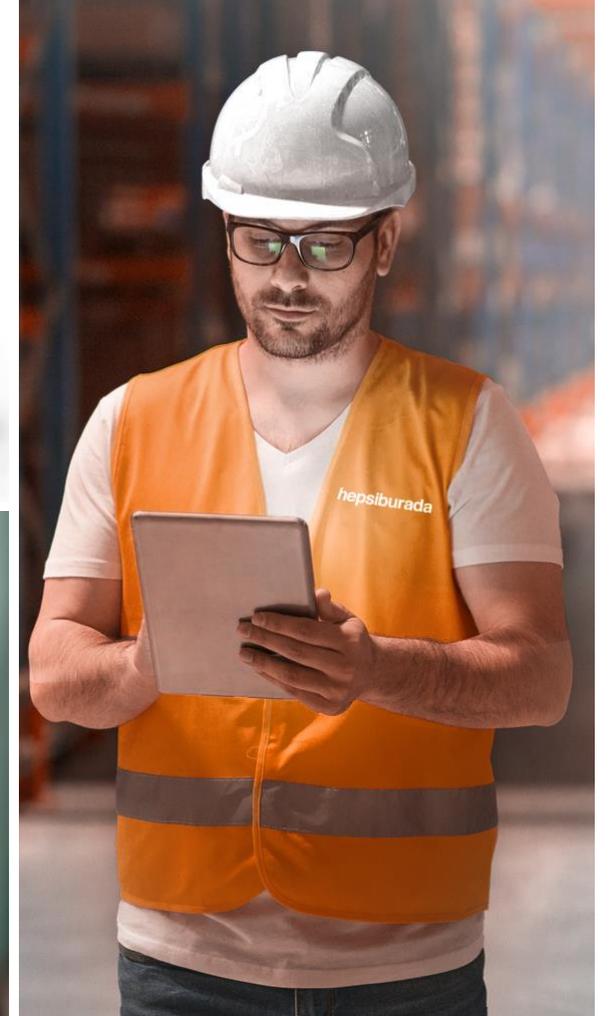


# hepsiburada



—  
Q2 2023  
Results  
Presentation



August 24, 2023

# Disclaimer

## Restatement of Financial Information

Pursuant to the International Accounting Standard 29, Financial Reporting in Hyperinflationary Economies (“IAS 29”), the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. Turkish companies reporting under International Financial Reporting Standards (“IFRS”), including the Company, have been required to apply IAS 29 to their financial statements for periods ending on and after June 30, 2022.

The Company’s interim financial statements as of June 30, 2023, including figures corresponding to the same period of the prior year, have been restated pursuant to IAS 29. Under IAS 29, the Company’s financial statements are presented in terms of the measuring unit current as of June 30, 2023. All the amounts included in the balance sheet which are not stated in terms of the measuring unit current as of the date that the financial statements are restated applying the general price index. Adjustments for inflation have been calculated considering the price indexes published by the Turkish Statistical Institute (TurkStat). For the indices used, please refer to the press release. The information contained in documents we have previously filed or furnished with the U.S. Securities and Exchange Commission (“SEC”) is not directly comparable to the information presented below on an adjusted basis.

## Non-IFRS Financial Measures

This presentation includes certain non-IFRS financial measures, including but not limited to Gross Contribution, IAS 29-Unadjusted Gross Contribution, IAS 29-Unadjusted Revenue, EBITDA, IAS 29-Unadjusted EBITDA, Free Cash Flow and Net Working Capital. These financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to profit/loss for the period or other measures of profitability, liquidity or performance under IFRS. You should be aware that the Company’s presentation of these measures may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. We believe that these measures provide useful information to investors in understanding and evaluating our operating results in the same manner as our management and board of directors. In particular, we have included IAS 29-Unadjusted Revenue, IAS 29-Unadjusted Gross Contribution and IAS 29-Unadjusted EBITDA in this presentation because we believe their inclusion facilitates the understanding of Revenue, Gross Contribution and EBITDA restated in accordance with IAS 29 as well as our year on year growth and profitability guidance. See “Presentation of Financial and Other Information” in this presentation for a reconciliation of certain of these non-IFRS measures to the most directly comparable IFRS measure.

## Statement Regarding Unaudited Financial Information

This presentation includes financial information as of and for the three and six months ended June 30, 2023 and 2022 and as of and for the year ended December 31, 2022. The interim information has not been audited or reviewed by the Company’s auditors. The unaudited consolidated financial information include the accounts of the Company and its subsidiaries. All periods presented have been accounted for in conformity with IFRS and pursuant to the regulations of the SEC.

# Forward Looking Statements

This presentation, the conference call webcast, press release and related communications include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended and the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995, and encompasses all statements, other than statements of historical fact contained in these communications, including but not limited to statements regarding (a) our future financial performance, including our revenue, operating expenses and our ability to achieve and maintain profitability; (b) our expectations regarding current and future GMV and EBITDA; (c) potential disruptions to our operations and supply chain that may result from (i) epidemics or natural disasters; (ii) global supply challenges; (iii) the ongoing conflict in Ukraine; (iv) changes in the competitive landscape in the industry in which the Company operates; (v) the rising inflationary environment and/or (vi) currency devaluation; (d) the anticipated launch of new initiatives, businesses or any other strategic projects; (e) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, and projected growth and profitability; (f) our ability to respond to the ever-changing competitive landscape in the industry in which we operate; (g) our liquidity, substantial indebtedness, and ability to obtain additional financing; (h) our strategic goals and plans, including our relationships with existing customers, suppliers, merchants and partners, and our ability to achieve and maintain them; (i) our ability to improve our technology platform, customer experience and product offerings to attract and retain merchants and customers; (j) the outcome of litigation, including the final approval of the proposed class action settlement and execution of the final class action settlement agreement; (k) our ability to expand our base of Hepsiburada Premium members, and grow and externalize the services of our strategic assets; and (l) regulatory changes in the e-commerce law. These forward-looking statements can be identified by terminology such as “may”, “could”, “will,” “expects,” “anticipates,” “aims,” “future,” “intends,” “plans,” “believes,” “estimates,” “seek”, “targets”, “likely to” and similar statements. Among other things, quotations from management in this announcement, as well as our outlook and guidance, strategic and operational plans, contain forward-looking statements.

These forward-looking statements are based on management’s current expectations. However, it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. These statements are neither promises nor guarantees but involve known and unknown risks, uncertainties and other important factors and circumstances that may cause Hepsiburada’s actual results, performance or achievements to be materially different from its expectations expressed or implied by the forward-looking statements, including conditions in the U.S. capital markets, negative global economic conditions, potential negative developments resulting from epidemics or natural disasters, other negative developments in Hepsiburada’s business or unfavorable legislative or regulatory developments. We caution you therefore against relying on these forward-looking statements, and we qualify all of our forward-looking statements by these cautionary statements. For a discussion of additional factors that may affect the outcome of such forward looking statements, see our 2022 annual report filed with the SEC on Form 20-F (File No.001-40553), and in particular the “Risk Factors” section, as well as the other documents filed with or furnished to the SEC by the Company from time to time. Copies of these filings are available online from the SEC at [www.sec.gov](http://www.sec.gov), or on the SEC Filings section of our Investor Relations website at <https://investors.hepsiburada.com>. These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation. Any such forward-looking statements represent management’s estimates as of the date of this presentation. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date of this presentation. All forward-looking statements in this presentation are based on information currently available to the Company, and the Company and its authorized representatives assume no obligation to update these forward-looking statements in light of new information or future events. Accordingly, undue reliance should not be placed upon the forward-looking statements.

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# Business Update



# Q2 2023 Highlights: Positive Trajectory Maintained

IAS 29- Unadjusted GMV Growth	<b>100.5%</b> YoY <b>42.9%</b> YoY inflation-adjusted <sup>(1)</sup>	Total Orders	<b>27.5M</b>	<b>94.6%</b> YoY
IAS 29- Unadjusted Gross Contribution as a % GMV <sup>(2)</sup>	<b>10.4%</b> <b>+2.1pp</b> YoY	NPS <sup>(4)</sup>	<b>73</b>	<b>Market leader</b>
IAS 29- Unadjusted EBITDA as a % GMV	<b>2.0%</b> <b>1.5%</b> excluding one-off <sup>(3)</sup> <b>+4.7pp</b> YoY <b>+4.2 pp</b> YoY	HB Premium Program Members <sup>(5)</sup>	<b>1.3M</b>	<b>+10 points</b> above the Company NPS

See "Certain Definitions" in the Appendix of this presentation for IAS 29-Unadjusted GMV, IAS 29-Unadjusted EBITDA, Number of Orders and Frequency definitions.

Revenue increased by 42.8% in Q2 2023 compared to Q2 2022 to TRY 5,893.6 million.

Net income is TRY 881.1 million for Q2 2023 and net loss is TRY 782.7 million for Q2 2022. IAS 29-Unadjusted EBITDA is a non-IFRS measure. For reconciliation to the most comparable IFRS measure, please refer to the Appendix at the end of this presentation.

(1): Growth rate of GMV adjusted for inflation in Q2 2023 compared to Q2 2022.

(2): IAS 29-Unadjusted Gross Contribution as a % of IAS 29-Unadjusted GMV is the result of TRY 1,927.4 mn divided by TRY 18.5 bn. For further information, please refer to our Form 6-K, furnished on August 24, 2023.

(3): Reversal of the provision for the Competition Board investigation which was concluded in July 2023. For additional details, please refer to our Form 6-K, furnished on August 24, 2023.

(4): According to the market research of FutureBright at the request of the Company. The NPS question is "How likely are you to recommend us on a scale from 0 to 10", and the calculation is to subtract the percentage of detractors (score 0 to 6) from the percentage of promoters (score 9 to 10). The score can be a number from -100 to 100.

(5): As of August 7, 2023.

