

**TEKNOSA İÇ VE DIŐ TİCARET  
ANONİM ŐİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH  
OF CONDENSED FINANCIAL  
STATEMENTS AS AT AND FOR THE  
SIX MONTH PERIOD ENDED  
30 JUNE 2021 WITH INDEPENDENT  
AUDITOR'S REVIEW REPORT**

(Originally issued in Turkish)

9 August 2021

*This report includes 2 pages of independent auditor's review report and 44 pages of condensed financial statements and notes to the condensed financial statements.*



KPMG Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
İş Kuleleri Kule 3 Kat:2-9  
Levent 34330 İstanbul  
Tel +90 212 316 6000  
Fax +90 212 316 6060  
www.kpmg.com.tr

## Independent Auditor's Report on Review of Interim Financial Statements

To the Board of Directors of Teknosa İç ve Dış Ticaret Anonim Şirketi

### *Introduction*

We have reviewed the accompanying condensed statement of financial position of Teknosa İç ve Dış Ticaret Anonim Şirketi (the "Company") as at 30 June 2021, the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with TAS 34.

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



Ruşen Fikret Selamet, SMMM

Partner

9 August 2021

İstanbul, Turkey

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE INTERIM PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of TL unless otherwise indicated.)

<b>INDEX</b>	<b>PAGE</b>
<b>CONDENSED STATEMENT OF FINANCIAL POSITION .....</b>	<b>1-2</b>
<b>CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....</b>	<b>3</b>
<b>CONDENSED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>4</b>
<b>CONDENSED STATEMENT OF CASH FLOWS.....</b>	<b>5</b>
<b>NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS .....</b>	<b>6-44</b>
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS .....	6
NOTE 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS .....	6-16
NOTE 3 SEGMENT REPORTING .....	17-18
NOTE 4 RELATED PARTY DISCLOSURES .....	18-21
NOTE 5 CASH AND CASH EQUIVALENTS.....	21
NOTE 6 FINANCIAL LIABILITIES.....	22
NOTE 7 TRADE RECEIVABLES AND PAYABLES.....	23
NOTE 8 INVENTORIES.....	24
NOTE 9 PREPAID EXPENSES AND DEFERRED REVENUE .....	24
NOTE 10 INVESTMENT PROPERTY .....	25
NOTE 11 RIGHT OF USE ASSETS.....	26
NOTE 12 PROPERTY, PLANT AND EQUIPMENT .....	27-28
NOTE 13 INTANGIBLE ASSETS .....	29
NOTE 14 PAYABLES RELATED TO EMPLOYEE BENEFITS .....	30-31
NOTE 15 PROVISIONS.....	31
NOTE 16 COMMITMENTS .....	32
NOTE 17 OTHER CURRENT ASSETS AND LIABILITIES .....	33
NOTE 18 SHAREHOLDER'S EQUITY.....	33-35
NOTE 19 REVENUE.....	35
NOTE 20 MARKETING AND ADMINISTRATIVE EXPENSES.....	36
NOTE 21 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES .....	36-37
NOTE 22 INCOME FROM INVESTING ACTIVITIES .....	37
NOTE 23 FINANCE INCOME AND COSTS .....	37-38
NOTE 24 DERIVATIVE FINANCIAL INSTRUMENTS.....	38
NOTE 25 LOSS PER SHARE .....	38
NOTE 26 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS.....	39-41
NOTE 27 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING).....	42-33
NOTE 28 OTHER SIGNIFICANT MATTER EFFECTING TO OR MAKING FINANCIAL STATEMENTS MORE CLEAR, INTERPRETABLE AND UNDERSTANDABLE THAT SHOULD BE DISCLOSED .....	44
NOTE 29 EVENTS AFTER THE REPORTING PERIOD.....	44

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

ASSETS	Notes	Current period	Prior period
		<i>Reviewed</i>	<i>Audited</i>
		30 June 2021	31 December 2020
<b>Current Assets</b>		<b>1.635.830</b>	<b>1.565.441</b>
Cash and cash equivalents	5	65.040	392.201
Trade receivables	7	129.897	103.297
<i>Trade receivables from related parties</i>	4	17.376	14.883
<i>Trade receivables from third parties</i>		112.521	88.414
Inventories	8	1.408.119	1.056.528
Prepaid expenses	9	14.500	8.468
Other current assets	17	18.274	4.947
<b>Non-Current Assets</b>		<b>383.887</b>	<b>395.209</b>
Other receivables		493	571
Investment property	10	29.610	29.610
Right of use assets	11	202.346	219.710
Property, plant and equipment	12	64.522	60.462
Intangible assets	13	37.388	39.642
Prepaid expenses	9	87	49
Deferred tax assets		49.441	45.165
<b>TOTAL ASSETS</b>		<b>2.019.717</b>	<b>1.960.650</b>

Accompanying notes are an integral part of these condensed interim financial information.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

LIABILITIES	Notes	Current period	Prior period
		<i>Reviewed</i>	<i>Audited</i>
		30 June 2021	31 December 2020
<b>Current liabilities</b>		<b>1.758.574</b>	<b>1.943.979</b>
Short-term loans and borrowings	6	205.698	370.058
Short portion of long-term lease liabilities	6	110.603	98.406
<i>Short portion of long-term lease liabilities to related parties</i>	4	1.535	1.392
<i>Short portion of long-term lease liabilities to third parties</i>		109.068	97.014
Trade payables	7	1.375.646	1.386.364
<i>Trade payables to related parties</i>	4	2.818	6.578
<i>Trade payables to third parties</i>		1.372.828	1.379.786
Derivatives	24	24	--
Payables related to employee benefits	14	19.469	14.058
Other payables		3.446	2.913
<i>Other payables to third parties</i>		3.446	2.913
Deferred revenue	9	19.801	23.713
Short-term provisions		22.961	28.921
<i>Short-term provisions for employee benefits</i>	14	9.858	18.966
<i>Other short-term provisions</i>	15	13.103	9.955
Other current liabilities	17	926	19.546
<b>Non-current liabilities</b>		<b>153.871</b>	<b>182.217</b>
Long-term lease liabilities	6	137.957	168.000
<i>Long-term lease liabilities to related parties</i>	4	1.540	2.347
<i>Long-term lease liabilities to third parties</i>		136.417	165.653
Long-term provisions for employee benefits	14	15.914	14.217
<b>EQUITY</b>		<b>107.272</b>	<b>(165.546)</b>
Share capital	18	201.000	110.000
Adjustments to share capital	18	6.628	6.628
Restricted reserves	18	8.704	8.704
Other reserves		3	3
Share premiums	18	184.655	--
Other comprehensive income that will not be reclassified to profit or loss		24.877	24.877
<i>Losses on remeasurement of defined benefit plans</i>	18	(6.244)	(6.244)
<i>Gains on revaluation of property, plant and equipment</i>	18	31.121	31.121
Other comprehensive income that are or may be reclassified to profit or loss		(18)	--
<i>Cash flow hedge reserve</i>	18	(18)	--
Accumulated losses		(315.758)	(401.054)
Net profit / (loss) for the period		(2.819)	85.296
<b>TOTAL LIABILITIES</b>		<b>2.019.717</b>	<b>1.960.650</b>

