

KOÇ HOLDING POSTS 132 BILLION TL IN CONSOLIDATED REVENUE IN THE FIRST HALF OF THE YEAR WITH A COMBINED INVESTMENT OF 7,2 BILLION TL**KOÇ HOLDING CEO LEVENT ÇAKIROĞLU:**

“WE CONTINUED TO FIGHT THE ONGOING GLOBAL IMPACT OF THE PANDEMIC IN THE FIRST HALF OF THE YEAR. MEANWHILE, WE WERE SHAKEN BY THE WILDFIRES THAT HIT TURKEY’S FORESTS IN RECENT DAYS. AT THE ONSET OF THE FIRES, WE ESTABLISHED A CRISIS COORDINATION CENTER WITHIN KOÇ HOLDING WITH ALL GROUP COMPANIES. SINCE DAY ONE, WE HAVE BEEN WORKING IN CLOSE CONTACT WITH RELEVANT MINISTRIES, MUNICIPALITIES AND NGOS TO IDENTIFY AND MEET THEIR NEEDS. WE ARE COMMITTED TO TAKE OUR PART IN THE RECOVERY EFFORTS AFTER THE DISASTER AS WELL. WE ARE ALSO DEEPLY SADDENED BY THE SERIES OF FLOODS THAT HAVE STRUCK THE BLACK SEA REGION IN RECENT WEEKS. WE WILL OVERCOME THESE CHALLENGES AS WE ALWAYS HAVE, THROUGH SOLIDARITY. KOÇ GROUP CONTINUES TO WORK AND PRODUCE, GUIDED BY OUR CONFIDENCE IN THE FUTURE OF TURKEY, NO MATTER THE CIRCUMSTANCES.”

Koç Holding posted 132 billion TL in consolidated revenues in the first half of 2021. Koç Holding made investments worth 7,2 billion TL in the first half of the year, bringing the Holdings total investments in the last five years to 46 billion TL. **Koç Holding CEO Levent Çakiroğlu** commented on the Holding’s financial results for the first half, noting their continued commitment to fight the ongoing global impacts of the pandemic. Çakiroğlu also expressed their concerns and sorrow over the wildfires that spread across Turkey and the series of floods that took place recently. “We are beginning to see a clear picture of the alarming consequences of climate crisis across the globe,” noted Çakiroğlu. “Koç Group took action against the forest wildfires in Turkey immediately, and we have been working in close contact with relevant ministries, municipalities and NGOs to identify and meet their needs. We have also mobilized to meet provide emergency humanitarian relief. Our Crisis Coordination Center, established within Koç Holding with participation from all group companies, has been receiving requests for aid and addressing these as soon as possible. Meanwhile, we have participated in the reforestation campaign launched by the TEMA Foundation, and have donated half a million saplings. We also supported WWF’s efforts to bring in a high-capacity firefighting helicopter with the approval of the Ministry of Agriculture and Forestry. The helicopter joined the fleet of firefighting aircraft that responded to the fires in Muğla and Dalaman. We are committed to take our part in the recovery efforts after the disaster as well. We are also deeply saddened by the series of floods that have struck the Black Sea Region in recent weeks. We will overcome these challenges as we always have, through solidarity. We will heal the wounds of our country, together, and we will continue to provide aid to people and wildlife that were affected by this disaster. I would like to express my condolences for the victims of the disasters, and wish a speedy recovery for the wounded.”

“Koç Group continues to work and produce, guided by our confidence in the future of Turkey, no matter the circumstances,” added Levent Çakıroğlu. “We managed to achieve successful results in the first half of the year, a time marked by the global coronavirus pandemic, ongoing uncertainties in global supply chains, and the semiconductor shortage that affected automotive industries across the world. Koç Group continues to produce and create value, driven by our agile management, robust balance sheet, balanced portfolio, strong dealer network, resilient supply chain, digital competencies and our exemplary practices with respect to the environment, society and corporate governance, and last but not least, the outstanding efforts of our colleagues. We are accelerating pace of our production to hit our year-end targets and contribute to our economy,” Çakıroğlu said, and noted Koç Holding’s position as the only company to represent Turkey this year in the Fortune Global 500, which lists the largest companies around the world. “While working against the effects of the pandemic in this challenging year, we have nevertheless managed to increase our ranking in the list. Furthermore, Tüpraş maintained its top spot in the Istanbul Chamber of Industry’s (ISO) “Turkey’s Top 100 Industrial Enterprises (ISO 500)” rankings, while our companies Ford Otosan, Arçelik and Tofaş were listed among the top 10.”

Levent Çakıroğlu: “We recorded strong performance in all of our business areas.”

