

hepsiburada

Q4/ Full Year 2021 Results Presentation

Mar 24, 2022



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) Company's future results of operations and financial position, (b) our expectations regarding current and future GMV; (b) potential disruptions to our operations and supply chain that may result from (i) epidemics or natural disasters, including the duration, scope and impact on our operations in general and the pace of recovery from the COVID-19 pandemic (ii) global supply challenges, port shutdowns and energy crisis in China; (iii) the ongoing conflict in Ukraine and/or (iv) changes in the competitive landscape in the industry in which the Company operates; (c) anticipated launch of new initiatives, businesses or any other strategic projects; (d) 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; (e) our ability to respond to the ever-changing competitive landscape in the industry in which we operate; (f) our liquidity, substantial indebtedness, and ability to obtain additional financing; (g) our strategic goals and plans, including our relationships with existing customers, suppliers and partners, and our ability to achieve and maintain them; (h) outcomes resulting from litigation activities and (h) expectations regarding our future performance based on our ability to attract more customers to our platform in a cost effective manner, to increase frequency of our customers on our platform, to add more merchants to our platform, to expanding our selection of products and services, to scale our new strategic assets and leverage logistics and technology as business enablers. These forward-looking statements can be identified by terminology such as "may", "could", "will", "expects", "anticipates", "aims", "future", "intends", "plans", "believes", "estimates", "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..

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) Company's future results of operations and financial position, (b) our expectations regarding current and future GMV; (b) potential disruptions to our operations and supply chain that may result from (i) epidemics or natural disasters, including the duration, scope and impact on our operations in general and the pace of recovery from the COVID-19 pandemic (ii) global supply challenges, port shutdowns and energy crisis in China; (iii) the ongoing conflict in Ukraine and/or (iv) changes in the competitive landscape in the industry in which the Company operates; (c) anticipated launch of new initiatives, businesses or any other strategic projects; (d) 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; (e) our ability to respond to the ever-changing competitive landscape in the industry in which we operate; (f) our liquidity, substantial indebtedness, and ability to obtain additional financing; (g) our strategic goals and plans, including our relationships with existing customers, suppliers and partners, and our ability to achieve and maintain them; (h) outcomes resulting from litigation activities and (h) expectations regarding our future performance based on our ability to attract more customers to our platform in a cost effective manner, to increase frequency of our customers on our platform, to add more merchants to our platform, to expanding our selection of products and services, to scale our new strategic assets and leverage logistics and technology as business enablers. These forward-looking statements can be identified by terminology such as "may", "could", "will", "expects", "anticipates", "aims", "future", "intends", "plans", "believes", "estimates", "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.

Non-IFRS Financial Measures

This presentation includes certain non-IFRS financial measures, including but not limited to, 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. See "Presentation of Financial and Other Information" in this press release for a reconciliation of certain of these non-IFRS measures to the most directly comparable IFRS measure.

Statement Regarding Preliminary Unaudited Financial Information

This presentation includes unaudited quarterly financial information for the three months ended December 31, 2021 and 2020 and for the year ended December 31, 2021 as well as certain audited financial information for the year ended December 31, 2020. The quarterly information has not been audited or reviewed by the Company's auditors. The unaudited information for the year ended December 31, 2021 is preliminary, based on the information available at this time and subject to changes in connection with the completion of the audit of the Company's financial statements for the year ended December 31, 2021. As such, the Company's actual results and financial condition as reflected in the financial statements that will be included in the Company's Annual Report on Form 20-F for the year ended December 31, 2021 may be adjusted or presented differently from the financial information herein and the variations could be material. The unaudited consolidated financial statements include the accounts of the Company and its subsidiaries. All periods presented have been accounted for in conformity with International Financial Reporting Standards ("IFRS") and pursuant to the regulations of the SEC.

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Business Update



Strong Execution Despite Macro Headwinds

GMV⁽¹⁾

Q4: TRY 9.4Bn +52% YoY

FY: TRY 26.2Bn +54% YoY

(+80% 2yr CAGR)

Revenue

Q4: TRY 2.8Bn +25% YoY

FY: TRY 7.6Bn +19% YoY

Gross Contribution Margin⁽¹⁾

Q4: 7.1% of GMV +2.7pp QoQ

FY: 7.1% of GMV -1.9pp YoY

Number of Orders⁽¹⁾

Q4: 17.4Mn +53% YoY

FY: 53.5Mn +53% YoY

Customer NPS⁽²⁾

Q4: 68 +3pp vs. Sep'21

(#1 in the market)

Hepsipay Wallet Users⁽³⁾

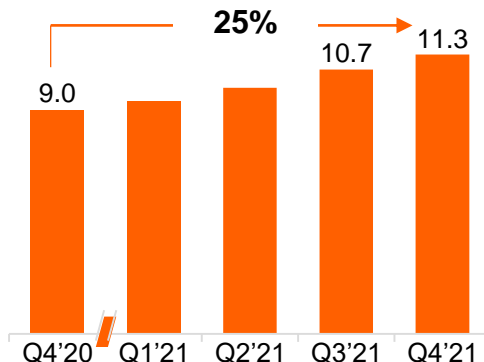
Q4: 5.2Mn +172% QoQ

GMV target was beat through strong execution and customer appreciation

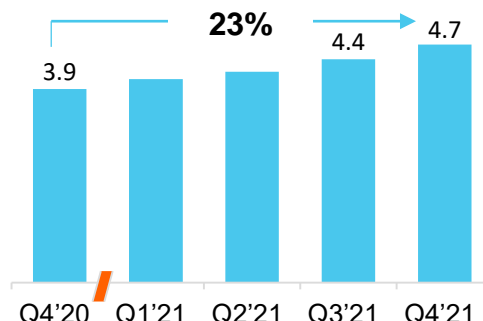
Solid Performance in Challenging Q4 Environment

Continued Momentum in Growth Drivers

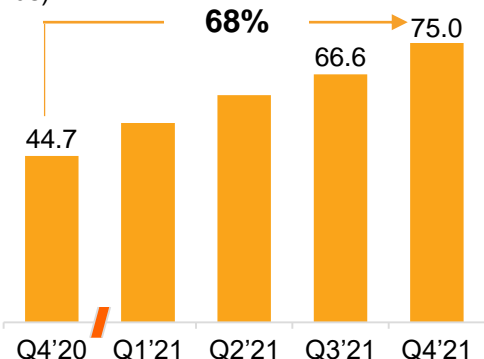
Active Customers⁽¹⁾
(Millions)



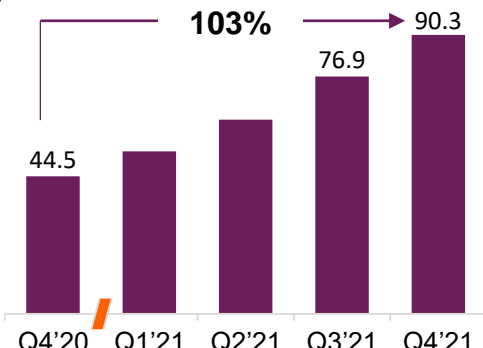
Frequency⁽²⁾



Active Merchants⁽³⁾
(Thousands)



Selection⁽⁴⁾
(Millions)



Challenges in Q4...

1. Macroeconomic volatility
2. Supply constraints
3. Continued dynamics in post-Covid normalization and competitive landscape

Addressed by Capabilities in...

1. Diverse affordability solutions
2. Robust 1P muscle
3. Strong customer experience enhanced by logistics and data science

Enhanced Customer Experience Solidifying Growth Momentum

Market Leader in NPS⁽¹⁾ with 68

Fast, Reliable and Frictionless Customer Experience

Super Convenience in Customer Journey

- ~79% of 1P orders delivered by Hepsijet arrived next day⁽²⁾
- ~98% CSAT performance in two-men-cargo by Hepsijet XL⁽³⁾
- Unique frictionless return service enabling 40% lower contact ratio⁽⁴⁾ due to return requests

Depth and Breadth in Selection

- Hybrid 1P – 3P model with over 90Mn SKUs
- Over 30K Active Merchants onboarded in 2021
- Digital products and services including digital pins, subscription and gamified lotteries and raffles continued to scale

Diverse Affordability Solutions

- Payment in installments, card split and “buy now pay in Jan” campaign
- Segment-based offers
- First in-house BNPL⁽⁵⁾ solution by e-commerce player in the market (in Feb'22)

(1): Source: For the month of December and according to the market research by FutureBright on the request of the Company. FY figures are not available for comparison.

