<b>(12.894.650)</b>	<b>(6.476.690)</b>
Inventories under the natural hedge <sup>(2)</sup>	15.625.406	7.532.609
<b>Net foreign currency position after hedging instruments and the natural hedge</b>	<b>2.730.756</b>	<b>1.055.919</b>

(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 USD490 million (TL4.265 million) as of 30 June 2021 (31 December 2020: USD594 million).

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

Arçelik and Otokaç Hollanda, Subsidiaries of the Group, designated EUR240 million (TL2.487 million) and EUR25,4 million (TL263 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 - Otokaç: 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 June 2021, Tüpraş and Aygaz have raw materials and petroleum products amounting to TL15.119.133 thousand (31 December 2020: TL7.220.776 thousand) and TL506.273 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 TL2.730.756 thousand (USD314 million) foreign exchange net long position as of 30 June 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 JUNE 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 June 2021, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL1.272.234 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 TL361 million.

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

	USD	EUR	Other	Total
<b>30 June 2021</b>				
Foreign currency net position (*)	(1.640.723)	177.332	191.157	(1.272.234)

(\*) 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
<b>30 June 2021</b>				
Hedged items (*)	(426.542)	(786.576)	-	(1.213.118)

(\*) 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 JUNE 2021**

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

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

	30 June 2021			
	USD <sup>(1)</sup>	EUR <sup>(1)</sup>	Other (TL Equivalent)	Total (TL Equivalent)
<b>Assets:</b>				
Trade receivables <sup>(2)</sup>	546.906	588.785	2.794.266	13.657.652
Receivables from finance sector operations	2.180.965	2.572.677	2.780.804	48.431.051
Monetary financial assets	7.261.270	3.371.477	7.448.492	105.602.973
Non-monetary assets	4.110	472	108.253	148.918
Other assets	932.403	445.678	1.815.409	14.551.404
<b>Current assets</b>	<b>10.925.654</b>	<b>6.979.089</b>	<b>14.947.224</b>	<b>182.391.998</b>
Receivables from finance sector operations	4.686.796	3.999.501	419.408	82.671.737
Monetary financial assets	3.188.438	271.839	1.373.242	31.946.711
Other assets	92.755	134.851	72.655	2.277.766
<b>Non-current assets</b>	<b>7.967.989</b>	<b>4.406.191</b>	<b>1.865.305</b>	<b>116.896.214</b>
<b>Total assets</b>	<b>18.893.643</b>	<b>11.385.280</b>	<b>16.812.529</b>	<b>299.288.212</b>
<b>Liabilities:</b>				
Trade payables <sup>(2)</sup>	3.476.422	444.682	495.637	35.367.497
Borrowings	3.905.683	1.708.119	53.911	51.757.460
Payables of finance sector operations	11.039.656	6.035.475	18.683.730	177.340.822
Other liabilities	287.039	270.169	100.032	5.398.930
<b>Short-term liabilities</b>	<b>18.708.800</b>	<b>8.458.445</b>	<b>19.333.310</b>	<b>269.864.709</b>
Borrowings	10.189.647	1.462.503	122.958	103.983.988
Payables of finance sector operations	84.411	177.757	3.887	2.581.060
Other liabilities	296.933	99.941	19.108	3.639.813
<b>Long-term liabilities</b>	<b>10.570.991</b>	<b>1.740.201</b>	<b>145.953</b>	<b>110.204.861</b>
<b>Total liabilities</b>	<b>29.279.791</b>	<b>10.198.646</b>	<b>19.479.263</b>	<b>380.069.570</b>
<b>Net balance sheet position</b>	<b>(10.386.148)</b>	<b>1.186.634</b>	<b>(2.666.734)</b>	<b>(80.781.358)</b>
Derivative assets	12.014.295	1.219.162	9.816.694	127.039.539
Derivative liabilities	(3.964.453)	(2.550.391)	(5.223.934)	(66.168.825)
<b>Derivative instruments net position</b>	<b>8.049.842</b>	<b>(1.331.229)</b>	<b>4.592.760</b>	<b>60.870.714</b>
<b>Net foreign currency position</b>	<b>(2.336.306)</b>	<b>(144.595)</b>	<b>1.926.026</b>	<b>(19.910.644)</b>
Loans designated as hedging instruments <sup>(3)</sup>	489.985	265.384	-	7.015.994
<b>Net foreign currency position after hedging instruments</b>	<b>(1.846.321)</b>	<b>120.789</b>	<b>1.926.026</b>	<b>(12.894.650)</b>
Net foreign currency position of monetary items	(2.340.416)	(145.067)	1.817.773	(20.059.562)
Fair value of derivative instruments held for hedging	(67.259)	(8.970)	-	(678.466)

(1) Presented in original currencies.

(2) Represents balances before consolidation eliminations.