Accompanying notes are an integral part of these condensed interim financial information.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

		Current period <i>Reviewed</i>	Current period <i>Reviewed</i>	Prior period <i>Reviewed</i>	Prior period <i>Reviewed</i>
	Notes	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Revenue	19	2.983.252	1.521.990	2.003.518	955.117
Cost of revenue (-)	19	(2.498.696)	(1.288.881)	(1.706.353)	(831.662)
<b>GROSS PROFIT</b>		<b>484.556</b>	<b>233.109</b>	<b>297.165</b>	<b>123.455</b>
Marketing expenses (-)	20	(272.491)	(134.999)	(225.067)	(97.530)
General administrative expenses (-)	20	(36.863)	(20.014)	(30.720)	(14.661)
Other income from operating activities	21	32.129	19.424	37.890	31.262
Other expenses from operating activities (-)	21	(95.311)	(44.711)	(41.012)	(16.048)
<b>OPERATING PROFIT</b>		<b>112.020</b>	<b>52.809</b>	<b>38.256</b>	<b>26.478</b>
Income from investing activities	22	4.257	928	2.057	2.018
Expenses from investing activities (-)	22	(2)	--	(1.575)	(1.181)
Impairment gain/ (loss) and reversal of impairment determined in accordance with TFRS 9		(1)	(1)	(209)	1
<b>OPERATING PROFIT BEFORE FINANCE EXPENSE</b>		<b>116.274</b>	<b>53.736</b>	<b>38.529</b>	<b>27.316</b>
Finance income	23	2.066	1.730	1.262	1.231
Finance costs (-)	23	(125.429)	(66.083)	(97.657)	(48.034)
<b>OPERATING PROFIT/ (LOSS) BEFORE INCOME TAX</b>		<b>(7.089)</b>	<b>(10.617)</b>	<b>(57.866)</b>	<b>(19.487)</b>
<b>Tax (expense)/income</b>		<b>4.270</b>	<b>5.438</b>	<b>11.136</b>	<b>3.657</b>
- Current tax expense		--	--	--	--
- Deferred tax expense		4.270	5.438	11.136	3.657
<b>LOSS FOR THE PERIOD</b>		<b>(2.819)</b>	<b>(5.179)</b>	<b>(46.730)</b>	<b>(15.830)</b>
<b>Attributable to:</b>					
Non-controlling interests		--	--	--	--
Owners of the Company		<b>(2.819)</b>	<b>(5.179)</b>	<b>(46.730)</b>	<b>(15.830)</b>
<b>OTHER COMPREHENSIVE LOSS</b>					
<b>Items that are or may be reclassified to profit or loss</b>					
<i>Losses on cash flow hedges losses and profits</i>		(24)	--	(79)	(554)
<i>Income tax related to items that are or may be reclassified to profit or loss</i>		6	--	17	17
<b>TOTAL OTHER COMPREHENSIVE LOSS</b>		<b>(18)</b>	<b>--</b>	<b>(62)</b>	<b>(537)</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(2.837)</b>	<b>(5.179)</b>	<b>(46.792)</b>	<b>(16.367)</b>
<b>Earnings/(loss) per share [(For 1 lot share)]</b>	25	(0,00024)	(0,00042)	(0,00425)	(0,00144)
<b>Diluted earnings/(loss) per share [(For 1 lot share)]</b>	25	(0,00024)	(0,00042)	(0,00425)	(0,00144)

Accompanying notes are an integral part of these condensed interim financial information.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

	Other comprehensive income that will not be reclassified to profit or loss		Other comprehensive income that may be reclassified to profit or loss		Retained earnings/Accumulated losses						
	Share capital	Adjustments to share capital	Restricted reserves	Other reserves	Share premiums	Losses on remeasurement of defined benefit plans	Gains on revaluation of property, plant and equipment	Hedging reserves	Prior years' losses	Net profit / (Loss) for the period	Total Equity
<b>(NOTE 18)</b>											
<b><u>Prior period</u></b>											
<b>Balance at 1 January 2020</b>	110.000	6.628	8.704	3	--	(4.282)	28.149	--	(252.420)	(148.634)	(251.852)
Transfers	--	--	--	--	--	--	--	--	(148.634)	148.634	--
Total comprehensive income	--	--	--	--	--	--	--	(62)	--	(46.730)	(46.792)
<b>Balance at 30 June 2020</b>	<b>110.000</b>	<b>6.628</b>	<b>8.704</b>	<b>3</b>	<b>--</b>	<b>(4.282)</b>	<b>28.149</b>	<b>(62)</b>	<b>(401.054)</b>	<b>(46.730)</b>	<b>(298.644)</b>
<b><u>Current period</u></b>											
<b>Balance at 1 January 2021</b>	110.000	6.628	8.704	3	--	(6.244)	31.121	--	(401.054)	85.296	(165.546)
Capital increase	91.000	--	--	--	184.655	--	--	--	--	--	275.655
Transfers	--	--	--	--	--	--	--	--	85.296	(85.296)	--
Total comprehensive income	--	--	--	--	--	--	--	(18)	--	(2.819)	(2.837)
<b>Balance at 30 June 2021</b>	<b>201.000</b>	<b>6.628</b>	<b>8.704</b>	<b>3</b>	<b>184.655</b>	<b>(6.244)</b>	<b>31.121</b>	<b>(18)</b>	<b>(315.758)</b>	<b>(2.819)</b>	<b>107.272</b>

Accompanying notes are an integral part of these condensed interim financial information.



**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

		Current period	Prior period
		<i>Reviewed</i>	<i>Reviewed</i>
	<i>Notes</i>	1 January – 30 June 2021	1 January – 30 June 2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Loss for the period</b>		(2.819)	(46.730)
<b>Adjustments:</b>			
Adjustments for financial costs and income	23	123.363	96.395
Adjustments for depreciation and amortisation expenses	20	66.482	60.812
Adjustments for (reversal)/provision for employee benefits		(2.659)	3.552
Adjustments for impairment / (reversal) of receivables	7	(1)	(209)
Adjustments for (reversal)/provision for other provisions		5.159	929
Adjustments for the (gains)/losses on sales of property, plant and equipment	22	(59)	1.568
Adjustments for reversal of impairment of property, plant and equipment	12	(316)	(615)
Adjustments for (reversal)/impairment of inventory	8	5.888	7.766
Adjustments for interest income	22	(4.196)	(2.050)
Adjustments for tax expense/(income)		(4.270)	(11.136)
		<b>186.572</b>	<b>110.282</b>
<b>Changes in working capital:</b>			
(Increase)/decrease in trade receivables from third parties		(24.106)	(4.340)
(Increase)/decrease in trade receivables from related parties	4	(2.493)	(16.723)
Increase in inventories	8	(357.479)	108.064
(Increase)/decrease in other assets related to operations		(49.777)	38.880
(Increase)/decrease in trade payables to third parties	7	(6.958)	(105.541)
Decrease in trade payables to related parties	4,7	(3.760)	(3.854)
Decrease in other liabilities related to operations		(242)	(4.205)
Payments related to provisions for employee benefits		(4.752)	(1.338)
Payments related to other provisions		(2.011)	(488)
<b>Cash used in operations</b>		<b>(265.006)</b>	<b>120.737</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	12	(13.082)	(5.484)
Acquisition of intangible assets	13	(7.241)	(7.062)
Proceeds from sale of property, plant and equipment and intangible assets		232	7
Interest received	22	4.196	2.050
<b>Cash used in investment activities</b>		<b>(15.895)</b>	<b>(10.489)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Other financing cost paid		(72.365)	(43.114)
Payments for lease liabilities	6	(59.678)	(45.234)
Proceeds from bank borrowings	6	127.500	280.000
Repayments of bank borrowings	6	(318.206)	(15.106)
Cash inflows from share premium and other capital increase	18	275.655	--
<b>Cash provided from financing activities</b>		<b>(47.094)</b>	<b>176.546</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(327.995)</b>	<b>286.794</b>
The effect of changes in foreign exchange rates on cash and cash equivalents in foreign currency		834	990
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5	<b>392.201</b>	<b>37.267</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>	5	<b>65.040</b>	<b>325.051</b>