(2): Based on data for FY'21 and for the orders from retail operations (1P). Calculated for accept of parcel by Hepsijet to delivery.

(3): CSAT stands for customer satisfaction score. Based on the internal reporting and for Q4 2021 period.

(4): Year-on-year change for the ratio in Q4 2021 compared to the ratio in Q3 2021. Ratio is the calculated as number of contacts from all channels received due to return requests over total orders during that period at Hepsiburada (excluding HX and Hepsifly).

(5): BNPL: Buy-now-pay-later

Enriched Merchant Experience Along Merchant Lifecycle

Merchant Lifecycle Management

End-to-end Solution Partner for Merchants

Smooth Onboarding Experience

- HepsiPartner app launched in Nov for easy access by merchants
- Over 68K training sessions to help merchants speed up⁽¹⁾
- Average onboarding⁽²⁾ speed reduced by half during Jan'21-Feb'22

360 Degree Solution Partner in eCommerce

- ~52% of total 3P volume delivered by HepsiJet⁽³⁾
- 7 distribution centers capable of fulfillment service
- Over 25K merchants used HepsiAd solutions⁽⁴⁾
- Merchant financing in collaboration with banks

Customized Programs for Segments

- Around 29K women entrepreneurs participated in “Technology Empowerment for Women Entrepreneurs” program⁽⁵⁾
- ~600 international merchants onboarded at HepsiGlobal with ~700K SKU (end Dec)

(1): Completed training sessions on HepsiAkademi for the full year 2021.

(2): Onboarding speed is defined as the number of days starting with the merchant's application to our platform (day 1) and ending with merchant's first listing.

(3): Figure is for Q4 2021.

(4): Figure is for full year 2021.

(5): Since the beginning of the program.

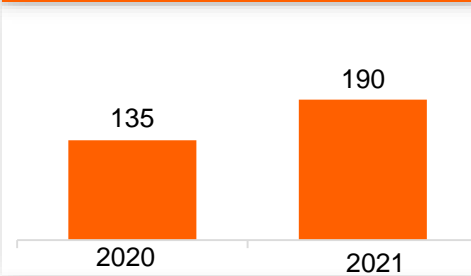
Robust Logistics Network Across Turkey

Nationwide
Logistics
Footprint

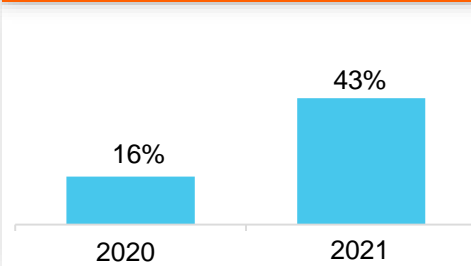
Fast and On-
time Delivery

Scalable
Infrastructure

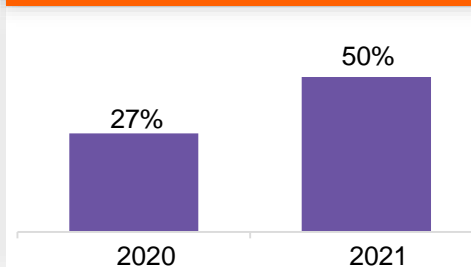
Total Area (K SQM)



% Parcels Volume in 3P by Hepsijet



% Total Parcels Delivered by Hepsijet ⁽¹⁾



- 7 distribution centers
- 14 transfer hubs
- 165 cross-docks
- 2,150 carriers
- 2,690 PUDO points



- 81/81 cities coverage by Hepsijet
- ~79% 1P delivered next day by Hepsijet in 2021
- ~43% of 3P delivered by Hepsijet in 2021
- Same day/next day delivery (by appointment)
- Unique frictionless return service processed by Hepsijet

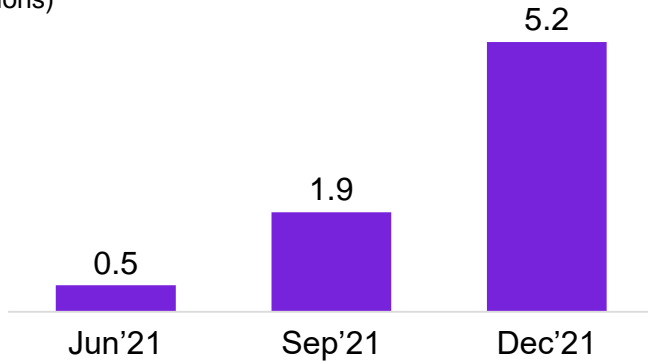
- 81/81 cities coverage by Hepsijet XL (Feb'22)
- ~98% CSAT performance by Hepsijet XL helps differentiate in oversized item deliveries (Q4 2021)⁽²⁾
- 7 distribution centres offer fulfillment-as-a-service
- Onboarded 191 merchants for fulfillment in 2021

Payment Companion Across Online and Offline: Progress

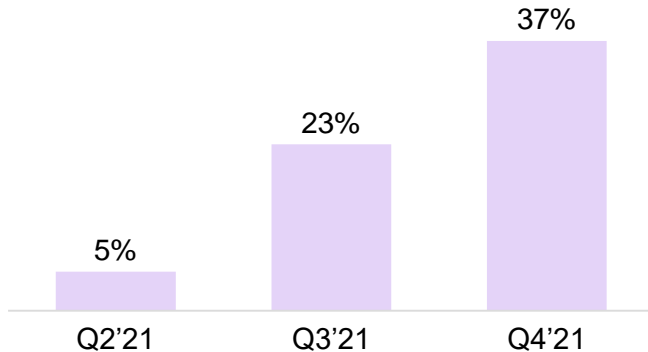


Hepsipay Performance

Hepsipay Wallet Base⁽¹⁾
(Millions)



Total Payment Volume as a % of GMV⁽²⁾



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Key Actions and Results in Q4 2021

- Increased customer base within Hepsiburada reaching 5.2Mn open wallets at the end of 2021
- ~37% of total GMV passed through Hepsipay Wallet
- Istanbulkart partnership as an alternative top-up channel in addition to credit cards and direct carrier billing with Turkcell
- Pilot of first end-to-end digital e-commerce BNPL solution in Turkey (Feb'22):
 - Monitor and optimize the product in terms of scoring algorithms and precision
 - Improve customer journey to offer frictionless customer experience

(1): 5.2 million represents those users who have opened their wallet account by giving required consent to Hepsipay.
(2): Percentage of total payments through Hepsipay Wallet IN GMV generated during the specified period.

Payment Companion Across Online and Offline: Roadmap

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1. Establish Full-Fledged Digital Wallet

- Penetration in Hepsiburada customer base
- Offers loyalty points and ecosystem benefits
- Alternative top-up channels for consumers (Turkcell, Istanbulkart)
- New wallet features underway



2. Expand Affordability Solutions

- BNPL solution launched for unbanked / unloaned consumers
- Consumer finance solution enabled with Doruk Finansman acquisition to enhance lending capabilities

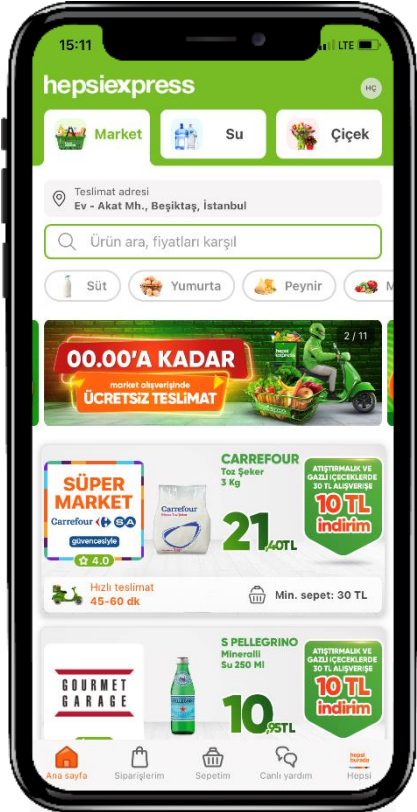


3. Develop Further Fintech Capabilities

- Explore platform and channel agnostic payment and lending solutions to evolve into best-in-class payment companion across online and offline

On-Demand Grocery Delivery

hepsiexpress



Selection Expansion

Grocery, Water and Flowers

- Multi merchant structure with end-to-end integration of national and regional retailers
- Flexible infrastructure to run multiple operating models with vendors and adjacent verticals

Customer Experience

70%
Perfect Order Ratio⁽¹⁾

- Ecosystem of 60+ partners and ~2,100 stores
- Instant and slotted delivery options
- Hepsimarket pilot to benefit from 1P capabilities

Ecosystem Synergies

Customer acquisition and engagement

- Customer base skewed towards female
- “New to Hepsiburada” customer and frequency contribution

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(1): Calculated as number of order which are delivered on time, in full and with no return request to total number of orders. Represents the ratio in Q4 2021.

