

**PENTA TEKNOLOJİ ÜRÜNLERİ
DAĞITIM TİCARET A.Ş. AND
ITS SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD JANUARY 1 - JUNE 30, 2022

(CONVENIENCE TRANSLATION INTO ENGLISH OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH
REPORT ON REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

To the General Assembly of Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş.

Introduction

1. We have reviewed the accompanying condensed consolidated statement of financial position of Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş.(the “Company”) and its subsidiaries (collectively referred as the “Group”) as at 30 June 2022, the condensed consolidated statement of profit or loss, the condensed consolidated statement of other comprehensive income, condensed changes in equity, condensed consolidated cash flows and other explanatory notes for the six-month period then ended (“condensed consolidated interim financial information”). The management of the Group is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion

3. Based on our review, nothing has come to our attention that causes us to conclude that the accompanying condensed consolidated interim financial information of Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş. is not prepared, in all material respects, in accordance with TAS 34.



Other information

4. Management is responsible for the other information. The other information comprises the Appendix I added to “Other information” section in the report but does not include the condensed consolidated financial statements and our auditor’s report thereon. Our conclusion on the condensed consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our review of the condensed consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the review or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

5. The consolidated financial statements of the Group as of 31 December 2021 and for the year then ended were audited and the interim financial information as of 30 June 2021 and for the six-month period then ended were reviewed by another audit firm whose audit report dated 9 March 2022 expressed an unqualified opinion and whose review report dated 17 August 2021 expressed a conclusion that no material non-compliance with respect to TAS 34 has come to their attention.

Additional explanation for convenience translation into English

6. Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 30 June 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group Company in accordance with IFRS.

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

Mert Tüten, SMMM
Partner

Istanbul, 15 August 2022

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PENTA TEKNOLOJİ ÜRÜNLERİ DAĞITIM TİCARET A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

		(Condensed Reviewed) (Turkish Lira) Current Period 30 June 2022	(Audited) (Turkish Lira) Prior Period 31 December 2021	(US Dollar*) Current Period 30 June 2022	(US Dollar*) Prior Period 31 December 2021
	Notes				
ASSETS					
Current Assets		3.115.848.581	2.550.272.108	187.010.010	191.332.591
Cash and Cash Equivalents	3	75.484.523	99.823.827	4.530.503	7.489.221
Financial Assets	3	16.661.400	13.329.000	1.000.000	1.000.000
Trade Receivables	4-5	2.057.542.511	1.469.214.818	123.491.574	110.226.935
- Trade receivables from related parties	4	4.000.569	4.875.842	240.110	365.807
- Trade receivables from third parties	5	2.053.541.942	1.464.338.976	123.251.464	109.861.128
Other Receivables		198.220	504.316	11.897	37.836
- Other receivables from third parties		198.220	504.316	11.897	37.836
Derivative Financial Instruments		454.290	4.706.363	27.266	353.092
Inventories	7	922.670.660	909.666.117	55.377.739	68.247.139
Prepaid Expenses	8	5.959.600	1.401.891	357.689	105.176
Assets Related to Current Tax		36.053.187	50.791.301	2.163.875	3.810.586
Other Current Assets		824.190	834.475	49.467	62.606
Non-Current Assets		99.213.006	82.202.209	5.954.662	6.167.170
Investment Properties		1.970.994	1.576.781	118.297	118.297
Property, Plant and Equipment		20.493.422	17.339.737	1.229.994	1.300.903
Right of Use Assets		20.863.238	21.501.489	1.252.190	1.613.136
Intangible Assets		36.645.334	29.825.077	2.199.415	2.237.608
- Goodwill		32.249.673	25.799.506	1.935.592	1.935.592
- Other intangible assets		4.395.661	4.025.571	263.823	302.016
Deferred Tax Assets		19.240.018	11.959.125	1.154.766	897.226
TOTAL ASSETS		3.215.061.587	2.632.474.317	192.964.672	197.499.761

(*) Refers to the amounts in US Dollars, which is the functional currency of the Group. Presentation currency is Turkish Lira. For the conversion of US Dollar and Turkish Lira, see Note 2.

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

PENTA TEKNOLOJİ ÜRÜNLERİ DAĞITIM TİCARET A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

		(Condensed Reviewed) (Turkish Lira) Current Period 30 June 2022	(Audited) (Turkish Lira) Prior Period 31 December 2021	(US Dollar*) Current Period 30 June 2022	(US Dollar*) Prior Period 31 December 2021
	Notes				
LIABILITIES					
Current Liabilities		1.975.259.421	1.643.025.204	118.553.028	123.266.952
Short-Term Borrowings		50.652.671	5.007.092	3.040.121	375.654
- Bank loans	16	44.393.750	-	2.664.467	-
- Lease liabilities		6.258.921	5.007.092	375.654	375.654
Trade Payables	4-5	1.233.118.880	1.039.770.675	74.010.520	78.008.153
- Trade payables to related parties	4	5.966.847	4.172.324	358.124	313.026
- Trade payables to third parties	5	1.227.152.033	1.035.598.351	73.652.396	77.695.127
Payables Regarding Employee Benefits		4.358.489	2.737.883	261.592	205.408
Other Payables	4-6	559.954.682	442.568.172	33.607.901	33.203.404
- Other payables to related parties	4	559.755.145	442.425.999	33.595.925	33.192.738
- Other payables to third parties	6	199.537	142.173	11.976	10.666
Deferred Income	8	7.368.005	28.782.083	442.220	2.159.358
Current Tax Liabilities		76.171.689	86.569.243	4.571.746	6.494.804
Current Provisions		8.475.769	7.629.623	508.707	572.408
- Current provisions for employee benefits		8.475.769	7.629.623	508.707	572.408
Other Current Liabilities		35.159.236	29.960.433	2.110.221	2.247.763
Non-Current Liabilities		27.414.451	22.348.121	1.645.388	1.676.655
Long-Term Borrowings		4.829.657	6.153.879	289.871	461.691
- Lease liabilities		4.829.657	6.153.879	289.871	461.691
Non-Current Provisions		22.584.794	16.194.242	1.355.517	1.214.964
- Non-current provisions for employee benefits		18.586.058	12.995.282	1.115.517	974.964
- Other non-current provisions		3.998.736	3.198.960	240.000	240.000
EQUITY		1.212.387.715	967.100.992	72.766.256	72.556.154
Equity attributable to owners of the Company		1.212.387.715	967.100.992	72.766.256	72.556.154
Share Capital	10	43.724.000	43.724.000	22.739.558	22.739.558
Share Premium	10	372.000.000	372.000.000	44.567.444	44.567.444
Other Comprehensive Expense That Will Not Be Reclassified To Profit / (Loss)		749.817.517	507.647.281	(413.701)	(413.701)
- Accumulated losses on remeasurements of defined benefit plans		(1.170.003)	(1.170.003)	(413.701)	(413.701)
- Currency translation differences	10	750.987.520	508.817.284	-	-
Restricted Reserves Appropriated from Profit	10	13.880.245	13.880.245	3.629.318	3.629.318
Accumulated Gain / (Losses)		29.849.466	49.027.864	2.033.535	4.187.661
Net Profit / (Loss) for the Year		3.116.487	(19.178.398)	210.102	(2.154.126)
TOTAL LIABILITIES AND EQUITY		3.215.061.587	2.632.474.317	192.964.672	197.499.761

(*) Refers to the amounts in US Dollars, which is the functional currency of the Group. Presentation currency is Turkish Lira. For the conversion of US Dollar and Turkish Lira, see Note 2.