Accompanying notes are an integral part of these condensed interim financial information.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 1 – ORGANIZATION AND OPERATIONS OF THE COMPANY**

Teknosa İç ve Dış Ticaret Anonim Şirketi, (“Teknosa” or “the Company”) was established on 3 March 2000 and is engaged in retail sales of consumer electronics through its stores and website “www.teknosa.com” and air conditioners and white goods through its dealers. The Company’s main shareholders is Hacı Ömer Sabancı Holding A.Ş. Number of personnel of the Company is 2.247 as at 30 June 2021 (31 December 2020: 2.337). The Company is registered in Turkey and operates under the laws and regulations of Turkish Commercial Code.

In accordance with the resolution of the Board of Directors dated 6 April 2016, Teknosa merged with Kliksa İç ve Dış Ticaret Anonim Şirketi (“Kliksa”) which was 100% subsidiary of the Company in the previous periods through dissolving without liquidation by transferring all of its assets and liabilities fully as at 1 June 2016.

The Company operates in Turkey in 201 stores with 99.652 square meters retail space as at 30 June 2021 (31 December 2020: 96.879 square meters, 211 stores). The registered office address of the Company is as follows:

Carrefoursa Plaza Cevizli Mahallesi. Tugay Yolu Caddesi No: 67 Blok: B Maltepe - İstanbul.

The Company’s shares have been traded on Borsa Istanbul since 2012.

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.1 Basis of presentation**

*(i) Statement of compliance*

According to the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013, the accompanying condensed interim financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”). TFRS is composed of Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards and its addendum and interpretations issued by POA.

The Company prepared its condensed interim financial statements for the period ended 30 June 2021, in accordance with the TAS 34 “Interim Financial Reporting” in the framework of the Communiqué Serial: II and numbered 14.1 and its related announcements. The condensed interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Company preferred to present its interim financial statements in condensed version. The Company’s condensed interim financial statements do not include all disclosures and notes that should be included at year-end financial statements. Therefore, the condensed interim financial statements should be considered together with the financial statements as of 31 December 2020.

The financial statements of the Company are presented in compliance with “Announcement on Financial Statements and Disclosure Formats” announced by CMB and TAS taxonomy announced by POA.

*Approval of financial statements:*

The accompanying condensed interim financial statements are approved by the Company’s Board of Directors on 9 August 2021. General Assembly and related legal institutions have the right to correct these financial statements and statutory financial statements.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of presentation (Continued)**

*(ii) Basis of measurement*

The financial statements have been prepared on historical cost basis except for revaluation of land, building, investment properties measured at fair value and derivatives. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are prepared by reflecting the necessary corrections and classifications to the legal records prepared on the basis of historical cost, in order to make the right presentation in accordance with TFRS.

*(iii) Presentation and functional currency*

These financial statements are presented in Turkish Lira ("TL"), which is the valid currency of the Company. Unless otherwise stated, all financial information presented in TL has been rounded to the nearest thousand TL.

*(iv) Preparation of financial statements in hyperinflationary periods*

The CMB, with its resolution dated 17 March 2005 and numbered 11/367, declared that companies operating in Turkey which prepares their financial statements in accordance with the TAS, would not be subject to the application of inflation accounting effective from 1 January 2005. Accordingly, TAS 29 "Financial Reporting in Hyperinflationary Economies" was not applied since 1 January 2005.

*(v) Comparative information and reclassifications of the prior periods' financial statements*

The condensed interim financial statements of the Company have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classification of the financial statements is changed, in order to maintain consistency, financial statements of the prior periods are also reclassified in line with the related changes with respective disclosures for the major differences. The Company made reclassifications on prior period financial statements. The nature and extent of those reclassification are presented as below:

•The Company reclassified foreign exchange expense arising from foreign currency deposits amounting TL 272 previously presented under "other expense from operating activities" to "finance expenses" in its statement of profit or loss and other comprehensive income for six month periods ended 30 June 2020.

•The Company reclassified foreign exchange income arising from foreign currency deposits amounting TL 1.262 previously presented under "other income from operating activities" to "finance income" in its statement of profit or loss and other comprehensive income for six month periods ended 30 June 2020.

The related reclassification has no effect on the loss for the six months period ended 30 June 2020.

The reclassifications are considered in the preparation of the condensed interim statement of cash flows for the six months period ended 30 June 2020.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

---

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Changes in accounting policies**

The accounting policies applied in the interim summary financial statements of the company are the same as the accounting policies applied in the financial statements as of the year ending on 31 December 2020.

**2.3 Changes in estimates and error**

If the changes in accounting estimates are related with a period, they are applied in the period they are related with and if the changes are related with the future periods, they are applied both in the period the change is made and prospectively in the future periods.

**2.4 Summary of Significant Accounting Policies**

**Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2021**

*Standards issued but not yet effective and not early adopted*

New standards, comments and amendments that have been published as of the reporting date but have not yet come into effect and are allowed to be implemented early but are not implemented early by the company are as follows.

**COVID-19-Related Rent Concessions beyond 30 June 2021 (TRFS 16 related amendments)**

IASB has extended the practical expedient by 12 months – permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022. The original amendment was issued in May 2020 to make it easier for lessees to account for covid-19-related rent concessions, such as rent holidays and temporary rent reductions, while continuing to provide useful information about their leases to investors. Related changes were published by POA as Amendments to TFRS 16 on April 7, 2021.

The amendment is effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings.

The original version of the practical expedient was, and remains, optional. However, the 2021 amendments are, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendments has to consistently apply the extension to eligible contracts with similar characteristics and in similar circumstances.

This means that lessees will need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendments but becomes eligible as a result of the extension.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.4 Summary of Significant Accounting Policies (Continued)**

**Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2021 (Continued)**

*Standards issued but not yet effective and not early adopted (Continued)*

**Reference to the Conceptual Framework (Amendments to TFRS 3)**

In May 2020, IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations.

The amendments updated IFRS 3 by replacing a reference to an old version of the Board’s Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. And then, TFRS 3 amendment was issued on 27 July 2020 by POA to reflect these amendments.

The Company shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

**Property, Plant and Equipment—Proceeds before Intended Use (Amendments to TAS 16)**

In May 2020, IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment. The amendments 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.