(3) Includes loans of Tüpraş, Arçelik and Otokoç 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 JUNE 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 <sup>(1)</sup>	EUR <sup>(1)</sup>	Other (TL Equivalent)	Total (TL Equivalent)
<b>Assets:</b>				
Trade receivables <sup>(2)</sup>	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
<b>Current assets</b>	<b>10.747.861</b>	<b>6.942.266</b>	<b>12.217.019</b>	<b>153.646.936</b>
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
<b>Non-current assets</b>	<b>8.620.797</b>	<b>4.165.617</b>	<b>1.598.659</b>	<b>102.403.079</b>
<b>Total assets</b>	<b>19.368.658</b>	<b>11.107.883</b>	<b>13.815.678</b>	<b>256.050.015</b>
<b>Liabilities:</b>				
Trade payables <sup>(2)</sup>	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
<b>Short-term liabilities</b>	<b>17.098.647</b>	<b>8.420.877</b>	<b>18.117.529</b>	<b>219.484.573</b>
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
<b>Long-term liabilities</b>	<b>11.624.619</b>	<b>1.528.325</b>	<b>105.716</b>	<b>98.972.300</b>
<b>Total liabilities</b>	<b>28.723.266</b>	<b>9.949.202</b>	<b>18.223.245</b>	<b>318.456.873</b>
<b>Net balance sheet position</b>	<b>(9.354.608)</b>	<b>1.158.681</b>	<b>(4.407.567)</b>	<b>(62.406.858)</b>
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)
<b>Derivative instruments net position</b>	<b>7.603.715</b>	<b>(1.308.921)</b>	<b>5.927.917</b>	<b>49.952.359</b>
<b>Net foreign currency position</b>	<b>(1.750.893)</b>	<b>(150.240)</b>	<b>1.520.350</b>	<b>(12.454.499)</b>
Loans designated as hedging instruments <sup>(3)</sup>	593.982	179.585	-	5.977.809
<b>Net foreign currency position after hedging instruments</b>	<b>(1.156.911)</b>	<b>29.345</b>	<b>1.520.350</b>	<b>(6.476.690)</b>
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 Otokoç 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 JUNE 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:

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
<b>Export</b>				
USD	14.853.622	8.187.973	9.449.410	3.101.030
EUR	5.871.314	3.511.984	3.184.818	1.480.078
Other	2.916.970	1.483.043	1.551.358	715.952
	<b>23.641.906</b>	<b>13.183.000</b>	<b>14.185.586</b>	<b>5.297.060</b>
<b>Import</b>				
USD	48.879.194	23.360.920	28.781.323	8.673.767
EUR	2.884.177	1.449.773	1.585.635	615.059
Other	17.151	9.269	8.579	3.473
	<b>51.780.522</b>	<b>24.819.962</b>	<b>30.375.537</b>	<b>9.292.299</b>

**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 JUNE 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 June 2021 and 31 December 2020 are presented in the table below:

	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>Carrying value</b>	<b>Fair value</b>	<b>Carrying value</b>	<b>Fair value</b>
<b>Assets</b>				
Cash and cash equivalents	70.088.555	70.110.215	60.360.801	58.594.910
Receivables from finance sector operations	330.497.841	329.487.557	295.233.101	296.632.401
Financial assets measured at amortised cost	66.116.406	66.199.912	53.012.529	54.582.472
<b>Liabilities</b>				
Borrowings	214.507.495	216.901.384	181.807.244	182.684.452
Payables to finance sector operations	321.379.535	321.604.605	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 JUNE 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 June 2021 and 31 December 2020 are as follows:

<b>30 June 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets measured at fair value through profit/(loss)				
- Equity securities	38.098	191.320	442.308	671.726
- Debt instruments	223.115	-	-	223.115
Financial assets measured at fair value through other comprehensive income				
- Equity securities	512.250	92.633	-	604.883
- Debt instruments	23.530.964	2.128.859	-	25.659.823
Derivative instruments	-	8.483.435	-	8.483.435
<b>Total assets</b>	<b>24.304.427</b>	<b>10.896.247</b>	<b>442.308</b>	<b>35.642.982</b>
Derivative instruments	-	8.252.610	-	8.252.610
<b>Total liabilities</b>	<b>-</b>	<b>8.252.610</b>	<b>-</b>	<b>8.252.610</b>
<b>31 December 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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
<b>Total assets</b>	<b>23.509.964</b>	<b>8.636.180</b>	<b>358.824</b>	<b>32.504.968</b>
Derivative instruments	-	11.436.576	-	11.436.576
<b>Total liabilities</b>	<b>-</b>	<b>11.436.576</b>	<b>-</b>	<b>11.436.576</b>

**NOTE 27 - EARNINGS PER SHARE**

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2021</b>	<b>1 April - 30 June 2020</b>
<b>Earnings per share:</b>				
Profit for the period	9.255.787	4.595.049	5.977.168	1.722.528
Less: Profit attributable to non-controlling interests	3.944.374	163.867	2.778.939	761.158
Profit attributable to equity holders of the parent	5.311.413	4.431.182	3.198.229	961.370
Weighted average number of shares with nominal value of Kr 1 each	253.589.805.000	253.589.805.000	253.589.805.000	253.589.805.000
<b>Earnings per share (Kr)</b>	<b>2,094</b>	<b>1,747</b>	<b>1,261</b>	<b>0,379</b>