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

PENTA TEKNOLOJİ ÜRÜNLERİ DAĞITIM TİCARET A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

		(Condensed Reviewed) (Turkish Lira) Current Period 1 January - 30 June 2022	(Condensed Unaudited) (Turkish Lira) Current Period 1 April - 30 June 2022	(Condensed Reviewed) (Turkish Lira) Prior Period 1 January - 30 June 2021	(Condensed Unaudited) (Turkish Lira) Prior Period 1 April - 30 June 2021	(US Dollar*) Current Period 1 January - 30 June 2022	(US Dollar*) Prior Period 1 January - 30 June 2021
	Notes						
Revenue	11	4,047,243.175	2,113,451.636	2,523,916.263	1,257,979.587	272,850.307	320,884.402
Cost of Sales (-)	11	(3,746,689.182)	(1,959,544.463)	(2,344,957.883)	(1,167,325.808)	(252,588.058)	(298,132.081)
GROSS PROFIT		300,553.993	153,907.173	178,958.380	90,653.779	20,262.249	22,752.321
General Administrative Expenses (-)	12	(30,821.728)	(15,817.200)	(18,423.156)	(9,503.120)	(2,077.888)	(2,342.274)
Marketing, Sales and Distribution Expenses (-)	12	(55,876.902)	(28,602.794)	(32,536.144)	(15,957.511)	(3,767.016)	(4,136.564)
Other Income From Operating Activities	13	3,865.162	1,742.087	1,894.957	1,058.825	260.575	240.920
Other Expenses From Operating Activities (-)	13	(74,027.503)	(32,626.663)	(36,459.690)	(22,749.711)	(4,990.663)	(4,635.394)
OPERATING PROFIT		143,693.022	78,602.603	93,434.347	43,502.262	9,687.257	11,879.009
Income From Investing Activities		1,242.622	728.517	1,220.230	887.834	83.773	155.137
OPERATING PROFIT BEFORE FINANCE EXPENSE		144,935.644	79,331.120	94,654.577	44,390.096	9,771.030	12,034.146
Finance Income	15	163.640	79.715	5,324.550	382.540	11.032	676.950
Finance Expenses (-)	15	(69,596.514)	(37,635.644)	(44,750.960)	(17,538.280)	(4,691.942)	(5,689.525)
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		75,502.770	41,775.191	55,228.167	27,234.356	5,090.120	7,021.571
Tax Expense From Continuing Operations		(72,386.283)	(39,977.378)	(23,135.165)	(10,873.705)	(4,880.018)	(2,941.347)
Current tax expense		(76,206.425)	(38,630.246)	(30,385.529)	(21,161.225)	(5,137.558)	(3,500.516)
Deferred tax income / (expense)		3,820.142	(1,347.132)	7,250.364	10,287.520	257.540	559.169
PROFIT / (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		3,116.487	1,797.813	32,093.002	16,360.651	210.102	4,080.224
PROFIT / (LOSS) FOR THE YEAR		3,116.487	1,797.813	32,093.002	16,360.651	210.102	4,080.224
Attributable to:							
Owners of the Company/Parent		3,116.487	1,797.813	32,093.002	16,360.651	210.102	4,080.224
		3,116.487	1,797.813	32,093.002	16,360.651	210.102	4,080.224
Earnings / (Loss) per Share (for 1 full TL share)	18	0,07	0,04	0,92	0,47	0,00	0,12
OTHER COMPREHENSIVE INCOME / (EXPENSES)							
Items that will not be reclassified subsequently to profit or loss		242,170.236	146,949.523	57,136.710	26,820.114	-	-
Currency translation differences		242,170.236	147,192.263	57,136.710	26,820.114	-	-
Defined Benefit Plans Measurement Gains / (Losses)		-	(307.260)	-	-	-	-
Tax (Expense) / Income related to other comprehensive income items		-	64.520	-	-	-	-
Deferred Tax (Expense) / Income		-	64.520	-	-	-	-
OTHER COMPREHENSIVE INCOME / (EXPENSE)		242,170.236	146,949.523	57,136.710	26,820.114	-	-
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		245,286.723	148,747.336	89,229.712	43,180.765	210.102	4,080.224
Profit / (Loss) attributable to:							
Owners of the Company/Parent		245,286.723	148,747.336	89,229.712	43,180.765	210.102	4,080.224
		245,286.723	148,747.336	89,229.712	43,180.765	210.102	4,080.224

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

PENTA TEKNOLOJİ ÜRÜNLERİ DAĞITIM TİCARET A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

	Notes	Share capital	Share premium	Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		Restricted reserves	Retained earnings		Total equity
				Accumulated gain / (loss) on remeasurement of defined benefit plans	Currency Translation Differences		Prior Years' Profits or Losses	Net Profit or Loss	
Balances as of 1 January 2021		31.724.000	-	(1.022.413)	117.181.931	13.880.245	37.919.317	11.108.547	210.791.627
Transfers		-	-	-	-	-	11.108.547	(11.108.547)	-
Capital Increase		12.000.000	372.000.000	-	-	-	-	-	384.000.000
Net income		-	-	-	-	-	-	32.093.002	32.093.002
Other comprehensive income		-	-	-	57.136.710	-	-	-	57.136.710
Total comprehensive income		-	-	-	57.136.710	-	-	32.093.002	89.229.712
Balances as of 30 June 2021	10	43.724.000	372.000.000	(1.022.413)	174.318.641	13.880.245	49.027.864	32.093.002	684.021.339
Balances as of 1 January 2022		43.724.000	372.000.000	(1.170.003)	508.817.284	13.880.245	49.027.864	(19.178.398)	967.100.992
Transfers		-	-	-	-	-	(19.178.398)	19.178.398	-
Net income		-	-	-	-	-	-	3.116.487	3.116.487
Other comprehensive income		-	-	-	242.170.236	-	-	-	242.170.236
Total comprehensive income		-	-	-	242.170.236	-	-	3.116.487	245.286.723
Balances as of 30 June 2022	10	43.724.000	372.000.000	(1.170.003)	750.987.520	13.880.245	29.849.466	3.116.487	1.212.387.715

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PENTA TEKNOLOJİ ÜRÜNLERİ DAĞITIM TİCARET A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

		(Condensed Reviewed) Current Period 1 January - 30 June 2022	(Condensed Reviewed) Prior Period 1 January - 30 June 2021
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		3.116.487	32.093.002
Adjustments for:			
IPO commissions and expenses		-	9.095.213
Depreciation and amortisation expenses		8.182.497	4.491.947
Provisions for employee termination benefits		6.504.860	2.027.907
Allowance for doubtful receivables	5	824.296	-
Unused vacation provision		1.133.123	344.289
Bonus provision		4.524.645	2.594.994
Trade receivables and trade payables discounts, net		(765.022)	-
Allowance for inventories	7	5.166.211	2.520.043
Income tax expense		72.386.283	23.135.165
Interest income		(1.242.622)	(1.220.230)
Interest and commissions expense	15	61.378.461	36.405.530
Derivative (income) / expense		4.252.073	(3.560.677)
Net foreign exchange (income) / loss		8.219.744	30.201.648
Movement in working capital		173.681.036	138.128.831
Changes in trade receivables		(220.785.433)	(24.489.950)
Changes in inventories		185.728.173	(81.970.112)
Changes in other receivables and other assets		(3.165.924)	244.473
Changes in trade payables		(59.297.690)	123.579.668
Changes in other payables		(26.158.667)	(52.945.433)
Net cash generated from operations		50.001.495	102.547.477
Income taxes returns (paid)		(71.831.129)	(38.404.448)
Collections from doubtful receivables	5	2.707.771	39.068
Employee termination and unused vacation benefits paid		(571.078)	(938.079)
Bonus paid		(5.802.786)	(5.126.590)
Net cash used in operating activities		(25.495.727)	58.117.428