The amendments improve transparency and consistency by clarifying the accounting requirement specifically, the amendments 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. And then, TAS 16 amendment was issued on 27 July 2020 by POA to reflect these amendments.

The Company shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

**Onerous Contracts—Cost of Fulfilling a Contract (Amendments to TAS 37)**

In May 2020, IASB issued Onerous Contracts—Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. And then, TAS 37 amendment was **issued** on 27 July 2020 by POA to reflect these amendments.

IASB developed amendments to TAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Company shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

---

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.4 Summary of Significant Accounting Policies (Continued)**

**Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2021 (Continued)**

*Standards issued but not yet effective and not early adopted (Continued)*

**Classification of Liabilities as Current or Non-current (Amendments to TAS 1)**

On 23 January 2020, IASB issued “Classification of Liabilities as Current or Non-Current” which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments include:

- (a) Specifying that an entity’s right to defer settlement must exist at the end of the reporting period;
- (b) Clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement;
- (c) Clarifying how lending conditions affect classification; and
- (d) Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Company shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. However, IASB decided to defer the effective date of IAS 1 until 1 January 2023 with the amendment published on 15 July 2020, and the amendment was issued by POA on 15 January 2021.

The Company does not expect that application of these amendments to TAS 1 will have significant impact on its financial statements.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

---

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.4 Summary of Significant Accounting Policies (Continued)**

**Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2021 (Continued)**

*Annual Improvements to TFRS Standards 2018–2020*

**Improvements to TFRSs**

For the current standards, "Annual Improvements in TFRSs / 2018-2020 Cycle" published by POA on 27 July 2020 is presented below. The amendments are effective as of 1 January 2022. Earlier application is permitted. The Company does not expect that application of these improvements to TFRSs will have significant impact on its financial statements.

*TFRS 1 First-time Adoption of International Financial Reporting Standards*

This amendment simplifies the application of TFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts TFRS Standards later than its parent and applies TFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to TFRSs. This amendment will ease transition to TFRS Standards for subsidiaries applying this optional exemption by i) reducing undue costs; and ii) avoiding the need to maintain parallel sets of accounting records.

*TFRS 9 Financial Instruments*

This amendment clarifies that – for the purpose of performing the '10 percent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

**Amendments are effective on 1 January 2021**

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2021:

- 1) Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9 Financial Instruments, TAS 39 Financial Instruments: Recognition and Measurement, TFRS 7 Financial Instruments: Disclosures, TFRS 4 Insurance Contracts and TFRS 16 Leases

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

---

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2021 (Continued)**

***The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not yet issued by POA***

The following standards, interpretations of and amendments to existing IFRS standards are issued by the IASB but these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued to TAS by the POA, thus they do not constitute part of TAS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. The Company will make the necessary changes to its financial statements after the new standards and interpretations are issued and become effective under TAS.

**Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)**

IASB has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures on 12 February 2021.

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements.

IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

The amendments are consistent with the refined definition of material previously:

“Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements”.

The amendments are effective from 1 January 2023 but companies can apply it earlier.

The Company does not expect that application of these amendments to Amendments to IAS 1 and IFRS Practice Statement 2 will have significant impact on its financial statements.



**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2021 (Continued)**

*The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not yet issued by POA (Continued)*

**Definition of Accounting Estimates (Amendments to IAS 8)**

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty which is issued by IASB on 12 February 2021.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The Company does not expect that application of these amendments to Amendments to IAS 1 and IFRS Practice Statement 2) will have significant impact on its financial statements.

**Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes**

In May 2021 IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, which amended IAS 12 Income Taxes.

The amendments to IAS 12 Income Taxes clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2021 (Continued)**

*The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not yet issued by POA (Continued)*

**Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes (Continued)**

The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations. These transactions give rise to equal and offsetting temporary differences.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Company does not expect that application of these amendments to Amendments to IAS 12 will have significant impact on its financial statements.

**2.5 Critical judgments and estimates**

Critical judgments in applying the Company’s accounting policies

While preparing the financial statements, the management made judgments, estimates and assumptions affecting the application of the accounting policies of the Company and the amounts of the reported assets, liabilities, income and expenses. Actual amounts may vary from estimated amounts. Estimates and related assumptions are constantly reviewed. Changes made to estimates are recognized prospectively.

The Company management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements.

*Useful lives of property, plant and equipment and intangible assets*

Items of property and equipment and intangible assets except for land and buildings are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation is recognised on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

---

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.5 Critical judgments and estimates (Continued)**

*Estimated impairment of tangible and intangible assets*

The Company assesses at each reporting date to determine whether there is any indication of impairment. If the stores which are operating more than 1 year generates operating profit/ (loss) before income tax lower than the planned performance result, this situation is assessed as an objective evidence for impairment. If any such indication exists, then the asset’s recoverable amount is compared with the carrying amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. If the carrying amount of an asset or any cash generating unit that the asset belongs to is higher than its net realizable value, the value of the asset has impaired. Additionally, the Company recognises allowance for impairment for the tangible assets of the stores for which the Company management has expected to close down. The allowance for impairment is calculated with rates applied on the net carrying amount as at the reporting date. The applied rate is 100% for the leasehold improvements and 50% for the equipment. The Company canceled the net impairment amounting to TL 316 as of 30 June 2021 (30 June 2020: TL 617) (Note 12).

*Impairment on inventories*

In accordance with the accounting policy, inventories are stated at the net realisable value (“NRV”). The Company measures the products with selling prices lower than its cost at lower of cost or NRV. NRV, is the value after deducting the estimated expenditures to be made to bring the stocks at sale at the estimated selling price.

The Company makes aging analysis for its inventories based on certain date ranges from the acquisition date. Impairment is calculated for the old stock over 180 days with different rates applied for each date range based on the aging analysis as at reporting date. The Company recognised allowance on inventories amounting to TL 21.590 as at 30 June 2021 (31 December 2020: TL 15.702) (Note 8).

*Deferred tax assets*

The Company recognises deferred tax asset or liability in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes in accordance with TAS and the amounts used for taxation purposes. The Company has deferred tax assets arising from carried forward tax losses and other temporary differences deductible from its potential future profits. The Company management estimates the amount of deferred tax assets which is fully and partially recoverable based on the current circumstances and available information. During the assessment, projections of future taxable income, current year and carried forward losses, potential expiration dates for utilisation of tax losses and other tax assets, and tax planning strategies are considered.

*Accounting of gift checks*

The Company recognises income from the gift checks by estimating the portion which will not be used by the customers based on the historic data. As at 30 June 2021, the amount offset from the deferred revenue from the gift checks recognised in the financial statement is amounting to TL 9.984 (31 December 2020: TL 10.668) (Note 9).

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

---

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.5 Critical judgments and estimates (Continued)**

Critical judgments in applying the Company’s accounting policies (Continued)

*Compliance with the financial requirements*

The Company recognised net loss amounting to TL 2.819 as at 30 June 2021. As at 30 June 2021, accumulated losses are amounting to 315.758 TL (31 December 2020: TL 401.054). As of 30 June 2021, the equity of the Company is TL 107.272 (31 December 2020: TL 165.546 negative).