# Q2 2023 Guidance: Exceeded on Growth and Prudence

	Guidance	Actual
IAS 29-Unadjusted GMV Growth	~95%	100.5% ✓
IAS 29-Unadjusted EBITDA as a % of GMV	0.5% to 1.0%	excluding one-off <sup>(1)</sup> 1.5% ✓

# Customer Frequency and Engagement: Robust Performance

## Total Orders<sup>(1)</sup>



## (Order) Frequency<sup>(2)</sup>



## (LTM) Active Customers<sup>(3)</sup>



# Our Merchants: Digitizing E-Commerce

## (LTM) Active Merchants<sup>(1)</sup>

Q2'22  
**88.7K** → **101.3K**  
Q2'23  
**14% YoY**

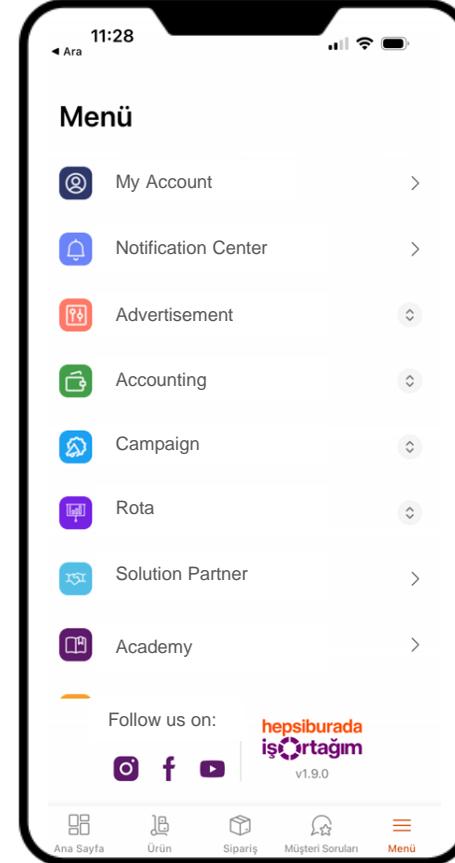
## Number of SKUs<sup>(2)</sup>

Q2'22  
**130.3M** → **194.7M**  
Q2'23  
**50% YoY**

## Our End-to-End Value Proposition for Merchants

**hepsiJET** **hepsiJET<sub>XL</sub>** **hepsilojistik**  
**hepsiAd** **hepsiburada işOrtağım** 

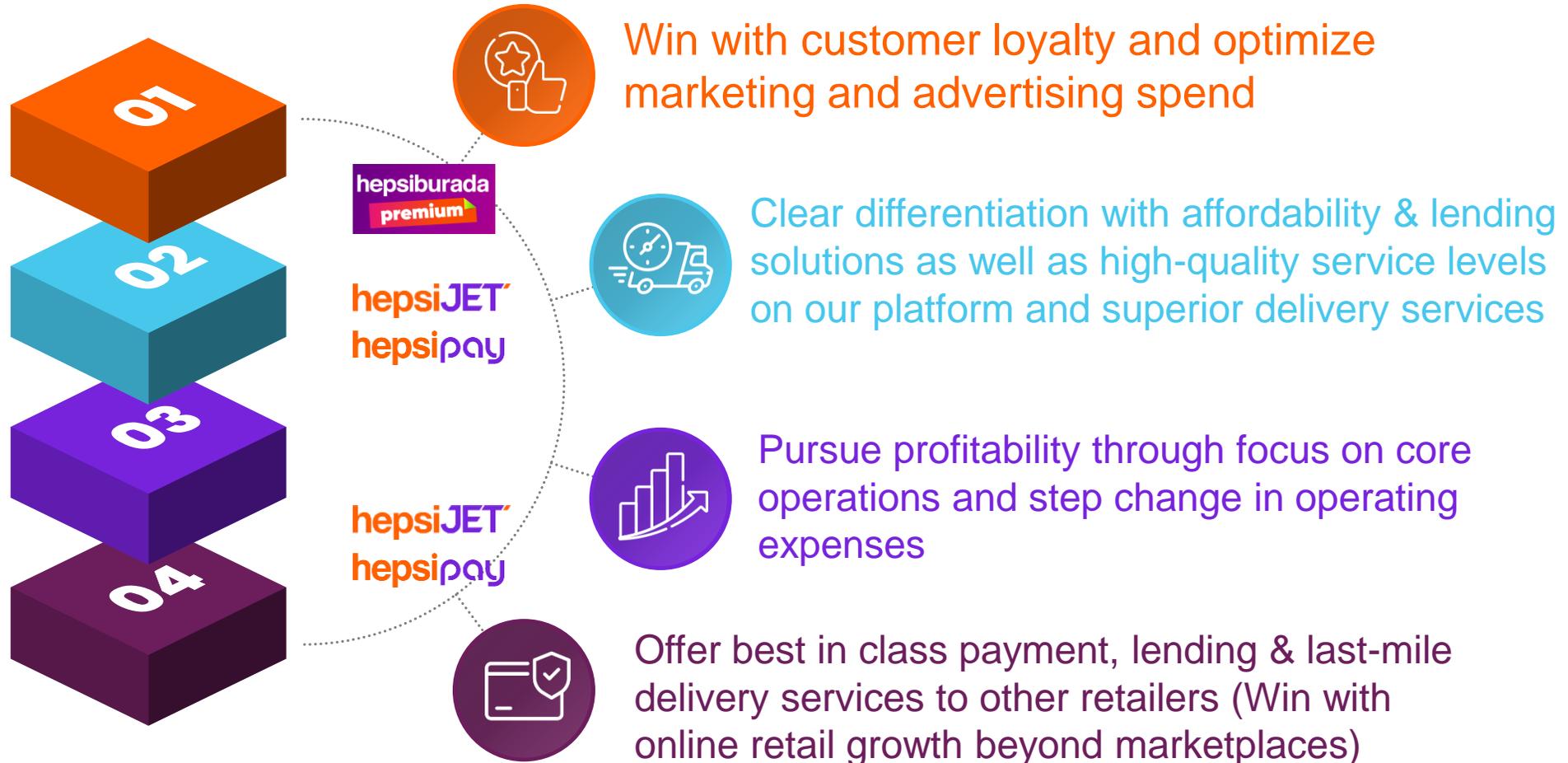
## Merchant App for Our Business Partners



## hepsiburada işOrtağım

- Campaign Management
- Ad Management
- Merchant Rating Report
- Accounting and Invoicing
- Customer Inquiry Response Tool
- Merchant Training Materials

# Strategic Update: Progressing On Our Priorities



# HB Premium: Compelling Proposition Leading to a Growing Base



## HB Premium Program

**~1.3 million**

Hepsiburada Premium  
Members<sup>(1)</sup>



**1.4x**

Higher order frequency  
after joining the program<sup>(2)</sup>

**83**

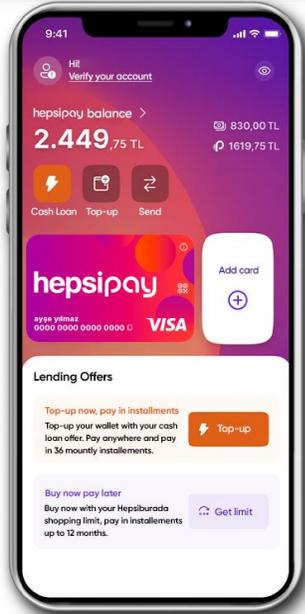
Hepsiburada Premium  
NPS<sup>(3)</sup>

	For TRY 14.9/month Hepsiburada Premium	For TRY 34.9/month Competitor's Loyalty Program
Free delivery	✓	✓
Free return pick-up in 81 cities <sup>(4)</sup>	✓	X
3% Cashback	✓	✓
Discounted furniture assembly/tire fitting	✓	X

# Differentiation: The Most Diverse Affordability Solutions

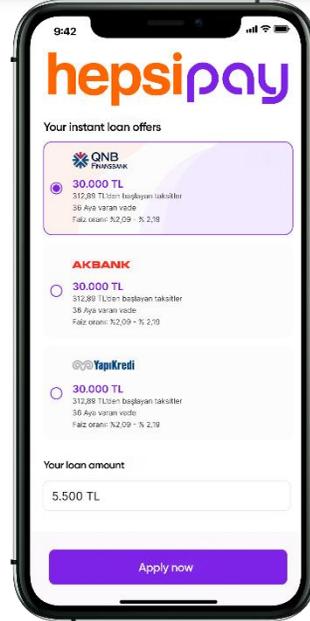


## Hepsipay Debit Card



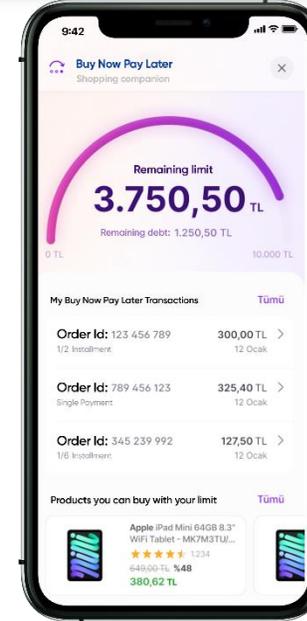
- For both online and physical payments
- Cashback benefits and Premium offers

## Top-up to Wallet



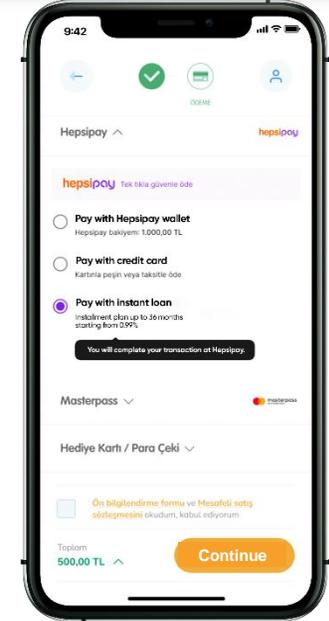
- Top-up to wallet with loans through integration with 3 banks
- Balance available for use at any payment point, encouraging demand

## BNPL



- Buy now and pay in up to 12 installments – unique in the e-commerce sector
- Convenience and speed in limit inquiry

## Shopping Loan



- Instant point of sale loans for Hepsiburada purchases
- Fast and easy through integrations with banks

# Differentiation: Strong Performance on a Solid Customer Base



## Hepsipay Wallet

Wallet Base<sup>(1)</sup>  
(Millions)

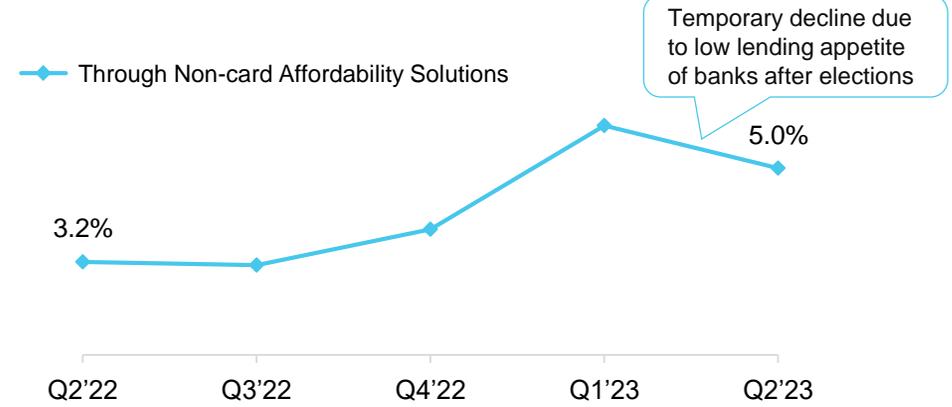


Penetration as a % of GMV<sup>(2)</sup>

**86%** in Q2'23  
Hepsipay Clients  
**+9pp YoY**

## Affordability Solutions

Affordability Solutions GMV Penetration<sup>(3)</sup>  
(%)