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

PENTA TEKNOLOJİ ÜRÜNLERİ DAĞITIM TİCARET A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

		(Condensed Reviewed) Current Period 1 January - 30 June 2022	(Condensed Reviewed) Prior Period 1 January - 30 June 2021
	Notes		
CASH FLOWS FROM INVESTING ACTIVITIES		32.441	(57.693)
Interest received		1.242.622	1.220.230
Purchases of tangible and intangible assets		(1.210.181)	(1.277.923)
CASH FLOWS FROM FINANCING ACTIVITIES		(18.423.970)	(49.410.299)
Capital increase		-	384.000.000
Interest and commissions paid		(59.383.396)	(44.564.748)
Changes in other payables to related parties		5.980.560	(380.856.107)
Proceeds from / (repayment of) borrowings		39.522.572	(5.257.701)
Payments due to lease contracts		(4.543.706)	(2.731.743)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY TRANSLATION EFFECTS		(43.887.256)	8.649.436
		19.547.952	(3.302.828)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(24.339.304)	5.346.608
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	99.823.827	110.903.277
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	75.484.523	116.249.885

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

PENTA TEKNOLOJİ ÜRÜNLERİ DAĞITIM TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş. ("Penta" or the "Company") and its subsidiaries (all together referred as the "Group"), comprise the parent Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş. and two subsidiaries in which the Company owns the 100% share of the capital or has controlling interest.

Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş. ("Penta" or the "Company") was established in 2003 and incorporated in İstanbul, Türkiye. The registered addresses of its office and principal place of business are Organize Sanayi Bölgesi, 4. Cadde No: 1 34775, Yukarı Dudullu, Ümraniye / İstanbul.

Principal activities of the Company are distribution of computer, hardware and software goods. The Company purchases the trade goods from domestic and foreign suppliers and distributes them mostly to its domestic customers via its sales network. It executes the distributorship of the brands like Acer, Adobe, Asus, Autodesk, Corsair, Dell-EMC, HP, Exper, Huawei, IBM, Intel, Lenovo, Logitech, Microsoft, MSI, OKI, Sandisk, Seagate, TP-Link, Viewsonic, Wacom, WD and Zyxel.

The Company's shares are publicly traded on Borsa İstanbul ("BIST") as of 17 May 2021. The free float ratio of the shares is 15,77% as of 30.06.2022.

The Company acquired 100% shares of Commonwealth Finance Investment Ltd. ("Commonwealth") for a consideration of TL 3.277 on 1 September 2013. Commonwealth's principal activity is the sale of imported goods from the vendors to Penta.

On 3 January 2014, the Company acquired 100% shares of Ekip Elektronik Sistemler ve Malzemeleri Ticaret A.Ş. ("Ekip") and Beyaz İletişim Sistemleri Dış Ticaret ve Sanayi Ltd. Şti. ("Beyaz İletişim"). On 4 March 2014, Ekip and Beyaz İletişim have been merged under Penta.

The Company acquired 100% shares of Sayısal Grafik Sanayi ve Ticaret A.Ş. ("Sayısal") for a consideration of TL 11.892.295 on 18 June 2015. After the acquisition, on 30 July 2015 Sayısal has been merged under Penta.

The Company acquired 100% shares of Exper Bilgisayar Sistemleri Sanayi ve Ticaret A.Ş. ("Exper") for a consideration of TL 85.400.000 on 22 June 2017. After the acquisition, on 28 June 2017 Exper has been merged under Penta.

The company acquired 100% shares of Arlington Investments B.V. for 20.000 Euros which was a non-operational company as of acquisition date. The company was established in the Netherlands and the commercial title of the company changed as Penta International B.V. ("Penta BV").

Total number of the Group's employees is 352 as of June 30, 2022 (December 31, 2021: 353).

Approval of Condensed Consolidated Financial Statements:

The condensed consolidated financial statements have been approved by Board of Directors and authorized on the date of August 15, 2022 for publishing. General Assembly has the authority to amend / modify condensed consolidated financial statements.

PENTA TEKNOLOJİ ÜRÜNLERİ DAĞITIM TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of the Presentation

The Group has prepared its condensed consolidated financial statements for the interim period ending on 30 June 2022, in accordance with TAS 34 "Interim Financial Reporting" standard, within the framework of the Capital Markets Board's ("CMB") Communiqué Serial: II, 14.1 and the announcements explaining this communiqué.

The accompanying financial statements have been prepared in accordance with the provisions of the CMB's Communiqué Series II, No. 14.1 on the "Principles Regarding Financial Reporting in the Capital Markets" published in the Official Gazette dated 13 June 2013 and numbered 28676. Based on the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TMS/TFRS"), which were put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA"), and their annexes and comments.

Interim condensed consolidated financial statements are presented in accordance with the formats specified in the TFRS Taxonomy published by the POA on April 15, 2019 and the Financial Statement Examples and User Guide published by the CMB.

The Company complies with the principles and conditions issued by the CMB, the Turkish Commercial Code ("TCC"), the tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance in keeping accounting records and preparing its statutory financial statements. Subsidiaries operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations applicable in the countries in which they operate. Condensed consolidated financial statements have been prepared on the basis of historical cost, except for derivative instruments shown at fair value.

2.2 Functional Currency

The financial statements of each enterprise of the Group are presented in the currency (functional currency) valid in the basic economic environment in which they operate. The company mainly uses USD in its operations (trading). The US dollar also reflects the economic basis of situations and events that are important to the Company. The Company's purchase and sales prices are largely based on US Dollars. The Company, by evaluating the economic environment and its activities, has determined the functional currency as USD in accordance with TAS 21 (Effects of Changes in Exchange Rates). Although the functional currency of the Group is US Dollars, the presentation currency is expressed in TL.

If the legal records are kept in a currency other than the functional currency, the financial statements are first converted to the functional currency and then back to TL, which is the Group's presentation currency. For companies in Türkiye, the functional currency of the statutory records is TL. Conversion of TL into US Dollars is based on the framework described below;

- Monetary assets and liabilities accounts, T.C. The Central Bank ("CBRT") is converted to the functional currency with the foreign exchange buying rate.
- Non-monetary items are converted into functional currency with the CBRT buying rates valid on the date of the transaction.
- Income statement accounts have been converted to the functional currency using the exchange rates on the transaction date, excluding depreciation charges..
- Capital has been tracked according to historical costs.

The translation differences resulting from the above conversions are recorded in the profit or loss statement, in the foreign exchange income / expense accounts included in the financial income and expenses item.

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.2 Functional Currency (cont'd)

The exchange rates and methods used in converting from functional currency to presentation currency are listed below:

Items in the condensed consolidated statement of financial position are translated into Turkish Lira with the exchange rates announced by the Central Bank of the Republic of Türkiye ("CBRT"). Equity items are shown with their historical values. Income and expenses and cash flows are translated at the annual average exchange rate for the relevant period. Translation gain/loss arising from this conversion has been included in the "foreign currency translation differences" account under equity and accounted as a separate component of the other comprehensive income.

Average USD / TRY exchange rates for each period are as follows:

	30 June 2022	31 December 2021	30 June 2021	31 December 2020
USD / TRY – as of reporting date	16,6614	13,3290	8,6803	7,3405
USD / TRY – average for the period	14,8332	8,9031	7,8655	7,0090

The USD ("USD") amounts shown in the condensed consolidated financial statements are the financial statements prepared in accordance with the functional currency of the Group and are not part of the condensed consolidated financial statements.

2.3 Going Concern

The condensed consolidated financial statements of the Group are prepared on a going concern basis, which presumes the realization of assets and settlement of liabilities in the normal course of operations and in the foreseeable future.

2.4 Changes in Accounting Policies

Important changes on the accounting policies are accounted retrospectively and prior period's financial statements are restated. The Group did not apply any changes in its accounting policies for current period.

