

KOÇ HOLDİNG A.Ş.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2022**

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

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

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FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2022**

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KOÇ HOLDİNG A.Ş.

**CONSOLIDATED BALANCE SHEETS
AT 31 MARCH 2022 AND 31 DECEMBER 2021**

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

		31 March 2022	31 March 2022	<i>Unaudited</i> 31 March 2022	<i>Audited</i> 31 December 2021
	Notes	(*) EUR'000	(*) USD'000	TL'000	TL'000
ASSETS					
Current assets:					
Cash and cash equivalents	4	7.144.817	7.955.999	116.521.964	93.849.314
Balances with the Central Bank of the Republic of Turkey		6.177.433	6.878.783	100.745.279	103.245.309
Financial assets	5	693.564	772.307	11.311.060	14.482.812
Trade receivables	7	3.610.432	4.020.340	58.881.095	46.979.315
- <i>Related parties</i>	7	194.562	216.652	3.173.037	3.073.686
- <i>Third parties</i>	7	3.415.870	3.803.688	55.708.058	43.905.629
Receivables from finance sector operations	8	16.610.150	18.495.971	270.888.298	229.362.141
Derivative instruments		359.452	400.262	5.862.162	16.780.484
Inventories	9	3.958.153	4.407.539	64.551.928	46.258.445
Other receivables	16	490.768	546.487	8.003.736	6.585.219
Other current assets	17	2.896.991	3.225.899	47.245.867	48.396.237
		41.941.760	46.703.587	684.011.389	605.939.276
Assets held for sale		2.166	2.412	35.320	35.320
Total current assets		41.943.926	46.705.999	684.046.709	605.974.596
Non-current assets:					
Financial assets	5	9.152.048	10.191.119	149.257.092	118.154.933
Investments accounted for using the equity method	6	652.723	726.829	10.644.994	12.135.290
Trade receivables	7	51.586	57.443	841.301	775.733
- <i>Third parties</i>	7	51.586	57.443	841.301	775.733
Receivables from finance sector operations	8	12.416.645	13.826.359	202.498.095	187.381.146
Derivative instruments		637.904	710.328	10.403.322	8.827.536
Investment properties		22.409	24.953	365.453	369.009
Property, plant and equipment	10	3.379.993	3.763.738	55.122.961	51.167.683
Intangible assets		1.266.920	1.410.758	20.661.681	18.442.530
- <i>Goodwill</i>		368.395	410.220	6.008.003	5.581.511
- <i>Other intangible assets</i>	11	898.525	1.000.538	14.653.678	12.861.019
Deferred tax assets	14	1.275.045	1.419.807	20.794.206	13.056.562
Other non-current assets	17	216.154	240.694	3.525.162	4.268.289
Total non-current assets		29.071.427	32.372.028	474.114.267	414.578.711
Total assets		71.015.353	79.078.027	1.158.160.976	1.020.553.307

(*) 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 31 March 2022, 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 - 31 March 2022 have been approved for issue by the Board of Directors on 9 May 2022.

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 31 MARCH 2022 AND 31 DECEMBER 2021**

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

		31 March 2022	31 March 2022	Unaudited 31 March 2022	Audited 31 December 2021
	Notes	(*) EUR'000	(*) USD'000	TL'000	TL'000
LIABILITIES					
Current liabilities:					
Short term borrowings	12	5.005.096	5.573.346	81.626.113	61.806.242
Short term portion of long term borrowings	12	5.058.879	5.633.236	82.503.242	61.704.287
Trade payables	7	5.754.518	6.407.852	93.848.126	71.588.038
- Related parties	7	191.506	213.248	3.123.187	2.689.664
- Third parties	7	5.563.012	6.194.604	90.724.939	68.898.374
Payables of finance sector operations	13	31.063.461	34.590.228	506.601.561	445.328.125
Derivative instruments		557.269	620.539	9.088.285	12.944.298
Current income tax liabilities	14	676.949	753.806	11.040.091	2.565.179
Short term provisions	15	282.629	314.717	4.609.281	3.698.499
Other payables	16	331.294	368.907	5.402.943	4.778.397
Other current liabilities	17	3.152.935	3.510.902	51.419.932	45.263.866
		51.883.030	57.773.533	846.139.574	709.676.931
Liabilities related to assets held for sale		-	-	-	-
Total current liabilities		51.883.030	57.773.533	846.139.574	709.676.931
Non-current liabilities:					
Long term borrowings	12	9.088.656	10.120.529	148.223.250	162.779.111
Payables of finance sector operations	13	215.443	239.903	3.513.569	5.845.587
Derivative instruments		506.551	564.062	8.261.143	9.158.164
Deferred tax liabilities	14	178.581	198.857	2.912.413	2.606.687
Long term provisions		483.584	538.487	7.886.578	7.348.634
- Long term provisions for employee benefits		323.962	360.743	5.283.370	4.899.279
- Other long term provisions	15	159.622	177.744	2.603.208	2.449.355
Other non-current liabilities	17	137.946	153.607	2.249.699	2.033.131
Total non-current liabilities		10.610.761	11.815.445	173.046.652	189.771.314
Total liabilities		62.493.791	69.588.978	1.019.186.226	899.448.245
Equity:					
Paid-in share capital	18	155.495	173.148	2.535.898	2.535.898
Adjustment to share capital	18	59.312	66.045	967.288	967.288
Treasury shares	18	(1.169)	(1.302)	(19.066)	(19.066)
Share premium		569	634	9.286	9.286
Other comprehensive income/(expense) not to be reclassified to profit or loss	18	(41.535)	(46.251)	(677.376)	(620.039)
Other comprehensive income/(expense) to be reclassified to profit or loss	18	589.543	656.476	9.614.618	5.634.832
Restricted reserves	18	33.012	36.760	538.386	538.386
Prior years' income		3.325.165	3.702.685	54.228.786	39.401.808
Profit for the period		411.630	458.364	6.713.112	15.192.711
Equity holders of the parent		4.532.022	5.046.559	73.910.932	63.641.104
Non-controlling interests		3.989.540	4.442.490	65.063.818	57.463.958
Total equity		8.521.562	9.489.049	138.974.750	121.105.062
Total liabilities and equity		71.015.353	79.078.027	1.158.160.976	1.020.553.307
Commitments and contingent liabilities	23				

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

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

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**CONSOLIDATED STATEMENTS OF INCOME
FOR THE INTERIM PERIODS ENDED 31 MARCH 2022 AND 2021**

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

		1 January - 31 March 2022	1 January - 31 March 2022	<i>Unaudited</i> 1 January - 31 March 2022	1 January - 31 March 2021
	Notes	(*) EUR'000	(*) USD'000	TL'000	TL'000
Revenue		7.987.544	8.958.924	124.771.828	43.301.601
Revenue from finance sector operations		1.749.796	1.962.592	27.333.219	14.003.398
Total revenue	3	9.737.340	10.921.516	152.105.047	57.304.999
Cost of sales		(6.835.899)	(7.667.226)	(106.782.217)	(35.392.278)
Cost of finance sector operations		(771.264)	(865.059)	(12.047.764)	(8.128.394)
Total costs		(7.607.163)	(8.532.285)	(118.829.981)	(43.520.672)
Gross profit (non-finance)		1.151.645	1.291.698	17.989.611	7.909.323
Gross profit (finance)		978.532	1.097.533	15.285.455	5.875.004
Gross profit		2.130.177	2.389.231	33.275.066	13.784.327
Marketing expenses		(398.757)	(447.251)	(6.228.904)	(2.944.448)
General administrative expenses		(400.928)	(449.686)	(6.262.817)	(3.445.921)
Research and development expenses		(13.342)	(14.964)	(208.412)	(120.488)
Other operating income	19	234.889	263.454	3.669.155	1.907.956
Other operating expenses	19	(438.571)	(491.907)	(6.850.833)	(4.992.940)
Share of profit/loss of investments accounted for using the equity method	6	124.349	139.471	1.942.431	985.257
Operating profit	3	1.237.817	1.388.348	19.335.686	5.173.743
Gains from investment activities	20	35.564	39.889	555.544	116.266
Losses from investment activities	20	(1.487)	(1.667)	(23.221)	(7.080)
Operating profit before financial income/(expense)		1.271.894	1.426.570	19.868.009	5.282.929
Financial income	21	478.436	536.619	7.473.548	6.449.571
Financial expense	21	(768.025)	(861.426)	(11.997.172)	(7.985.567)
Profit before tax	3	982.305	1.101.763	15.344.385	3.746.933
Tax income/(expense)		(193.198)	(216.692)	(3.017.897)	(468.314)
- Current income tax expense		(723.010)	(810.936)	(11.293.992)	(531.493)
- Deferred tax income	14	529.812	594.244	8.276.095	63.179
Profit for the period		789.107	885.071	12.326.488	3.278.619
Attributable to:					
Non-controlling interest		359.353	403.054	5.613.376	1.165.435
Equity holders of the parent	3	429.754	482.017	6.713.112	2.113.184
Earnings per share (Kır)	26			2,648	0,833

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CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED 31 MARCH 2022 AND 2021

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

	1 January - 31 March 2022 (*) EUR'000	1 January - 31 March 2022 (*) USD'000	<i>Unaudited</i> 1 January - 31 March 2022 TL'000	<i>Unaudited</i> 1 January - 31 March 2021 TL'000
Profit for the period	789.107	885.071	12.326.488	3.278.619
Other comprehensive income:				
Items not to be reclassified to profit/loss	(9.284)	(10.414)	(145.025)	(17.402)
Gains/(losses) on remeasurements of defined benefit plans	(9.266)	(10.393)	(144.739)	(18.989)
Share of other comprehensive income/(expenses) of investments accounted for using the equity method	(18)	(21)	(286)	1.587
Taxes relating to other comprehensive income not to be reclassified to profit/loss	1.948	2.184	30.422	3.575
Gains/(losses) on remeasurements of defined benefit plans, tax effect	1.948	2.184	30.422	3.575
Items to be reclassified to profit/loss	594.124	666.380	9.280.702	3.416.121
Currency translation differences	275.494	309.001	4.303.444	1.467.996
Gains/(losses) on financial assets measured at fair value through other comprehensive income	496.788	557.203	7.760.226	(280.354)
Gains/(losses) on hedges of net investments in foreign operations	(75.826)	(85.047)	(1.184.462)	(500.478)
Gains/(losses) on cash flow hedges	(119.817)	(134.388)	(1.871.636)	2.764.311
Share of other comprehensive income/(expenses) of investments accounted for using the equity method	17.485	19.611	273.130	(35.354)
Taxes relating to other comprehensive income to be reclassified to profit/loss	(41.596)	(46.656)	(649.776)	(381.516)
Gains/(losses) on financial assets measured at fair value through other comprehensive income, tax effect	(98.856)	(110.879)	(1.544.217)	76.765
Gains/(losses) on hedges of net investments in foreign operations, tax effect	17.232	19.327	269.173	100.096
Gains/(losses) on cash flow hedges, tax effect	40.028	44.896	625.268	(558.377)
Other comprehensive income/(expense)	545.192	611.494	8.516.323	3.020.778
Total comprehensive income	1.334.299	1.496.565	20.842.811	6.299.397
Attributable to:				
Non-controlling interest	653.440	732.906	10.207.250	2.879.391
Equity holders of the parent	680.859	763.659	10.635.561	3.420.006

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS ENDED 31 MARCH 2022 AND 2021

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

	Paid-in share capital	Adjustment to share capital	Treasury shares	Share premium	Items not to be reclassified to profit/loss	Items to be reclassified to profit/loss		Restricted reserves	Retained earnings			Equity holders of the parent	Non- controlling interests	Total equity
					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	Prior years’ income	Profit for the period			
Balances at 1 January 2021	2.535.898	967.288	-	9.286	(278.721)	3.173.469	(2.395.325)	389.096	523.765	32.144.813	9.272.570	46.342.139	41.728.913	88.071.052
Transfers	-	-	-	-	-	-	-	-	-	9.272.570	(9.272.570)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(1.623.879)	(1.623.879)
Total comprehensive income/(expense)	-	-	-	-	(4.806)	688.433	638.458	(15.263)	-	-	2.113.184	3.420.006	2.879.391	6.299.397
Balances at 31 March 2021	2.535.898	967.288	-	9.286	(283.527)	3.861.902	(1.756.867)	373.833	523.765	41.417.383	2.113.184	49.762.145	42.984.425	92.746.570
Balances at 1 January 2022	2.535.898	967.288	(19.066)	9.286	(620.039)	8.462.677	(3.864.651)	1.036.806	538.386	39.401.808	15.192.711	63.641.104	57.463.958	121.105.062
Transfers	-	-	-	-	-	-	-	-	-	15.192.711	(15.192.711)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(1.906.920)	(1.906.920)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	(365.733)	-	(365.733)	(700.470)	(1.066.203)
Total comprehensive income/(expense)	-	-	-	-	(57.337)	2.163.249	(981.139)	2.797.676	-	-	6.713.112	10.635.561	10.207.250	20.842.811
Balances at 31 March 2022	2.535.898	967.288	(19.066)	9.286	(677.376)	10.625.926	(4.845.790)	3.834.482	538.386	54.228.786	6.713.112	73.910.932	65.063.818	138.974.750