BNPL

**First and Only**  
in Turkish e-commerce

**207K+**  
used their BNPL  
limit as of Q2'23

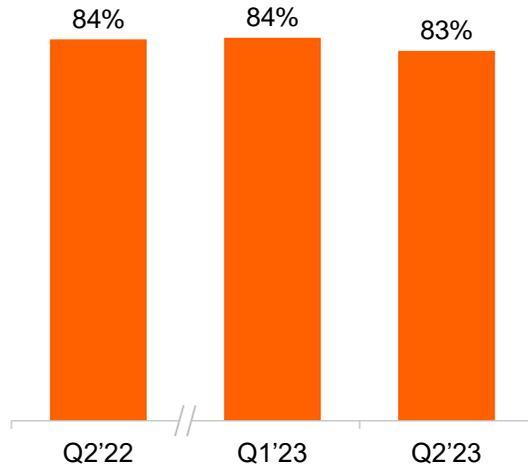
**159K**  
orders through our  
affordability solutions<sup>(4)</sup>

# Differentiation: Solid Progress in Delivery Service KPIs



## Fast and Reliable Service Through Hepsijet

HJ - % Next Day Delivery<sup>(1)</sup>

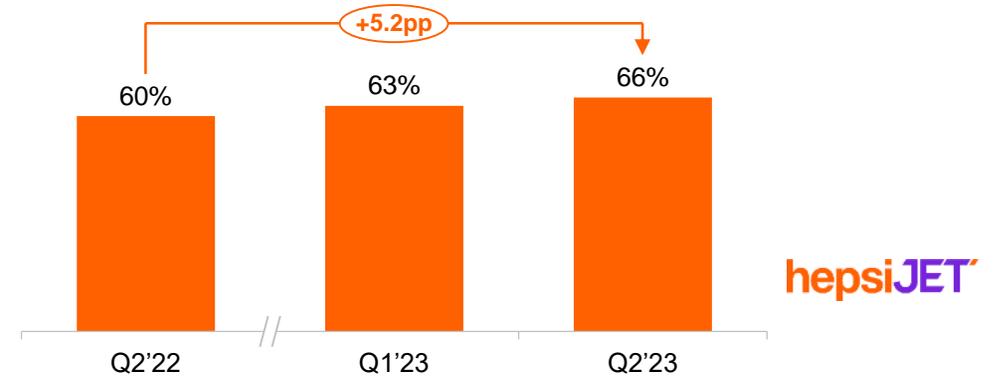


Hepsijet NPS<sup>(2)</sup>

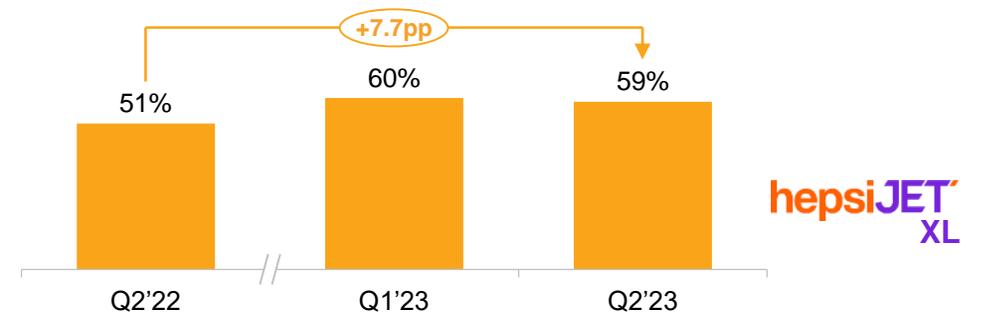
**88.9**  
in Q2'23



HJ - % Total Parcels Delivered<sup>(3)</sup>



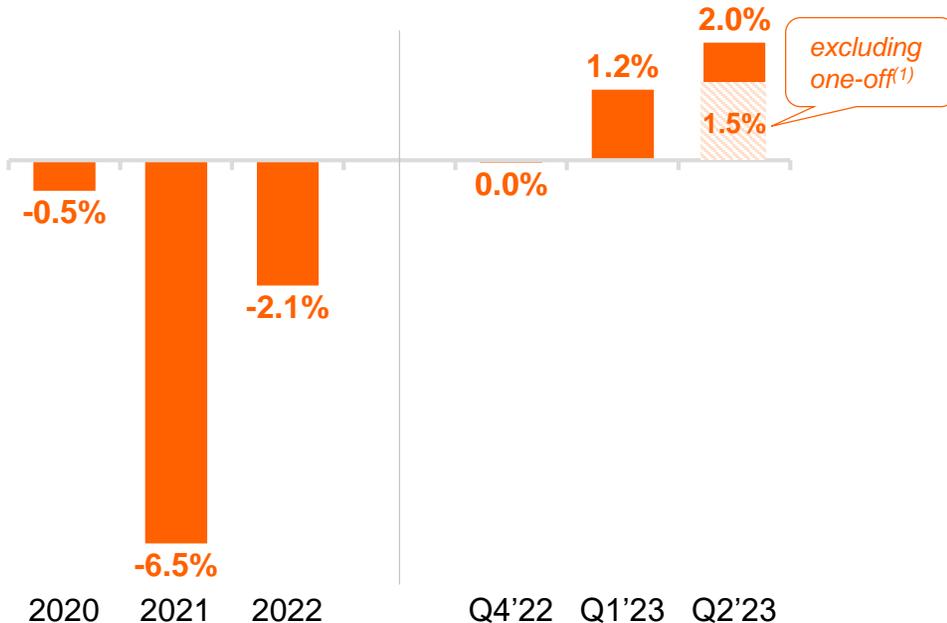
HJ XL- % Orders Delivered<sup>(4)</sup>



# Pursuing Profitability: Achieved Through Key Strengths and Cost Management



IAS 29-Unadjusted  
EBITDA as a % of GMV



## Building Blocks for Profitability

### Key strengths and action points

Optimization of marketing and customer loyalty

Opex and Gross Contribution improvement

Increase share of non-electronics in GMV

Increase Hepsijet and Hepsipay off-Platform revenue

Optimization of HR through automation in processes

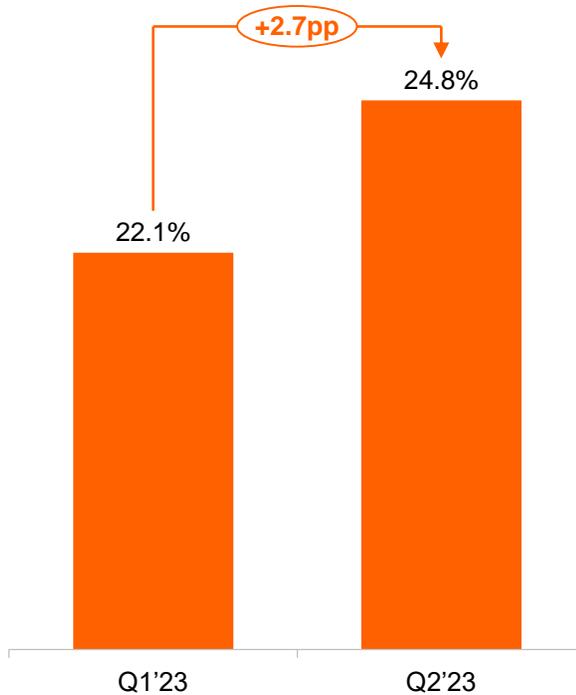
Affordability and high-level service on-Platform

# Moving Off-Platform with Services: HepsiJet is Highly Preferred by Reputable Brands



## Hepsijet serves third parties

HJ - % Volume of External Customers<sup>(1)</sup>



## A Selection of Off-Platform Client Portfolio of Hepsijet



# Moving Off-Platform with Services: Hepsipay to become the leading Fintech Player



Hepsipay Competitive Advantage	Solid Base of Registered Customers	Most Diverse Affordability Solutions	Hepsipara Loyalty Program	Fast and Reliable Payment Experience
Hepsipay's value proposition	<ul style="list-style-type: none"> <li>12.5M Hepsipay wallet base</li> </ul>	<ul style="list-style-type: none"> <li>Instant shopping loan, BNPL and top-up-to-wallet solutions</li> <li>Pay in up to 36 installments (up to 12 for BNPL)</li> </ul>	<ul style="list-style-type: none"> <li>Earn cashback anywhere</li> <li>HB Premium exclusive benefits</li> </ul>	<ul style="list-style-type: none"> <li>1-click checkout (Pay with Hepsipay)</li> <li>QR payment</li> </ul>
Benefits for off-platform partners	<ul style="list-style-type: none"> <li>Unlock growth with Hepsipay clients</li> <li>Higher AOV from existing customers</li> </ul>	<ul style="list-style-type: none"> <li>Incremental sales with most diverse affordability solutions in the market</li> </ul>	<ul style="list-style-type: none"> <li>Retention and traffic through loyalty</li> <li>Higher conversion ratio (CR) and repeat purchases</li> </ul>	<ul style="list-style-type: none"> <li>Higher CR with easy payment</li> <li>Repeat purchases through "Pay with Hepsipay"</li> </ul>
Strategic alliances	<ul style="list-style-type: none"> <li>✓ Five-year agreement with Visa</li> </ul>	<ul style="list-style-type: none"> <li>✓ Investment<sup>(1)</sup> into Craftgate Technology - a leading payment gateway service provider in Türkiye</li> </ul>		
Addressable market size	<p align="center">~US\$48 Bn e-commerce market<sup>(2)</sup></p> <p align="center">~US\$33 Bn consumer loan<sup>(3)</sup>                      ~US\$173 Bn card payments<sup>(4)</sup></p>			

# Q3 2023/FY23 Outlook: Continued Growth and Positive EBITDA

## Q3 2023

- ~110% GMV<sup>(1)</sup> growth compared to Q3 2022
- EBITDA<sup>(1)</sup> as a % of GMV within the range of 0.5% to 1.0%

## FY23

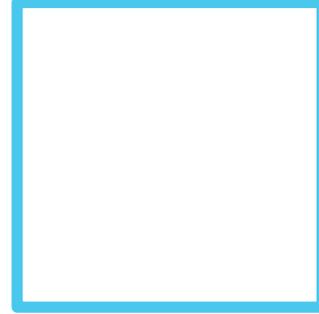
- Full year positive EBITDA<sup>(1)</sup>

(1): Figures are based on IAS 29-Unadjusted EBITDA and IAS 29-Unadjusted GMV figures.