2.5 Changes and Errors in Accounting Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, in the period of the change and future periods, if the change affects both. The Group does not have any important changes in the accounting estimates in the current year. Significant accounting errors are corrected retrospectively, by restating the prior period consolidated financial statements.

To enable the determination of financial status and performance trends, the Group's condensed consolidated financial statements for the current period are prepared in comparison with the previous period. The Group did not have any reclassifications for the current period.

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.6 Basis of Consolidation

The details of subsidiaries are as follows:

Name of subsidiaries	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Group (%)	
			30 June 2022	31 December 2021
Commonwealth Finance Investment Ltd.	International Trade of IT Products	British Virgin Islands	100%	100%
Penta International B.V.	International Trade of IT Products	Netherlands	100%	100%

Functional currencies of these subsidiaries are US Dollar.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it has still power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.6 Basis of Consolidation (cont'd)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.7 Application of New and Revised International Financial Reporting Standards (TFRSs)

The accounting policies adopted in preparation of the condensed consolidated financial statements as at June 30, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 and thereafter.

a) Standards, amendments, and interpretations applicable as of 30 June 2022:

- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to TFRS 4 Insurance Contracts – deferral of TFRS 9 (effective 1 January 2021);** These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial instrument until 1 January 2023.
- **Amendment to TFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to TFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2022:

- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from annual periods beginning on or after 1 January 2022.
 - o **Amendments to TFRS 3, 'Business combinations'** update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - o **Amendments to TAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - o **Amendments to TAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, 'First-time Adoption of TFRS', TFRS 9, 'Financial Instruments', TAS 41, 'Agriculture' and the Illustrative Examples accompanying TFRS 16, 'Leases'.

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.7 Application of New and Revised International Financial Reporting Standards(TFRSs) (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

- **Amendments to TAS 1, Presentation of financial statements' on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to TAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the 'settlement' of a liability.
- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **TFRS 17, 'Insurance Contracts', as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

2.8 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the Group Management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

Useful life of property, plant and equipment and intangible assets

The Group has calculated the depreciation and amortization amounts in accordance with TFRS. The calculations are based on the Group Management's expectations regarding the useful life of the related assets.

Duration of Leasing Liabilities

The Group's leasing liabilities within the scope of TFRS 16 are related to vehicle and building leasing contracts. The lifetime of the leasing agreements for vehicles are determined on the basis of the relevant lease agreement. The lifetime of the lease contracts for buildings are determined based on the best estimate of the period in which the management plans to use the asset in lease contracts and auto-renewal contracts.

Doubtful receivables provision

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont’d)

2.8 Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont’d)

Severance benefits

Under Turkish Law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 (Revised) *Employee Benefits* (“TAS 19”). The retirement benefit obligation recognized in the condensed consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Inventory impairment provision

When the net realizable value of inventories is less than their cost, the inventories are reduced to their net realizable value and are reflected to profit and loss as loss. According to the expectations of the Group, as the net realizable value of the inventories are below of their cost value, for some part of the inventories the Group has allocated provision and reduced to their net realizable value.

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

3. DISCLOSURES RELATED TO STATEMENT OF CASH FLOWS

	30 June 2022	31 December 2021
Cash on banks	66.611.794	97.734.799
<i>Demand deposits</i>	66.611.794	97.734.799
Credit card receivables	8.872.729	2.089.028
	<u>75.484.523</u>	<u>99.823.827</u>

The average maturity of credit card receivables is 1 day as of 30 June 2022 (31 December 2021: 1 day).

The Group subtracts the blocked deposits held in banks (30 June 2022: 16.661.400 TL, 31 December 2021: 13.329.000 TL) from cash and cash equivalents and presents them under Financial Assets (Restricted Bank Deposits) in the condensed consolidated statement of financial position.

4. RELATED PARTY DISCLOSURES

Transactions between the Company and its subsidiaries have been eliminated on consolidation and therefore are not disclosed in this note.

Trade receivables from related parties arise mainly from sales transactions. Trade receivables from related companies have 2 months of maturities on average. These receivables are by nature not secured and bear no interest.

Trade payables to related parties arise mainly from purchase of goods and services. Trade payables to related companies have 2 months of maturities on average. Non-trade payables are comprised of short term financial liabilities and long-term financial debts in the scope of the parent company's (Yıldız Holding) syndication loan agreement. Interest rates within the scope of the syndication loan agreement is fixed at 6,80% for USD denominated liabilities (2021: 6,80%).

Details of transactions between the Group and other related parties are disclosed below.

a) The detail of trade and non-trade receivables and payables as of 30 June 2022 and 31 December 2021 is as follows:

	30 June 2022				
	Receivables		Payables		
	Current		Current	Non-Current	
Balances with Related Parties	Trade	Non-Trade	Trade	Non-Trade	Non-Trade
Yıldız Holding A.Ş. (*)	-	-	5.449.794	545.701.121	-
Şok Marketler Tic. A.Ş.	1.062.564	-	1.999	-	-
Future Teknoloji Ticaret A.Ş.	391.460	-	-	-	-
Kerevitaş Gıda San. Ve Tic. A.Ş.	106.433	-	-	-	-
Makina Takım Endüstrisi A.Ş.	440.994	-	-	-	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	395.925	-	-	-	-
Most Bilgi Sistemleri Tic. A.Ş.	315.500	-	269.315	-	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	271.281	-	16.278	-	-
UCZ Magazacılık Ticaret A.Ş.	226.778	-	-	-	-
Önem Gıda San. ve Tic. A.Ş.	173.362	-	-	-	-
Shareholders (*)	-	-	-	14.054.024	-
Other	616.272	-	229.461	-	-
	<u>4.000.569</u>	<u>-</u>	<u>5.966.847</u>	<u>559.755.145</u>	<u>-</u>

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

4. RELATED PARTY DISCLOSURES (cont'd)

Balances with Related Parties	31 December 2021				
	Receivables		Payables		
	Current		Current		Non-Current
	Trade	Non-Trade	Trade	Non-Trade	Non-Trade
Yıldız Holding A.Ş. (*)	152.524	-	2.244.950	419.984.914	-
Şok Marketler Tic. A.Ş.	915.076	-	732.455	-	-
Most Bilgi Sistemleri Ticaret A.Ş.	1.033.891	-	835.502	-	-
Future Teknoloji Ticaret A.Ş.	647.110	-	9.384	-	-
Bizim Toptan Satış Mağazaları A.Ş.	800.033	-	64.126	-	-
Shareholders (*)	-	-	-	22.441.085	-
Other	1.327.208	-	285.907	-	-
	4.875.842	-	4.172.324	442.425.999	-

(*) As of 30 June 2022 and 31 December 2021, non-trade payables to Yıldız Holding and shareholders consist of financial debt.

b) The details of transactions with related parties in the interim period from 1 January to 30 June 2022 and 2021 are as follows:

Transactions with related parties	Sales	1 January - 30 June 2022		
		Purchases	Interest Income	Interest Expense
Yıldız Holding A.Ş.	250.765	1.789.980	163.640	23.386.227
Şok Marketler Tic. A.Ş.	1.206.191	373.601	-	-
Most Bilgi Sistemleri Ticaret A.Ş.	267.500	365.218	-	-
Makina Takım Endüstrisi A.Ş.	561.991	-	-	-
Biskot Bisküvi Gıda San. Tic. A.Ş.	223.177	-	-	-
Ülker Çikolata Sanayi A.Ş.	352.707	-	-	-
Polinas Plastik San. ve Tic. A.Ş.	151.980	-	-	-
Sağlam İnş. Taah. Tic. A.Ş.	323.009	16.000	-	-
Other	2.148.975	412.752	-	-
	5.486.295	2.957.551	163.640	23.386.227