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**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 31 MARCH 2022 AND 2021**

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

		1 January - 31 March 2022	1 January - 31 March 2022	<i>Unaudited</i> 1 January - 31 March 2022	<i>Unaudited</i> 1 January - 31 March 2021
	Notes	(*) EUR'000	(*) USD'000	TL'000	TL'000
A. Cash Flows From Operating Activities:					
Profit for the period		789.107	885.071	12.326.488	3.278.619
Adjustments to reconcile net cash generated:					
Tax (income)/expense		193.198	216.692	3.017.897	468.314
Undistributed profits of investments accounted for using the equity method	6	(124.349)	(139.471)	(1.942.431)	(985.257)
Depreciation and amortisation	3	113.984	127.846	1.780.528	1.129.650
Adjustments for provisions	27	79.852	89.563	1.247.349	645.978
Adjustments for impairment loss/(reversal of impairment loss)	27	102.735	115.229	1.604.801	1.724.966
Adjustments for non-finance sector interest (income)/expenses, net	21	133.412	149.636	2.084.009	956.602
Adjustments for finance sector interest (income)/expenses		(629.293)	(705.822)	(9.830.055)	(1.278.944)
Fair value losses/(gains) on derivative instruments		313.727	351.880	4.900.663	(1.296.205)
Fair value losses/(gains) on financial assets	20	(12.843)	(14.404)	(200.611)	-
Unrealised foreign exchange losses/(gains)		417.034	467.750	6.514.403	2.386.048
- Exchange (gains)/losses on borrowings, net		1.346.539	1.510.294	21.034.020	9.712.441
- Exchange (gains)/losses on cash and cash equivalents, net		(929.505)	(1.042.544)	(14.519.617)	(7.326.393)
Losses/(gains) on disposal of non-current assets	20	(15.608)	(17.506)	(243.810)	(96.559)
Adjustments for dividend income	20	(3.878)	(4.350)	(60.581)	-
Losses/(gains) on disposal of non-current assets held for sale	20	-	-	-	2.831
		1.357.078	1.522.114	21.198.650	6.936.043
Changes in net working capital	27	71.029	79.667	1.109.526	1.764.642
Income taxes refund/(paid)		(175.889)	(197.279)	(2.747.523)	(1.737.983)
Dividends received from Joint Ventures and Associates, net	6	244.307	274.018	3.816.271	1.904.078
Total cash flows from operating activities		1.496.525	1.678.520	23.376.924	8.866.780
B. Cash flows from investing activities:					
Cash outflows from purchases of property, plant and equipment and intangible assets	3	(250.853)	(281.360)	(3.918.531)	(1.825.335)
Cash inflows from sale of property, plant and equipment and intangible assets		53.460	59.961	835.088	547.255
Cash outflows from acquisition of interest/capital increase in Subsidiaries		(4.949)	(5.551)	(77.307)	(49.414)
Cash outflows from capital increases of Joint Ventures		(6.818)	(7.647)	(106.506)	(43.507)
Dividends received	20	3.878	4.350	60.581	-
Cash inflows from disposal of non-current assets held for sale		-	-	-	2.107
Other cash inflows/(outflows)		(653.489)	(732.961)	(10.208.019)	(9.555.576)
- Cash outflows from purchase/sale of financial assets, net		(653.489)	(732.961)	(10.208.019)	(9.555.576)
Total cash flows from investing activities		(858.771)	(963.208)	(13.414.694)	(10.924.470)
C. Cash flows from financing activities:					
Dividends paid		(80.877)	(90.712)	(1.263.358)	(1.623.879)
Transactions with non-controlling interests		(68.255)	(76.556)	(1.066.203)	-
Cash inflows from borrowings	12	1.750.920	1.963.853	27.350.778	19.973.368
Cash outflows from repayments of borrowings	12	(1.532.533)	(1.718.908)	(23.939.399)	(13.924.738)
Cash inflows/(outflows) from derivative instruments, net		(710.599)	(797.016)	(11.100.124)	(481.555)
Cash outflows from payments of lease liabilities	12	(29.777)	(33.398)	(465.143)	(194.607)
Non-finance sectors interest paid		(127.249)	(142.724)	(1.987.731)	(1.251.043)
Non-finance sectors interest received		14.952	16.771	233.567	452.396
Total cash flows from financing activities		(783.418)	(878.690)	(12.237.613)	2.949.942
Effects of exchange rate changes on cash and cash equivalents		929.505	1.042.544	14.519.617	7.326.393
Net increase in cash and cash equivalents		783.841	879.166	12.244.234	8.218.645
Cash and cash equivalents at the beginning of the period		9.264.452	10.391.119	144.718.159	84.598.776
Cash and cash equivalents at the end of the period	27	10.048.293	11.270.285	156.962.393	92.817.421

(*) 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 three month period ended 31 March 2022, 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 31 MARCH 2022

(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:

	<u>End of period</u>		<u>Average</u>	
	<u>31 March 2022</u>	<u>31 December 2021</u>	<u>1 January - 31 March 2022</u>	<u>1 January - 31 March 2021</u>
Monthly paid	49.377	48.678	49.087	45.463
Hourly paid	58.842	57.230	58.408	53.899
Total number of personnel	108.219	105.908	107.495	99.362

The registered address of Koç Holding is as follows:

Nakkaştepe Azizbey Sok. No: 1
Kuzguncuk-İSTANBUL

Koç Holding is subject to regulations of the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa İstanbul ("BIST") since 10 January 1986. As of 31 March 2022, the shareholding structure of Koç Holding is as follows:

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

(*) Includes treasury shares at the rate of 0,04% as of 31 March 2022 (Note 18).

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 31 MARCH 2022

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

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

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

Energy Sector

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	
Akpa Dayanımlı 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	
Enspire Enerji Yatırımları ve Hizmetleri A.Ş. ("Enspire Enerji")	Turkey	Power Generation	
Entek Elektrik Üretimi A.Ş. ("Entek")	Turkey	Power Generation	
Göztepe Tankercilik A.Ş. ("Göztepe Tankercilik")	Turkey	Petroleum Shipping	
Kadıköy Tankercilik A.Ş. ("Kadıköy Tankercilik")	Turkey	Petroleum Shipping	
Kandilli Tankercilik A.Ş. ("Kandilli Tankercilik")	Turkey	Petroleum Shipping	
Karaköy Tankercilik A.Ş. ("Karaköy Tankercilik")	Turkey	Petroleum Shipping	
Karşıyaka Tankercilik A.Ş. ("Karşıyaka Tankercilik")	Turkey	Petroleum Shipping	
Kartal Tankercilik A.Ş. ("Kartal Tankercilik")	Turkey	Petroleum Shipping	
Körfez Ulaştırma A.Ş. ("Körfez")	Turkey	Air, Sea, Road and Railway Transportation	
Kuleli Tankercilik A.Ş. ("Kuleli Tankercilik")	Turkey	Petroleum Shipping	
Kuzguncuk Tankercilik A.Ş. ("Kuzguncuk Tankercilik")	Turkey	Petroleum Shipping	
Maltepe Tankercilik A.Ş. ("Maltepe Tankercilik")	Turkey	Petroleum Shipping	
Menzelet Kılavuzlu Elektrik Üretimi A.Ş. ("Menzelet Kılavuzlu Elektrik")	Turkey	Power Generation	
Pendik Tankercilik A.Ş. ("Pendik Tankercilik")	Turkey	Petroleum Shipping	
Salacak Tankercilik A.Ş. ("Salacak Tankercilik")	Turkey	Petroleum Shipping	
Sarıyer Tankercilik A.Ş. ("Sarıyer Tankercilik")	Turkey	Petroleum Shipping	
Sendeo Dağıtım Hizmetleri A.Ş. ("Sendeo")	Turkey	Cargo Transport/Distribution	
Süloğlu Elektrik Üretimi A.Ş. ("Süloğlu Elektrik")	Turkey	Power Generation	
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	
<u>Joint Ventures</u>	<u>Joint Venture Partner</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
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") ⁽¹⁾	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") ⁽²⁾	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 31 MARCH 2022

(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 Holland B.V. ("Otokoç Hollanda")		The Netherlands	Investment
Otokoç Azerbaijan MMC ("Otokoç Azerbaycan")		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 Kazakistan LLP ("Otokoç Kazakistan") ⁽¹⁾		Kazakhstan	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 Osterreich Gmbh	Turkey	Production

(1) Included in the scope of consolidation in 2022.

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 31 MARCH 2022

(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

Subsidiaries	Country of incorporation	Nature of business
Arçelik A.Ş. ("Arçelik")	Turkey	Production/Sales
Arçelik Hitachi Home Appliances B.V. ("Arçelik Hitachi")	The Netherlands	Holding
Arçelik Hitachi Home Appliances IBC Co. Ltd. ("Arçelik Hitachi Thailand IBC") ⁽¹⁾	Thailand	Service
Arçelik Hitachi Home Appliances (Shanghai) Co., Ltd. ("Arçelik Hitachi Shanghai")	China	Production/Sales
Arçelik Hitachi Home Appliances (Thailand) Ltd. ("Arçelik Hitachi Thailand")	Thailand	Production/Sales
Arçelik Hitachi Home Appliances Sales (China) Ltd. ("Arçelik Hitachi China")	China	Sales
Arçelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd ("Arçelik Hitachi Singapore")	Singapore	Sales
Arçelik Hitachi Home Appliances Sales (Thailand) Ltd. ("Arçelik Hitachi Sales Thailand")	Thailand	Sales
Arçelik Hitachi Home Appliances Sales Malaysia Sdn. Bhd. ("Arçelik Hitachi Malaysia")	Malaysia	Sales
Arçelik Hitachi Home Appliances Sales Middle East Fze ("Arçelik Hitachi Dubai")	United Arab Emirates	Sales
Arçelik Hitachi Home Appliances Sales Vietnam Co., Ltd. ("Arçelik Hitachi Vietnam")	Vietnam	Sales
Arçelik Hitachi Home Appliances Sales Hong Kong Limited ("Arçelik Hitachi Hong Kong")	Hong Kong, China	Sales
Arçelik Hitachi Taiwan Home Appliances Sales Ltd. ("Arçelik Hitachi Taiwan")	Taiwan	Sales
Arçelik Pazarlama A.Ş. ("Arçelik Pazarlama")	Turkey	Service/Sales/Marketing
Arçelik Üretim ve Teknoloji A.Ş. ("Arçelik Üretim ve Teknoloji")	Turkey	Production/Sales
Arch R&D Co. Ltd. ("Arch R&D")	China	R&D
Arcwaste Collection SRL ("Arcwaste")	Romania	Service
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 A and NZ Pty Ltd. New Zealand Branch ("Beko New Zealand")	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")	Kazakhstan	Sales
Beko Cesko ("Beko Cesko") ⁽²⁾	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 Deutschland GmbH Croatia Branch Office ("Beko Croatia")	Croatia	Sales
Beko Grundig Österreich AG ("Beko Österreich") ⁽³⁾	Austria	Sales
Beko Grundig Schweiz GmbH ("Beko Switzerland")	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 Plc. ("Beko Ireland")	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 Sales East Africa Limited ("Defy Kenya")	Kenya	Sales
Defy (Swaziland) (Proprietary) Limited ("Defy Swaziland")	Swaziland	Sales
DEL Electronics (Pvt.) Ltd. ("DEL")	Pakistan	Sales

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

KOÇ HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2022

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

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

Consumer Durables Sector (Continued)

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Grundig Intermedia Ges.m.b.H ("Grundig Austria") ⁽²⁾	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 AB Finland Branch of Nordic AB ("Grundig Finland")	Finland	Sales
Grundig Nordic No AS ("Grundig Norway")	Norway	Sales
Grundig Nordic Denmark Branch of Grundig Nordic AS ("Grundig Denmark")	Denmark	Sales
Grundig Portuguesa Lda ("Grundig Portugal") ⁽²⁾	Portugal	-
Pan Asia Private Equity Ltd. ("Pan Asia")	British Virgin Islands	Holding
PT Arçelik Hitachi Home Appliances Sales Indonesia ("Arçelik Hitachi Indonesia") ⁽¹⁾	Indonesia	Sales
PT Home Appliances Indonesia ("PT Home")	Indonesia	Sales
Retail Holdings Bhold B.V. ("Retail Holdings")	The Netherlands	Holding
SC Arctic SA ("Arctic")	Romania	Production/Sales
Singer Bangladesh Limited ("Singer Bangladesh")	Bangladesh	Production/Sales
United Refrigeration Industries Ltd. ("United Refrigeration")	Pakistan	Production/Sales
Vietbeko Limited Liability Company ("Vietbeko")	Vietnam	Sales
Wat Motor San. ve Tic. A.Ş. ("Wat Motor")	Turkey	Production/Sales

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

- (1) Arçelik Hitachi Home Appliances IBC Co. Ltd. ("Arçelik Hitachi Thailand IBC") started its operations on January 2022 following the completion of capital transfer and other transactions.
- (2) Non-operational companies as of the balance sheet date.
- (3) The title of Elektra Bregenz AG ("Elektra Bregenz") was changed as "Beko Grundig Österreich AG ("Beko Österreich") on 11 January 2022.