**In 2023, we intend to remain focused on sustainable and profitable growth  
with a prudent approach to capital allocation**

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# Financial Performance



# Q2 2023 Financial Highlights: Robust Performance Across All Key Metrics

IAS 29-Unadjusted GMV	IAS 29-Unadjusted Revenue	IAS 29-Unadjusted Gross Contribution <sup>(1)</sup>	IAS 29-Unadjusted EBITDA
TRY 18.5Bn <b>101% YoY</b>	TRY 5.7Bn <b>101% YoY</b>	10.4% of GMV <b>+2.1 pp YoY</b>	2.0% of GMV 1.5% of GMV excluding one-off <sup>(2)</sup> <b>+4.7 pp YoY</b>
GMV	Revenue	Gross Contribution	EBITDA
TRY 19.0Bn <b>43% YoY</b>	TRY 5.9Bn <b>43% YoY</b>	9.3% of GMV <b>+4.4 pp YoY</b>	0.8% of GMV 0.3% of GMV excluding one-off <sup>(2)</sup> <b>+7.0 pp YoY</b>
27.5M Orders with 95% YoY Growth			Net Income of TRY 881M through net financial income and monetary gain

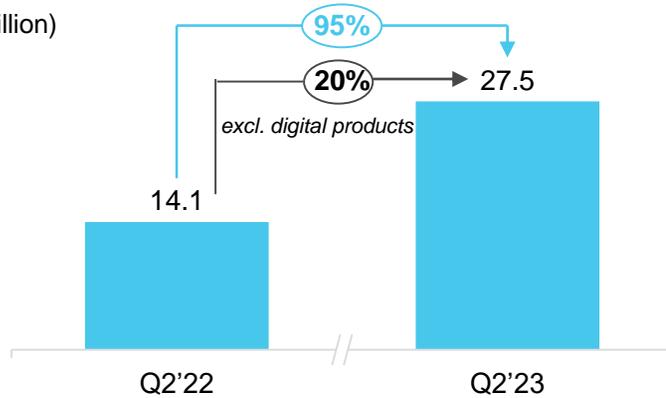
(1): IAS 29-Unadjusted Gross Contribution as a % of IAS 29-Unadjusted GMV is the result of TRY 1,927.4 mn divided by TRY 18.5 bn. For further information, please refer to our Form 6-K, furnished on August 24, 2023. Note: See "Certain Definitions" in the Appendix of this presentation for IAS 29-Unadjusted Gross Contribution, IAS 29-Unadjusted EBITDA and IAS 29-Unadjusted GMV definitions. IAS 29-Unadjusted Revenue, IAS 29-Unadjusted Gross Contribution and IAS 29-Unadjusted EBITDA are non-IFRS figures. For reconciliations to the most comparable IFRS measures, please refer to the Appendix at the end of this presentation.  
(2): Reversal of the provision for Competition Board investigation which was concluded in July 2023. For additional details, please refer to our Form 6-K, furnished on August 24, 2023.

# GMV: Solid Growth

## Solid Operational KPIs..

### Number of Orders

(million)

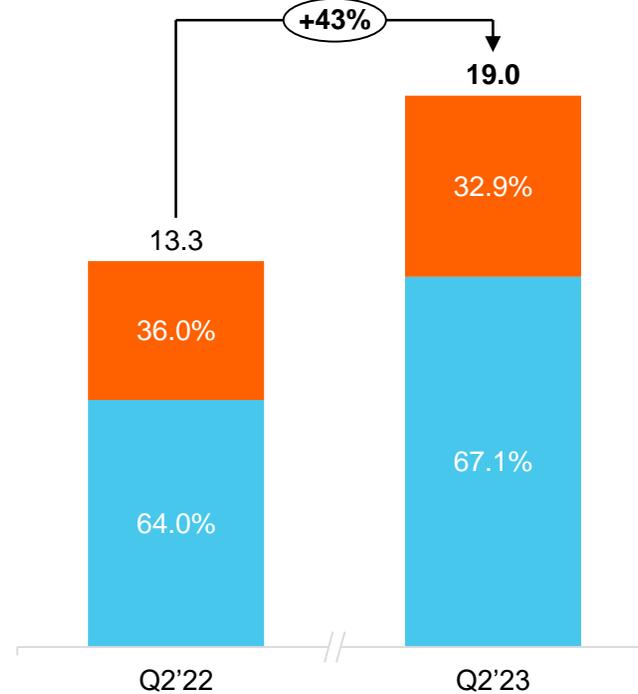


	Q2'22	Q2'23
Active Customers (million) <sup>(1)</sup>	11.7	12.0
Frequency <sup>(2)</sup>	5.2	8.1
Active Merchants (thousands) <sup>(3)</sup>	88.7	101.3
Number of SKUs (million) <sup>(4)</sup>	130.3	194.7

## ...resulting in strong GMV growth

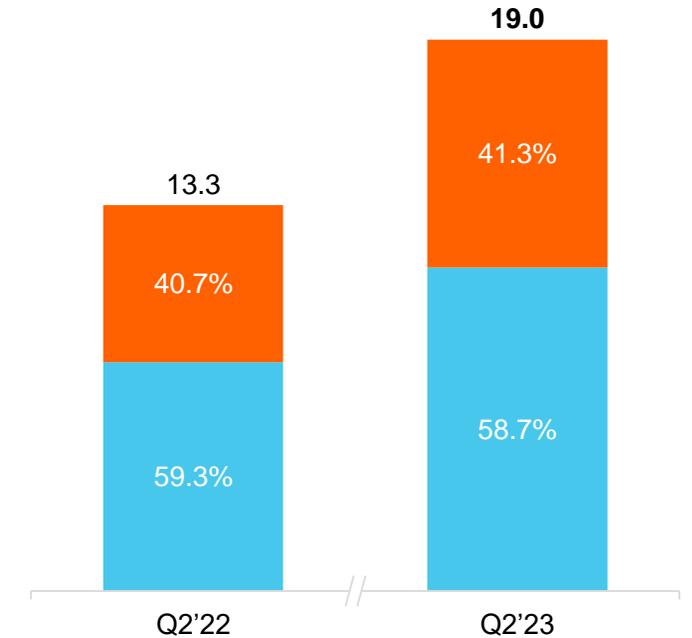
(TRY Billion)

1P GMV  
3P GMV



(TRY Billion)

Non-Electronics GMV  
Electronics GMV

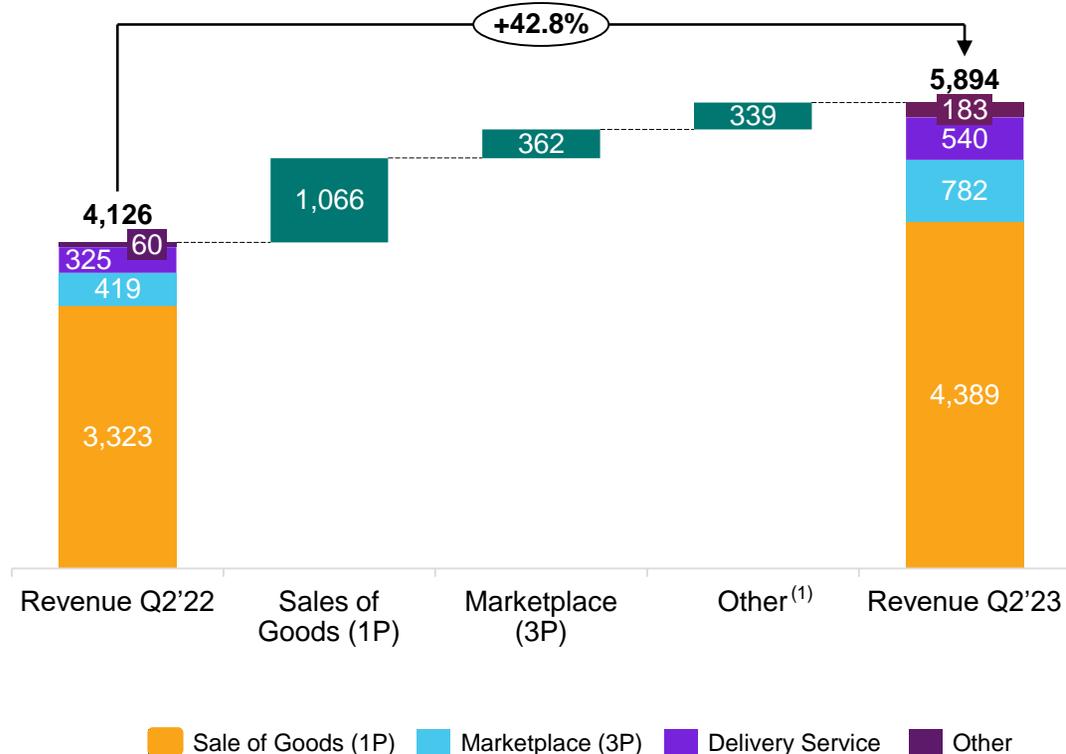


See "Certain Definitions" in the Appendix of this presentation for GMV and order definitions.

# Revenue and Gross Contribution Margin: Solid Revenue Performance On Strong Order Growth

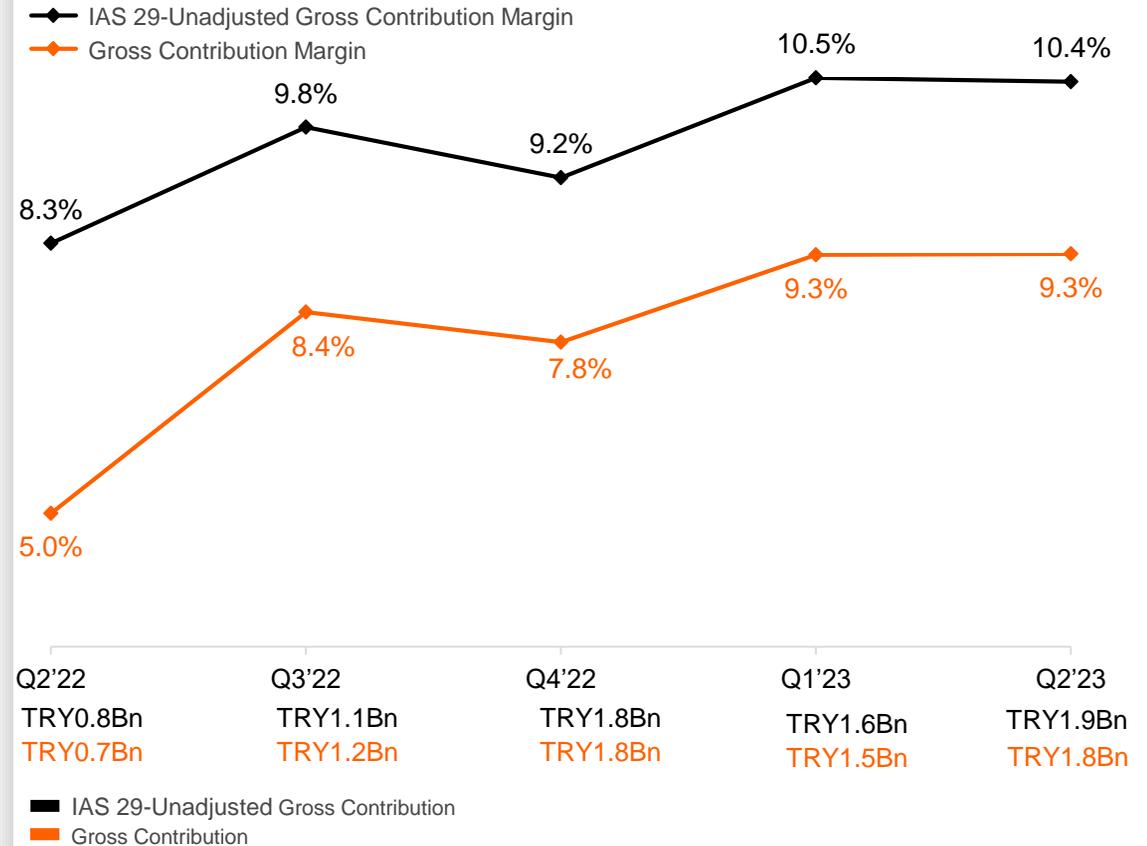
## Revenue Breakdown and Bridge

Revenue  
(TRY Million)