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4. RELATED PARTY DISCLOSURES (cont'd)

Transactions with related parties	1 January - 30 June 2021			
	Sales	Purchases	Interest Income	Interest Expense
Yıldız Holding A.Ş.	173.664	2.724.717	6.822.280	30.275.489
Şok Marketler Tic.A.Ş.	1.167.630	228.724	-	11.813
Future Teknoloji Ticaret A.Ş.	726.086	110.915	-	-
Most Bilgi Sistemleri Ticaret A.Ş.	279.615	236.976	-	-
Gözde Girişim Ser.Yat.Ort.A.Ş.	248.350	20.760	-	-
Kerevitaş Gıda San. Ve Tic. A.Ş.	212.319	50.381	-	-
Ülker Bisküvi San. A.Ş.	244.318	251	-	-
Sağlam İnş.Taah.Tic. A.Ş.	237.380	-	-	-
Other	1.408.928	469.886	-	-
	<u>4.698.289</u>	<u>3.842.610</u>	<u>6.822.280</u>	<u>30.287.302</u>

The companies in the list consist of Yıldız Holding and its related parties. Purchases from Yıldız Holding mainly consist of service purchases. Ufuk Yatırım Yönetim ve Gayrimenkul A.Ş. purchases consist of rent payments. Trade receivables from other companies arise from sales of commercial goods, trade payables from other companies arise from purchases of products and services.

Compensation of key management personnel:

The key management personnel of the Group consists of board members, the general manager and the directors. The benefits provided to key management comprise benefits such as salary and premiums. The remuneration of top management during the period were as follows:

	1 January - 30 June 2022	1 January - 30 June 2021
Salaries and other current benefits	5.070.881	2.852.882
	<u>5.070.881</u>	<u>2.852.882</u>

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5. TRADE RECEIVABLES AND PAYABLES**a) Trade Receivables**

The details of the Group's trade receivables are as follows:

	30 June 2022	31 December 2021
Short term trade receivables		
Trade receivables	1.969.342.058	1.322.768.974
Notes receivables	84.159.297	141.570.002
Due from related parties (Not 4)	4.000.569	4.875.842
Revenue accruals	40.587	-
Doubtful receivables	92.494.612	94.792.782
Provision for doubtful receivables (-)	(92.494.612)	(94.792.782)
	2.057.542.511	1.469.214.818

The average maturity of trade receivables is 78 days (2021: 70 days)

Allowances for doubtful receivables are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty. Movements of provision for doubtful trade receivables are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021
Movement of provision for doubtful receivables		
Balance at beginning of the year	94.792.782	88.936.162
Charge for the year (Note 13)	824.296	-
Collections (Note 13)	(2.707.771)	(39.068)
Translation difference	(414.695)	518.546
Closing balance	92.494.612	89.415.640

Explanations about the nature and level of risks related to trade receivables are provided in Note 17.

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5. TRADE RECEIVABLES AND PAYABLES (cont’d)

b) Trade Payables

The details of the Group’s trade payables are as follows:

	30 June 2022	31 December 2021
Short term trade payables		
Trade payables	1.076.239.351	859.017.768
Due to related parties (Note 4)	5.966.847	4.172.324
Expense accruals (*)	150.912.682	176.580.583
	<u>1.233.118.880</u>	<u>1.039.770.675</u>

(*) Mainly consist of cost accruals such as price protection and marketing support to be provided to the Group's customers within the framework of the operational activities and preferences of the Group's suppliers.

As of 30 June 2022, the average maturity of trade payables is 55 days (2021: 51 days).

6. OTHER PAYABLES

Other Payables

	30 June 2022	31 December 2021
Short Term Other Payables		
Non-trade payables to related parties (Note 4)	545.701.121	419.984.908
Other payables	199.537	142.173
Payables to shareholders (Note 4)	14.054.024	22.441.091
	<u>559.954.682</u>	<u>442.568.172</u>

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7. INVENTORIES

	30 June 2022	31 December 2021
Raw materials	7.198.091	5.414.920
Finished goods	964.445	480.244
Trade goods	943.602.344	897.890.571
Consignment goods	21.862.073	41.736.511
Other inventory	199.770	426.035
Allowance for impairment on inventory (-)	(51.156.063)	(36.282.164)
	<u>922.670.660</u>	<u>909.666.117</u>
	1 January - 30 June 2022	1 January - 30 June 2021
Movement of allowance for impairment on inventory		
Opening balance	(36.282.164)	(16.880.985)
Charge for the year / cancel of allowance, net	(5.166.211)	(2.520.043)
Translation gain / loss	(9.707.688)	(3.342.200)
Closing balance	<u>(51.156.063)</u>	<u>(22.743.228)</u>

8. PREPAID EXPENSES AND CONTRACT LIABILITIES

	30 June 2022	31 December 2021
Short term prepaid expenses		
Prepaid expenses	5.959.600	1.401.891
	<u>5.959.600</u>	<u>1.401.891</u>
	30 June 2022	31 December 2021
Short term deferred income		
Short term deferred income (*)	2.334.479	21.915.675
Provision for revenue premiums (**)	5.033.526	6.866.408
	<u>7.368.005</u>	<u>28.782.083</u>

(*) Deferred income related to products which are not delivered yet as of the year end but invoiced in current period. All deferred income as at 31 December 2021 was recognized as revenue in 2022.

(**) Provision of revenue premiums consists of estimated after sales cost provisions that may given to the customers.

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9. COMMITMENTS

Collaterals-Pledge-Mortgage (“CPM”)

The Group’s collaterals/pledge/mortgage position as at 30 June 2022 and 31 December 2021 is as follows;

30 June 2022	TL Equivalent	USD	TL	Euro
A. CPM given on behalf of its own legal entity				
-Collateral	980.980.956	58.005.443	10.186.543	250.000
B. Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation				
-Collateral	-	-	-	-
C. Total amounts of CPM given in order to guarantee third parties debts for routine trade operations				
-Collateral	-	-	-	-
D. Total amounts of other CPM given				
i. Total amount of CPM given on behalf of parent company				
-Collateral	-	-	-	-
ii. Total amount of CPM given on behalf of other group companies that are not included group B and C				
-Collateral	951.686.363	35.329.310	363.050.597	-
iii. Total amount of CPM given on behalf of third parties that are not included group C				
-Collateral	-	-	-	-
Total	1.932.667.319	93.334.753	373.237.140	250.000

The ratio of other CPM’s that is given by the Group to equity is 78% as of 30 June 2022 (31 December 2021: 86%).

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9. COMMITMENTS (cont'd)

Collaterals-Pledge-Mortgage ("CPM") (cont'd)

31 December 2021	TL Equivalent	USD	TL	Euro
A. CPM given on behalf of its own legal entity				
-Collateral	776.183.083	57.505.443	5.921.365	250.000
B. Total amounts of CPM given on behalf of subsidiaries that are included in full consolidation				
-Collateral	-	-	-	-
C. Total amounts of CPM given in order to guarantee third parties debts for routine trade operations				
-Collateral	-	-	-	-
D. Total amounts of other CPM given				
i. Total amount of CPM given on behalf of parent company				
-Collateral	-	-	-	-
ii. Total amount of CPM given on behalf of other group companies that are not included group B and C				
-Collateral	833.954.970	35.329.310	363.050.597	-
iii. Total amount of CPM given on behalf of third parties that are not included group C				
-Collateral	-	-	-	-
Total	1.610.138.053	92.834.753	368.971.962	250.000

With the syndication loan agreement signed with various Turkish banks in 2018, Yıldız Holding A.Ş. and its group companies' short term debts are combined under the roof of Yıldız Holding A.Ş. In this context, the loans that were previously payable to banks were consolidated in the "other long term payables to Yıldız Holding A.Ş." account on 8 June 2018, in accordance with this syndication loan agreement.