The Company announced to the public that it was decided to increase its issued capital with a nominal value of TL 110.000.000 (full amount) to TL 201.000.000 (full amount), with a total increase of 91.000.000 TL, to be fully paid in cash, in a special case statement made on the Public Disclosure Platform on 22 February 2021. The relevant transactions with respect to capital increase has been completed 18 June 2021.

The entire net cash inflow of TL 275.654.823,83 obtained from the capital increase will be used in the payment of financial debts in order to strengthen the capital structure of the Company, to reduce the effect of financing expenses on profitability by reducing the level of indebtedness, and to achieve a healthier financial structure.

In 2020, the company management prioritized a more data-based and result-oriented way of doing business, increasing gross profitability and organizational efficiency, taking into account the forward-looking profitability criteria. Management and availability of the best selling products in the market, increasing the performance of complementary products and accessories sales, restructuring the promotion processes, analyzing the problems in low-performance stores and solutions to these problems, sales force efficiency and tracking and reporting for spending all cost items in the right channels and in the right amount mechanisms have been established and a comprehensive transformation program is implemented.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 3 – SEGMENT REPORTING**

The Company applies TFRS 8 starting from 1 January 2009 and determined the reportable segments based on the management reports which are regularly reviewed by the decision maker.

In order to take the decisions about the allocation of resources to the operating segments and evaluate the performance of these segments, the decision maker reviews the results and the operations by product categories and geographical sector. The Company’s product categories are as follows: Electronics retail sales and sales of air conditions and white goods through dealers. These sales are also reviewed as stores and dealers (İklimsa). In addition, assets and liabilities are not included in the segment reporting, since they are not regularly presented to the decision maker and are not reviewed in as a part of segment reporting.

Details of the segment reporting according to the internal management reports are as follows:

	<b>1 January-30 June 2021</b>		
	<b>Stores and e-commerce</b>	<b>Dealer Group</b>	<b>Total</b>
Total segment income	2.780.263	202.989	2.983.252
<b>Income from third party customers</b>	<b>2.780.263</b>	<b>202.989</b>	<b>2.983.252</b>
<b>Adjusted EBITDA</b>	<b>222.608</b>	<b>21.448</b>	<b>244.056</b>
	<b>1 January-30 June 2020</b>		
	<b>Stores and e-commerce</b>	<b>Dealer Group</b>	<b>Total</b>
Total segment income	1.876.899	126.619	2.003.518
<b>Income from third party customers</b>	<b>1.876.899</b>	<b>126.619</b>	<b>2.003.518</b>
<b>Adjusted EBITDA</b>	<b>93.348</b>	<b>11.036</b>	<b>104.384</b>
	<b>1 April-30 June 2021</b>		
	<b>Stores and e-commerce</b>	<b>Dealer Group</b>	<b>Total</b>
Total segment income	1.394.271	127.719	1.521.990
<b>Income from third party customers</b>	<b>1.394.271</b>	<b>127.719</b>	<b>1.521.990</b>
<b>Adjusted EBITDA</b>	<b>99.148</b>	<b>13.868</b>	<b>113.016</b>
	<b>1 April-30 June 2020</b>		
	<b>Stores and e-commerce</b>	<b>Dealer Group</b>	<b>Total</b>
Total segment income	877.257	77.860	955.117
<b>Income from third party customers</b>	<b>877.257</b>	<b>77.860</b>	<b>955.117</b>
<b>Adjusted EBITDA</b>	<b>33.703</b>	<b>9.398</b>	<b>43.101</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 3 – SEGMENT REPORTING (Continued)**

	<b>1 January – 30 June 2021</b>	<b>1 April – 30 June 2021</b>	<b>1 January – 30 June 2020</b>	<b>1 April – 30 June 2020</b>
Reconciliation of Adjusted EBITDA with profit before taxes:	<b>244.056</b>	<b>113.016</b>	<b>104.384</b>	<b>43.101</b>
Depreciation and amortisation expenses	(66.482)	(33.924)	(60.812)	(30.825)
Finance income/(costs), net	(123.363)	(64.353)	(96.395)	(46.803)
Income / (expense) from investing activities	4.255	928	482	837
Impairment profit / (loss) and reversals of impairment losses in accordance with TFRS 9	(1)	(1)	(209)	1
Other income / (expenses), net	(63.182)	(25.287)	(3.122)	15.214
Provision for employee termination benefits	(2.372)	(996)	(2.194)	(1.012)
<b>Loss before tax</b>	<b>(7.089)</b>	<b>(10.617)</b>	<b>(57.866)</b>	<b>(19.487)</b>

**NOTE 4 – RELATED PARTY DISCLOSURES**

The related parties listed below are the companies directly or indirectly controlled by Hacı Ömer Sabancı Holding A.Ş., the parent company of Teknosa or the companies over which Hacı Ömer Sabancı Holding A.Ş. has significant influence.

	<b>30 June 2021</b>	
	<b>Receivables</b>	<b>Payables</b>
	<b>Current</b>	<b>Current</b>
<b>Balances with related parties</b>	<b>Trading</b>	<b>Trading</b>
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (*)	14.977	1.929
Aksigorta A.Ş.	1.766	--
Akbank T.A.Ş.	361	--
Akçansa Çimento San. ve Tic. A.Ş.	117	--
Brisa Bridgestone Sabancı Lastik San.Ve Tic. A.Ş.	79	--
Çimsa Çimento San.ve Tic.A.Ş.	27	--
Hacı Ömer Sabancı Holding A.Ş.	24	7
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	12	857
Temsa Global Sanayi ve Ticaret A.Ş.	11	--
Kordsa Global Endüstriyel İplik ve Kord Bezi San. ve Tic. A.Ş.	2	--
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	20
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	--	5
	<b>17.376</b>	<b>2.818</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 4 – RELATED PARTY DISCLOSURES (Continued)**

	<b>31 December 2020</b>	
	<b>Receivables</b>	<b>Payables</b>
	<b>Current</b>	<b>Current</b>
<b>Balances with related parties</b>	<b>Trading</b>	<b>Trading</b>
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (*)	14.242	--
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	225	--
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	120	6.155
Akbank T.A.Ş.	92	--
Çimsa Çimento San.ve Tic.A.Ş.	75	--
Hacı Ömer Sabancı Holding A.Ş.	70	53
Ak Finansal Kiralama A.Ş.	26	--
Akçansa Çimento San. ve Tic. A.Ş.	15	--
Kordsa Global Endüstriyel İplik ve Kord Bezi San. ve Tic. A.Ş.	10	--
Aksigorta A.Ş.	8	1
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	--	347
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	22
	<b>14.883</b>	<b>6.578</b>

(\*) It consists of receivables related to corner stores opened in Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. stores during the Covid-19 period.