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 31 MARCH 2022

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

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

Finance Sector

<u>Subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>
Koç Finansal Hizmetler A.Ş. ("Koç Finansal Hizmetler" or "KFS")	Turkey	Holding
Koç Finansman A.Ş. ("Koç Finansman")	Turkey	Consumer Finance
Stiching Custody Services YKB ("Stiching Custody")	The Netherlands	Custody
Yapı Kredi Azerbaijan C.J.S.C. ("Yapı Kredi Azerbaijan")	Azerbaijan	Banking
Yapı Kredi Bank Nederland N.V. ("Yapı Kredi Nederland")	The Netherlands	Banking
Yapı Kredi Bank Malta Ltd. ("Yapı Kredi Malta") ⁽¹⁾	Malta	Banking
Yapı Kredi Diversified Payment Rights Finance Company ("Yapı Kredi SPC") ⁽²⁾	Cayman Islands	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.

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 31 MARCH 2022

(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	
Düzyer Tüketim Malları Sanayi Pazarlama A.Ş. (“Düzyer”)	Turkey	Trading	
Entegart Teknoloji Çözüm ve Hizmetler 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	
Koç Investments B.V.	The Netherlands	Investment	
KoçSistem Bilgi ve İletişim Hizmetleri A.Ş. (“KoçSistem”)	Turkey	Technology	
KoçSistem Azerbaijan LLC (“KoçSistem Azerbaijan”)	Azerbaijan	Technology	
Koç Yapı Malzemeleri Ticaret A.Ş. (“Koç Yapı Malzeme”)	Turkey	Trading	
Marmaris Altınyunus Turistik Tesisleri A.Ş. (“Mares”)	Turkey	Tourism	
Ram Dış Ticaret A.Ş. (“Ram Dış Ticaret”)	Turkey	Foreign Trade	
RMK Marine Gemi Yapım Sanayi ve Deniz Taş. İşl. A.Ş. (“RMK Marine”)	Turkey	Ship Construction	
Setur Antalya Marina İşletmeciliği A.Ş. (“Antalya Marina”)	Turkey	Tourism	
Setur Servis Turistik A.Ş. (“Setur”)	Turkey	Tourism	
Setur Yalova Marina İşletmeciliği A.Ş. (“Yalova Marina”)	Turkey	Tourism	
Tat Gıda Sanayi A.Ş. (“Tat Gıda”)	Turkey	Food	
Tek-Art Kalamış ve Fenerbahçe Marmara Turizm Tesisleri A.Ş. (“Tek-Art Marina”)	Turkey	Tourism	
Token Finansal Teknolojiler A.Ş. (“Token”)	Turkey	Information Technologies	
Token Ödeme Hizmetleri ve Elektronik Para A.Ş. (“Token Ödeme Hizmetleri”)	Turkey	Payment Services	
Token International Holdings B.V. (“Token International”)	The Netherlands	Holding	
Token Payment Services SRL (“Token Payment”)	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

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 3).

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 31 MARCH 2022**

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

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

In accordance with the Turkish Accounting Standard No: 34 "Interim Financial Reporting", entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

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 31 March 2022 of TL16,3086 = EUR1 and TL14,6458 = 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 three month period ended 31 March 2022 of TL15,6208 = EUR1 and TL13,9271 = USD1, respectively, and do not form 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 31 MARCH 2022

(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 - 31 March 2022 are consistent with those applied in the preparation of the consolidated financial statements as of 31 December 2021, 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 31 March 2022:

- TFRS 7, TFRS 4 and TFRS 16 - "Interest Rate Benchmark Reform Phase 2"
- TFRS 16 - "Leases - COVID 19 Related Rent Concessions (Amendments)"
- TFRS 4 - "Insurance Contracts" (Amendments) and 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 31 March 2022:

- 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, TFRS 16 and TAS 41
- 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)"
- TFRS 17 - "Insurance Contracts (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 31 March 2022 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 31 March 2022 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2021. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 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 31 MARCH 2022

(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, Joint Ventures and Associates of the Group reported as of 31 March 2022 from interests reported as of 31 December 2021, except for the companies mentioned below:

Subsidiaries	Proportion of effective interest		Direct and indirect ownership interest held by Koç Holding		Ownership interest held by Koç Family members		Total ownership interest	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
Arch R&D ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Arctic ⁽¹⁾	42,82	41,47	96,72	96,72	-	-	96,72	96,72
Arcwaste ⁽¹⁾	42,82	41,47	96,72	96,72	-	-	96,72	96,72
Arçelik ⁽¹⁾	44,27	42,87	48,94	45,95	11,42	11,42	60,36	57,37
Arçelik Hitachi ⁽¹⁾	26,56	25,72	60,00	60,00	-	-	60,00	60,00
Arçelik Hitachi China ⁽¹⁾	26,56	25,72	100,00	100,00	-	-	100,00	100,00
Arçelik Hitachi Dubai ⁽¹⁾	26,56	25,72	100,00	100,00	-	-	100,00	100,00
Arçelik Hitachi Hong Kong ⁽¹⁾	26,56	25,72	100,00	100,00	-	-	100,00	100,00
Arçelik Hitachi Indonesia ⁽¹⁾	17,93	17,36	67,50	67,50	-	-	67,50	67,50
Arçelik Hitachi Malaysia ⁽¹⁾	26,56	25,72	100,00	100,00	-	-	100,00	100,00
Arçelik Hitachi Sales Thailand ⁽¹⁾	26,56	25,72	100,00	100,00	-	-	100,00	100,00
Arçelik Hitachi Shanghai ⁽¹⁾	25,23	24,44	95,00	95,00	-	-	95,00	95,00
Arçelik Hitachi Singapore ⁽¹⁾	26,56	25,72	100,00	100,00	-	-	100,00	100,00
Arçelik Hitachi Taiwan ⁽¹⁾	26,56	25,72	100,00	100,00	-	-	100,00	100,00
Arçelik Hitachi Thailand ⁽¹⁾	22,33	21,62	84,07	84,07	-	-	84,07	84,07
Arçelik Hitachi Thailand IBC ^(1,2)	26,56	25,72	100,00	100,00	-	-	100,00	100,00
Arçelik Hitachi Vietnam ⁽¹⁾	26,56	25,72	100,00	100,00	-	-	100,00	100,00
Arçelik Pazarlama ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Arçelik Üretim ve Teknoloji ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Ardutch ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Ardutch Taiwan ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko APAC ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Australia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Balkans ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Central Asia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Cesko ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko China ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Croatia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Czech ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Deutschland ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Espana ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Egypt ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko France ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Grundig Schweiz ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Gulf ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Hong Kong ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Indonesia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Ireland ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Israel ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Italy ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Malaysia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Morocco ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko New Zealand ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Österreich ^(1,3)	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Phillipines ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Polska ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Portugal ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Russia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00

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

KOÇ HOLDİNG A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2022

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

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

Subsidiaries	Proportion of effective interest		Direct and indirect ownership interest held by Koç Holding		Ownership interest held by Koç Family members		Total ownership interest	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
Beko Shangai ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Slovakia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Thailand ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko UK ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko Ukraine ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Beko US ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
DEL ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Divan ⁽⁴⁾	40,13	30,15	51,77	43,73	48,23	56,27	100,00	100,00
DPL ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Defy ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Defy Botswana ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Defy East Africa ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Defy Namibia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Defy Swaziland ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Entegart ⁽¹⁾	70,42	70,39	100,00	100,00	-	-	100,00	100,00
Grundig Austria ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Grundig Denmark ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Grundig Finland ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Grundig Multimedia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Grundig Norway ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Grundig Portugal ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Grundig Sweden ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Grundig Switzerland ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Koç Bilgi ve Savunma ⁽¹⁾	60,27	60,17	92,24	92,24	7,76	7,76	100,00	100,00
Koç Finansman ⁽¹⁾	66,49	65,84	94,50	94,50	5,50	5,50	100,00	100,00
Otokoç Kazakistan ⁽⁵⁾	96,42	96,42	100,00	100,00	-	-	100,00	100,00
Pan Asia ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
PT Home ^(1,6)	44,27	28,72	100,00	67,00	-	-	100,00	67,00
Ram Dış Ticaret ⁽¹⁾	58,97	58,50	83,45	83,45	14,66	14,66	98,11	98,11
Retail Holdings ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Singer Bangladesh ⁽¹⁾	25,23	24,43	56,99	56,99	-	-	56,99	56,99
Tat Gıda ⁽¹⁾	43,84	43,83	44,07	44,07	7,12	7,12	51,19	51,19
United Refrigeration ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Vietbeko ⁽¹⁾	44,27	42,87	100,00	100,00	-	-	100,00	100,00
Joint Ventures								
Arçelik LG Klima ⁽¹⁾	24,92	24,29	50,00	50,00	-	-	50,00	50,00
Voltbek ⁽¹⁾	22,69	22,01	50,00	50,00	-	-	50,00	50,00

- (1) Koç Holding's effective ownership interest rate has changed following the Arçelik's purchase of shares constituting 2,99% of Arçelik's share capital within the scope of the share buyback program in the first quarter of 2022.
- (2) Arçelik Hitachi Thailand IBC started to operate on January 2022.
- (3) The title of Elektra Bregenz was changed to Beko Österreich on 11 January 2022.
- (4) Koç Holding's effective ownership interest rate has been changed following the capital increase realised in 2022 by the contribution of Koç Holding.
- (5) Included in the scope of consolidation in 2022.
- (6) Koç Holding's effective ownership interest rate has been changed following the acquisition of shares constituting of 33% of PT Home's share capital belonging to other shareholders, by Beko APAC on March 2022.

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 31 MARCH 2022**

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

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

2.5 Significant Accounting Estimates and Assumptions

Preparation of consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results. Significant accounting estimates and assumptions are consistent with financial statements for the year ended 31 December 2021.

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 31 MARCH 2022

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

NOTE 3 - 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 31 March 2022 and 2021 are presented separately.