Strong and Sustainable Growth in 2022

Deliver with Strategic Clarity

Accelerate Growth Drivers

- Attract new **customers**, targeting women and youth
- Drive further **frequency** by automated growth engine
- Add more **merchants** by improving merchant life-cycle management and services
- Widen **selection** in non-electronics and long-tail

Differentiate via Logistics and Tech

- **HepsiJet:** Continue to differentiate with best-in-class last-mile experience
- **HepsiJet XL:** Scale across the country with best-in-class two-men-cargo service
- **HepsiLojistik:** Scale fulfillment services across merchant base
- **HepsiAd:** Scale monetization through best-in-class ad platform

Expand Strategic Assets

- **Hepsipay:** Evolve into best-in-class payment companion across online and offline
- **HepsiExpress:** Focus on enhancing ecosystem synergy, customer experience and selection

Looking Ahead

Sizeable Opportunity and Rising penetration

- **90% share of offline in total retail⁽¹⁾**
- **10% share of online penetration to exceed 20% by 2025⁽¹⁾⁽²⁾**

Continued Momentum in growth

- **GMV growth of around 50% in 2022⁽³⁾**

Path to Profitability

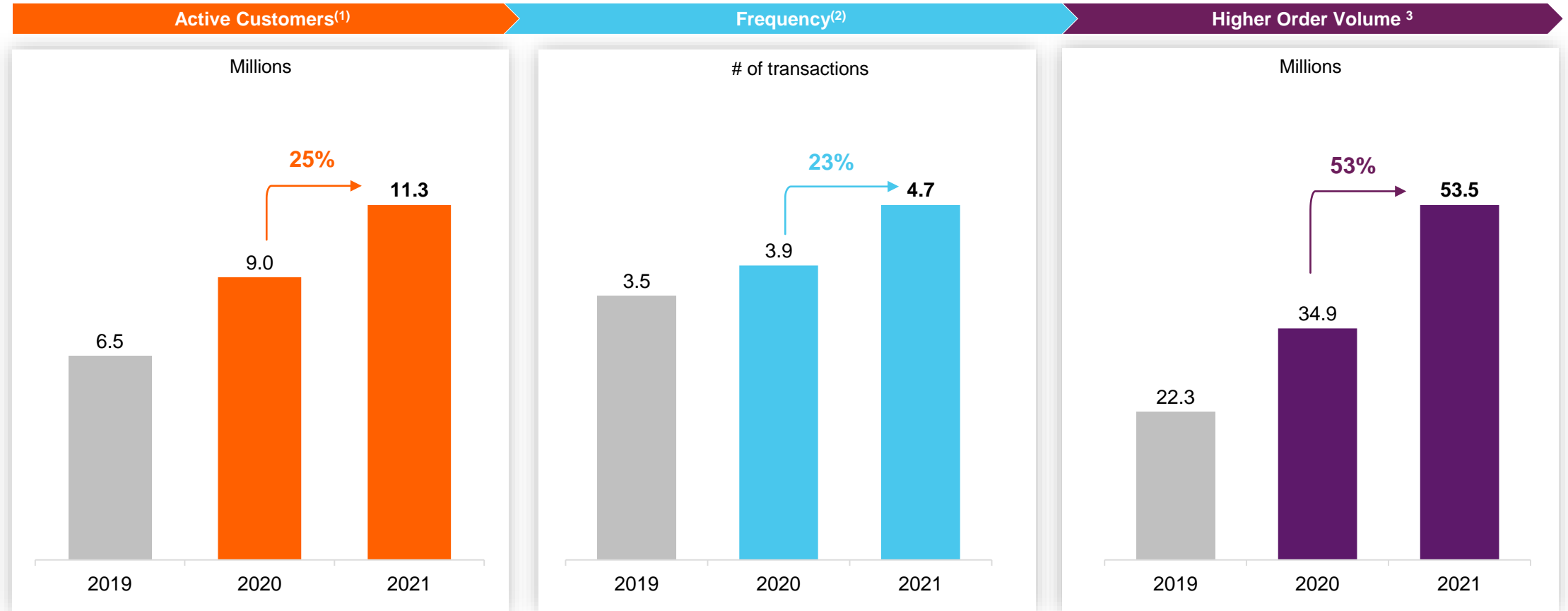
- **Improving margins by solid execution with disciplined cash and cost management⁽³⁾**