As of 8 June 2018, the Company's cash loans amounting to 399,7 million TL and non-cash bank loans amounting to 206,4 million TL transferred to Yıldız Holding A.Ş. There has been no increase in the Company's total debt amount due to syndicated loan. As of the date of loan used, the Company became the guarantor of Yıldız Holding A.Ş., limited to the total bank loan risk exposure.

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10. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

As of 30 June 2022 and 31 December 2021, the share capital held is as follows:

Shareholders	%	30 June	%	31 December
		2022		2021
Gözde Girişim Serm.Yatırım Ort. A.Ş.	32,21	14.083.759	32,21	14.083.759
İstanbul Portföy Yıldız Serbest Özel Fon	20,53	8.974.600	20,53	8.974.600
Mustafa Ergün	10,20	4.459.397	10,20	4.459.397
Mürsel Özçelik	7,17	3.135.347	7,17	3.135.347
Sinan Güçlü	7,07	3.091.088	7,07	3.091.088
Bülent Koray Aksoy	7,05	3.082.430	7,05	3.082.430
Open to Public	15,77	6.897.379	15,77	6.897.379
Nominal Capital (TL)	100,00	43.724.000	100,00	43.724.000

The capital of the Company is 43.724.000 TL (31 December 2021: 43.724.000 TL) with a par value of 1 TL per share (31 December 2021: 1 TL) as of 30 June 2022. 11.824.231 of the Company's shares consist of group A shares and 31.889.769 of them are group B shares. Group A shares are privileged shares; their only privilege is the privilege of nominating candidates for members of the Board of Directors.

b) Restricted Reserves

	30 June	31 December
	2022	2021
Legal Reserves	13.880.245	13.880.245
	13.880.245	13.880.245

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. According to the Turkish Commercial Code, if the general legal reserve not exceed half of capital or the issued capital, only the closure of loss, to ease the work of the cross in front of or unemployment to continue the business when it goes well and the results used to take suitable measures.

c) Share Premiums

	30 June	31 December
	2022	2021
Share Premiums	372.000.000	372.000.000
	372.000.000	372.000.000

The Company's shares are publicly traded on Borsa İstanbul as of 17 May 2021. The positive difference between the nominal value of the shares and the actual selling price are shown under share premiums.

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10. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)**d) Foreign Currency Translations**

Foreign currency translation differences are the conversion differences that arise when converting the condensed consolidated financial statements in US Dollars, which is the functional currency of the Group, to Turkish Lira, which is the reporting currency (Note 2).

e) Distributable Profit

Details of the Group's net profit for the period as of the reporting date and other profits that may be subject to profit distribution are given below:

	30 June 2022	31 December 2021
Accumulated Gain / (Losses)	29.849.466	49.027.864
Net Profit / (Loss) for the Year	3.116.487	(19.178.398)
Total	32.965.953	29.849.466

11. REVENUE

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
<u>a) Sales</u>				
Domestic sales	4.302.789.944	2.267.693.877	2.617.279.513	1.298.832.046
Export sales	22.722.668	13.487.928	15.399.626	9.062.174
Sales returns (-)	(205.937.533)	(114.318.008)	(71.317.189)	(33.575.842)
Sales discounts (-)	(72.331.904)	(53.412.161)	(37.445.687)	(16.338.791)
	4.047.243.175	2.113.451.636	2.523.916.263	1.257.979.587

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
<u>Sales Channels</u>				
Retail	1.268.196.073	632.071.363	776.018.860	397.010.461
Value-Added Reseller	1.276.851.557	728.161.763	621.326.865	299.667.902
Dealer	625.532.746	311.612.742	360.317.031	178.461.037
Marketplace	452.059.362	221.879.845	355.849.871	184.445.573
Sub-distributor and other	424.603.437	219.725.923	410.403.636	198.394.614
	4.047.243.175	2.113.451.636	2.523.916.263	1.257.979.587

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
<u>b) Cost of sales</u>				
Cost of goods sold (-)	(13.740.468)	(6.764.551)	(10.729.132)	(4.817.769)
Cost of merchandises sold (-)	(3.732.948.714)	(1.952.779.912)	(2.334.228.751)	(1.162.508.039)
	(3.746.689.182)	(1.959.544.463)	(2.344.957.883)	(1.167.325.808)

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12. GENERAL ADMINISTRATIVE EXPENSES AND SALES AND MARKETING EXPENSES

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
General administrative expenses (-)	(30.821.728)	(15.817.200)	(18.423.156)	(9.503.120)
Marketing, selling and distribution expenses (-)	(55.876.902)	(28.602.794)	(32.536.144)	(15.957.511)
	<u>(86.698.630)</u>	<u>(44.419.994)</u>	<u>(50.959.300)</u>	<u>(25.460.631)</u>
a) General administrative expenses details	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Employee benefit expenses	(10.606.865)	(5.029.075)	(5.572.416)	(2.869.074)
Depreciation and amortization expenses	(8.182.497)	(4.318.507)	(4.491.947)	(2.396.086)
Insurance expenses	(3.884.889)	(2.206.367)	(2.314.503)	(1.229.777)
Consulting expenses	(2.399.062)	(1.001.519)	(1.856.928)	(660.246)
IT expenses	(2.266.973)	(1.180.854)	(1.688.690)	(1.044.614)
Meal expenses	(1.818.090)	(973.370)	(544.501)	(354.841)
Outsourcing expenses	(954.190)	(482.535)	(991.308)	(481.303)
Travel expenses	(101.029)	(68.161)	(11.292)	-
Other	(608.133)	(556.812)	(951.571)	(467.179)
	<u>(30.821.728)</u>	<u>(15.817.200)</u>	<u>(18.423.156)</u>	<u>(9.503.120)</u>
b) Marketing, selling and distribution expenses details	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Employee benefit expenses	(38.428.371)	(19.409.050)	(24.180.886)	(11.821.688)
Logistics expenses	(7.796.953)	(3.508.687)	(6.598.852)	(3.171.781)
Technical service expenses	(1.469.466)	(769.532)	(113.527)	(82.654)
Vehicle expenses	(637.145)	(388.226)	(202.134)	(101.572)
Outsourcing expenses	(566.866)	(275.469)	(352.059)	(328.684)
Meal expenses	(521.164)	(297.968)	(214.884)	(104.878)
Corporate communication expenses	(491.913)	(270.416)	(225.322)	(214.485)
Travel expenses	(458.212)	(294.053)	(71.956)	(64.345)
Other	(5.506.812)	(3.389.393)	(576.524)	(67.424)
	<u>(55.876.902)</u>	<u>(28.602.794)</u>	<u>(32.536.144)</u>	<u>(15.957.511)</u>

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13. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities are as follows:

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Terminated provisions (Note 5)	2.707.771	1.281.107	39.068	(581.408)
Other	1.157.391	460.980	1.855.889	1.640.233
	<u>3.865.162</u>	<u>1.742.087</u>	<u>1.894.957</u>	<u>1.058.825</u>

The details of other expenses from operating activities are as follows:

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Provision for doubtful receivables (Note 5)	(824.296)	(446.760)	-	-
One-off expenses (*)	-	-	(9.095.213)	(9.095.213)
Foreign exchange loss	(72.324.711)	(31.407.253)	(27.180.768)	(14.082.604)
Other	(878.496)	(772.650)	(183.709)	428.106
	<u>(74.027.503)</u>	<u>(32.626.663)</u>	<u>(36.459.690)</u>	<u>(22.749.711)</u>

(*) "One-off expenses" in 2021 consist of expenses related to the initial public offering of the Group such as brokerage commissions, consultancy expenses and other expenses for Borsa İstanbul, Central Securities Depository of Türkiye and Capital Markets Board of Türkiye.