	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
<u>Deposit accounts in Akbank T.A.Ş.</u>		
Demand deposit	3.413	8.852
Time deposit	--	346.181
	<b>3.413</b>	<b>355.033</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
<u>Credit card slip receivables in Akbank T.A.Ş.</u>		
Credit card slip receivables	3.817	5.043
	<b>3.817</b>	<b>5.043</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 4 – RELATED PARTY DISCLOSURES (Continued)**

	<b>1 January – 30 June 2021</b>		
	<b>Sale of goods</b>	<b>Rent expense</b>	<b>Other income / (expenses)</b>
<b>Transactions with related parties</b>			
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	18.385	(1.654)	(488)
Akbank T.A.Ş.	2.691	--	--
Aksigorta A.Ş.	1.474	--	(3.014)
H.Ö. Sabancı Holding A.Ş.	230	--	(10)
Akçansa Çimento San. ve Tic. A.Ş.	222	--	--
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	196	--	--
Çimsa Çimento San.ve Tic.A.Ş.	130	--	--
Kordsa Global End. İplik ve Kordbezi San. A.Ş.	38	--	--
Avivasa Emeklilik ve Hayat A.Ş.	20	--	--
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	19	--	(1.949)
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	11	--	(1.562)
Temsa İş Makinaları İmalat Pazarlama ve Satış A.Ş.	10	--	--
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	--	(44)
	<b>23.426</b>	<b>(1.654)</b>	<b>(7.067)</b>

	<b>1 January – 30 June 2020</b>		
	<b>Sale of goods</b>	<b>Rent expense</b>	<b>Other income / (expenses)</b>
<b>Transactions with related parties</b>			
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	16.842	(889)	(529)
Akbank T.A.Ş.	1.562	--	--
Kordsa Global End. İplik ve Kordbezi San. A.Ş.	156	--	--
Akçansa Çimento San. ve Tic. A.Ş.	130	--	--
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	95	--	(2.300)
Aksigorta A.Ş.	64	--	(2.493)
Avivasa Emeklilik ve Hayat A.Ş.	56	--	--
Ak Finansal Kiralama A.Ş.	45	--	--
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	42	--	--
Çimsa Çimento San.ve Tic.A.Ş.	19	--	--
H.Ö. Sabancı Holding A.Ş.	11	--	(6)
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	9	--	(1.926)
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	--	(9)
	<b>19.031</b>	<b>(889)</b>	<b>(7.263)</b>



**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 4 – RELATED PARTY DISCLOSURES (Continued)**

The details of short and long term rent liabilities to related parties as at 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Short portion of long-term lease liabilities to related parties	1.535	1.392
Long-term lease liabilities to related parties	1.540	2.347
	<b>3.075</b>	<b>3.739</b>

The Company’s key management has been identified as the general managers and assistant general managers. Remuneration to key management personnel consists of wages, premiums, pensions, health insurance and life insurance payments. Remunerations of key management personnel for the periods ended 30 June 2021 and 2020 are as follows:

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>
Salaries and other benefits	5.707	2.538
	<b>5.707</b>	<b>2.538</b>

**NOTE 5 – CASH AND CASH EQUIVALENTS**

The details of cash and cash equivalents as at 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Cash	2.952	2.942
Demand deposit	43.275	15.491
Time deposit	--	346.181
Credit card slip receivables	18.813	27.587
	<b>65.040</b>	<b>392.201</b>

The Company does not have any blocked deposits as at 30 June 2021 and 31 December 2020. The Company does not have any time deposits as at 30 June 2021 (31 December 2020: 346.181 TL).

As at 31 December 2020 the details of time deposits, maturity dates and interest rates of the company are as follows:

<b>Currency</b>	<b>Maturity</b>	<b>Interest Rate</b>	<b>31 December 2020</b>
TL	4 January 2021	%19	346.000
		Accrual of interest	181
			<b>346.181</b>

The Company’s exposure to foreign currency risk for cash and cash equivalents are disclosed in Note 26.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 6 – FINANCIAL LIABILITIES**

The details of loans and borrowings as at 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>			
	<b>Currency</b>	<b>Interest Rate</b>	<b>Amount</b>	<b>Maturity</b>
Bank loans	TL	17%	205.698	2021
<b>Short term financial liabilities</b>			<b>205.698</b>	

	<b>31 December 2020</b>			
	<b>Currency</b>	<b>Interest Rate</b>	<b>Amount</b>	<b>Maturity</b>
Bank loans	TL	11%	370.058	2021
<b>Short term financial liabilities</b>			<b>370.058</b>	

The reconciliation of the Company's liabilities arising from bank loans for the accounting periods ending on 30 June 2021 and 2020 is as follows:

	<b>2021</b>	<b>2020</b>
Bank borrowings as of January 1	370.058	105.521
Credit principal entries during the period	127.500	280.000
Interest and principal repayments during the period	(318.206)	(15.106)
Interest expense during the period (including accruals)	26.346	21.916
Bank borrowings as of June 30	<b>205.698</b>	<b>392.331</b>

The details of lease liabilities as at 30 June 2021 and 31 December 2020 are as follows:

Lease Liabilities	Present value of minimum lease payments	
	<b>30 June 2021</b>	<b>31 December 2020</b>
Within one year	121.865	121.049
Less: future finance charges	(11.262)	(22.643)
Present value of lease liabilities	<b>110.603</b>	<b>98.406</b>
Within two years and after	152.181	206.778
Less: future finance charges	(14.224)	(38.778)
Present value of lease liabilities	<b>137.957</b>	<b>168.000</b>

The Company's lease liabilities represent the present value of the future payables of the buildings and machinery and equipment that are rented by the third parties through their useful lives.

The reconciliation of the Company's liabilities arising from leasing activities for the accounting periods ending on 30 June 2021 and 2020 is as follows:

	<b>2021</b>	<b>2020</b>
Lease liabilities as of 1 January	266.406	357.637
Increase/(decrease) in lease liabilities during the period	16.346	(52.575)
Lease payments during the period	(59.678)	(45.234)
Interest expense during the period	25.486	32.355
Lease liabilities as of 30 June	<b>248.560</b>	<b>292.183</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 7 – TRADE RECEIVABLES AND PAYABLES**

The details of trade receivables and payables as at 30 June 2021 and 31 December 2020 are as follows:

*Short term trade receivables:*

	<b>30 June 2021</b>	<b>31 December 2020</b>
Trade receivables	72.520	58.283
Notes receivables	47.264	37.393
Due from related parties (Note 4)	17.376	14.883
Allowance for doubtful receivables (-)	(7.263)	(7.262)
	<b>129.897</b>	<b>103.297</b>

The average maturity of the Company's trade receivables is 1-7 days for retail receivables and 70 days for dealer groups (31 December 2020: For retail: 1-7 days, 57 days for dealer receivables). As of 30 June 2021, the Company does not apply overdue interest on trade receivables (31 December 2020: None).

The movement of the allowance for doubtful receivables for the period ended 30 June 2021 and 2020 is as follows:

	<b>2021</b>	<b>2020</b>
As at 1 January	7.262	6.989
Charge for the period	(4)	(46)
Reversal	5	255
As at 30 June	<b>7.263</b>	<b>7.198</b>

As at 30 June 2021 and 31 December 2020, the Company holds the collaterals listed below for the checks, notes and trade receivables:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Letters of guarantees received	84.357	67.215
Mortgages	9.572	9.572
	<b>93.929</b>	<b>76.787</b>

Fair value of the collaterals which the Company is permitted to sell or re-pledge without the default by the owner of the collateral is TL 93.929 (31 December 2020: TL 76.787). As at the reporting date, there are not any collaterals or mortgages which are sold or re-pledged by the Company.