1 January - 31 March 2022	Energy	Automotive	Consumer durables	Finance	Other	Total
External revenue	95.464.589	46.543.882	31.485.175	27.292.296	5.177.862	205.963.804
Intra segment revenue	17.377.723	3.117.774	820.801	39.690	456.378	21.812.366
Inter segment revenue	335.741	532.851	252.313	139.122	3.893.296	5.153.323
Combined revenue	113.178.053	50.194.507	32.558.289	27.471.108	9.527.536	232.929.493
Combined gross profit	8.036.771	8.020.447	9.037.009	14.453.571	1.686.494	41.234.292
Operating expenses	(2.196.144)	(2.381.684)	(6.625.044)	(2.791.219)	(1.730.387)	(15.724.478)
Other operating income/(expenses) (net) ⁽¹⁾	96.903	5.955	14.157	(2.166.095)	31.518	(2.017.562)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) ⁽²⁾	(1.732.938)	390.521	449.668	-	(32.780)	(925.529)
Combined operating profit/(loss)	4.204.592	6.035.239	2.875.790	9.496.257	(45.155)	22.566.723
Gains/(losses) from investment activities (net)	33.601	(5.418)	(16.341)	60.514	454.316	526.672
Financial income/(expenses) (net)	(2.281.952)	(1.201.424)	(1.340.583)	-	(50.596)	(4.874.555)
Combined profit before tax	1.956.241	4.828.397	1.518.866	9.556.771	358.565	18.218.840
Tax income/(expense) (net)	(385.160)	234.811	(250.351)	(2.309.926)	(126.177)	(2.836.803)
Combined net profit for the period	1.571.081	5.063.208	1.268.515	7.246.845	232.388	15.382.037
Net profit for the period ⁽³⁾	568.314	2.204.346	568.325	3.249.918	122.209	6.713.112

(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 31 MARCH 2022

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

NOTE 3 - SEGMENT REPORTING (Continued)

1 January - 31 March 2021	Energy	Automotive	Consumer durables	Finance	Other	Total
External revenue	28.893.182	28.502.658	14.684.836	14.022.452	2.301.285	88.404.413
Intra segment revenue	4.247.504	1.928.941	298.197	20.303	384.231	6.879.176
Inter segment revenue	139.907	179.246	122.544	52.538	1.898.621	2.392.856
Combined revenue	33.280.593	30.610.845	15.105.577	14.095.293	4.584.137	97.676.445
Combined gross profit	2.596.679	4.490.096	4.613.043	5.233.295	701.125	17.634.238
Operating expenses	(1.147.068)	(1.273.504)	(3.046.870)	(1.895.046)	(748.570)	(8.111.058)
Other operating income/(expenses) (net) ⁽¹⁾	11.393	(309.916)	993	(1.688.489)	466	(1.985.553)
Exchange gains/(losses) and credit finance income/(charges) from operating activities (net) ⁽²⁾	(1.771.575)	149.849	142.158	-	(8.938)	(1.488.506)
Combined operating profit/(loss)	(310.571)	3.056.525	1.709.324	1.649.760	(55.917)	6.049.121
Gains/(losses) from investment activities (net)	3.507	14.575	(404)	-	106.699	124.377
Financial income/(expenses) (net)	(489.807)	(97.590)	(398.797)	-	140.099	(846.095)
Combined profit/(loss) before tax	(796.871)	2.973.510	1.310.123	1.649.760	190.881	5.327.403
Tax income/(expense) (net)	177.577	(75.393)	(203.775)	(337.378)	(44.036)	(483.005)
Combined net profit/(loss) for the period	(619.294)	2.898.117	1.106.348	1.312.382	146.845	4.844.398
Net profit/(loss) for the period ⁽³⁾	(290.068)	1.264.508	458.108	602.505	78.131	2.113.184

(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.

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

NOTE 3 - SEGMENT REPORTING (Continued)

	1 January - 31 March 2022	1 January - 31 March 2021
a) <u>Revenue</u>		
Energy	113.178.053	33.280.593
Automotive	50.194.507	30.610.845
Consumer durables	32.558.289	15.105.577
Finance	27.471.108	14.095.293
Other	9.527.536	4.584.137
Combined	232.929.493	97.676.445
Less: Joint Ventures (Note 6.c)	(74.219.517)	(37.378.299)
Less: Consolidation eliminations and adjustments	(6.604.929)	(2.993.147)
Consolidated	152.105.047	57.304.999
b) <u>Operating profit</u>		
Energy	4.204.592	(310.571)
Automotive	6.035.239	3.056.525
Consumer durables	2.875.790	1.709.324
Finance	9.496.257	1.649.760
Other	(45.155)	(55.917)
Combined	22.566.723	6.049.121
Less: Joint Ventures (Note 6.c)	(5.996.760)	(2.495.577)
Less: Consolidation eliminations and adjustments	823.292	634.942
Add: Net profit shares of Joint Ventures and associates (Note 6.b)	1.942.431	985.257
Consolidated	19.335.686	5.173.743
c) <u>Depreciation and amortisation</u> (*)		
Energy	430.371	374.009
Automotive	1.111.406	763.916
Consumer durables	722.812	350.676
Finance	285.875	251.692
Other	124.288	102.234
Combined	2.674.752	1.842.527
Less: Joint Ventures	(860.692)	(687.805)
Less: Consolidation eliminations and adjustments	(33.532)	(25.072)
Consolidated	1.780.528	1.129.650

(*) Includes the depreciation expenses of right-of-use assets. As of 31 March 2022, combined depreciation expense of the right-of-use assets amounted to TL441.060 thousand (31 March 2021: TL322.464 thousand) and consolidated depreciation expense amounted to TL327.635 thousand (31 March 2021: TL218.050 thousand).

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

NOTE 3 - SEGMENT REPORTING (Continued)

	1 January - 31 March 2022	1 January - 31 March 2021
d) <u>Profit before tax</u>		
Energy	1.956.241	(796.871)
Automotive	4.828.397	2.973.510
Consumer durables	1.518.866	1.310.123
Finance	9.556.771	1.649.760
Other	358.565	190.881
Combined	18.218.840	5.327.403
Less: Joint Ventures (Note 6.c)	(4.816.886)	(2.565.727)
Add: Net profit shares of Joint Ventures and associates (Note 6.b)	1.942.431	985.257
Consolidated	15.344.385	3.746.933
e) <u>Net profit for the period</u>		
Energy	1.571.081	(619.294)
Automotive	5.063.208	2.898.117
Consumer durables	1.268.515	1.106.348
Finance	7.246.845	1.312.382
Other	232.388	146.845
Combined	15.382.037	4.844.398
Less: Joint Ventures (Note 6.c)	(4.997.980)	(2.551.036)
Add: Net profit shares of Joint Ventures and associates (Note 6.b)	1.942.431	985.257
Less: Non-controlling interests	(5.613.376)	(1.165.435)
Consolidated (attributable to the equity holders of the parent)	6.713.112	2.113.184
f) <u>Capital expenditures</u> (*)		
Energy	374.367	405.456
Automotive	3.002.314	1.649.228
Consumer durables	867.385	408.306
Finance	195.575	90.258
Other	856.909	74.179
Combined	5.296.550	2.627.427
Less: Joint Ventures	(1.378.019)	(802.092)
Consolidated	3.918.531	1.825.335

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

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NOTE 4 - CASH AND CASH EQUIVALENTS

	31 March 2022			31 December 2021		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Cash in hand	15.020.760	17.454	15.038.214	12.884.224	14.195	12.898.419
Cheques received	75	131.917	131.992	91	126.371	126.462
Banks						
- Demand deposits	34.590.179	13.494.024	48.084.203	24.221.958	6.312.107	30.534.065
- Time deposits	11.157.009	36.776.659	47.933.668	13.762.735	34.315.120	48.077.855
- Reverse repo receivables	4.828.448	-	4.828.448	1.805.565	-	1.805.565
Other	-	505.439	505.439	-	406.948	406.948
	65.596.471	50.925.493	116.521.964	52.674.573	41.174.741	93.849.314

As of 31 March 2022, total blocked deposits amounted to TL9.710.304 thousand (31 December 2021: TL4.325.257 thousand). As of 31 March 2022, TL2.852.068 thousand (31 December 2021: TL2.720.305 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 and TL6.794.197 thousand (31 December 2021: 1.527.549 thousand) of the related amount consist of blocked demand deposits of Tüpraş for derivative transactions carried out in foreign stock markets.

Group companies operating in Non-Finance sectors have cash and cash equivalent balances amounting to TL18.132.370 thousand held at Yapı Kredi Bankası and eliminated during the preparation of consolidated financial statements (31 December 2021: TL22.177.830 thousand).

NOTE 5 - FINANCIAL ASSETS

	31 March 2022			31 December 2021		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Financial assets measured at fair value through profit or loss	1.504.332	417.762	1.922.094	802.354	379.707	1.182.061
Financial assets measured at fair value through other comprehensive income	7.168.151	39.580.077	46.748.228	10.272.138	25.063.928	35.336.066
Financial assets measured at amortised cost	2.638.577	109.259.253	111.897.830	3.408.320	92.711.298	96.119.618
	11.311.060	149.257.092	160.568.152	14.482.812	118.154.933	132.637.745

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

	31 March 2022			31 December 2021		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Debt securities:						
Government bonds	256.100	-	256.100	211.114	-	211.114
Deposits:						
Time deposits	-	673.976	673.976	-	-	-
Equity securities:						
Listed	574.256	-	574.256	362.794	-	362.794
Unlisted	-	417.762	417.762	228.446	379.707	608.153
	574.256	417.762	992.018	591.240	379.707	970.947
	830.356	1.091.738	1.922.094	802.354	379.707	1.182.061

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NOTE 5 - FINANCIAL ASSETS (Continued)

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

	31 March 2022			31 December 2021		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Debt securities:						
Government bonds	35.362.111	-	35.362.111	27.729.797	-	27.729.797
Eurobonds	9.555.936	-	9.555.936	6.022.607	-	6.022.607
Private sector bonds	1.077.217	-	1.077.217	954.108	-	954.108
	45.995.264	-	45.995.264	34.706.512	-	34.706.512
Equity securities:						
Listed	-	543.550	543.550	-	484.407	484.407
Unlisted	118.607	90.807	209.414	93.324	51.823	145.147
	118.607	634.357	752.964	93.324	536.230	629.554
	46.113.871	634.357	46.748.228	34.799.836	536.230	35.336.066

c) Financial assets measured at amortised cost

	31 March 2022			31 December 2021		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Debt securities:						
Government bonds	55.696.018	-	55.696.018	47.676.235	-	47.676.235
Eurobonds	52.154.989	-	52.154.989	44.130.084	-	44.130.084
Other	4.046.823	-	4.046.823	4.313.299	-	4.313.299
	111.897.830	-	111.897.830	96.119.618	-	96.119.618

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NOTE 6 - 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:

	31 March 2022		31 December 2021	
	%	Amount	%	Amount
Ford Otosan	38,65	3.234.663	38,65	3.954.783
Tofaş	37,59	1.360.603	37,59	2.145.456
Banque de Commerce	30,67	2.241.498	30,67	2.050.744
Opet	41,33	1.336.426	41,33	1.339.615
Türk Traktör	37,50	489.496	37,50	770.523
Allianz Emeklilik	20,00	387.652	20,00	425.657
Other		1.594.656		1.448.512
		10.644.994		12.135.290
Joint Ventures		8.015.844		9.658.889
Associates		2.629.150		2.476.401
		10.644.994		12.135.290

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

	2022	2021
Beginning of the period - 1 January	12.135.290	8.367.140
Shares of profit/(loss)	1.942.431	985.257
Shares of other comprehensive income/(loss)	272.844	(33.767)
Dividend paid	(3.817.403)	(1.915.316)
Dividend received	1.132	11.238
Contribution to capital increases	106.506	43.507
Disposals from the scope of consolidation	-	(22.921)
Profit eliminations	4.194	963
End of the period - 31 March	10.644.994	7.436.101

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

	1 January - 31 March 2022	1 January - 31 March 2021
Ford Otosan	1.085.610	598.412
Tofaş	424.365	231.890
Opet	208.730	(294)
Türk Traktör	178.723	130.597
Other	45.003	24.652
	1.942.431	985.257
Joint Ventures	1.905.847	955.525
Associates	36.584	29.732
	1.942.431	985.257

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NOTE 6 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

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

	1 January - 31 March 2022	1 January - 31 March 2021
Ford Otosan	(43.655)	(115.666)
Tofaş	(6.414)	(55.731)
Banque de Commerce	239.728	77.698
Opet	36.060	9.033
Türk Traktör	(9.750)	2.967
Other	56.875	47.932
	272.844	(33.767)
Joint Ventures	30.989	(107.502)
Associates	241.855	73.735
	272.844	(33.767)

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

Ford Otosan	1.763.207	870.753
Tofaş	1.202.804	563.814
Banque de Commerce	48.974	-
Opet	247.980	82.660
Allianz Emeklilik	76.714	50.813
Türk Traktör	450.000	318.750
Other	(78.782)	(14.981)
	3.710.897	1.871.809

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

Revenue

Ford Otosan	27.876.424	16.254.142
Tofaş	10.899.293	6.603.179
Opet	27.002.845	9.583.318
Türk Traktör	3.987.990	2.683.930
Other	4.452.965	2.253.730
	74.219.517	37.378.299

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NOTE 6 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Operating profit

	1 January - 31 March 2022	1 January - 31 March 2021
Ford Otosan	3.132.660	1.384.657
Tofaş	1.287.808	613.889
Opet	875.037	66.795
Türk Traktör	463.214	370.619
Other	238.041	59.617
	5.996.760	2.495.577

Profit before tax

Ford Otosan	2.292.169	1.478.837
Tofaş	1.226.389	613.005
Opet	637.670	(593)
Türk Traktör	536.940	420.897
Other	123.718	53.581
	4.816.886	2.565.727

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

Ford Otosan	2.808.727	1.548.233
Tofaş	1.129.001	616.933
Opet	505.527	(711)
Türk Traktör	476.595	348.258
Other	78.130	38.323
	4.997.980	2.551.036

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NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	31 March 2022	31 December 2021
Trade receivables		
Trade receivables	56.761.788	44.264.457
Notes and cheques receivable	1.945.980	2.178.645
Less: Provision for expected credit loss	(1.428.168)	(1.301.907)
Less: Unearned finance income	(730.241)	(459.833)
	56.549.359	44.681.362
Due from related parties (Note 22)	3.173.037	3.073.686
	59.722.396	47.755.048
Short-term trade receivables	58.881.095	46.979.315
Long-term trade receivables	841.301	775.733
	59.722.396	47.755.048

Tüpraş and Arçelik, the Subsidiaries of the Group, offset TL3.174.087 thousand (31 December 2021: TL642.051 thousand) and TL2.628.575 thousand (31 December 2021: TL2.366.439 thousand) respectively, from their trade receivables that were collected from factoring companies as a part of irrevocable factoring agreements as of 31 March 2022.