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14. EXPENSES BY NATURE

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Employee benefit expenses	(49.035.236)	(24.438.125)	(29.753.302)	(14.690.762)
Depreciation and amortization expenses	(8.182.497)	(4.318.507)	(4.491.947)	(2.396.086)
Logistics expenses	(7.796.953)	(3.508.687)	(6.598.852)	(3.171.781)
Insurance expenses	(3.884.889)	(2.206.367)	(2.314.503)	(1.229.777)
Consulting expenses	(2.399.062)	(1.001.519)	(1.856.928)	(660.246)
Meal expenses	(2.339.254)	(1.271.338)	(759.385)	(459.719)
IT expenses	(2.266.973)	(1.180.854)	(1.688.690)	(1.044.614)
Outsourcing expenses	(1.521.056)	(758.004)	(1.343.367)	(809.987)
Technical service expenses	(1.469.466)	(769.532)	(113.527)	(82.654)
Vehicle expenses	(637.145)	(388.226)	(202.134)	(101.572)
Travel expenses	(559.241)	(362.214)	(83.248)	(64.345)
Corporate communication expenses	(491.913)	(270.416)	(225.322)	(214.485)
Other	(6.114.945)	(3.946.205)	(1.528.095)	(534.603)
	<u>(86.698.630)</u>	<u>(44.419.994)</u>	<u>(50.959.300)</u>	<u>(25.460.631)</u>

15. FINANCE INCOME AND EXPENSES

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Finance income	163.640	79.715	5.324.550	382.540
Total finance income	<u>163.640</u>	<u>79.715</u>	<u>5.324.550</u>	<u>382.540</u>
	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Interest expense on bank loans	(2.967.738)	(2.538.616)	(180.450)	(11.198)
Interest expense on payables to related parties	(20.390.651)	(12.160.194)	(20.297.159)	(4.488.793)
Commission expenses on credit cards	(6.744.612)	(3.993.536)	(3.744.088)	(1.903.537)
Total interest expenses	<u>(30.103.001)</u>	<u>(18.692.346)</u>	<u>(24.221.697)</u>	<u>(6.403.528)</u>
Foreign exchange loss	(8.054.413)	(3.489.695)	(3.020.880)	(1.126.190)
Early payment discounts	(15.277.707)	(6.764.252)	(8.401.007)	(4.191.086)
Letter of bank guarantee expenses	(11.275.338)	(6.187.768)	(4.754.821)	(1.958.831)
Other finance expenses	(4.886.055)	(2.501.583)	(4.352.555)	(3.858.645)
Total finance expenses	<u>(69.596.514)</u>	<u>(37.635.644)</u>	<u>(44.750.960)</u>	<u>(17.538.280)</u>

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16. FINANCIAL INSTRUMENTS**Financial Liabilities**

The details of financial liabilities shown at amortized value are as follows:

Financial Liabilities	30 June 2022	31 December 2021
Bank Loans	44.393.750	-
Short-term other payables to related parties (Note 4, 6)	559.755.145	442.425.999
	<u>604.148.895</u>	<u>442.425.999</u>

The borrowings are repayable as follows:

	30 June 2022	31 December 2021
To be paid within 1 year	604.148.895	442.425.999
	<u>604.148.895</u>	<u>442.425.999</u>

Details of bank loans:

Currency	Interest Rate	30 June 2022	
		Current	Non- current
TRY	23,90%-41,00%	44.393.750	-
		<u>44.393.750</u>	<u>-</u>

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17. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Financial Risk Factors

a.1) Credit risk management

Explanations on the credit quality of financial assets

Allowances for doubtful receivables are recognized against financial assets based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty.

The methodology of the Group for credit quality rating is as follows:

Category	Description	Expected Credit Loss Calculation Method
Not ODR	There are no overdue receivables ("ODR").	No provision.
ODR < 90	The overdue period is less than 90 days.	No provision.
ODR >=90 & <180	The overdue period is over 90 days and less than 180 days.	25% of the total credit amount is incurred as loss.
ODR >=180 & <270	The overdue period is over 180 days and less than 270 days.	50% of the total credit amount is incurred as loss.
ODR >=270+	The overdue period is 270 days or more.	100% of the total credit amount is incurred as loss.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial instruments of the Group that will result in concentration of credit risk mainly include cash and cash equivalents and trade receivables. The Group's maximum exposure to credit risk is the same as the amounts recognized in the financial statements.

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17. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

a) Financial Risk Factors (cont’d)

a.1) Credit risk management (cont’d)

Explanations on the credit quality of financial assets (cont’d)

30 June 2022	Trade Receivables	Total
Past due 1-30 days	262.233.208	262.233.208
Past due 1-3 months	16.983.265	16.983.265
Past due 3-12 months	725.171	725.171
Total past due trade receivables	279.941.644	279.941.644
Non-overdue	1.777.600.867	1.777.600.867
Total trade receivables	2.057.542.511	2.057.542.511
The part under guarantee with collateral and insurance	895.307.560	895.307.560

31 December 2021	Trade Receivables	Total
Past due 1-30 days	153.615.086	153.615.086
Past due 1-3 months	9.999.949	9.999.949
Past due 3-12 months	13.178.716	13.178.716
Total past due trade receivables	176.793.751	176.793.751
Non-overdue	1.292.421.067	1.292.421.067
Total trade receivables	1.469.214.818	1.469.214.818
The part under guarantee with collateral and insurance	667.496.446	667.496.446

The Company has a credit insurance policy with Atradius Collections B.V. (“Atradius”) for its domestic trade receivables. The details of this insurance policy are as follows:

- The policy is valid between 1 January 2022 – 31 December 2022, and has been issued for 1 year.
- The currency of the claims subject to the policy is determined as USD.
- The collateral rate has been determined as 90% for trade receivables for which credit limit has been requested.
- As of 30 June 2022, 869.053.335 TL of the total short-term receivables amounting to 2.057.542.511 TL has been covered by insurance (2021: 633.006.969 TL of the total short-term receivables amounting to 1.469.214.818 TL).

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17. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

a) Financial Risk Factors (cont’d)

a.2) Market risk management

The Group’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

Market risk exposures are supplemented by sensitivity analysis. During the current period, any change to either exposed risks or management and measurement methods of these risks, was not happened compared to the previous year.

a.2.1) Foreign currency risk management

Transactions denominated in foreign currencies result in foreign currency risk. The Group is exposed to foreign currency risk due to the translation of its foreign currency denominated assets and liabilities into its functional currency, US Dollar. The Group primarily focus on managing this risk naturally by having balances foreign currency based assets and liabilities. The Group Management ensures to take precautions where necessary by analysing the Group’s foreign currency position. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to TL and Euro.