*Short term trade payables:*

	<b>30 June 2021</b>	<b>31 December 2020</b>
Trade payables	1.327.611	1.373.981
Expense accruals	45.217	5.805
Due to related parties (Note 4)	2.818	6.578
	<b>1.375.646</b>	<b>1.386.364</b>

As at 30 June 2021, the Company offset income accruals from its suppliers amounting to TL 78.623 with trade payables (31 December 2020: TL 54.009). Average payment terms of trade payables is 93 days (31 December 2020: 90 days). The Company does not have payments on a monthly basis for late interest as of 30 June 2021 (31 December 2020: None.)

The Company's exposure to foreign currency risk for short-term trade receivables and payables are disclosed in Note 26.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 8 – INVENTORIES**

The details of the inventories as at 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Trading goods	1.348.719	1.037.103
Goods in transit	80.990	35.127
Allowance for impairment on inventories (-)	(21.590)	(15.702)
	<b>1.408.119</b>	<b>1.056.528</b>

The movements of allowance on inventories for the periods ended at 30 June 2021 and 2020 are as below

<i>Allowance for impairment on inventories:</i>	<b>2021</b>	<b>2020</b>
As at 1 January	(15.702)	(15.022)
Change for the period/used in the period, net	(5.888)	(7.766)
As at 30 June	<b>(21.590)</b>	<b>(22.788)</b>

**NOTE 9 – PREPAID EXPENSES AND DEFERRED REVENUE**

The details of prepaid expenses as at 30 June 2021 and 31 December 2020 are as follows:

<i>Short-term prepaid expenses</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Advances given for inventories	7.273	3.434
Short term prepaid expenses	7.227	5.034
	<b>14.500</b>	<b>8.468</b>
<i>Long-term prepaid expenses</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Long term prepaid expenses	87	49
	<b>87</b>	<b>49</b>

The details of the deferred revenue as at 30 June 2021 and 31 December 2020 are as follows:

<i>Short-term deferred revenue</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Income from gift cards	9.984	10.668
Advances received	9.539	12.338
Other	278	707
	<b>19.801</b>	<b>23.713</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

---

**NOTE 10 – INVESTMENT PROPERTY**

The net book value of the investment properties of the company is TL 29.610 as of 30 June 2021(31 December 2020: TL 29.610).

The Company generates rental income by 831 TL (2020: TL 697) from its investment property, which is leased by an operating lease agreement. Direct operating costs arising from the investment property is amounting to TL 258 (2020: TL 300). Operating expenses which are not related to the Teknosa store are distributed to lessees.

Buildings which are recognised as property, plant and equipment and investment property were revalued by an independent appraisal firm named Avrupa Gayrimenkul Değerleme ve Danışmanlık A.Ş. on 15 February 2021.

The appraisal firm is an accredited independent firm licensed by CMB, and have appropriate qualifications and recent experience in appraising properties in the relevant locations. For the fair value of the lands and buildings owned, it was calculated by using the "Benchmark Analysis Method", "Cost Analysis Method" and "Direct Capitalization Analysis Method", and the results obtained were harmonized and the final value was reached.

Fair value of the related building is level 2.

30 June 2021 and 31 December 2020 there is no mortgage on investment properties.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 11 – RIGHT OF USE ASSET**

The movement of the right of use assets for the period ended 30 June 2021 is as follows:

<b>Cost value</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Total</b>
1 January 2021 opening balance	384.475	12.888	397.363
Additions (*)	34.377	--	34.377
Disposals (*)	(3.958)	--	(3.958)
30 June 2021 closing balance	<b>414.894</b>	<b>12.888</b>	<b>427.782</b>
<b><u>Accumulated depreciation</u></b>			
1 January 2021 opening balance	(175.143)	(2.510)	(177.653)
Charge for the period	(46.224)	(1.598)	(47.822)
Disposals	39	--	39
30 June 2021 closing balance	<b>(221.328)</b>	<b>(4.108)</b>	<b>(225.436)</b>
<b>Net carrying amount as of 1 January 2021</b>	<b>209.332</b>	<b>10.378</b>	<b>219.710</b>
<b>Net carrying amount as of 30 June 2021</b>	<b>193.566</b>	<b>8.780</b>	<b>202.346</b>

The movement of the right of use assets for the period ended 30 June 2020 is as follows:

<b>Cost value</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Total</b>
1 January 2020 opening balance	418.999	3.376	422.375
Additions	9	34	43
Disposals (*)	(32.583)	--	(32.583)
30 June 2020 closing balance	<b>386.425</b>	<b>3.410</b>	<b>389.835</b>
<b><u>Accumulated depreciation</u></b>			
1 January 2020 opening balance	(99.893)	(584)	(100.477)
Charge for the period	(43.258)	(925)	(44.183)
Disposals (*)	3.692	--	3.692
30 June 2020 closing balance	<b>(139.459)</b>	<b>(1.509)</b>	<b>(140.968)</b>
<b>Net carrying amount as of 1 January 2020</b>	<b>319.106</b>	<b>2.792</b>	<b>321.898</b>
<b>Net carrying amount as of 30 June 2020</b>	<b>246.966</b>	<b>1.901</b>	<b>248.867</b>

(\*) It includes the adjustment made in the right-of-use assets related to the lease contract due to exceptions taken and the lease discounts received by the Company in 2021 through lease contracts which is accounted in accordance with TFRS 16. The depreciation expense for the six months period ending on 30 June 2021 is 47.822 TL. As of 30 June 2021, thereof TL 47.240 of depreciation charges included in marketing expenses (30 June 2020: TL 43.598) and TL 582 included in general administrative expenses (30 June 2020: TL 586).

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 12 - PROPERTY, PLANT AND EQUIPMENTS**

The movement of tangible assets and related accumulated depreciation for the period ended 30 June 2021 are as follows:

	<b>Building</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Cost</b>							
Balance at 1 January 2021	<b>24.324</b>	<b>369</b>	<b>57</b>	<b>89.367</b>	<b>104.743</b>	<b>2.458</b>	<b>221.318</b>
Additions	--	--	--	3.716	2.667	6.699	13.082
Disposals	--	--	--	(136)	(99)	--	(235)
Allowance for impairment	--	--	--	(28)	--	--	(28)
Reversal of impairments	--	--	--	286	55	--	341
Transfers	--	--	--	427	1.245	(2.700)	(1.028)
Balance at 30 June 2021	<b>24.324</b>	<b>369</b>	<b>57</b>	<b>93.632</b>	<b>108.611</b>	<b>6.457</b>	<b>233.450</b>
<b>Accumulated depreciation and impairment losses</b>							
Balance at 1 January 2021	(5.324)	(369)	(57)	(69.545)	(85.561)	--	(160.856)
Charge for the period	(306)	--	--	(4.006)	(3.973)	--	(8.285)
Disposals	--	--	--	130	80	--	210
(Allowance for) / reversal of impairment, net (*)	--	--	--	(85)	88	--	3
Balance at 30 June 2021	<b>(5.630)</b>	<b>(369)</b>	<b>(57)</b>	<b>(73.506)</b>	<b>(89.366)</b>	<b>--</b>	<b>(168.928)</b>
Net carrying amount at 31 December 2020	<b>19.000</b>	<b>--</b>	<b>--</b>	<b>19.822</b>	<b>19.182</b>	<b>2.458</b>	<b>60.462</b>
Net carrying amount at 30 June 2021	<b>18.694</b>	<b>--</b>	<b>--</b>	<b>20.126</b>	<b>19.245</b>	<b>6.457</b>	<b>64.522</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 12 - PROPERTY, PLANT AND EQUIPMENTS (Continued)**