Tüpraş, a Subsidiary of the Group, offset the supplier financing transaction amounting to TL1.649.822 thousand from its trade receivables as of 31 March 2022 (31 December 2021: TL353.725 thousand).

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

	2022	2021
Beginning of the period - 1 January	1.301.907	876.978
Increases during the period	39.173	21.164
Collections	(9.570)	(1.821)
Write-offs (*)	(12.339)	(7.383)
Currency translation differences	108.997	47.847
End of the period - 31 March	1.428.168	936.785

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

	31 March 2022	31 December 2021
Trade payables		
Trade payables	91.027.918	69.129.983
Less: Unearned finance expense	(302.979)	(231.609)
	90.724.939	68.898.374
Due to related parties (Note 22)	3.123.187	2.689.664
	93.848.126	71.588.038

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2022

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NOTE 8 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

	31 March 2022	31 December 2021
Short-term receivables from finance sector operations	270.888.298	229.362.141
Long-term receivables from finance sector operations	202.498.095	187.381.146
	473.386.393	416.743.287

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

31 March 2022	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Stage 1	261.491.178	74.496.964	52.777.172	15.818.952	6.367.092	410.951.358
Stage 2	62.127.248	6.459.631	3.840.498	924.292	986.088	74.337.757
Stage 3	13.149.347	4.142.875	1.676.359	444.848	102.971	19.516.400
Gross	336.767.773	85.099.470	58.294.029	17.188.092	7.456.151	504.805.515
Stage 1 and 2	(15.563.212)	(1.656.587)	(484.328)	(380.718)	(82.099)	(18.166.944)
Stage 3	(8.199.534)	(3.273.802)	(1.355.910)	(353.512)	(69.420)	(13.252.178)
Expected credit losses (-)	(23.762.746)	(4.930.389)	(1.840.238)	(734.230)	(151.519)	(31.419.122)
Net	313.005.027	80.169.081	56.453.791	16.453.862	7.304.632	473.386.393

31 December 2021	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Stage 1	222.019.863	70.305.173	47.532.095	14.112.911	5.188.483	359.158.525
Stage 2	56.923.062	5.831.282	3.460.004	887.476	785.568	67.887.392
Stage 3	15.103.337	3.090.068	1.443.364	437.941	137.799	20.212.509
Gross	294.046.262	79.226.523	52.435.463	15.438.328	6.111.850	447.258.426
Stage 1 and 2	(13.471.470)	(1.700.955)	(454.125)	(354.938)	(84.475)	(16.065.963)
Stage 3	(10.043.206)	(2.676.530)	(1.272.640)	(343.226)	(113.574)	(14.449.176)
Expected credit losses (-)	(23.514.676)	(4.377.485)	(1.726.765)	(698.164)	(198.049)	(30.515.139)
Net	270.531.586	74.849.038	50.708.698	14.740.164	5.913.801	416.743.287

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NOTE 8 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (Continued)

Movement of the expected credit losses is as follows:

2022	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Beginning of the period						
- 1 January	23.514.676	4.377.485	1.726.765	698.164	198.049	30.515.139
Increases during the period	627.802	679.983	182.735	41.115	38.967	1.570.602
Collections	(1.089.346)	(167.093)	(86.471)	(35.802)	(29.850)	(1.408.562)
Write-offs	(914.587)	(52)	(336)	-	(55.647)	(970.622)
Currency translation differences	1.624.201	40.066	17.545	30.753	-	1.712.565
End of the period - 31 March	23.762.746	4.930.389	1.840.238	734.230	151.519	31.419.122

2021	Corporate and commercial loans	Consumer loans	Credit card receivables	Leasing receivables	Factoring receivables	Total
Beginning of the period						
- 1 January	19.476.670	2.952.673	1.629.165	567.972	153.916	24.780.396
Increases during the period	1.374.500	249.521	34.890	35.876	18.668	1.713.455
Collections	(1.035.622)	(80.958)	(50.278)	-	(14.901)	(1.181.759)
Write-offs	(996.263)	(4.755)	(796)	(68.627)	-	(1.070.441)
Currency translation differences	628.633	97.539	53.060	-	-	779.232
End of the period - 31 March	19.447.918	3.214.020	1.666.041	535.221	157.683	25.020.883

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NOTE 9 - INVENTORIES

	31 March 2022	31 December 2021
Raw materials and supplies	14.537.971	11.109.998
Work in progress	8.111.671	5.017.991
Finished goods	20.980.451	13.976.611
Merchandise	6.870.521	4.948.402
Goods in transit	14.248.461	11.412.960
Other inventories	135.472	105.023
Less: Provision for impairment	(332.619)	(312.540)
	64.551.928	46.258.445

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

	2022	2021
As of 1 January		
Cost	78.926.522	58.945.017
Accumulated depreciation	(27.758.839)	(20.424.200)
Net book value	51.167.683	38.520.817
Net book value at the beginning of the period	51.167.683	38.520.817
Additions	3.533.747	1.623.341
Disposals	(321.668)	(122.684)
Transfers (*)	(278.963)	(215.769)
Additions to scope of consolidation (Note 1)	365.126	-
Currency translation differences	2.076.196	781.311
Current period depreciation	(1.419.160)	(888.092)
Net book value at the end of the period	55.122.961	39.698.924
As of 31 March		
Cost	85.527.493	61.159.509
Accumulated depreciation	(30.404.532)	(21.460.585)
Net book value	55.122.961	39.698.924

(*) Includes transfers amounting to TL255.268 thousand from other non-current assets used in operational lease classified under property, plant and equipment to inventories and transfers amounting to TL23.695 thousand from property, plant and equipment to other intangible assets (Note 11).

Net book value of the right-of-use assets classified under property, plant and equipment is TL3.753.972 thousand as of 31 March 2022 (31 December 2021: TL3.296.822 thousand). For the period ended 31 March 2022, additions to the right-of-use assets amounted to TL663.611 thousand (31 March 2021: TL350.415 thousand) and depreciation expenses amounted to TL327.635 thousand (31 March 2021: TL218.050 thousand).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2022

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

NOTE 11 - OTHER INTANGIBLE ASSETS

	2022	2021
As of 1 January		
Cost	17.925.304	13.031.377
Accumulated amortisation	(5.064.285)	(3.824.885)
Net book value	12.861.019	9.206.492
Net book value at the beginning of the period	12.861.019	9.206.492
Additions	598.734	280.575
Disposals	(10.082)	-
Transfers (*)	23.695	-
Currency translation differences	1.528.780	335.142
Current period amortisation	(348.468)	(239.839)
Net book value at the end of the period	14.653.678	9.582.370
As of 31 March		
Cost	20.167.170	13.724.497
Accumulated amortisation	(5.513.492)	(4.142.127)
Net book value	14.653.678	9.582.370

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

Total research and development expenditures incurred excluding amortisation amounts to TL507.842 thousand as of 31 March 2022 (31 March 2021: TL239.046 thousand).

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NOTE 12 - BORROWINGS

	31 March 2022			31 December 2021		
	Finance	Non-Finance	Total	Finance	Non-Finance	Total
Short-term borrowings (*):						
Bank borrowings	72.056.276	34.873.172	106.929.448	55.129.142	27.860.628	82.989.770
Debt securities in issue	39.551.333	16.388.362	55.939.695	37.718.370	1.771.624	39.489.994
Factoring payables	-	286.613	286.613	-	251.013	251.013
Lease liabilities	333.033	640.566	973.599	307.355	472.397	779.752
	111.940.642	52.188.713	164.129.355	93.154.867	30.355.662	123.510.529
Long-term borrowings:						
Bank borrowings	27.065.944	24.957.452	52.023.396	33.877.756	24.656.363	58.534.119
Debt securities in issue	57.261.640	36.031.021	93.292.661	56.992.642	44.603.001	101.595.643
Lease liabilities	1.129.343	1.777.850	2.907.193	1.043.152	1.606.197	2.649.349
	85.456.927	62.766.323	148.223.250	91.913.550	70.865.561	162.779.111
Total borrowings	197.397.569	114.955.036	312.352.605	185.068.417	101.221.223	286.289.640

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

Group companies operating in Non-Finance sector have financial liabilities amounting to TL2.320.961 thousand obtained from Yapı Kredi Bankası and eliminated during the preparation of consolidated financial statements as of 31 March 2022 (31 December 2021: TL1.801.526 thousand).

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

	31 March 2022	31 December 2021
1-2 years	54.343.104	67.093.825
2-3 years	40.511.337	29.903.369
3-4 years	18.216.788	31.350.875
4-5 years	9.817.687	11.179.314
5 years and over	25.334.334	23.251.728
	148.223.250	162.779.111

Movement of the financial liabilities as of 1 January - 31 March 2022 and 2021 is as follows:

	2022	2021
Beginning of the period - 1 January	286.289.640	181.807.244
Additions	27.350.778	19.973.368
Repayments of borrowings	(23.939.399)	(13.924.738)
New lease contracts / impact of lease modifications	541.281	202.027
Cash outflows from payments of lease liabilities	(465.143)	(194.607)
Change in exchange rates	22.103.414	10.483.862
Change in interest accruals	554.828	1.878.999
Currency translation differences	826.560	330.256
Consolidation eliminations and adjustments	(909.354)	-
End of the period - 31 March	312.352.605	200.556.411

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2022

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

NOTE 13 - PAYABLES OF FINANCE SECTOR OPERATIONS

	31 March 2022	31 December 2021
Short-term payables to finance sector operations	506.601.561	445.328.125
Long-term payables to finance sector operations	3.513.569	5.845.587
	510.115.130	451.173.712

Breakdown of payables to finance sector operations is as follows:

	31 March 2022			31 December 2021		
	Demand	Time	Total	Demand	Time	Total
TL deposits						
Saving deposits	24.985.364	70.910.183	95.895.547	22.116.407	53.764.236	75.880.643
Commercial deposits	18.857.345	50.147.889	69.005.234	14.196.402	38.170.485	52.366.887
Interbank deposits	281.447	4.764.984	5.046.431	218.333	5.354.260	5.572.593
Funds deposited under repurchase agreements	-	45.491.827	45.491.827	-	48.577.736	48.577.736
Public sector deposits	2.631.359	34.554	2.665.913	1.832.847	69.680	1.902.527
	46.755.515	171.349.437	218.104.952	38.363.989	145.936.397	184.300.386
Foreign currency deposits						
Saving deposits	89.514.664	80.641.941	170.156.605	78.639.916	77.262.597	155.902.513
Commercial deposits	61.418.714	50.486.543	111.905.257	60.090.137	44.530.667	104.620.804
Interbank deposits	1.339.770	-	1.339.770	1.564.719	25	1.564.744
Funds deposited under repurchase agreements	-	8.608.546	8.608.546	-	4.785.265	4.785.265
	152.273.148	139.737.030	292.010.178	140.294.772	126.578.554	266.873.326
	199.028.663	311.086.467	510.115.130	178.658.761	272.514.951	451.173.712

NOTE 14 - TAX ASSETS AND LIABILITIES

	31 March 2022	31 December 2021
Current income tax liabilities	11.329.137	5.228.893
Less: Prepaid income tax	(289.046)	(2.663.714)
Current income tax liabilities (net)	11.040.091	2.565.179
Deferred tax assets	20.794.206	13.056.562
Deferred tax liabilities	(2.912.413)	(2.606.687)
Deferred tax assets (net)	17.881.793	10.449.875

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 23% in Turkey as of 31 March 2022 (2021: 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.