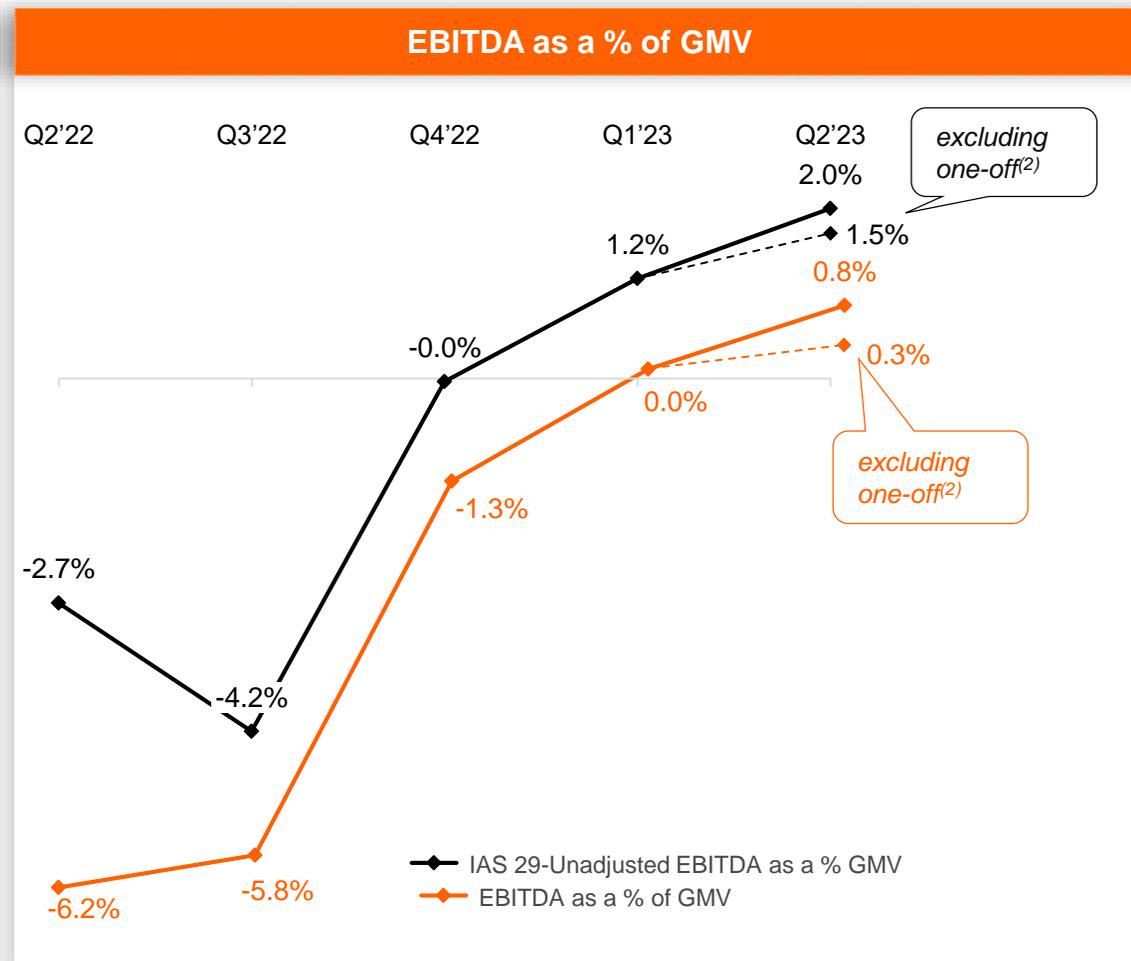
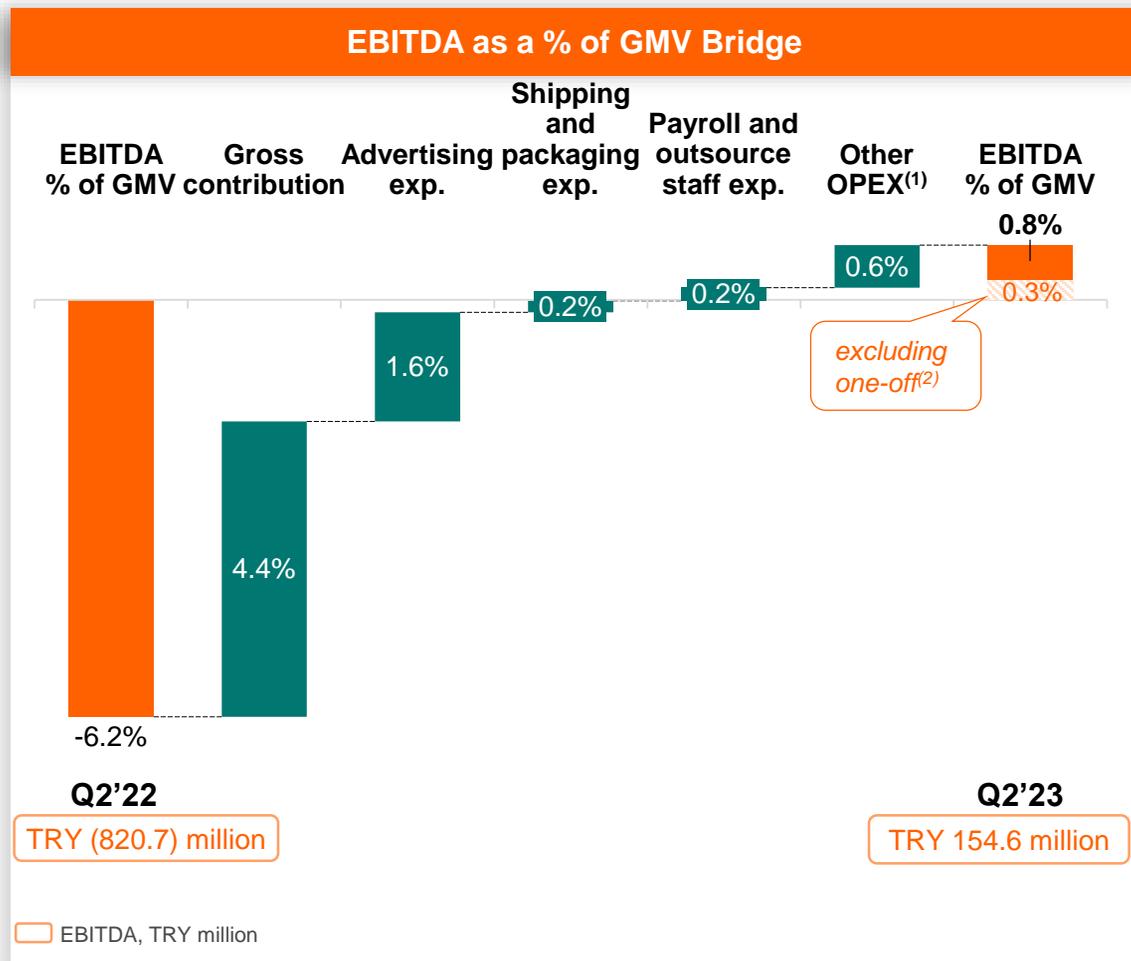