Koç Group recorded a strong performance in all of its business areas in the first half of the year, noted Levent Çakıroğlu. “We successfully navigated our way through the 17-day full lockdown enforced in Turkey in May, thanks to the dedicated efforts of our colleagues. In parallel with the growing rate of vaccinations worldwide, demand in export markets began to recover in the first quarter, a trend that continued in the second quarter as well. This continued to have a positive impact on our companies, particularly those engaged in consumer durables and automotive. **Arçelik** continued its investments in the second quarter, and acquired Whirlpool, the US-based major appliance manufacturer’s refrigerator and washing machine factory in Manisa with an investment of €78.3 million. It also issued five-year green bonds worth €350 million, becoming the first Turkish real-sector entity to issue green bonds to international markets.”

Çakıroğlu also remarked on Koç Group’s significant achievements in the automotive industry. “**Ford Otosan** signed a €650-million syndication deal with the European Bank for Reconstruction and Development (EBRD) for financing the development of next-gen one-tonne commercial vehicle projects, including fully electrical and plug-in hybrid versions. The syndicated loan is part of EBRD’s Green Economy Transition approach, and will make a significant contribution to Ford Otosan’s goal of pioneering the automotive industry’s shift to electrical for a more eco-conscious and sustainable future. Meanwhile, **Tofaş** managed to limit the halt in production due to semiconductor shortages to a mere two weeks thanks to its agile management. Tofaş increased its production and exports year-over-year, and its Fiat brand maintained its leadership in total automotive market. **Otokar** continues to grow in popularity in commercial and military vehicles segments inside and outside Turkey, with its broad product range, advanced technology, R&D focus, design capabilities and solutions tailored to customer needs. **Türk Traktör**, the leading tractor manufacturer of Turkey, continues to support farmers, while its non-tractor revenues have increased to account for one-fifth its total revenues, due in no small part to the launch of domestic construction machinery production in 2020. **Yapı Kredi** increased its total contribution to Turkish economy to TRY 441

billion. An indicator of its customer-focused strategy, the bank raised its market share in cash loans to 16.4 percent among private banks. As of June 30, Yapı Kredi became the first Turkish bank to switch to an internal ratings-based (IRB) approach, and its consolidated capital adequacy without temporary regulation contribution was recorded at 16.2 percent, and its main capital ratio 13.8 percent. Moreover, in the first half of the year, Yapı Kredi secured total syndicated loans worth approximately \$962 in two tranches, with participation of 42 banks from 20 countries. This facility is the first syndicated loan contingent on the bank's sustainability criteria, and will be used for foreign trade financing. With this syndicated loan, the bank not only boosted the confidence in Yapı Kredi and Turkish economy, but also sustained its support for exports and the real sector. Meanwhile, **Tüpraş** continued to meet Turkey's energy demand by increasing its capacity utilization rate to 91 percent in the second quarter. Tüpraş maintained its robust balance sheet with its disciplined and effective financing policies, increasing its operational profitability as a result of the recovery in pandemic conditions. **Aygaz**, on the other hand, continued to meet domestic demand despite the challenging pandemic conditions, and increased its sales tonnage in the first half of 2021."

Levent Çakıroğlu: "Share buyback program is a first in the Koç Group's history"

Levent Çakıroğlu highlighted that the share buyback program, which was announced in July, is a first in the history of the Koç Group, and noted: "Understanding that Koç Holding's market cap on Borsa Istanbul and its discount to net asset value did not reflect the company's actual performance, we have decided to start the first buyback program in our history to make the prices more accurate."

Levent Çakıroğlu: "We are continuing our ESG work with determination"

Levent Çakıroğlu noted Koç Group's continued commitment towards its environmental, social and corporate governance (ESG) activities, and added: "As part of our roadmap to become carbon-neutral by 2050, we have joined among the ranks of companies that support the Task Force on Climate-Related Financial Disclosures (TCFD), a group of the world's leading enterprises that collectively work towards zero carbon. In doing so, we aim to manage climate risks and opportunities using the TCFD framework, share our results to stakeholders on a regular basis, and promote similar action in our ecosystem. In addition, we declared our five-year roadmap and three main commitments as part of the Generation Equality Forum, which guides UN Women's works on gender equality. As a leader of the Technology and Innovation Action Group, these commitments will motivate us to take steps that will mobilize our entire ecosystem into action, and to help us develop innovative digital practices and solutions." Levent Çakıroğlu commented on his group's focus on the development of civil society as part of ESG, and continued: "Our BOOST Civil Society Technology Accelerator Program, developed in partnership with the United Nations Development Programme (UNDP) and Koç University Entrepreneurship Research Center (KWORKS), continues with remarkable success. We are glad to leverage Koç Group's competencies in digital transformation through the program to support NGOs in their own digital transformation journey."

Levent Çakıroğlu shared Koç Group's continued support of sports as a force of unity and transformation. "At Koç Group, we believe that our investments in sports will generate considerable benefit in terms of social development. Accordingly, Koç Holding is now the

official sponsor of the Turkish Olympic Committee in order to support our athletes in the Tokyo 2020 Olympic Games. I would like to congratulate all of our athletes who competed in the Olympics and personally thank those who have made their nation proud by winning a medal," akirođlu concluded.