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

NOTE 14 - TAX ASSETS AND LIABILITIES (Continued)

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

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

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Property, plant and equipment and intangible assets	17.037.586	15.123.519	(3.575.792)	(3.463.133)
Investment incentives ⁽¹⁾	-	-	6.695.919	6.736.820
Financial assets	(28.536.083)	(2.677.975)	6.933.797	756.284
Impairment provision for loans and receivables	(20.451.143)	(18.575.650)	4.241.085	3.907.826
Deductible tax losses and other tax advantages	(2.207.247)	(4.512.721)	664.989	1.042.163
Provision for employment termination benefits	(2.753.558)	(2.534.306)	573.312	528.183
Inventories	(1.580.947)	(1.177.075)	464.720	336.503
Derivative instruments	(977.522)	3.865.456	414.974	(881.553)
Warranty and assembly provisions	(1.734.561)	(1.529.460)	395.041	351.848
Provision for the Pension Fund	(1.813.098)	(1.813.098)	362.620	362.620
Unearned finance income (net)	(712.904)	(1.440.195)	160.952	329.897
Provisions for unused vacations	(388.791)	(300.815)	79.250	61.538
Deferred income	(340.480)	(196.785)	61.472	60.202
Provisions for lawsuits	(152.693)	(115.969)	35.370	26.920
Expense accruals (net)	(31.113)	(120.696)	5.986	29.776
Other (net)	(1.415.416)	(1.885.403)	368.098	263.981
Deferred tax assets (net)			17.881.793	10.449.875

(1) Tüpraş, a Subsidiary of the Group, was granted a large-scaled investment incentive for the Residuum 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 TL6.318.009 thousand as of 31 March 2022 (31 December 2021: TL6.264.160 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 TL315.171 thousand as of 31 March 2022 (31 December 2021: TL386.422 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 TL61.740 thousand as of 31 March 2022 that Otokar will benefit in the foreseeable future have been recognised as deferred tax asset in the consolidated financial statements (31 December 2021: TL86.238 thousand).

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.

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NOTE 14 - TAX ASSETS AND LIABILITIES (Continued)

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

	31 March 2022	31 December 2021
Up to 1 year	639.697	368.984
Up to 2 years	208.508	177.758
Up to 3 years	237.354	141.926
Up to 4 years	363.574	398.853
5 years and above	1.387.359	801.876
	2.836.492	1.889.397

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

	2022	2021
Beginning of the period - 1 January	10.449.875	8.553.603
Charge to the income statement	8.276.095	63.179
Charge to equity:		
- Gains/(losses) on financial assets measured at fair value through other comprehensive income	(1.544.217)	76.765
- Gains/(losses) on cash flow hedges	625.268	(558.377)
- Gains/(losses) on hedges of net investments in foreign operation	197.616	77.110
- Gains/(losses) on remeasurements of defined benefit plans	30.422	3.575
Additions to scope of consolidation (Note 1)	(724)	-
Currency translation differences	(152.542)	(87.606)
End of the period - 31 March	17.881.793	8.128.249

NOTE 15 - PROVISIONS

a) Short-term provisions	31 March 2022	31 December 2021
Provisions for warranty and assembly	1.873.434	1.614.957
Provisions for transportation	564.422	262.903
Provision for price revision (*)	497.211	440.573
Expense accruals of construction contracts	370.031	323.467
Provisions for lawsuits	206.609	210.887
Provision for Energy Market Regulation Authority participation share	114.936	88.760
Other	982.638	756.952
	4.609.281	3.698.499

(*) As communicated to Aygaz Doğal Gaz Toptan Satış A.Ş., a Subsidiary of the Group, by Akfel Gaz Sanayi ve Ticaret A.Ş. ("Akwel"), from which natural gas is supplied; the price revision arbitration process initiated by Gazprom Export LLC ("Gazprom"), which Akfel has imported natural gas, was concluded against Akfel and, effective from 1 January 2017, the import price would be adjusted in favor of Gazprom, and in this context, it was decided to abolish the discount applied to Akfel and to reflect the change in import price to natural gas price applied to Aygaz Doğal Gaz Toptan Satış A.Ş. in accordance with the contract signed between Akfel and Aygaz Doğal Gaz Toptan Satış A.Ş. It was also notified that, the price determination mechanism in the contract will be revised according to the arbitration decision and the related amount of the debt and related invoices will be sent separately to Aygaz Doğal Gaz Toptan Satış A.Ş. as the contract price is updated retrospectively as of 1 January 2017. The amount of total debt was conveyed to Aygaz Doğal Gaz Toptan Satış A.Ş. by Akfel, however related invoices were not delivered yet as of the date of this report. As of 31 March 2022, total provision of USD33.949 thousand (TL497.211 thousand (31 December 2021: TL440.573 thousand)), USD15.368 thousand for 2017 and USD18.582 thousand for 2018, has been recognised in the consolidated financial statements.

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NOTE 15 - PROVISIONS (Continued)

b) Other long-term provisions	31 March 2022	31 December 2021
Provisions for non-cash loans	1.730.742	1.720.325
Provisions for warranty	559.750	391.523
Provisions for lawsuits	208.744	199.849
Provisions for credit card bonus	72.176	65.863
Other	31.796	71.795
	2.603.208	2.449.355

NOTE 16 - OTHER RECEIVABLES AND PAYABLES

a) Other receivables	31 March 2022	31 December 2021
VAT and SCT receivables	6.254.896	5.058.094
Taxes and funds deductible	1.748.840	1.527.125
	8.003.736	6.585.219

b) Other short-term payables

Taxes and duties payable	4.309.676	4.219.383
Social security premiums payable	671.271	48.066
Payables to the Privatisation Administration (*)	421.996	284.851
Dividend payables to shareholders	-	226.097
	5.402.943	4.778.397

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NOTE 17 - OTHER ASSETS AND LIABILITIES

a) Other current assets	31 March 2022	31 December 2021
Pledged assets (*)	20.529.921	28.032.131
Advances given	7.027.900	4.335.485
Prepaid expenses	3.718.029	2.923.529
Short-term assets used in operational lease	3.513.079	3.090.489
Income accruals	3.496.441	2.491.858
Interbank cheque clearing accounts	3.364.659	3.902.414
Gold reserves	3.197.913	1.406.821
Assets received for commitments of loans and receivables	1.313.451	1.354.937
Deposits and guarantees given	332.520	214.878
Other	751.954	643.695
	47.245.867	48.396.237

(*) 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:

	2022	2021
Beginning of the period - 1 January	3.090.489	1.649.508
Additions	449.661	271.834
Transfers (*)	(53.467)	(98.058)
Currency translation differences	86.640	22.440
Current period depreciation	(60.244)	(30.338)
End of the period - 31 March	3.513.079	1.815.386

(*) Includes transfers to inventories.

b) Other non-current assets	31 March 2022	31 December 2021
Spare parts and other materials	2.001.380	1.898.484
Advances given	1.403.652	2.173.938
Prepaid expenses	39.200	42.373
Other	80.930	153.494
	3.525.162	4.268.289

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NOTE 17 - OTHER ASSETS AND LIABILITIES (Continued)

c) Other current liabilities	31 March 2022	31 December 2021
Credit card payables	22.534.149	19.072.096
Interbank cheque clearing accounts	5.366.973	4.595.599
Accruals for sales and incentive bonus	4.102.057	3.618.319
Deposits and guarantees received	3.188.973	4.854.404
Revenue share (*)	2.863.407	2.730.078
Miscellaneous payables to bank customers	2.368.791	1.256.034
Payables to personnel and premium accruals	1.485.269	1.251.782
Deferred income	1.280.026	1.289.726
Advances received	1.194.729	1.107.218
Import deposits and transfer orders	1.155.722	745.879
Expense accrual on commodity hedge	432.619	528.339
Accruals for rent and advertising expenses	423.378	384.055
License fee expense accruals	314.355	246.436
Saving deposit insurance fund payable	199.693	155.704
Blocked accounts	140.458	64.719
Liabilities related to the business combinations	94.705	94.705
Other	4.274.628	3.268.773
	51.419.932	45.263.866

(*) 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 4).

d) Other non-current liabilities

Deferred income	1.405.639	1.281.387
Deposits and guarantees received	410.551	370.611
Other	433.509	381.133
	2.249.699	2.033.131

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NOTE 18 - EQUITY

Share Capital

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

31 March 2022

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:

	31 March 2022		31 December 2021	
	Share %	Amount	Share %	Amount
Temel Ticaret ve Yatırım A.Ş.	43,65	1.106.970	43,65	1.106.970
Koç Family Members	19,24	487.895	19,24	487.895
Rahmi M. Koç ve Mahdumları Maden, İnşaat, Turizm, Ulaştırma, Yatırım ve Ticaret A.Ş.	1,40	35.386	1,40	35.386
Total Koç Family members and companies owned by Koç Family members	64,29	1.630.251	64,29	1.630.251
Vehbi Koç Vakfı	7,26	184.172	7,26	184.172
Koç Holding Emekli ve Yardım Sandığı Vakfı	1,99	50.452	1,99	50.452
Treasury shares ⁽¹⁾	0,04	890	0,04	890
Other	26,42	670.133	26,42	670.133
Paid-in share capital	100,00	2.535.898	100,00	2.535.898
Adjustment to share capital ⁽²⁾		967.288		967.288
Total share capital		3.503.186		3.503.186

(1) Refers to shares that have been bought back and publicly traded as of 31 March 2022.

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

The analysis of shares by group is as follows:

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

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

- 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.
- 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).

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NOTE 18 - EQUITY (Continued)

Treasury shares

Driven by the recent market conditions and the impacts of the developments in the global economies on the sectors operated in and on the Turkish capital markets, the current market price and the current net asset value discount of Koç Holding A.Ş. shares traded at Borsa İstanbul is deemed ineffective in reflecting the true value and fundamentals of Koç Holding. In this respect, in order to contribute to the fair valuation of Koç Holding A.Ş. shares, the Board of Directors of Koç Holding A.Ş. resolved to initiate a share buyback program from the market as of 1 July 2021. Within the scope of related decision, equivalent of 0,04% of the share capital with a nominal value of TL890 thousand were bought back, with a total cost of TL19.066 thousand including the transaction costs of which clearings have been completed as of 31 March 2022. No treasury shares have been sold as of the date of this report.

Other Comprehensive Income/Expense

	31 March 2022	31 December 2021
Items not to be reclassified to profit/loss:		
Gains/(losses) on remeasurement of defined benefit plans	(677.376)	(620.039)
	(677.376)	(620.039)
Items to be reclassified to profit/loss:		
Currency translation differences	10.625.926	8.462.677
Gains/(losses) on hedge	(4.845.790)	(3.864.651)
- Cash flow hedge	(2.054.390)	(1.525.880)
- Net investment hedge	(2.791.400)	(2.338.771)
Gains/(losses) on financial assets measured at fair value through other comprehensive income	3.834.482	1.036.806
	9.614.618	5.634.832

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:

	31 March 2022	31 December 2021
Legal reserves	507.179	507.179
Reserves for treasury shares (*)	19.066	19.066
Special reserves	12.141	12.141
	538.386	538.386

(*) In accordance with the TCC and CMB regulations, reserves are provided for the treasury shares in an amount corresponding to the purchase price. In this context, reserves are provided within the legal reserves amounting to TL19.066 thousand (31 December 2021: TL19.066) including the transaction costs in the consolidated financial statements as of 31 March 2022 for the treasury shares.

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".