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17. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

a) Financial Risk Factors (cont'd)

a.2) Market Risk Management (cont'd)

a.2.1) Foreign currency risk management (cont'd)

The Group's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities at the reporting date are as follows:

	30 June 2022		
	Total TL Equivalent	TL	Euro
1. Trade receivables	283.403.320	264.121.918	1.110.034
2.a Monetary financial assets	23.667.080	22.103.024	90.043
2.b Non monetary financial assests	-	-	-
3. Other	315.643	198.725	6.731
4. CURRENT ASSETS	307.386.043	286.423.667	1.206.808
5. Trade receivables	-	-	-
6.a Monetary financial assets	-	-	-
6.b Non monetary financial assests	-	-	-
7. Other	-	-	-
8. NON CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	307.386.043	286.423.667	1.206.808
10. Trade payables	56.672.419	33.111.789	1.356.390
11. Financial liabilities	37.629.213	37.566.559	3.607
12.a Other monetary liabilities	95.210.747	95.210.747	-
12.b Other non monetary liabilities	-	-	-
13. CURRENT LIABILITIES	189.512.379	165.889.095	1.359.997
14. Trade payables	-	-	-
15. Financial liabilities	-	-	-
16.a Other monetary liabilities	-	-	-
16.b Other non monetary liabilities	-	-	-
17. NON CURRENT LIABILITIES	-	-	-
18. TOTAL LIABILITIES	189.512.379	165.889.095	1.359.997
19. Net assets / liability position of off-balance sheet derivatives (19a-19b)	(8.330.700)	(8.330.700)	-
19.a Off-balance sheet foreign currency derivative assets	(8.330.700)	(8.330.700)	-
19.b Off-balance sheet foreign currency derivative liabilities	-	-	-
20. Net foreign currency asset liability position	109.542.964	112.203.872	(153.189)
21. Net foreign currency asset / liability position of monetary items (1+2a+3+6a-10-11-12a-14-15-16a)	117.873.664	120.534.572	(153.189)
22. Fair value of foreign currency hedged financial assets	454.290	454.290	-
23. Hedged amount of the assets with foreign currency	-	-	-

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

17. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

a) Financial Risk Factors (cont'd)

a.2) Market Risk Management (cont'd)

a.2.1) Foreign currency risk management (cont'd)

	31 December 2021		
	Total TL Equivalent	TL	Euro
1. Trade receivables	392.899.079	356.339.660	2.423.288
2.a Monetary financial assets	31.914.702	17.977.654	923.797
2.b Non monetary financial assests	-	-	-
3. Other	501.540	491.009	698
4. CURRENT ASSETS	425.315.321	374.808.323	3.347.783
5. Trade receivables	-	-	-
6.a Monetary financial assets	-	-	-
6.b Non monetary financial assests	-	-	-
7. Other	-	-	-
8. NON CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	425.315.321	374.808.323	3.347.783
10. Trade payables	58.256.497	29.676.992	1.894.351
11. Financial liabilities	1.802.589	1.766.140	2.416
12.a Other monetary liabilities	70.067.049	70.067.049	-
12.b Other non monetary liabilities	-	-	-
13. CURRENT LIABILITIES	130.126.135	101.510.181	1.896.767
14. Trade payables	-	-	-
15. Financial liabilities	-	-	-
16.a Other monetary liabilities	-	-	-
16.b Other non monetary liabilities	-	-	-
17. NON CURRENT LIABILITIES	-	-	-
18. TOTAL LIABILITIES	130.126.135	101.510.181	1.896.767
19. Net assets / liability position of			
off-balance sheet derivatives (19a-19b)	(6.664.500)	(6.664.500)	-
19.a Off-balance sheet foreign currency derivative assets	(6.664.500)	(6.664.500)	-
19.b Off-balance sheet foreign currency derivative liabilities	-	-	-
20. Net foreign currency asset liability position	288.524.685	266.633.642	1.451.016
21. Net foreign currency asset / liability position of monetary items	295.189.185	273.298.142	1.451.016
(1+2a+3+6a-10-11-12a-14-15-16a)			
22. Fair value of foreign currency hedged financial assets	4.706.363	4.706.363	-
23. Hedged amount of the assets with foreign currency	-	-	-

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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

17. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

a) Financial Risk Factors (cont'd)

a.2) Market Risk Management (cont'd)

a.2.1) Foreign currency risk management (cont'd)

Foreign currency sensitivity analysis

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to TL and Euro.

The following table details the Group's sensitivity to a 10% increase and decrease in TL and Euro against USD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity.

	30 June 2022	
	Profit / Loss	
	Valuation of foreign currency	Devaluation of foreign currency
In the case of TL gaining 10% value against USD		
1 - TL net asset / liability	12.053.457	(12.053.457)
2 - Portion hedged against TL risk (-)	(833.070)	833.070
3 - TL net effect (1 +2)	11.220.387	(11.220.387)
In the case of EUR gaining 10% value against USD		
4 - EUR net asset / liability	(266.091)	266.091
5 - Portion hedged against EUR risk (-)	-	-
6 - EUR net effect (4+5)	(266.091)	266.091
TOTAL (3 + 6)	10.954.296	(10.954.296)

PENTA TEKNOLOJİ ÜRÜNLERİ DAĞITIM TİCARET A.Ş. AND ITS SUBSIDIARIES

SUPPLEMENTARY UNAUDITED INFORMATION

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

17. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

a) Financial Risk Factors (cont'd)

a.2) Market Risk Management (cont'd)

a.2.1) Foreign currency risk management (cont'd)

Foreign currency sensitivity analysis (cont'd)

	31 December 2021	
	Profit / Loss	
	Valuation of foreign currency	Devaluation of foreign currency
In the case of TL gaining 10% value against USD		
1 - TL net asset / liability	27.329.814	(27.329.814)
2 - Portion hedged against TL risk (-)	(666.450)	666.450
3 - TL net effect (1 +2)	26.663.364	(26.663.364)
In the case of EUR gaining 10% value against USD		
4 - EUR net asset / liability	2.189.104	(2.189.104)
5 - Portion hedged against EUR risk (-)	-	-
6 - EUR net effect (4+5)	2.189.104	(2.189.104)
TOTAL (3 + 6)	28.852.468	(28.852.468)

18. EARNINGS PER SHARE

	1 January - 30 June 2022	1 January - 30 June 2021
Net profit / (loss) for the year from continuing operations	3.116.487	32.093.002
Average number of shares outstanding during the year	43.724.000	34.707.425
Profit / (Loss) from per share from continuing operations	0,07	0,92

Diluted earnings per share is equal to earnings per share from continuing operations.

19. EVENTS AFTER THE REPORTING PERIOD

As a result of the Board of Directors meeting held on 3 August 2022, it is decided that the company will increase its paid-in capital by bonus issue by 800%, from 43,724,000 TL to 393,516,000 TL.

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SUPPLEMENTARY UNAUDITED INFORMATION

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APPENDIX I – SUPPLEMENTARY UNAUDITED INFORMATION

The supporting information not required by TFRS is considered important for the Group's financial performance by the Group Management and the calculation of earnings before interest, tax, depreciation and amortization “EBITDA” is presented below. The Group calculates the “EBITDA” amount by subtracting income from investing activities and other income from operating activities from profit for the period in the condensed consolidated statements of profit and loss and adding tax expense from continuing operations, finance expenses, expenses from investing activities, other expenses from operating activities and depreciation and amortization expenses.

		(Turkish Lira)	(Turkish Lira)	(US Dollar*)	(US Dollar*)
		1 January -	1 January -	1 January -	1 January -
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Notes					
PROFIT FOR THE YEAR		3.116.487	32.093.002	210.102	4.080.224
(+) Tax Expense From Continuing Operations		72.386.283	23.135.165	4.880.018	2.941.347
(+) Finance Expenses	15	69.596.514	44.750.960	4.691.942	5.689.525
(-) Finance Income	15	(163.640)	(5.324.550)	(11.032)	(676.950)
(-) Income From Investing Activities		(1.242.622)	(1.220.230)	(83.773)	(155.137)
(+) Other Expenses From Operating Activities	13	74.027.503	36.459.690	4.990.663	4.635.394
(-) Other Income From Operating Activities	13	(3.865.162)	(1.894.957)	(260.575)	(240.920)
(+) Depreciation and Amortisation Expenses	14	8.182.497	4.491.947	551.634	571.095
EBITDA		222.037.860	132.491.027	14.968.979	16.844.578

(*) Refers to the amounts in US Dollars, which is the functional currency of the Group. Presentation currency is Turkish Lira. For the conversion of US Dollar and Turkish Lira, see Note 2.