## Gross Contribution Performance

Gross Contribution Margin



# EBITDA Performance: Improvement On Higher Gross Contribution and Frugality



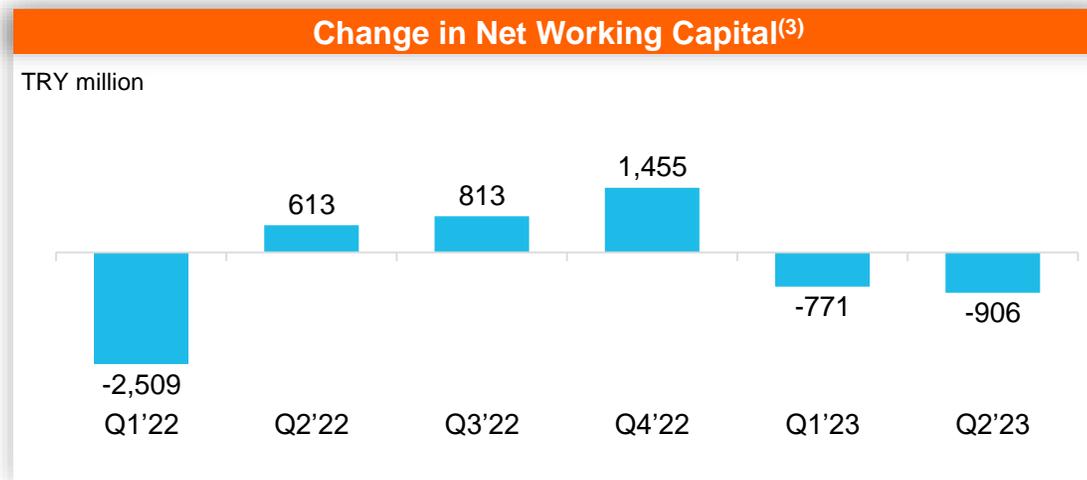
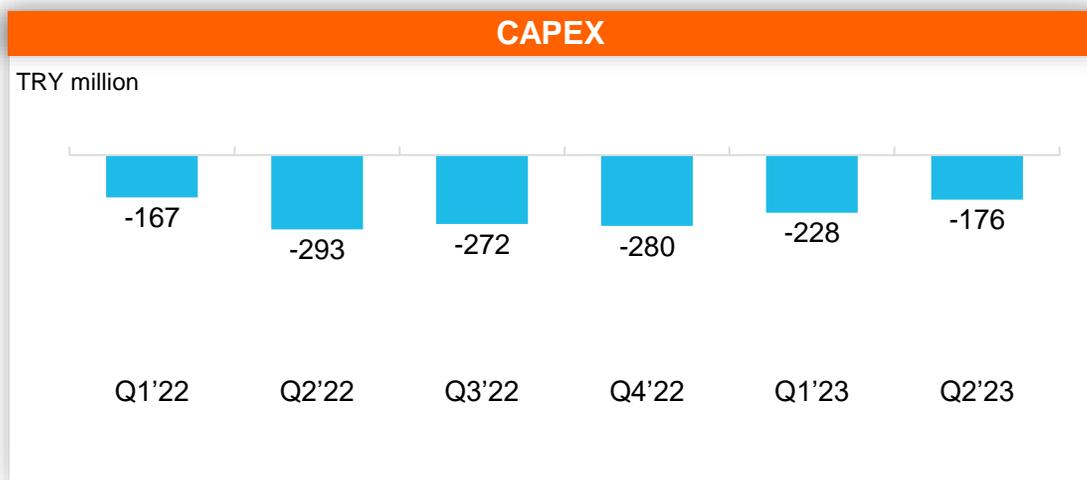
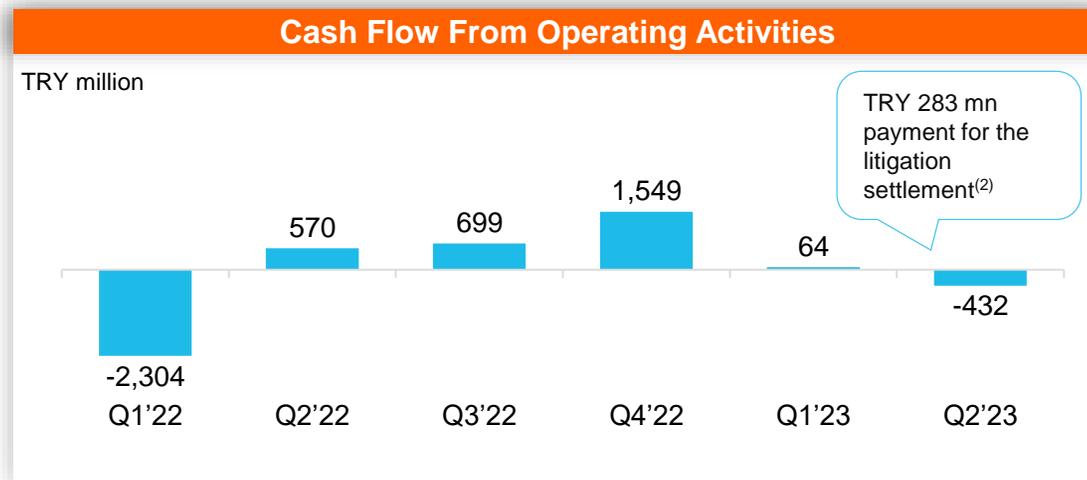
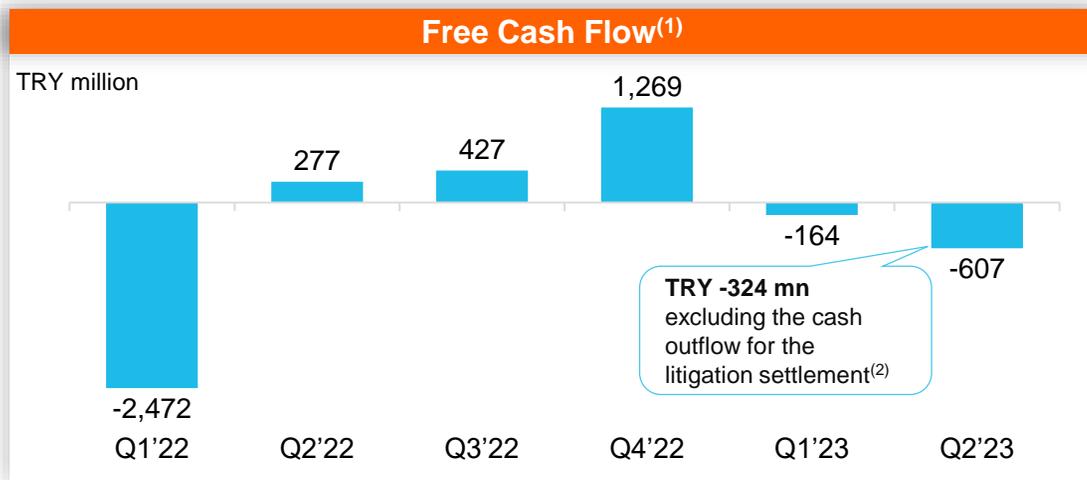
Net income is TRY 881.1 million for Q2 2023 and net loss is TRY 782.7 million for Q2 2022. EBITDA and IAS 29-Unadjusted EBITDA are a non-IFRS measures. For reconciliations to the most comparable IFRS measures, please refer to the appendix at the end of this presentation.

See "Certain Definitions" in the appendix of this presentation for EBITDA and IAS 29-Unadjusted EBITDA as a percentage of GMV definition.

(1): Includes technology expenses and other operating expenses.

(2): Reversal of the provision for the Competition Board investigation which was concluded in July 2023. For additional details, please refer to our Form 6-K, furnished on August 24, 2023.

# Free Cash Flow: Narrowed Down Negative Working Capital and One-off Cash Outflow



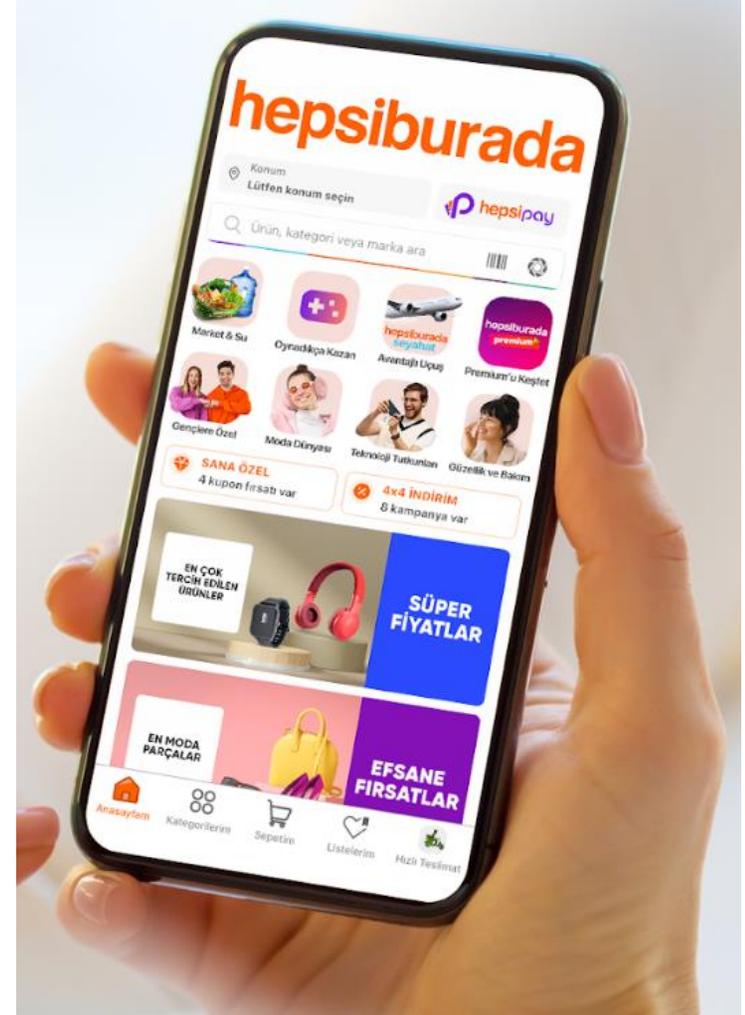
(1): Free Cash Flow is a non-IFRS measure defined as net cash provided by operating activities less capital expenditures plus proceeds from sale of property and equipment. For reconciliation to the most comparable IFRS measure, please refer to the Appendix at the end of this presentation.

(2): in May 2023, the Company paid \$13.9 million (approx. TRY 282.6 million) into an escrow account in accordance with the Settlement Agreement. For additional details, please refer to our Form 6-K, furnished on August 24, 2023.

(3): Net Working Capital is as presented in the consolidated statement of cash flows.

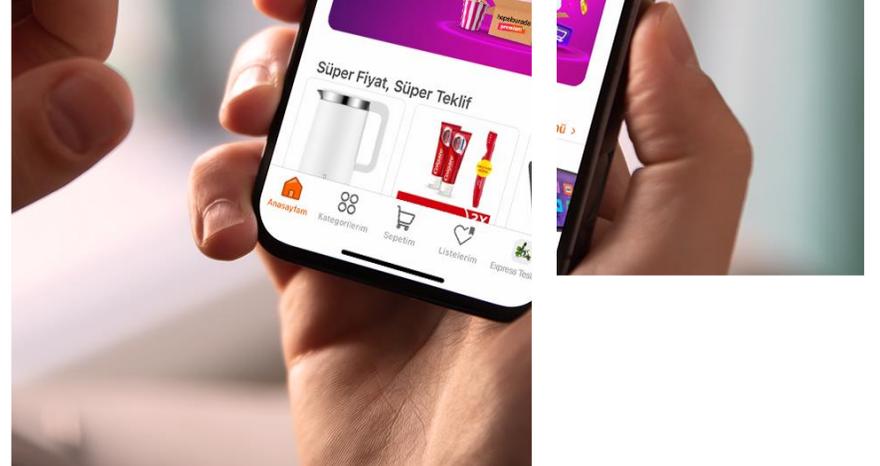
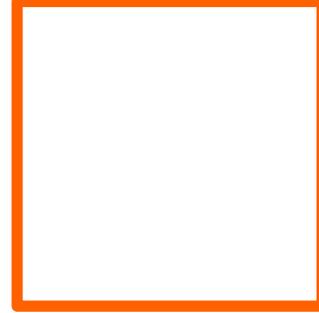
# Q2 2023: Key Takeaways

- 1 EBITDA as a % of GMV at 2.0%, exceeding guidance for Q2 2023
- 2 GMV growth at ~101%, exceeding guidance for Q2 2023
- 3 4.4pp improvement in Gross Contribution and 7.0pp rise in EBITDA as a % of GMV
- 4 Net income at TRY 881M through improved EBITDA, strong net financial income and monetary gain
- 5 Strong execution on our well-defined priorities, delivering results



