

May 22, 2020

KOÇ HOLDING POSTS TRY 39,4 BILLION IN CONSOLIDATED TURNOVER AND TRY 3,5 BILLION IN CONSOLIDATED NET PROFIT FOR THE PARENT COMPANY IN THE FIRST QUARTER OF 2020

KOÇ HOLDING CEO LEVENT ÇAKIROĞLU:

“WE ARE FACING AN UNPRECEDENTED GLOBAL HEALTH CRISIS. THE CORONAVIRUS OUTBREAK HAS DEEPLY AFFECTED PUBLIC HEALTH, SOCIAL LIFE, WAYS OF DOING BUSINESS, AND THE GLOBAL ECONOMY. AT KOÇ GROUP, WE ARE ABLE TO DELIVER A ROBUST RESPONSE TO THE OUTBREAK, LEVERAGING OUR HEALTHY BALANCE SHEET STRUCTURE, STRONG LIQUIDITY, EXPERIENCED MANAGEMENT TEAM AND AGILE MANAGEMENT APPROACH. WE ADOPT A MULTI-FACETED APPROACH TO ADDRESS THE EFFECTS OF THE OUTBREAK ON OUR SHORT AND LONG-TERM PLANS. WE ACT IN A SPIRIT OF NATIONAL MOBILIZATION TO CONTRIBUTE TO THE HEALING PROCESS OF OUR COUNTRY AND SOCIETY. OUR COMPANIES JOINED THEIR FORCES AMIDST THIS CRISIS TO TAKE THE NECESSARY MEASURES TO MEET THE NEEDS OF ALL SEGMENTS OF SOCIETY. HAVING MOBILIZED ALL OUR RESOURCES, WE PRODUCED VENTILATORS AND MEDICAL EQUIPMENT IN OUR FACTORIES. WE ARE FURTHERING OUR EFFORTS TO MAINTAIN OUR PRODUCTION AND OPERATIONS BY TAKING ALL MEASURES NECESSARY.”

In the first quarter of 2020, Koç Holding generated consolidated revenues of TRY 39,4 billion and a net profit of TRY 3,5 billion for the parent company. TRY 3,4 billion of the net profit for the period was obtained from one-off transactions. Koç Holding CEO Levent Çakiroğlu evaluated Koç Holding’s financial results for the first quarter of 2020: *“We are facing an unprecedented global health crisis. Coronavirus outbreak has deeply affected public health, social life, ways of doing business, and the global economy. At Koç Group, to address the effects of the outbreak on our short- and long-term plans, we adopt a multi-faceted approach. Although Turkey started to feel the true impact of the outbreak in the second half of March, our Group was already familiar with the effect of coronavirus due to its international structure. Based on our experience in our overseas operations, we immediately started taking precautions. From the very beginning of the outbreak, the wellbeing of our colleagues and their families have been our number one priority. While our companies maintained an uninterrupted delivery of services, we immediately joined our forces to support our country’s fight against coronavirus. Having mobilized all our resources, we produced ventilators and medical equipment in our factories. We established a crisis management center within Koç Holding and identified the main principles, especially those relating to health and safety, to be adopted across our Group.”*

Levent Çakiroğlu: “We think that the impact of the coronavirus outbreak will become clearer in the second quarter.”

Stating that they carried out their coronavirus outbreak management activities on two main strategic fronts, namely social responsibility and business management, Levent Çakiroğlu evaluated the effect of the outbreak on the fields of operation of Koç Group:

“We are able to deliver a robust response to the outbreak, leveraging our healthy balance sheet structure, strong liquidity, experienced management team and agile management approach. In

addition to shielding our companies from volatility in line with our plans devised for various scenarios, we have also enabled them to adapt to new conditions quickly. In light of the changing macroeconomic conditions prompted by the coronavirus outbreak, we have reviewed our expectations for the coming period with our Group companies. When we look at industries, production in the automotive industry, which had a strong start in the beginning of 2020, came to a temporary halt in early March due to the impact of the outbreak on the global supply chain and the fall in foreign demand. The energy industry also suffered from the overall disruption of commercial activities in domestic and foreign markets and the effects of the outbreak on the demand for fuel. Considering all these, we think that the second quarter of 2020 will paint a more detailed picture of the direct impact of the outbreak. On the other hand, Koç Group's uncompromising approach to liquidity and borrowing criteria once again proved its significance, especially in these difficult times. Our diversified portfolio structure and our strong position in domestic and international markets enable us to continue managing the negative effects of the outbreak in the best way possible. We have completed all our planning for the normalization process. "

Levent Çakıroğlu: "The steps we have taken to help the healing process of our country and society have also been recognized globally. We are extremely proud to have been considered a global role model."

Noting that the "I live and prosper with my country" philosophy of the late Vehbi Koç, the founder of Koç Group, illuminated their path in these times of uncertainty, Mr. Çakıroğlu talked about the Holding's social responsibility approach to the outbreak, which has been praised by the World Economic Forum:

"As a forward-looking Group that is deeply rooted in the past, our 94-year history further emphasizes our responsibility for the future in retrospect. We have mobilized all our companies to deliver for our country in the best way with the strength we source from Koç Group's corporate culture and values. While Koç Group leveraged the strength and resilience its digital transformation strategy provided to continue delivering for the society during this global health crisis, its factories achieved an accelerated transformation. Arçelik, Tofaş, Ford Otosan and Türk Traktör started producing medical equipment. This success, which touched people's lives, perfectly showcased the change-centric agile management approach of the Group and the production capability of Turkey. Arçelik engineers' success in manufacturing ventilators, which are among the most critical needs in the fight against the outbreak, was a source of pride for not only our Group, but also the entire nation. Divan Group won everyone's hearts by opening its hotels to healthcare professionals who served in front lines of the fight against coronavirus. With the contributions of Yapı Kredi, Tüpraş, Opet and Aygaz, we raised TRY 20 million for the National Solidarity Campaign launched by the Presidency of the Republic of Turkey. The steps we have taken to help the healing process of our country and society have also been recognized globally. Citing us as the largest Group of companies in Turkey, the World Economic Forum noted our efforts to mobilize our resources to combat coronavirus in its statement highlighting the best practices in the fight against this outbreak. All our colleagues across our Group, who have made great efforts to this end, were extremely proud of being considered such a role model."