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Financial Performance

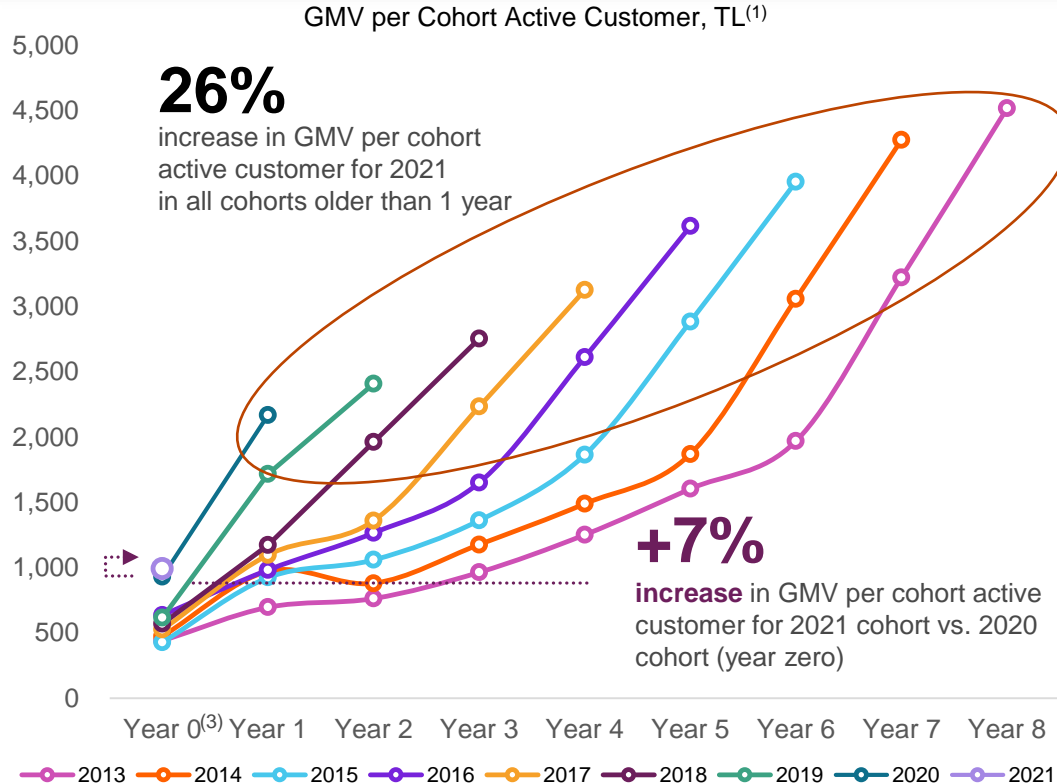


Continued Growth Momentum

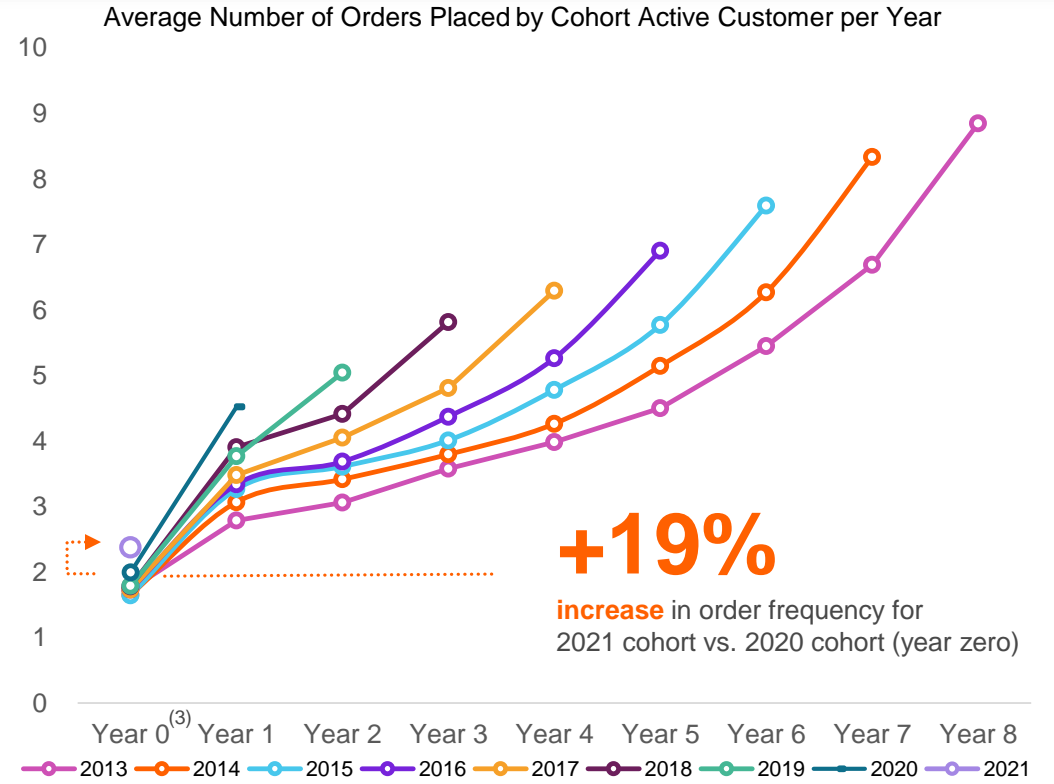


Cohort Analysis Support Continued Customer Engagement

Increasing Customer Loyalty Reflected in Growing GMV per Cohort...



...and Order Frequency⁽²⁾



Strong GMV Performance

Quarterly

Growth YoY

115%

50%

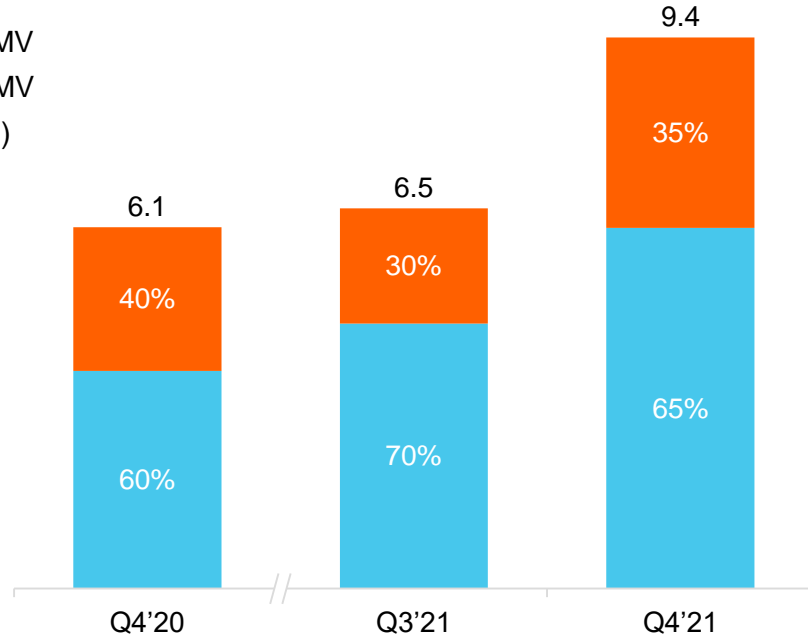
52%

2-year CAGR

84%

81%

1P GMV
3P GMV
(TRY Billion)



Annual

Growth YoY

56%

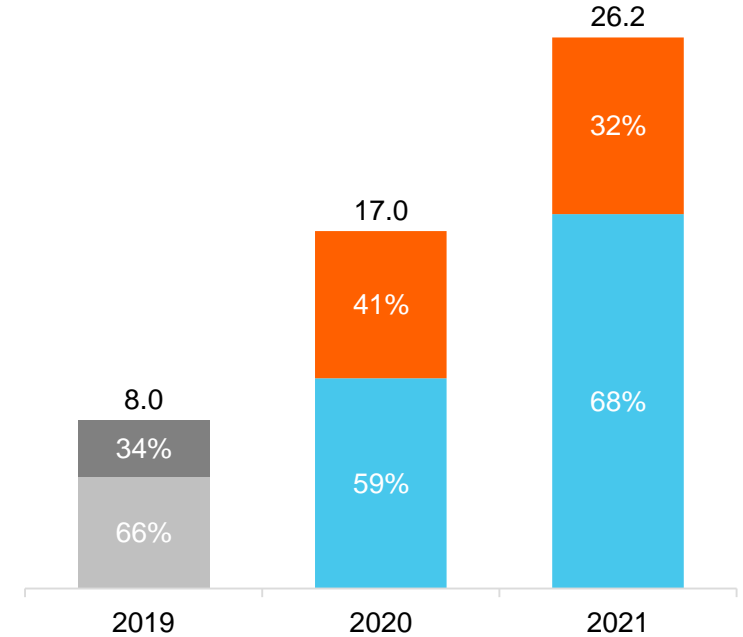
111%

54%

2-year CAGR

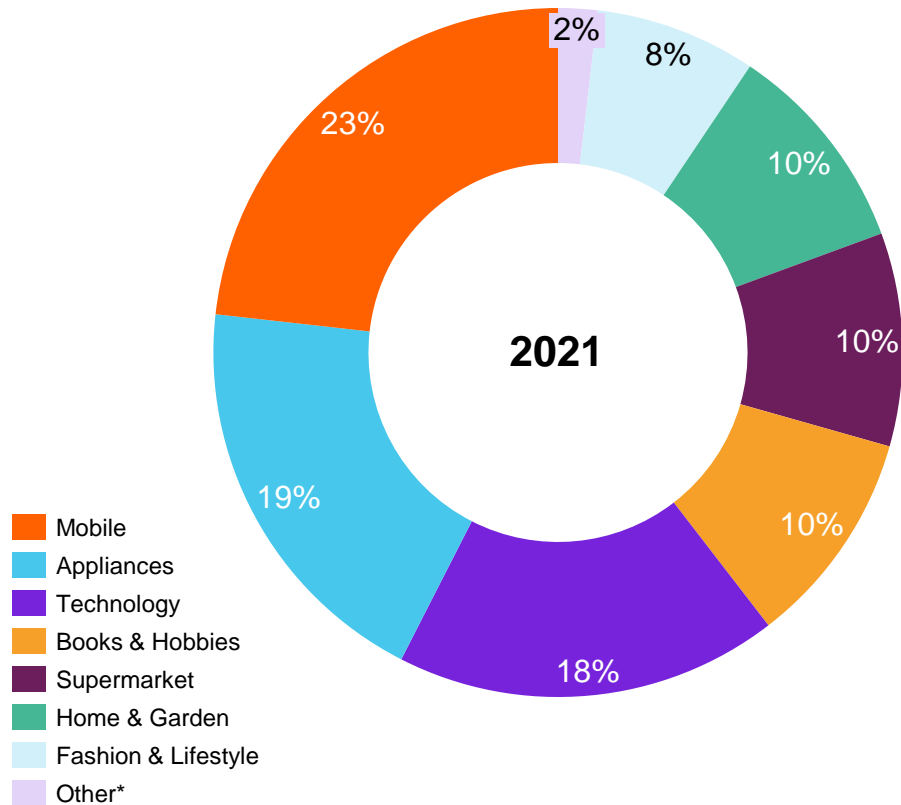
80%

1P GMV
3P GMV
(TRY Billion)