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## Q&A

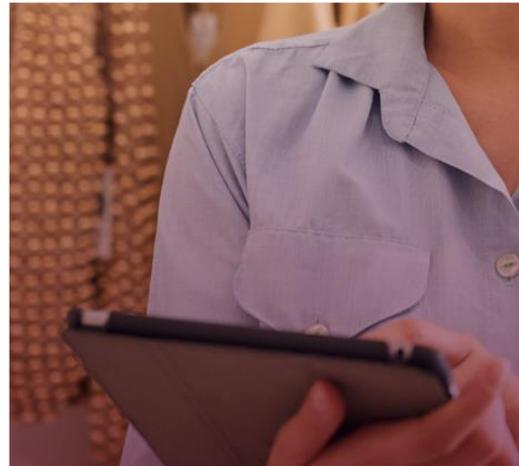


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# Appendix

*Consolidated Financial Statements*

*Presentation of Financial  
and Other Information*



# Summary Financials

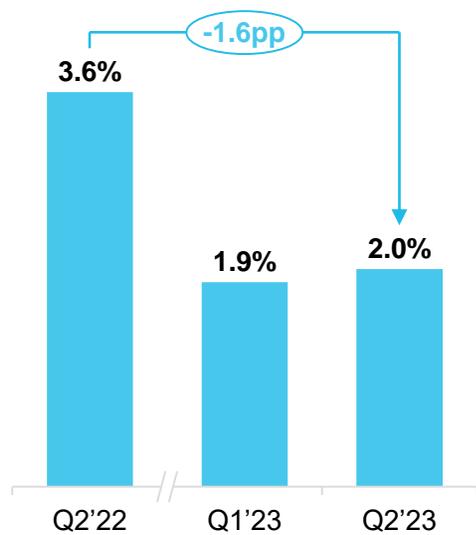
	(unaudited)	(unaudited)		(unaudited)	(unaudited)	
TRY million	Q2'23	Q2'22	YoY	H1'23	H1'22	YoY
<b>Revenue</b>	<b>5,893.6</b>	<b>4,126.0</b>	<b>42.8%</b>	<b>10,821.5</b>	<b>8,381.1</b>	<b>29.1%</b>
<b>Gross Contribution</b>	<b>1,769.3</b>	<b>656.6</b>	<b>169.5%</b>	<b>3,269.2</b>	<b>1,178.7</b>	<b>177.4%</b>
<i>Gross Contribution margin<sup>(1)</sup></i>	<i>9.3%</i>	<i>5.0%</i>	<i>4.4pp</i>	<i>9.3%</i>	<i>4.3%</i>	<i>5.0pp</i>
Operating Expenses <sup>(2)</sup> (Opex)	(5,943.9)	(5,087.2)	16.8%	(11,053.5)	(10,630.1)	4.0%
<i>Opex as a % of GMV</i>	<i>(31.4%)</i>	<i>(38.4%)</i>	<i>(7.0pp)</i>	<i>(31.5%)</i>	<i>(39.0%)</i>	<i>7.5pp</i>
<b>Net Income/ (Loss) for the Period</b>	<b>881.1</b>	<b>(782.7)</b>	<b>(212.6%)</b>	<b>675.8</b>	<b>(2,081.4)</b>	<b>(132.5%)</b>
<b>EBITDA<sup>(3)</sup></b>	<b>154.6</b>	<b>(820.7)</b>	<b>(118.8%)</b>	<b>162.3</b>	<b>(1,976.8)</b>	<b>(108.2%)</b>
<i>EBITDA as a % of GMV</i>	<i>0.8%</i>	<i>(6.2%)</i>	<i>(7.0pp)</i>	<i>0.5%</i>	<i>(7.3%)</i>	<i>(7.7pp)</i>

Amounts expressed in thousands of Turkish lira (TRY) in terms of the purchasing power of the TRY at June 30, 2023.

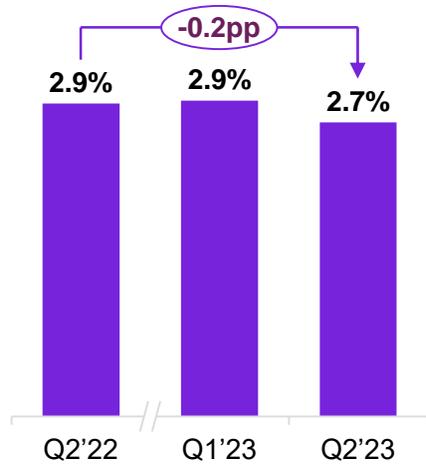
# Operating Expenses

## Operating Expenses as a % of GMV

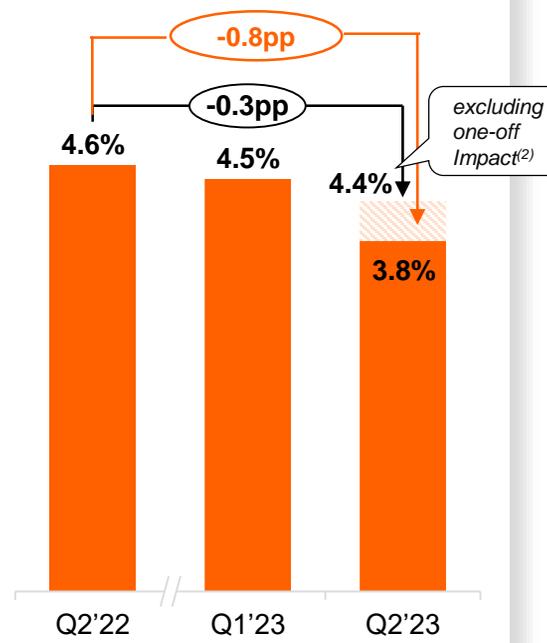
### Advertising



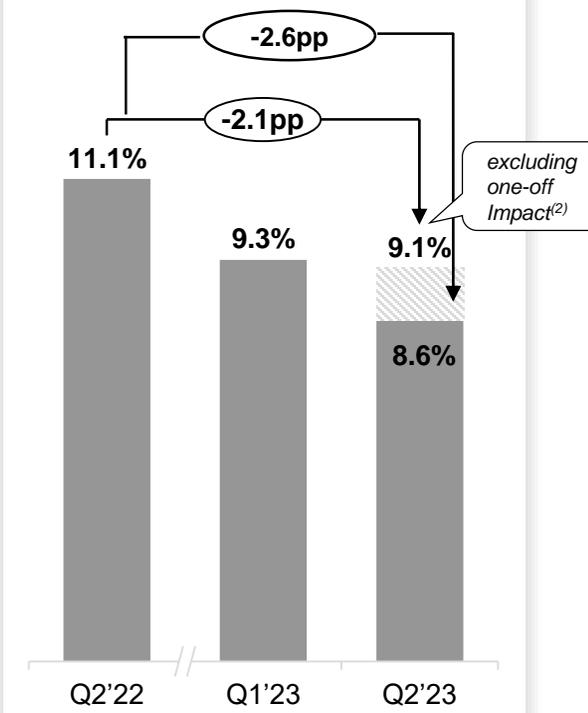
### Shipping and Packaging



### G&A<sup>(1)</sup>



### Total OPEX



# Consolidated Statements of Comprehensive Loss

## Consolidated Statements of Comprehensive Loss

(Amounts expressed in thousands of Turkish lira (TRY) in terms of the purchasing power of the TRY at 30 June 2023 unless otherwise indicated.)

	Six Months Ended		Three Months Ended	
	unaudited	unaudited	unaudited	unaudited
	1 January - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2023	1 April - 30 June 2022
<b>Revenues</b>	<b>10,821,476</b>	<b>8,381,086</b>	<b>5,893,603</b>	<b>4,126,012</b>
Cost of inventory sold	(7,552,262)	(7,202,421)	(4,124,318)	(3,469,411)
Shipping and packaging expenses	(984,604)	(882,364)	(515,007)	(383,557)
Payroll and outsource staff expenses	(1,126,475)	(921,237)	(605,894)	(449,497)
Advertising expenses	(679,075)	(1,027,115)	(377,871)	(479,397)
Technology expenses	(131,778)	(103,212)	(67,987)	(51,746)
Depreciation and amortization	(394,297)	(272,338)	(204,948)	(140,479)
Other operating expenses	(355,196)	(268,075)	(190,330)	(136,763)
Other operating income	170,250	46,561	142,415	23,642
<b>Operating loss</b>	<b>(231,961)</b>	<b>(2,249,115)</b>	<b>(50,337)</b>	<b>(961,196)</b>
Financial income	1,615,174	1,463,118	1,443,158	716,094
Financial expenses	(1,046,856)	(1,092,560)	(714,767)	(571,081)
Monetary gains/ (losses)	339,473	(202,800)	203,039	33,503
<b>Income/(loss) before income taxes</b>	<b>675,830</b>	<b>(2,081,357)</b>	<b>881,093</b>	<b>(782,680)</b>
Taxation on income	-	-	-	-
<b>Income/(loss) for the period</b>	<b>675,830</b>	<b>(2,081,357)</b>	<b>881,093</b>	<b>(782,680)</b>

# Consolidated Balance Sheets

## Consolidated Balance Sheets

(Amounts expressed in thousands of Turkish lira (TRY) in terms of the purchasing power of the TRY at 30 June 2023 unless otherwise indicated.)

	unaudited	unaudited
	30 June 2023	31 December 2022
<b>Assets:</b>		
Cash and cash equivalents	4,867,634	6,307,310
Restricted cash	92,718	128,670
Financial investments	524,344	21,028
Trade receivables	601,881	795,564
Due from related parties	9,748	2,057
Loan receivables	1,905	4,209
Inventories	2,638,902	2,141,856
Contract assets	54,585	18,383
Other current assets	640,523	615,772
<b>Total current assets</b>	<b>9,432,240</b>	<b>10,034,849</b>
Property and equipment	372,342	404,825
Intangible assets	1,192,322	1,013,065
Right of use assets	435,686	525,260
Loan receivables	1,510	4,620
Other non-current assets	26,547	75,479
<b>Total non-current assets</b>	<b>2,028,407</b>	<b>2,023,249</b>
<b>Total assets</b>	<b>11,460,647</b>	<b>12,058,098</b>
<b>Liabilities:</b>		
Bank borrowings	79,546	15,629
Lease liabilities	140,863	188,541
Wallet deposits	101,822	135,936
Trade payables and payables to merchants	6,359,902	7,050,544
Due to related parties	4,555	6,682
Provisions	67,188	473,138
Employee benefit obligations	130,293	186,930
Contract liabilities and merchant advances	812,442	764,824
Other current liabilities	272,789	452,177
<b>Total current liabilities</b>	<b>7,969,400</b>	<b>9,277,401</b>
Bank borrowings	5,890	13,084
Lease liabilities	90,049	125,707
Employee benefit obligations	77,289	19,711
Other non-current liabilities	208,224	175,585
<b>Total non-current liabilities</b>	<b>381,452</b>	<b>334,087</b>
<b>Total liabilities</b>	<b>8,350,852</b>	<b>9,611,488</b>
Share capital	362,478	362,478
Other capital reserves	422,711	386,231
Share premium	10,528,012	10,528,012
Accumulated deficit	(8,203,406)	(8,830,111)
<b>Total equity</b>	<b>3,109,795</b>	<b>2,446,610</b>
<b>Total equity and liabilities</b>	<b>11,460,647</b>	<b>12,058,098</b>

# Consolidated Statements of Cash Flows

## Consolidated Statements of Cash Flows

(Amounts expressed in thousands of Turkish lira (TRY) in terms of the purchasing power of the TRY at 30 June 2023 unless otherwise indicated.)