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NOTE 19 - OTHER OPERATING INCOME/(EXPENSES)

	1 January - 31 March 2022	1 January - 31 March 2021
Other operating income		
Foreign exchange gains arising from trading activities	2.655.495	1.598.713
Credit finance income arising from trading activities	747.488	194.329
Reversals of provisions	25.548	13.820
Income from claims and grants	13.071	21.605
Other	227.553	79.489
	3.669.155	1.907.956
Other operating expenses		
Foreign exchange losses arising from trading activities	(4.029.924)	(2.978.690)
Expected credit losses for loans and receivables	(2.013.280)	(1.634.312)
Credit finance charges arising from trading activities	(440.566)	(188.262)
Provisions for lawsuits and penalties	(348.673)	(130.500)
Other	(18.390)	(61.176)
	(6.850.833)	(4.992.940)

NOTE 20 - GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES

	1 January - 31 March 2022	1 January - 31 March 2021
Gains from investment activities		
Gain on sale of property, plant and equipment and scraps	267.031	100.808
Fair value change on financial assets	200.611	-
Dividend income	60.581	-
Rent income	27.321	15.458
	555.544	116.266
Losses from investment activities		
Loss on sale of property, plant and equipment	(23.221)	(4.249)
Loss on liquidation of a subsidiary	-	(2.831)
	(23.221)	(7.080)

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NOTE 21 - FINANCIAL INCOME/EXPENSES

	1 January - 31 March 2022	1 January - 31 March 2021
Financial income		
Foreign exchange gains ⁽¹⁾	6.598.132	3.945.714
Gains on derivative instruments	585.617	2.032.435
Interest income	285.666	469.148
Other financial income	4.133	2.274
	7.473.548	6.449.571
Financial expenses		
Foreign exchange losses ⁽¹⁾	(7.232.877)	(5.829.250)
Interest expenses ⁽²⁾	(2.369.675)	(1.425.750)
Losses on derivative instruments	(2.358.775)	(713.667)
Other financial expenses	(35.845)	(16.900)
	(11.997.172)	(7.985.567)

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

(2) TL52.312 thousand of interest expenses is related to lease liabilities (31 March 2021: TL38.417 thousand).

NOTE 22 - RELATED PARTY DISCLOSURES

a) Related party balances

	31 March 2022			31 December 2021		
	Joint Ventures	Other	Total	Joint Ventures	Other	Total
Trade receivables	2.764.200	408.837	3.173.037	2.511.173	562.513	3.073.686
Trade payables	2.946.263	176.924	3.123.187	2.502.841	186.823	2.689.664
Loans and advances given	2.149.511	1.047.104	3.196.615	1.251.007	887.363	2.138.370
Deposits	7.054.849	14.188.592	21.243.441	5.567.595	13.305.759	18.873.354
Borrowings	-	135.727	135.727	-	111.844	111.844

b) Related party transactions

	31 March 2022			31 March 2021		
	Joint Ventures	Other	Total	Joint Ventures	Other	Total
Sales of goods and services	16.647.500	106.338	16.753.838	4.577.023	50.528	4.627.551
Purchases of goods and services	5.881.990	484.675	6.366.665	2.378.778	131.453	2.510.231
Interest expense (-)	-	(8.262)	(8.262)	-	(7.417)	(7.417)

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.

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NOTE 22 - RELATED PARTY DISCLOSURES (Continued)

As of 31 March 2022, TL1.522.819 thousand (31 December 2021: TL1.454.306 thousand) of trade receivables is composed of Tüpraş balances against Opet and THY Opet, TL520.458 thousand (31 December 2021: TL388.357 thousand) of trade receivables is composed of balances of Zer Ticaret and TL451.254 thousand (31 December 2021: TL289.721 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. TL1.882.562 thousand (31 December 2021: TL2.148.081 thousand) of trade payables is composed of balances due to vehicle purchases of Otokoç from Ford Otosan and Tofaş, and TL805.765 thousand (31 December 2021: TL218.194 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.

TL15.232.272 thousand (31 March 2021: TL3.695.842 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 31 March 2022. TL3.181.352 thousand (31 March 2021: TL1.938.972 thousand) of purchases of goods and services is composed of balances due to Otokoç's vehicle purchases from Ford Otosan and Tofaş and TL712.943 thousand (31 March 2021: TL247.892 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 three months period ended 31 March 2022 amounted to TL291.939 thousand (31 March 2021: TL16.353 thousand). TL267.435 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 (31 March 2021: 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 TL68.732 thousand (31 March 2021: TL6.121 thousand). TL59.955 thousand of this amount is related to the payments made for employee leaves (31 March 2021: None).

NOTE 23 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Guarantees given:

Finance:

Non-cash loans:

	31 March 2022	31 December 2021
Letters of guarantee	137.654.658	118.969.622
- TL	50.227.374	40.320.133
- Foreign currency	87.427.284	78.649.489
Letters of credit	32.143.607	26.319.956
Acceptance credits	617.966	545.822
Other	16.817.137	15.081.707
	187.233.368	160.917.107
Less: Provisions (Note 15.b)	(1.730.742)	(1.720.325)
	185.502.626	159.196.782

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NOTE 23 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Non-Finance:

	31 March 2022	31 December 2021
Letters of guarantee	16.161.737	11.921.235
Letters of credit	23.241.928	15.973.753
Guarantees given to banks	2.142.734	2.548.868
Guarantorships given to banks	1.523.163	1.386.216
Other	50	550
	43.069.612	31.830.622

Collaterals/pledges/mortgages/bill of guarantees ("CPMB") of Subsidiaries of the Group as of 31 March 2022 and 31 December 2021 are as follows (Foreign currency CPMBs are presented by their TL equivalents):

	31 March 2022	31 December 2021
A. Total amount of CPMB's given in the name of its own legal personality	33.719.926	23.912.289
-TL	7.943.091	5.432.100
-USD	23.879.448	16.759.681
-EUR	1.621.090	1.476.193
-Other	276.297	244.315
B. Total amount of CPMB's given on behalf of the fully consolidated companies	9.345.124	7.912.894
-TL	406.182	51.989
-USD	3.543.787	3.817.810
-EUR	1.271.228	1.698.608
-Other	4.123.927	2.344.487
C. Total amount of CPMB's given on behalf of third parties for ordinary course of business (*)	187.237.930	160.922.546
-TL	50.682.132	41.183.283
-USD	69.510.504	58.461.909
-EUR	59.279.893	54.659.461
-Other	7.765.401	6.617.893
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	-	-
	230.302.980	192.747.729

(*) 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.

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NOTE 23 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Finance:

Financial assets pledged as collateral:

As of 31 March 2022, 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 TL42.152.902 thousand (31 December 2021: TL51.911.695 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 31 March 2022, financial assets amounting to TL41.056.290 thousand (31 December 2021: TL41.064.635 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:

	31 March 2022	31 December 2021
Letters of guarantee	11.644.556	8.340.733
Mortgages	3.296.611	3.001.454
Direct crediting limit	1.938.152	1.639.985
Bill of guarantees	341.434	315.814
Guarantee notes	90.571	108.357
Other	1.643.321	1.499.964
	18.954.645	14.906.307

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NOTE 24 - 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:

31 March 2022	Trade receivables	Receivables from finance sector operations	Cash and cash equivalents	Financial assets	Derivative instruments
Maximum exposure to credit risk as of reporting date (A+B+C+D)	59.722.396	473.386.393	101.483.750	158.823.170	16.265.484
A. Net book value of neither past due nor impaired financial assets ⁽¹⁾	56.107.369	476.919.094	101.483.750	158.823.170	16.265.484
B. Net book value of past due but not impaired financial assets	3.577.285	8.370.021	-	-	-
C. Net book value of impaired assets	66.521	6.264.222	-	-	-
- Past due	66.521	6.264.222	-	-	-
- Gross amount	1.465.910	19.516.400	-	-	-
- Impairment	(1.399.389)	(13.252.178)	-	-	-
- Secured with guarantees	58.885	4.711.021	-	-	-
- Not past due	-	-	-	-	-
- Gross amount	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-
D. Expected credit losses (-) ⁽²⁾	(28.779)	(18.166.944)	-	-	-

(1) Trade receivables and receivables from finance sector operations include related party balances amounting to TL3.173.037 thousand and TL3.196.615 thousand, respectively (Note 22).

(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 March 2022, Finance sector is exposed to credit risk arising from non-cash loans in the amount of TL187.233.368 thousand (Note 23). By taking the related risk into consideration, the maximum credit risk amount, to which the Group is exposed, is TL996.914.561 thousand.

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NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2021	Trade receivables	Receivables from finance sector operations	Cash and cash equivalents	Financial assets	Derivative instruments
Maximum exposure to credit risk as of reporting date (A+B+C+D)	47.755.048	416.743.287	80.950.895	131.037.244	25.608.020
A. Book value of neither past due Nor impaired financial assets ⁽¹⁾	44.834.718	422.785.855	80.950.895	131.037.244	25.608.020
B. Book value of past due But not impaired financial assets	2.889.748	4.260.062	-	-	-
C. Net book value of impaired assets	59.704	5.763.333	-	-	-
- Past due	59.704	5.763.333	-	-	-
- Gross amount	1.332.489	20.212.509	-	-	-
- Impairment	(1.272.785)	(14.449.176)	-	-	-
- Secured with guarantees	71.563	5.407.025	-	-	-
- Not past due	-	-	-	-	-
- Gross amount	-	-	-	-	-
- Impairment	-	-	-	-	-
- Secured with guarantees	-	-	-	-	-
D. Expected credit losses (-) ⁽²⁾	(29.122)	(16.065.963)	-	-	-

(1) Trade receivables and receivables from finance sector operations include related party balances amounting to TL3.073.686 thousand and TL2.138.370 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 2021, Finance sector is exposed to credit risk arising from non-cash loans in the amount of TL160.917.107 thousand (Note 23). By taking the related risk into consideration, the maximum credit risk amount, to which the Group is exposed, is TL863.011.601 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.

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NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

c) Product Profit Margin (Crack Margin) Risk

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

d) Foreign Exchange Risk

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

	31 March 2022	31 December 2021
Assets	521.755.212	468.831.334
Liabilities	(629.810.295)	(577.214.828)
Net balance sheet position	(108.055.083)	(108.383.494)
Derivative instruments net position	65.042.352	76.511.505
Net foreign currency position	(43.012.731)	(31.871.989)
Loans designated as hedging instruments ⁽¹⁾	9.568.957	9.069.174
Net foreign currency position after hedging instruments	(33.443.774)	(22.802.815)
Inventories under the natural hedge ⁽²⁾	36.381.123	25.343.006
Net foreign currency position after hedging instruments and the natural hedge	2.937.349	2.540.191

(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 USD336 million (TL4.916 million) as of 31 March 2022 (31 December 2021: USD388 million).

The USD denominated loans of Entek are designated as hedging instruments against the spot foreign exchange rate risk (USD/TL) associated with highly probable USD denominated revenue related to Renewable Energy Sources Support Mechanism ("YEKDEM"). The loans of Entek which are subject to cash flow hedge amounted to USD40 million (TL589 million) as of 31 March 2022.

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

Arçelik and Otokoç Hollanda, Subsidiaries of the Group, designated EUR200 million (TL3.262 million) and EUR49 million (TL802 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 2021: Arçelik: EUR200 million - Otokoç: EUR22 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 31 March 2022, Tüpraş and Aygaz have raw materials and petroleum products amounting to TL34.954.937 thousand (31 December 2021: TL24.197.942 thousand) and TL1.426.186 thousand (31 December 2021: TL1.145.604 thousand), respectively.

Excluding the loans designated as hedging instruments and the inventories under the natural hedge, the Group has TL2.937.349 thousand (USD201 million) foreign exchange net long position as of 31 March 2022.

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NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

As of 31 March 2022, if EUR and USD had appreciated by 10% against TL with all other variables held constant, profit before tax would have been TL3,4 billion 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 TL1,1 billion.

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

	USD	EUR	Other	Total
31 March 2022				
Foreign currency net position (*)	(3.755.250)	51.415	339.975	(3.363.860)

(*) 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
31 March 2022				
Hedged items (*)	(550.502)	(1.091.844)	-	(1.642.346)

(*) 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.