GMV Breakdown and Revenue Performance

GMV Breakdown⁽¹⁾



Revenue Development

YoY
Growth

23%

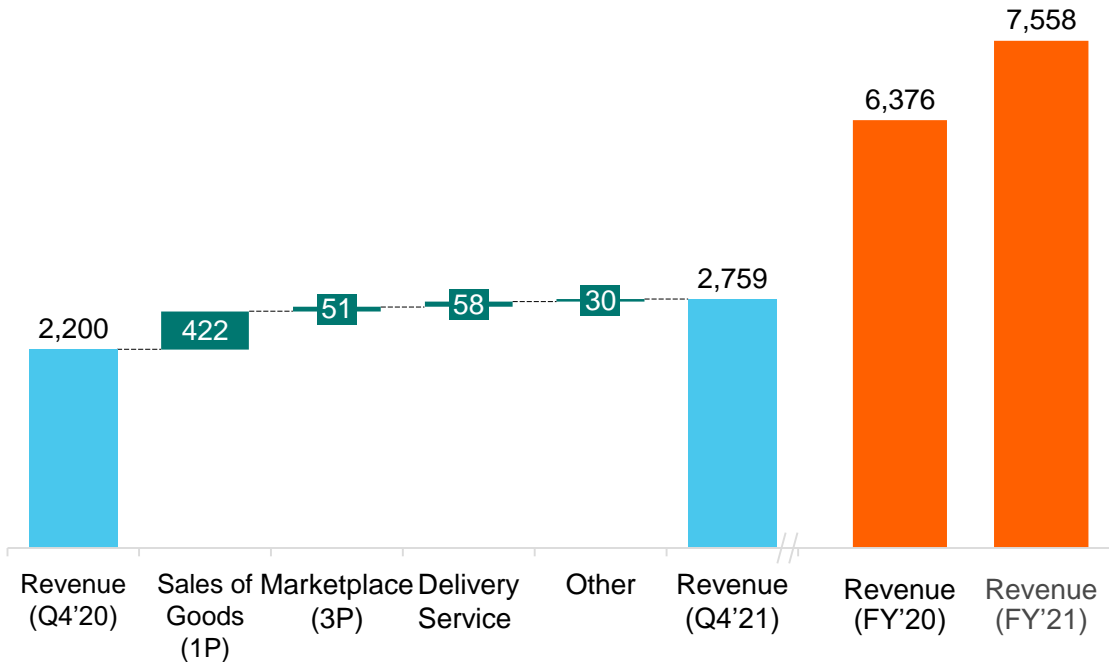
30%

35%

351%

25%

19%

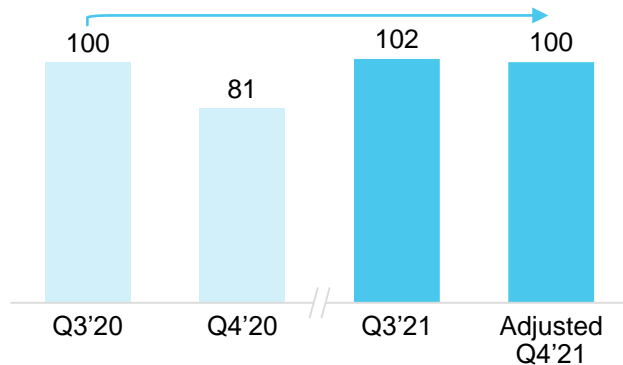


Key Factors for Gross Contribution Margin



3P Commission Rates

Weighted Average Marketplace Commission⁽¹⁾
(Q3'20=100)



Average 3P commission rates remained at around the same levels in Q4'21 compared to Q3'21

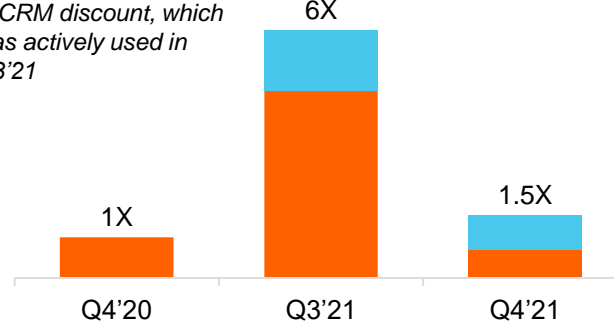


CRM Discounts

CRM Discounts⁽²⁾
(TRY)

Core
New Business

One of the major customer discount tools is CRM discount, which was actively used in Q3'21

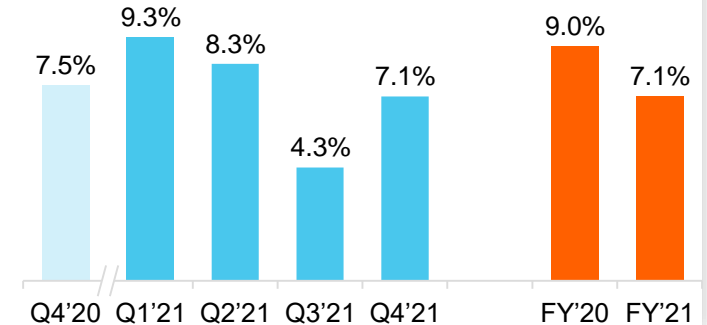


In Q4'21, we significantly decreased customer discounts compared to Q3'21, although it was a peak season



Gross Contribution Margin

Gross Contribution as a % of GMV
(%)



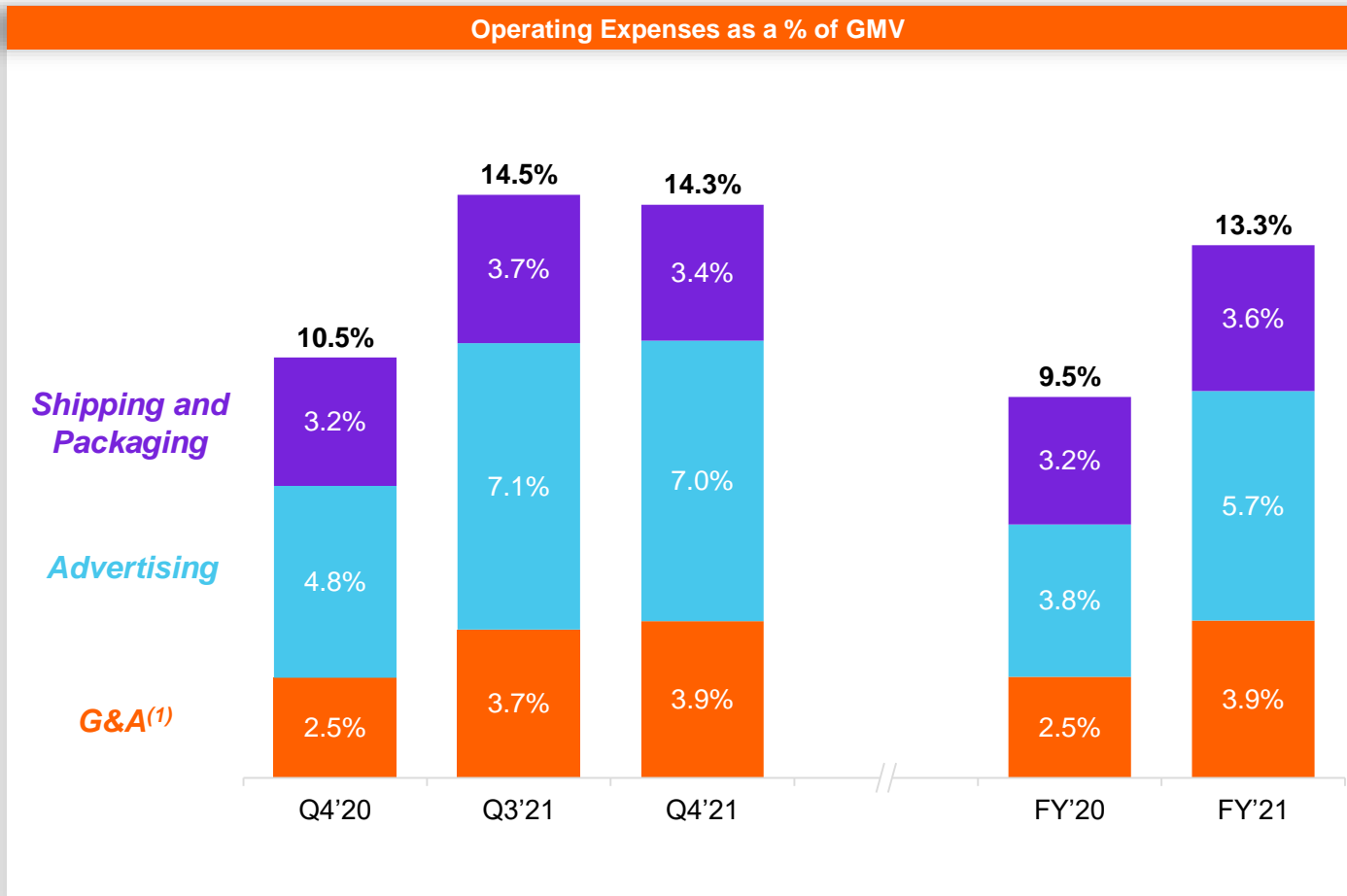
Gross Contribution margin improved significantly compared to Q3'21

See "Certain Definitions" in the appendix of this presentation for Gross Contribution margin definition.