	(unaudited) 1 January – 30 June 2023	(unaudited) 1 January – 30 June 2022
Income /(Loss) before income taxes	675,830	(2,081,357)
<b>Adjustments to reconcile income/ (loss) before income taxes to cash flows from operating activities:</b>	<b>634,205</b>	<b>2,221,436</b>
Interest and commission expenses	643,724	608,146
Depreciation and amortization	394,297	272,338
Interest income on time deposits and financial instruments	(133,916)	(81,524)
Interest income on credit sales	(92,136)	(56,265)
Provision for unused vacation liability	21,560	16,177
Provision for personnel bonus	80,573	48,488
Provision for legal cases	7,200	632
Provision for doubtful receivables	14,859	13,016
Provision for impairment of trade goods, net	45,622	14,120
Provision for post-employment benefits	23,052	2,165
Provision for share based payment	36,480	89,654
Adjustment for impairment loss of financial investments	(144,048)	68,712
Reversal of provision for the Competition Board penalty	(92,018)	-
Provision for Settlement of Legal Proceedings	12,263	-
Provision for Turkish Capital Markets Board fee	19,938	-
Non-cash charges	-	(1,411)
Net foreign exchange differences	(1,148,164)	(1,058,242)
Change in provisions due to inflation	(107,124)	(120,856)
Monetary effect on non-operating activities	1,052,043	2,406,286
<b>Changes in net working capital</b>		
Change in trade payables and payables to merchants	(690,642)	(2,169,967)
Change in inventories	(542,668)	352,514
Change in trade receivables	185,614	169,069
Change in contract liabilities and merchant advances	47,618	(27,492)
Change in contract assets	(36,202)	1,520
Change in other liabilities	(270,635)	(154,145)
Change in other assets and receivables	65,546	63,505
Change in due from related parties	(7,691)	2,217
Change in due to related parties	(2,127)	(17,116)
Post-employment benefits paid	(10,472)	(2,083)
Payments for concluded litigation	(284,923)	(1,627)
Payments for personnel bonus	(127,715)	(89,599)
Payments for unused vacation liabilities	(2,363)	(1,262)
Collections of doubtful receivables	(894)	-
<b>Net cash used in operating activities</b>	<b>(367,519)</b>	<b>(1,734,387)</b>
<b>Investing activities:</b>		
Purchases of property and equipment and intangible assets	(404,603)	(460,652)
Proceeds from sale of property and equipment	1,160	286
Purchase of financial instruments	(404,600)	(1,884,488)
Proceeds from sale of financial investment	19,619	1,850,884
Interest received on time deposits and financial instruments	125,359	61,515
Interest received on credit sales	92,136	56,265
Payment for acquired businesses, net of cash acquired	-	(5,509)
<b>Net cash used in investing activities</b>	<b>(570,929)</b>	<b>(381,699)</b>
<b>Financing activities:</b>		
Proceeds from borrowings	197,824	1,064,301
Repayment of borrowings	(136,099)	(964,584)
Interest and commission paid	(611,193)	(543,193)
Lease payments	(105,226)	(112,085)
<b>Net cash used in financing activities</b>	<b>(654,694)</b>	<b>(555,561)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,593,142)</b>	<b>(2,671,647)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>6,299,875</b>	<b>7,501,388</b>
Inflation effect on cash and cash equivalents	(1,003,254)	(1,799,104)
Effects of exchange rate changes on cash and cash equivalents and restricted cash	1,148,164	660,230
<b>Cash and cash equivalents at 30 June</b>	<b>4,851,643</b>	<b>3,690,867</b>

# Non-IFRS Metrics Reconciliation (I/V)

## EBITDA

(TRY million)	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net income/ (loss) for the period	881.1	(782.7)	675.8	(2,081.4)
Taxation on income	-	-	-	-
Financial income	1,443.2	716.1	1,615.2	1,463.1
Financial expenses	(714.8)	(571.1)	(1,046.9)	(1,092.6)
Depreciation and amortization	(204.9)	(140.5)	(394.3)	(272.3)
Monetary gains/(losses)	203.0	33.5	339.5	(202.8)
<b>EBITDA</b>	<b>154.6</b>	<b>(820.7)</b>	<b>162.3</b>	<b>(1,976.8)</b>

Amounts expressed in million of Turkish lira (TRY) in terms of the purchasing power of the TRY at June 30, 2023.

# Non-IFRS Metrics Reconciliation (II/V)

## IAS 29-Unadjusted EBITDA

(TRY million)	Three months ended June 30,					
	2023	Reversal of IAS 29 Adjustment	IAS 29 Unadjusted 2023	2022	Reversal of IAS 29 Adjustment	IAS 29 Unadjusted 2022
<b>Net income/ (loss) for the period</b>	881.1	(100.2)	981.3	(782.7)	(567.2)	(215.5)
<b>Taxation on income</b>	-	-	-	-	-	-
<b>Financial income</b>	1,443.2	19.0	1,424.2	716.1	235.7	480.4
<b>Financial expenses</b>	(714.8)	(10.2)	(704.6)	(571.1)	(173.0)	(398.1)
<b>Depreciation and amortization</b>	(204.9)	(92.7)	(112.2)	(140.5)	(88.8)	(51.7)
<b>Monetary gains/(losses)</b>	203.0	203.0	-	33.5	33.5	-
<b>IAS 29-Unadjusted EBITDA</b>			<b>374.0</b>			<b>(246.2)</b>

Amounts expressed in million of Turkish lira (TRY) in terms of the purchasing power of the TRY at June 30, 2023.

# Non-IFRS Metrics Reconciliation (III/IV)

## IAS 29-Unadjusted EBITDA

(TRY million)	Six months ended June 30,					
	2023	Reversal of IAS 29 Adjustment	IAS 29 Unadjusted 2023	2022	Reversal of IAS 29 Adjustment	IAS 29 Unadjusted 2022
Net income/ (loss) for the period	675.8	(225.5)	901.3	(2,081.4)	(1,626.2)	(455.2)
Taxation on income	-	-	-	-	-	-
Financial income	1,615.2	32.2	1,583.0	1,463.1	549.6	913.5
Financial expenses	(1,046.9)	(31.8)	(1,015.1)	(1,092.6)	(386.9)	(705.7)
Depreciation and amortization	(394.3)	(177.9)	(216.4)	(272.3)	(158.3)	(114.0)
Monetary gains/(losses)	339.5	339.5	-	(202.8)	(202.8)	-
<b>IAS 29-Unadjusted EBITDA</b>			<b>549.8</b>			<b>(549.0)</b>

Amounts expressed in million of Turkish lira (TRY) in terms of the purchasing power of the TRY at June 30, 2023.

# Non-IFRS Metrics Reconciliation (IV/V)

## REVENUE

(TRY million)	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Revenue	5,893.6	4,126.0	10,821.5	8,381.1
Reversal of IAS 29 adjustment	147.6	1,264.3	541.9	2,991.6
<b>IAS 29-Unadjusted Revenue</b>	<b>5,746.0</b>	<b>2,861.7</b>	<b>10,279.6</b>	<b>5,389.5</b>

## GROSS CONTRIBUTION

(TRY million)	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Revenue	5,893.6	4,126.0	10,821.5	8,381.1
Cost of inventory sold	(4,124.3)	(3,469.4)	(7,552.3)	(7,202.4)
Gross Contribution	1,769.3	656.6	3,269.2	1,178.7
Reversal of IAS 29 adjustment	(158.1)	(108.9)	(209.8)	(275.0)
<b>IAS 29-Unadjusted Gross Contribution</b>	<b>1,927.4</b>	<b>765.5</b>	<b>3,479.0</b>	<b>1,453.7</b>

# Non-IFRS Metrics Reconciliation (V/V)

## Free Cash Flow

(TRY million)	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net cash provided by / (used in) operating activities	(431.6)	570.0	(367.5)	(1,734.4)
Capital expenditures	(175.6)	(293.4)	(404.6)	(460.7)
Proceeds from the sale of property and equipment	0.1	0.2	1.2	0.3
<b>Free Cash Flow</b>	<b>(607.1)</b>	<b>276.8</b>	<b>(770.9)</b>	<b>(2,194.8)</b>

## Net Working Capital

(TRY million)	As of June 30, 2023	As of December 31, 2022
Current assets	9,432.2	10,034.8
Cash and cash equivalents	(4,867.6)	(6,307.3)
Financial investments	(524.3)	(21.0)
Current liabilities	(7,969.4)	(9,277.4)
Bank borrowings, current	79.5	15.6
Lease liabilities, current	140.9	188.5
<b>Net Working Capital</b>	<b>(3,708.7)</b>	<b>(5,366.8)</b>

# Certain Definitions

We provide a number of key operating performance indicators used by our management and often used by competitors in our industry. We define certain terms used in this presentation as follows:

- **GMV** as gross merchandise value which refers to the total value of orders/products sold through our platform over a given period of time (including value added tax (“VAT”) without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants;
- **Marketplace GMV** as total value of orders/products sold through our Marketplace over a given period of time (including VAT without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants;
- **Share of Marketplace GMV** as the portion of GMV sold through our Marketplace represented as a percentage of our total GMV;
- **IAS 29-Unadjusted GMV** as GMV presented on an unadjusted for inflation basis;
- **IAS 29-Unadjusted Revenue** as Revenue presented on an unadjusted for inflation basis;
- **Gross Contribution** as revenues less cost of inventory sold;
- **IAS 29-Unadjusted Gross Contribution** as Gross Contribution presented on an unadjusted for inflation basis;
- **Gross Contribution margin** as Gross Contribution represented as a percentage of GMV;
- **EBITDA** as profit or loss for the period plus taxation on income less financial income plus financial expenses, plus depreciation and amortization plus monetary gains/losses;
- **IAS 29-Unadjusted EBITDA** as EBITDA presented on an unadjusted for inflation basis;
- **IAS 29-Unadjusted EBITDA as a percentage of GMV** as IAS 29-Unadjusted EBITDA represented as a percentage of IAS 29-Unadjusted GMV;
- **Free Cash Flow** as net cash provided by operating activities less capital expenditures plus proceeds from sale of property and equipment;
- **Number of Orders** as the number of orders we received through our platform including returns and cancellations;
- **Frequency** are to the average number of orders per Active Customer over a 12-month period preceding the relevant date;
- **Active Merchants** as merchants who sold at least one item within the 12-month period preceding the relevant date, including returns and cancellations; and
- **Active Customers** are users (both unregistered users and members) who purchased at least one item within the 12-month period preceding the relevant date, including returns and cancellations.
- **Digital products** are non-cash games on our platform, such as sweepstakes and gamified lotteries and the first monthly payment of Hepsiburada Premium membership subscription.