**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 JUNE 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 June 2021 and 2020 is as follows:

	<b>30 June 2021</b>	<b>30 June 2020</b>
<b>Changes in provisions:</b>		
Provisions for non-cash loans	317.478	102.155
Provisions for warranty and assembly	237.651	139.208
Provisions for employee benefits	175.036	82.873
Provisions for price revisions	46.329	30.622
Provisions for lawsuits and penalties	40.261	18.151
Cost accruals of construction contracts	28.614	7.724
Provisions for credit card points	(2.914)	9.262
Other provisions	356.729	258.305
	<b>1.199.184</b>	<b>648.300</b>
<b>Adjustments for impairment loss/(reversal of impairment loss):</b>		
Provisions for impairment on loans	1.910.815	3.515.143
Provisions for impairment on trade receivables	39.103	44.558
Provisions for impairment on inventories	7.297	17.857
Provisions for impairment of property, plant and equipments	5.482	-
	<b>1.962.697</b>	<b>3.577.558</b>
<b>Net changes in the operating assets and liabilities:</b>		
<b>Finance:</b>		
Receivables from finance sector operations	(36.188.634)	(21.814.002)
Balances with Central Bank of the Republic of Turkey - required reserves	(3.017.563)	(5.184.838)
Payables from finance sector operations	44.208.596	30.894.342
Other assets and liabilities, net	887.223	(2.386.062)
	<b>5.889.622</b>	<b>1.509.440</b>
<b>Non-Finance:</b>		
Inventories	(12.856.958)	3.168.332
Trade receivables	(9.171.665)	3.841.354
Trade payables	16.025.625	(7.110.475)
Other receivables and payables, net	(5.497.286)	1.955.539
Other assets and liabilities, net	3.149.787	1.198.327
	<b>(8.350.497)</b>	<b>3.053.077</b>
Currency translation differences	1.061.101	270.882
	<b>(1.399.774)</b>	<b>4.833.399</b>
<b>Cash and cash equivalents:</b>		
Cash and cash equivalents (Note 5)	70.088.555	55.074.952
Add: Balances with Central Bank of the Republic of Turkey - free balances	33.129.559	24.886.754
Less: Blocked deposits (Note 5)	(2.586.684)	(2.012.736)
	<b>100.631.430</b>	<b>77.948.970</b>

**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 JUNE 2021**

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

**NOTE 29 - EVENTS AFTER THE BALANCE SHEET DATE**

- i) 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. The maximum number of shares that may be subject to buyback is determined as 3.500.000.000 with a total nominal value of TL35.000 thousand and the maximum amount of funds to be allocated for share buybacks is determined as TL700.000 thousand, which will be sourced from the current Koç Holding A.Ş. sources. Between 1 July - 27 July, equivalent of 0,008% of the share capital with a nominal value of TL200 thousand shares were bought back, with a total cost of TL3.909 thousand.
- ii) 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 of Arçelik A.Ş. shares traded at Borsa İstanbul is deemed ineffective in reflecting the true value and fundamentals of the Company. In this respect, in order to contribute to the fair valuation of Arçelik shares, the Board of Directors of Arçelik A.Ş. resolved to initiate a share buyback program from the market as of 1 July 2021. Between 1 July - 11 August, equivalent of 1,1186% of the share capital with a nominal value of TL7.558,7 thousand shares were bought back, with a total cost of TL246.300 thousand.
- iii) A significant part of the pre-conditions specified in the Share Purchase Agreement regarding the acquisition of 60% of the shares of Hitachi Home Appliances Netherland B.V., incorporated in the Netherlands as part of the partnership between Arçelik and Hitachi Global Life Solutions Inc., was completed as of 1 July 2021 and the related share transfer was realised (Note 3).
- iv) It was resolved to transfer 45% of the shares of Aygaz Aykargo Dağıtım Hizmetleri A.Ş. ("Aykargo"), whose 100% capital is owned by Aygaz A.Ş., a Subsidiary of the Group, with a nominal value of TL15.975 thousand to Koç Holding A.Ş. with a cash consideration of TL15.975 thousand. Related share transfer was completed on 3 August 2021. In addition, it was resolved to participate in the capital increases of Aykargo up to TL110.000 thousand in 2021 by Aygaz A.Ş. and Koç Holding A.Ş. in proportion of their shareholding rates in Aykargo.
- v) A share purchase agreement was signed between Entek, a Subsidiary of the Group, and STEAG GmbH, regarding the acquisition of 100% shares of STEAG Rüzgar Süloğlu Enerji Üretim ve Ticaret A.Ş. and STEAG Turkey Enerji Yatırımları ve Hizmetleri A.Ş., which own a wind power plant with an electrical installed capacity of 60 MW. Related share purchase transaction was completed on 4 August 2021, with the payment of USD58,9 million to STEAG GmbH, following the final approvals and permissions.

.....