(1) Marketplace commission represents commission fees charged to merchants for selling their goods on our Marketplace, where upon sale of the goods, we charge our merchants a fixed rate commission based on the transaction value. We recognize Marketplace commission, net of returns and discounts, at the completion of the order delivery. The weighted average marketplace commission rate is calculated on an SKU basis multiplying the Marketplace GMV of each SKU with the applied commission rates. The total is divided to Marketplace GMV. Q4 2021 figure is adjusted to normalize the cancellation and return ratio at par with the average of first nine months of 2021.

(2) Analytics-driven customer discounts as part of Customer Relationship Management (CRM) practices.

Operating Expenses



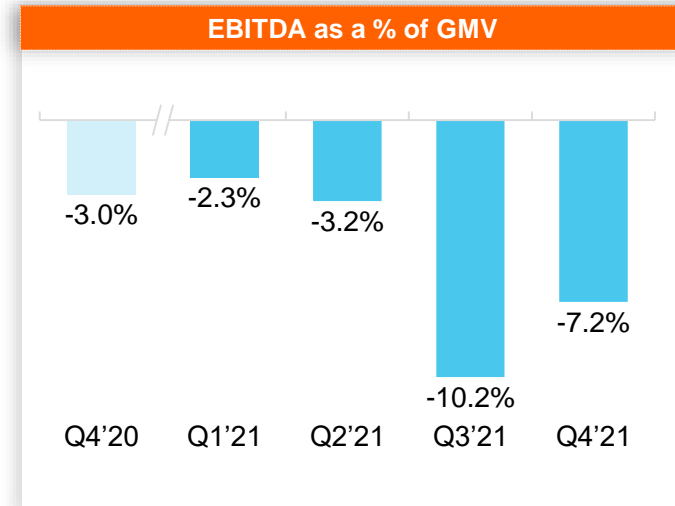
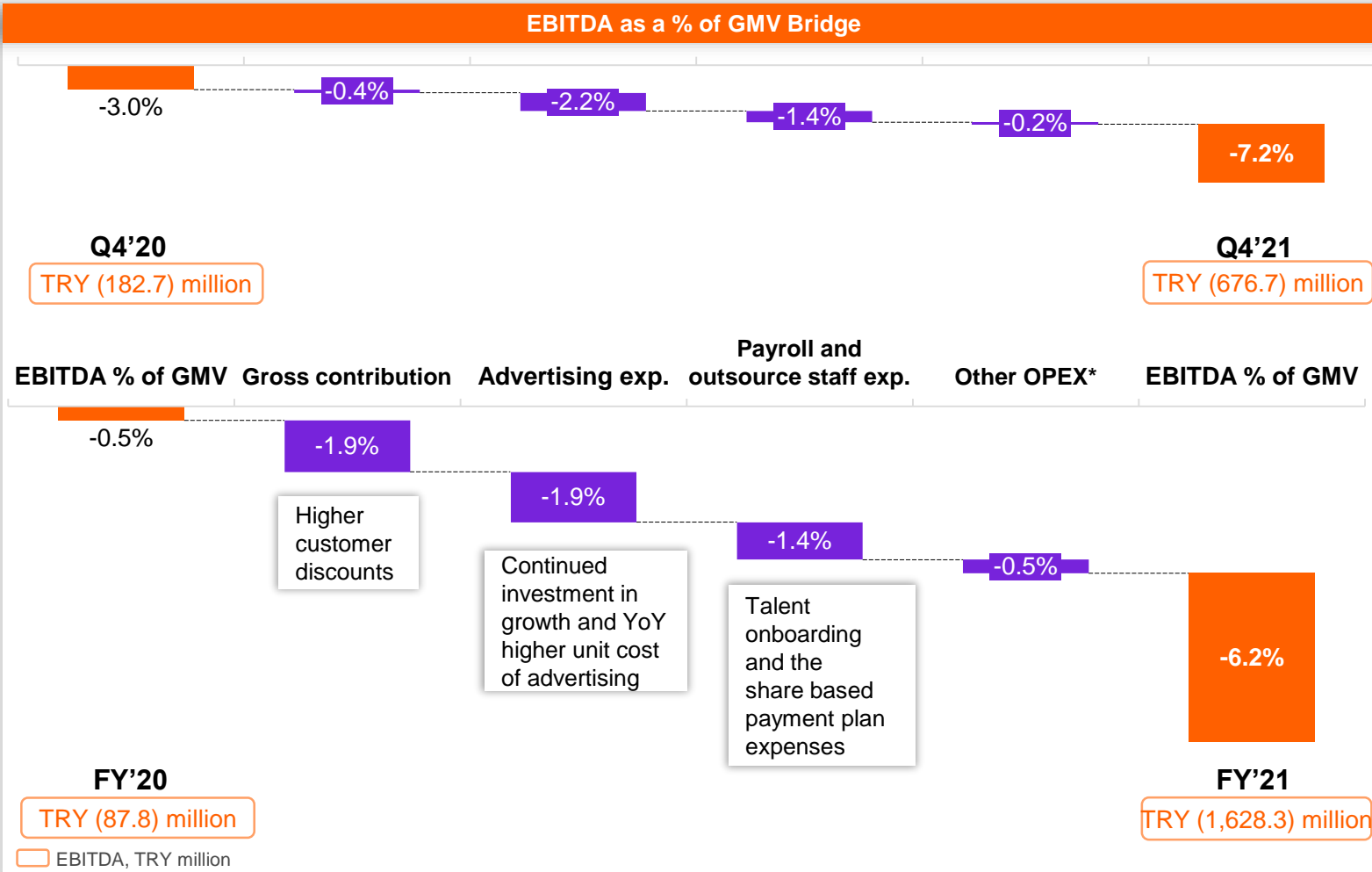
1

Advertising expenses as a % of GMV is higher due to our continued investment in growth as well as higher unit cost of advertising in the industry.

2

G&A expenses as a % of GMV is impacted by talent onboarding and the expenses related with the share based payment plan