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NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 March 2022			
	USD ⁽¹⁾	EUR ⁽¹⁾	Other (TL Equivalent)	Total (TL Equivalent)
Assets:				
Trade receivables ⁽²⁾	882.728	633.067	4.328.593	27.581.282
Receivables from finance sector operations	2.512.941	2.697.071	5.747.983	86.537.472
Monetary financial assets	8.842.627	2.817.178	13.307.549	188.759.135
Non-monetary assets	7.332	246	181.181	292.586
Other assets	1.209.799	361.879	3.201.666	26.821.885
Current assets	13.455.427	6.509.441	26.766.972	329.992.360
Receivables from finance sector operations	4.096.634	3.554.703	715.660	118.686.371
Monetary financial assets	3.940.492	546.340	2.243.557	68.865.252
Other assets	174.606	91.497	161.797	4.211.229
Non-current assets	8.211.732	4.192.540	3.121.014	191.762.852
Total assets	21.667.159	10.701.981	29.887.986	521.755.212
Liabilities:				
Trade payables ⁽²⁾	4.380.657	436.293	964.820	72.238.377
Borrowings	5.551.309	1.739.352	285.939	109.955.701
Payables of finance sector operations	11.455.138	5.833.835	32.841.561	295.752.906
Other liabilities	685.802	357.505	182.373	16.056.900
Short-term liabilities	22.072.906	8.366.985	34.274.693	494.003.884
Borrowings	7.421.187	1.187.142	294.509	128.344.351
Payables of finance sector operations	12.322	201.706	19.137	3.489.148
Other liabilities	241.542	25.804	14.502	3.972.912
Long-term liabilities	7.675.051	1.414.652	328.148	135.806.411
Total liabilities	29.747.957	9.781.637	34.602.841	629.810.295
Net balance sheet position	(8.080.798)	920.344	(4.714.855)	(108.055.083)
Derivative assets	10.078.340	1.323.375	20.615.076	189.802.824
Derivative liabilities	(4.897.266)	(2.484.470)	(12.517.857)	(124.760.472)
Derivative instruments net position	5.181.074	(1.161.095)	8.097.219	65.042.352
Net foreign currency position	(2.899.724)	(240.751)	3.382.364	(43.012.731)
Loans designated as hedging instruments ⁽³⁾	375.877	249.190	-	9.568.957
Net foreign currency position after hedging instruments	(2.523.847)	8.439	3.382.364	(33.443.774)
Net foreign currency position of monetary items	(2.907.056)	(240.997)	3.201.183	(43.305.317)
Fair value of derivative instruments held for hedging	(240.367)	14.705	-	(3.280.546)

(1) Presented in original currencies.

(2) Represents balances before consolidation eliminations.

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2022

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

NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2021			Total (TL Equivalent)
	USD ⁽¹⁾	EUR ⁽¹⁾	Other (TL Equivalent)	
Assets:				
Trade receivables ⁽²⁾	615.477	716.254	4.397.686	22.901.290
Receivables from finance sector operations	2.343.329	2.673.338	4.166.637	73.827.938
Monetary financial assets	8.590.815	2.981.474	11.305.691	166.567.886
Non-monetary assets	6.401	352	114.137	202.374
Other assets	1.935.732	529.113	1.473.517	34.363.085
Current assets	13.491.754	6.900.531	21.457.668	297.862.573
Receivables from finance sector operations	4.187.312	3.687.420	620.897	109.101.546
Monetary financial assets	3.669.978	556.761	2.052.568	57.854.240
Other assets	176.585	110.421	100.084	4.012.975
Non-current assets	8.033.875	4.354.602	2.773.549	170.968.761
Total assets	21.525.629	11.255.133	24.231.217	468.831.334
Liabilities:				
Trade payables ⁽²⁾	3.859.821	492.639	1.015.945	58.339.847
Borrowings	4.447.788	1.499.640	90.858	79.830.198
Payables of finance sector operations	11.979.689	6.118.360	27.914.923	273.212.932
Other liabilities	537.285	438.578	115.582	13.527.535
Short-term liabilities	20.824.583	8.549.217	29.137.308	424.910.512
Borrowings	9.284.143	1.403.702	213.513	141.308.054
Payables of finance sector operations	16.232	381.260	1.939	5.810.358
Other liabilities	317.535	71.105	21.103	5.185.904
Long-term liabilities	9.617.910	1.856.067	236.555	152.304.316
Total liabilities	30.442.493	10.405.284	29.373.863	577.214.828
Net balance sheet position	(8.916.864)	849.849	(5.142.646)	(108.383.494)
Derivative assets	8.925.295	1.260.491	17.414.288	151.749.223
Derivative liabilities	(2.530.374)	(2.238.503)	(9.533.419)	(75.237.718)
Derivative instruments net position	6.394.921	(978.012)	7.880.869	76.511.505
Net foreign currency position	(2.521.943)	(128.163)	2.738.223	(31.871.989)
Loans designated as hedging instruments ⁽³⁾	437.118	222.045	-	9.069.174
Net foreign currency position after hedging instruments	(2.084.825)	93.882	2.738.223	(22.802.815)
Net foreign currency position of monetary items	(2.528.344)	(128.515)	2.624.086	(32.074.363)
Fair value of derivative instruments held for hedging	(62.856)	(5.825)	-	(901.236)

(1) Presented in original currencies.

(2) Represents balances before consolidation eliminations.

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

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NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Export and import details (TL Equivalent)

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

Export	31 March 2022	31 March 2021
USD	17.833.024	5.404.212
EUR	5.688.466	2.686.495
Other	2.481.263	1.365.612
	26.002.753	9.456.319
Import		
USD	66.519.080	20.097.871
EUR	2.606.362	1.298.542
Other	17.986	8.572
	69.143.428	21.404.985

NOTE 25 - 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)

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

NOTE 25 - 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 31 March 2022 and 31 December 2021 are presented in the table below:

	31 March 2022		31 December 2021	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Cash and cash equivalents	116.521.964	116.660.783	93.849.314	93.825.618
Receivables from finance sector operations	473.386.393	466.936.752	416.743.287	408.309.931
Financial assets measured at amortised cost	111.897.830	136.052.244	96.119.618	100.868.920
Liabilities				
Borrowings	312.352.605	310.902.678	286.289.640	286.210.242
Payables to finance sector operations	510.115.130	510.164.516	451.173.712	451.237.915

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)

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NOTE 25 - FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS (Continued)

Assets and liabilities measured at fair value as of 31 March 2022 and 31 December 2021 are as follows:

31 March 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit/(loss)				
- Equity securities	252.375	321.881	417.762	992.018
- Debt instruments	256.100	-	-	256.100
- Time deposits	-	673.976	-	673.976
Financial assets measured at fair value through other comprehensive income				
- Equity securities	634.357	118.607	-	752.964
- Debt instruments	43.824.076	2.171.188	-	45.995.264
Derivative instruments	-	16.265.484	-	16.265.484
Total assets	44.966.908	19.551.136	417.762	64.935.806
Derivative instruments	-	17.349.428	-	17.349.428
Total liabilities	-	17.349.428	-	17.349.428
31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit/(loss)				
- Equity securities	77.578	285.216	608.153	970.947
- Debt instruments	211.114	-	-	211.114
Financial assets measured at fair value through other comprehensive income				
- Equity securities	486.449	143.105	-	629.554
- Debt instruments	33.737.177	969.335	-	34.706.512
Derivative instruments	-	25.608.020	-	25.608.020
Total assets	34.512.318	27.005.676	608.153	62.126.147
Derivative instruments	-	22.102.462	-	22.102.462
Total liabilities	-	22.102.462	-	22.102.462

NOTE 26 - EARNINGS PER SHARE

	31 March 2022	31 March 2021
Earnings per share:		
Profit for the period	12.326.488	3.278.619
Less: Profit attributable to non-controlling interests	5.613.376	1.165.435
Profit attributable to equity holders of the parent	6.713.112	2.113.184
Weighted average number of shares with nominal value of Kr 1 each (*)	253.500.757.500	253.589.805.000
Earnings per share (Kr)	2,648	0,833

(*) Calculated by adjusting the treasury shares (Note 18).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2022

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

NOTE 27 - SUPPLEMENTARY CASH FLOW INFORMATION

Supplementary information for the details included in the consolidated cash flow statements as of 31 March 2022 and 2021 is as follows:

	31 March 2022	31 March 2021
Changes in provisions:		
Provisions for warranty and assembly	426.704	192.493
Provisions for transportation	301.519	125.761
Provisions for employee benefits	239.352	36.804
Cost accruals of construction contracts	46.564	17.735
Provisions for lawsuits and penalties	4.617	19.440
Provisions for non-cash loans	10.417	148.535
Other provisions	218.176	105.210
	1.247.349	645.978
Adjustments for impairment loss/(reversal of impairment loss):		
Provisions for impairment on loans	1.570.602	1.713.455
Provisions for impairment on trade receivables	39.173	21.164
Provisions for impairment on inventories	(4.974)	(9.653)
	1.604.801	1.724.966
Net changes in the operating assets and liabilities:		
Finance:		
Receivables from finance sector operations	(57.935.760)	(19.850.796)
Balances with Central Bank of the Republic of Turkey - required reserves	(2.543.339)	(2.447.141)
Payables from finance sector operations	58.941.418	27.819.449
Other assets and liabilities, net	9.772.096	304.631
	8.234.415	5.826.143
Non-Finance:		
Inventories	(18.282.815)	(6.606.521)
Trade receivables	(12.006.521)	(5.534.712)
Trade payables	22.260.088	8.382.072
Other receivables and payables, net	(7.117.566)	(2.682.446)
Other assets and liabilities, net	6.901.600	1.843.366
	(8.245.214)	(4.598.241)
Currency translation differences	1.120.325	536.740
	1.109.526	1.764.642
Cash and cash equivalents:		
Cash and cash equivalents (Note 4)	116.521.964	68.837.959
Add: Balances with Central Bank of the Republic of Turkey - free balances	50.150.733	26.381.312
Less: Blocked deposits (Note 4)	(9.710.304)	(2.401.850)
	156.962.393	92.817.421

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2022

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NOTE 28 - EVENTS AFTER THE BALANCE SHEET DATE

- i) At the Ordinary General Assembly Meeting of Koç Holding A.Ş. held on 1 April 2022, it was decided to distribute TL2.287.380.041,10 dividend to shareholders, TL451.977.482,93 to usufruct shareholders and TL12.500.000 dividend to Koç Holding Emekli ve Yardım Sandığı Vakfı from taxable earnings of 2021. Cash dividend payments were completed as of 7-11 April 2022.
- ii) With regards to the announcement dated 9 November 2021, the necessary approvals from regulatory authorities in Turkey and abroad related to the purchase of 18% of Yapı ve Kredi Bankası A.Ş. ("YKB") shares with a total nominal value of TL1.520.469.231 from UniCredit S.p.A. by Koç Holding A.Ş. for a total purchase price of TL3.494.038.293 have been obtained and accordingly the share transfer was finalised on 1 April 2022.

After the closing, Koç Holding's direct share in YKB increased from 9,02% to %27,02; whereas its direct and indirect shares in YKB reached to 62,49%.

As Koç Holding's direct and indirect shares in YKB became above the 50% threshold defined in CMB's Communique on Takeover Bids, a mandatory tender offer has been triggered for Koç Holding for the shares of other YKB shareholders. Accordingly, Koç Holding applied to CMB for the approval of the mandatory tender offer.

- iii) Based on the review of structuring alternatives regarding Koç Group's energy group companies in line with their strategic goals, it has been resolved to transfer Entek shares corresponding to 49,62% of the registered Entek capital in Koç Holding's assets to Tüpraş through a partial demerger transaction through the associates model. Simultaneously, Entek shares registered in the assets of Aygaz will be transferred by Aygaz to Tüpraş through a partial demerger transaction through the model of share transfer to its shareholders.

It has been decided that the demerger transaction will be carried out on the basis of the independently audited financial statements dated 31 December 2021 of the companies that are party to the transaction, which have been prepared in accordance with the relevant CMB regulations. According to the Expert Report, while Tüpraş's issued capital will increase by TL24.837.314 due to the takeover through demerger, issued shares with a nominal value of TL12.418.655 will be given to Koç Holding who will be executing partial demerger transaction through the associates model and the remaining nominal value of TL12.418.659 will be given to Aygaz shareholders who will be executing partial demerger transaction through the model of share transfer to its shareholders. Aygaz's issued capital will be decreased by TL80.199.233. As a result of the transaction, Koç Holding and Aygaz shareholders will receive Tüpraş shares with a nominal value TL0,02635 in exchange for Entek shares with a nominal value TL1.

Accordingly, the application to the CMB for the approval of the demerger transaction was realised on 29 April 2022.

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