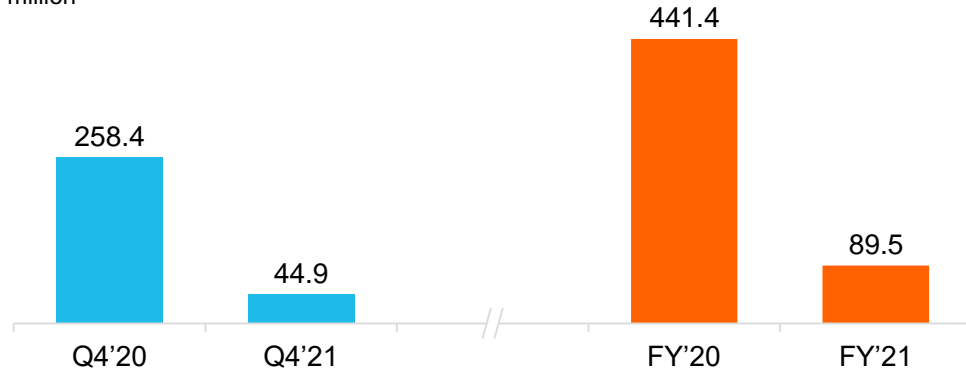
EBITDA as a Percentage of GMV Bridge



Cash Flow Performance

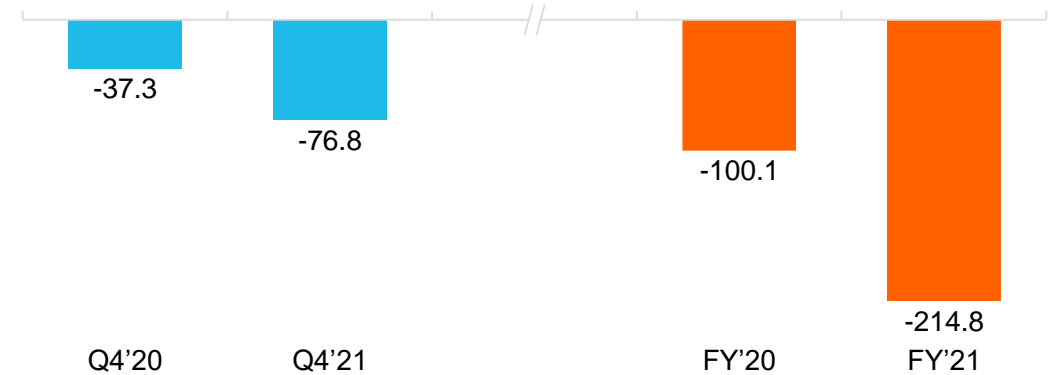
Cash Flow From Operating Activities

TRY million



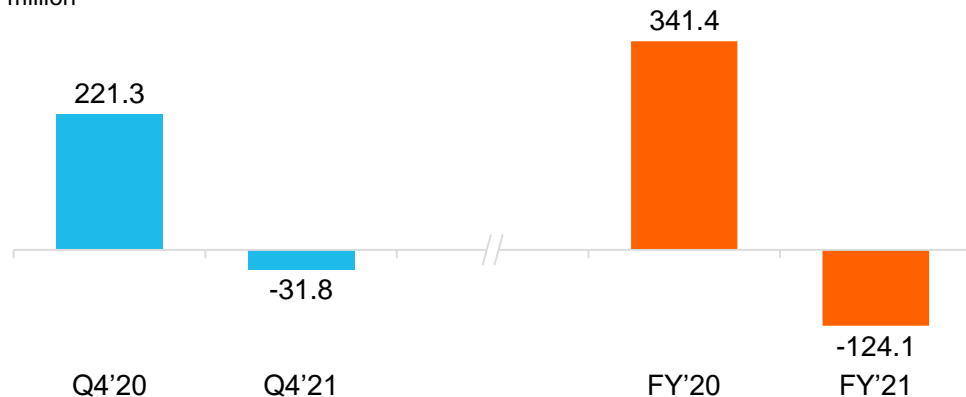
CAPEX

TRY million



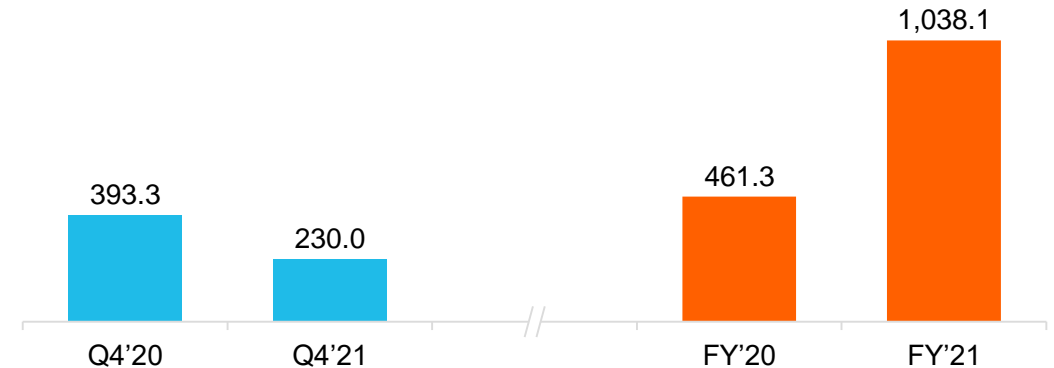
Free Cash Flow⁽¹⁾

TRY million



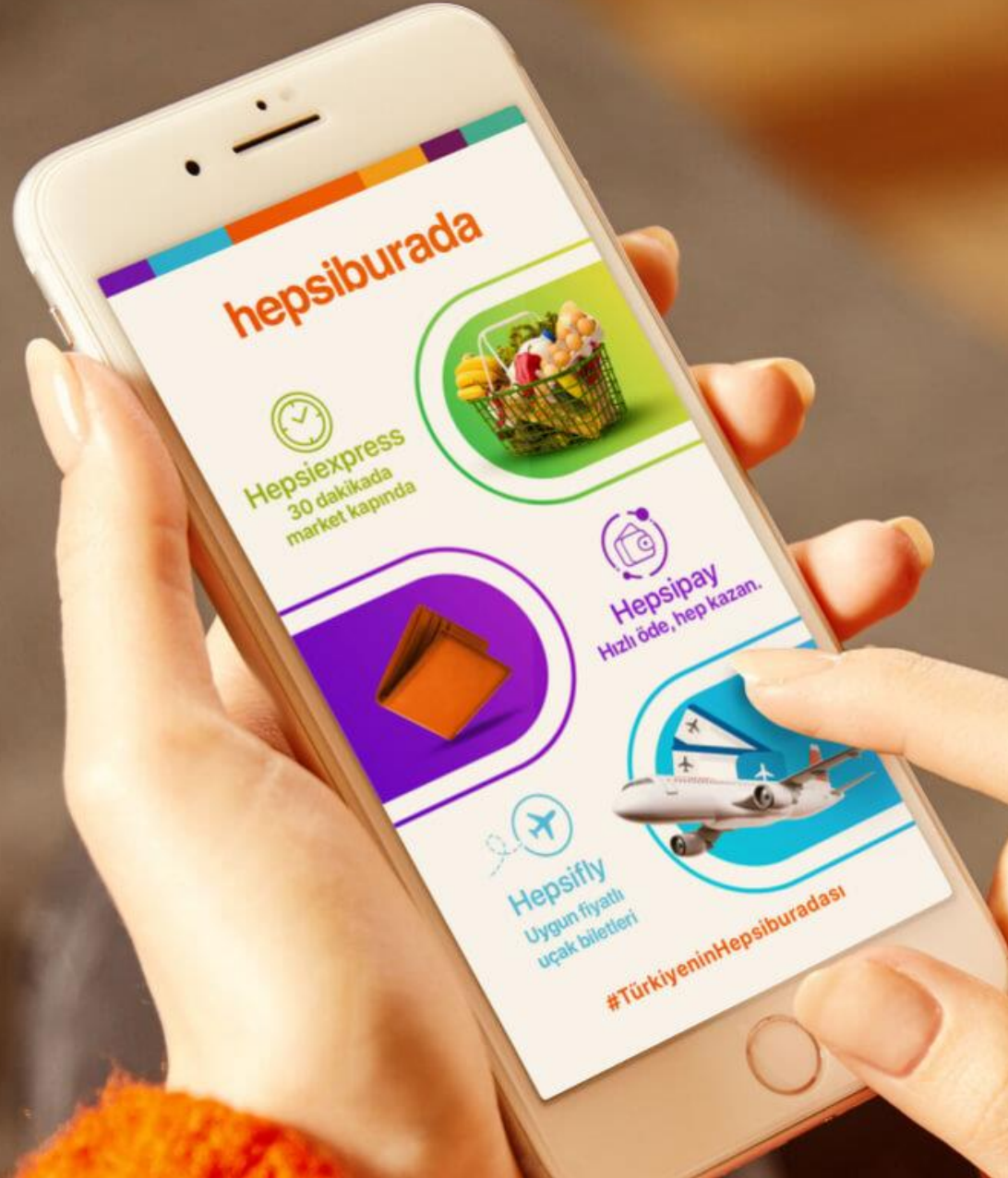
Change in Net Working Capital⁽²⁾

TRY million



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Q&A



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Appendix

Consolidated Financial Statements

**Presentation of Financial
and Other Information**



Summary Financials

TRY million	(unaudited) Q4'21	(unaudited) Q4'20	Q4 YoY	(unaudited) FY'21	(audited) FY'20	FY YoY
Revenue	2,759.1	2,199.7	25.4%	7,558.0	6,375.7	18.5%
Gross Contribution	661.2	460.8	43.5%	1,848.5	1,526.6	21.1%
Gross Contribution margin ⁽¹⁾	7.1%	7.5%	(0.4pp)	7.1%	9.0%	(1.9pp)
Operating Expenses ⁽²⁾ (Opex)	(3,480.6)	(2,412.7)	44.3%	(9,327.3)	(6,556.7)	42.3%
Opex as a % of GMV	(37.2%)	(39.3%)	2.1pp	(35.6%)	(38.6%)	2.9pp
Net Income/(Loss)	714.0	(322.8)	n.m	(625.8)	(474.5)	31.9%
EBITDA	(676.7)	(182.7)	270.4%	(1,628.3)	(87.8)	n.m
EBITDA as a % of GMV	(7.2%)	(3.0%)	(4.3pp)	(6.2%)	(0.5%)	(5.7pp)

Consolidated Statements of Comprehensive Loss

Consolidated Statements of Comprehensive Loss, TRY thousand

	Twelve Months Ended		Three Months Ended	
	unaudited	audited	unaudited	unaudited
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Revenues	7,558,021	6,375,727	2,759,149	2,199,704
Cost of inventory sold	(5,709,482)	(4,849,148)	(2,097,953)	(1,738,912)
Shipping and packaging expenses	(952,565)	(540,496)	(317,313)	(196,480)
Payroll and outsource staff expenses	(859,312)	(325,233)	(313,367)	(119,076)
Advertising expenses	(1,498,240)	(646,153)	(654,743)	(294,022)
Technology expenses	(61,050)	(31,717)	(20,482)	(9,613)
Depreciation and amortization	(140,925)	(93,183)	(44,846)	(30,333)
Other operating expenses, net	(105,699)	(70,810)	(32,003)	(24,291)
Operating (loss)	(1,769,252)	(181,013)	(721,558)	(213,023)
Financial income	2,160,119	102,913	1,970,590	4,077
Financial expenses	(1,016,670)	(396,417)	(535,042)	(113,900)
(Loss)/income before income taxes	(625,803)	(474,517)	713,990	(322,846)
Taxation on income	-	-	-	-
(Loss)/income for the period	(625,803)	(474,517)	713,990	(322,846)

Consolidated Balance Sheets

Consolidated Balance Sheets, TRY thousand

	unaudited	audited
	31 December 2021	31 December 2020
Assets:		
Cash and cash equivalents	3,947,085	592,643
Restricted cash	39,998	-
Financial investments	1,024,437	-
Trade receivables	224,691	157,107
Due from related parties	2,184	3,408
Inventories	1,639,480	770,141
Contract assets	7,351	55,737
Other current assets	199,787	110,795
Total current assets	7,085,013	1,689,831
Property and equipment	90,540	56,950
Intangible assets	202,798	89,387
Right of use assets	205,755	125,983
Other non-current assets	297,258	2,806
Total non-current assets	796,351	275,126
Total assets	7,881,364	1,964,957
Liabilities:		
Bank borrowings	193,184	347,436
Lease liabilities	109,310	51,211
Wallet deposits	40,924	-
Trade payables and payables to merchants	4,062,149	2,024,549
Due to related parties	9,047	3,930
Provisions	4,897	3,734
Employee benefit obligations	70,729	22,808
Contract liabilities and merchant advances	219,241	150,698
Other current liabilities	163,545	51,779
Total current liabilities	4,873,026	2,656,145
Lease liabilities	101,940	92,845
Employee benefit obligations	5,297	3,299
Other non-current liabilities	97,401	-
Total non-current liabilities	204,638	96,144
Total liabilities	5,077,664	2,752,289
Share capital	65,200	56,866
Other capital reserves	138,519	-
Share premiums	4,260,737	187,465
Restricted reserves	1,586	1,586
Accumulated deficit	(1,662,342)	(1,033,249)
Total equity	2,803,700	(787,332)
Total equity and liabilities	7,881,364	1,964,957

Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows, TRY thousand

	unaudited	audited
	1 January - 31 December 2021	1 January - 31 December 2020
Loss before income taxes	(625,803)	(474,517)
Adjustments to reconcile profit/(loss) before income taxes to cash flows from operating activities:	(322,773)	454,590
Interest and commission expenses	632,564	348,477
Depreciation and amortization	140,925	93,183
Interest income on time deposits	(42,528)	(21,016)
Interest income on credit sales	(33,381)	(18,622)
Provision for unused vacation liability	10,862	4,857
Provision for personnel bonus	39,275	13,464
Provision for legal cases	1,721	2,674
Provision for doubtful receivables	3,293	3,375
Provision for impairment of trade goods, net	(4,780)	14,539
Provision for post-employment benefits	1,713	803
Provision for share based payment	138,519	-
Adjustment for Impairment loss of financial investments	40,250	-
Net foreign exchange differences	(1,251,206)	12,856
Changes in net working capital		
Change in trade payables and payables to merchants	2,037,600	1,010,927
Change in inventories	(864,558)	(418,262)
Change in trade receivables	(74,855)	(73,263)
Change in contract liabilities and merchant advances	68,542	39,452
Change in contract assets	48,385	(36,422)
Change in other liabilities	255,593	37,440
Change in other assets and receivables	(423,441)	(86,384)
Change in due from related parties	1,224	(93)
Change in due to related parties	5,117	1,348
Post-employment benefits paid	(3,005)	(1,458)
Payments for concluded litigation	(558)	(806)
Payments for personnel bonus	(13,464)	(10,433)
Payments for unused vacation liabilities	(2,506)	(791)
Collections of doubtful receivables	3,977	32
Net cash provided by operating activities	89,475	441,360
Investing activities:		
Purchases of property and equipment and intangible assets	(214,790)	(100,107)
Proceeds from sale of property and equipment	1,212	160
Purchase of financial instruments	(792,840)	-
Net cash used in investing activities	(1,006,418)	(99,947)
Financing activities:		
Proceeds from borrowings/(Repayment of borrowings)	(162,463)	313,812
Interest and commission paid	(598,205)	(313,932)
Lease payments	(104,829)	(58,365)
Interest received on time deposits	41,701	20,976
Interest income on credit sales	33,381	18,622
Proceed from share capital and share premiums increase	4,081,606	-
Net cash provided by / (used in) financing activities	3,291,191	(18,887)
Net increase in cash and cash equivalents	2,374,248	322,526
Cash and cash equivalents at 1 January	592,281	281,982
Effects of exchange rate changes on cash and cash equivalents	979,366	(12,227)
Cash and cash equivalents at 31 December	3,945,895	592,281

Non-IFRS Metrics Reconciliation (I/II)

EBITDA

(TRY million)	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Net income/(loss) for the period	714.0	(322.8)	(625.8)	(474.5)
Taxation on income	-	-	-	-
Financial income	1,970.6	4.1	2,160.1	102.9
Financial expenses	(535.0)	(113.9)	(1,016.7)	(396.4)
Depreciation and amortization	(44.8)	(30.3)	(140.9)	(93.2)
EBITDA	(676.7)	(182.7)	(1,628.3)	(87.8)

Non-IFRS Metrics Reconciliation (II/II)

Free Cash Flow

(TRY million)	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Net cash provided by operating activities	44.9	258.4	89.5	441.4
Capital expenditures	(76.8)	(37.3)	(214.8)	(100.1)
Proceeds from the sale of property and equipment	0.1	0.2	1.2	0.2
Free Cash Flow	(31.8)	221.3	(124.1)	341.4

Net Working Capital

(TRY million)	As of December 31,	
	2021	2020
Current assets	7,085.0	1,689.8
Cash and cash equivalents	(3,947.1)	(592.6)
Financial investments	(1,024.4)	-
Current liabilities	(4,873.0)	(2,656.1)
Bank borrowings, current	193.2	347.4
Lease liabilities, current	109.3	51.2
Net Working Capital	(2,457.0)	(1,160.3)

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;
- **Gross Contribution** as revenues less cost of inventory sold. Gross Contribution is an indicator of our operational profitability as it reflects direct costs of products sold to our buyers;
- **Gross Contribution margin** as Gross Contribution represented as a percentage of GMV;
- **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;
- **Active Customers** are users (both unregistered users and members) who purchased an item within the 12-month period preceding the relevant date, including returns and cancellations.