The movement of tangible assets and related accumulated depreciation for the period ended 30 June 2020 are as follows:

	Land	Building	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
<b>Balance at 1 January 2020</b>	<b>15.384</b>	<b>5.435</b>	<b>369</b>	<b>57</b>	<b>81.249</b>	<b>105.740</b>	<b>1.546</b>	<b>209.780</b>
Additions	--	--	--	--	2.154	761	2.569	5.484
Disposals	--	--	--	--	(191)	(5.133)	--	(5.324)
Allowance for impairment	--	--	--	--	(1.151)	(3.089)	--	(4.240)
Reversal of impairment	--	--	--	--	176	3.500	--	3.676
Transfers from construction in progress	--	--	--	--	445	210	(1.528)	(873)
<b>Balance at 30 June 2020</b>	<b>15.384</b>	<b>5.435</b>	<b>369</b>	<b>57</b>	<b>82.682</b>	<b>101.989</b>	<b>2.587</b>	<b>208.503</b>
<b>Accumulated depreciation and impairment losses</b>								
<b>Balance at 1 January 2020</b>	--	(3.956)	(369)	(57)	(64.195)	(81.466)	--	(150.043)
Charge for the period	--	(35)	--	--	(3.646)	(4.522)	--	(8.203)
Disposals	--	--	--	--	142	3.607	--	3.749
(Allowance for) / reversal of impairment, net (*)	--	--	--	--	990	191	--	1.181
<b>Balance at 30 June 2020</b>	<b>--</b>	<b>(3.991)</b>	<b>(369)</b>	<b>(57)</b>	<b>(66.709)</b>	<b>(82.190)</b>	<b>--</b>	<b>(153.316)</b>
<b>Net carrying amount at 31 December 2019</b>	<b>--</b>	<b>1.479</b>	<b>--</b>	<b>--</b>	<b>17.054</b>	<b>24.274</b>	<b>1.546</b>	<b>59.737</b>
<b>Net carrying amount at 30 June 2020</b>	<b>15.384</b>	<b>1.444</b>	<b>--</b>	<b>--</b>	<b>15.973</b>	<b>19.799</b>	<b>2.587</b>	<b>55.187</b>

(\*) As of 30 June 2021, the impairment loss and impairment reversed during the period calculated for property, plant and equipment is net TL 316 (30 June 2020: TL 617).

For the period ended 30 June 2021, thereof TL 7.642 of depreciation charges included in marketing expenses (30 June 2020: TL 3.790) and TL 643 included in general administrative expenses (30 June 2020: TL 4.413).



**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 13 – INTANGIBLE ASSETS**

<b>Cost</b>	<b>Licences-rights and computer softwares</b>	<b>Total</b>
<b>Balance at 1 January 2021</b>	142.982	142.982
Additions	7.241	7.241
Transfers (*)	1.028	1.028
Disposals	(185)	(185)
<b>Balance at 30 June 2021</b>	<b>151.066</b>	<b>151.066</b>
<b><u>Accumulated amortisation and impairment losses</u></b>		
Balance at 1 January 2021	(103.340)	(103.340)
Charge for the period	(10.375)	(10.375)
Disposals	37	37
<b>Balance at 30 June 2021</b>	<b>(113.678)</b>	<b>(113.678)</b>
<b>Net book value as at 31 December 2020</b>	<b>39.642</b>	<b>39.642</b>
<b>Net book value as at 30 June 2021</b>	<b>37.388</b>	<b>37.388</b>

<b>Cost</b>	<b>Licences-rights and computer softwares</b>	<b>Total</b>
<b>Opening balance at 1 January 2020</b>	121.115	121.115
Additions	7.062	7.062
Disposals	(54)	(54)
Impairment	19	19
Transfers (*)	873	873
<b>Closing balance at 30 June 2020</b>	<b>129.015</b>	<b>129.015</b>
<b><u>Accumulated amortisation and impairment losses</u></b>		
<b>Opening balance at 1 January 2020</b>	<b>(85.302)</b>	<b>(85.302)</b>
Charge for the year	(8.425)	(8.425)
Impairment	(21)	(21)
Disposals	54	54
<b>Closing balance at 30 June 2020</b>	<b>(93.694)</b>	<b>(93.694)</b>
<b>Net book value as at 31 December 2019</b>	<b>35.813</b>	<b>35.813</b>
<b>Net book value as at 30 June 2020</b>	<b>35.321</b>	<b>35.321</b>

(\*) As at 30 June 2021 and 2020, the Company conducted an analysis for the classification of tangible and intangible assets and considered the changes as transfers between accounts.

For the period ended 30 June 2021, thereof TL 3.634 of amortisation charges included in marketing expenses (30 June 2020: TL 4.234) and TL 6.741 included in general administrative expenses (30 June 2020: TL 4.191).

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 14– PAYABLES RELATED TO EMPLOYEE BENEFITS**

The details of payables related to employee benefits as at 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Accrued salaries	9.174	7.780
Social security premiums payable	8.421	4.212
Income taxes payable	1.874	2.066
	<b>19.469</b>	<b>14.058</b>

The details of the provisions for employee benefits as at 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
<i>Short-term provisions</i>		
Provision for unused vacation	6.312	4.776
Provision for sales personnel premiums	2.293	5.040
Provision for head office personnel premium	1.253	9.150
	<b>9.858</b>	<b>18.966</b>

	<b>30 June 2021</b>	<b>31 December 2020</b>
<i>Long-term provisions</i>		
Provision for employee termination benefit	14.401	13.031
Provision for head office personnel premium	1.513	1.186
	<b>15.914</b>	<b>14.217</b>

**Provisions for employment benefits**

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age after 25 years of service (58 for women and 60 for men).

Retirement pay liability is not subject to any kind of funding legally. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 14– PAYABLES RELATED TO EMPLOYEE BENEFITS AND PROVISINS FOR EMPLOYEE BENEFITS (Continued)**

**Long-term provisions (continued)**

**Provisions for employment benefits (continued)**

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Due to the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 June 2021, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 4,18% real discount rate (31 December 2020: 4,18%) calculated by using 9% annual inflation rate and 14% interest rate. Estimated rates of voluntary leaves for sales personnel and administrative personnel for 0-15 years are taken into consideration as 13,41 % and 9,86%, respectively (31 December 2020: 15,15% and 10,2%), and 0% for employees working for 16 years and over. Ceiling for retirement pay is revised semi-annually. Probability has been determined as 100% for employees whose insurance register began before December 1999 (118 personnel) and the provision has been calculated accordingly.

**NOTE 15 – PROVISIONS**

The details of the other current provisions as at 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Provisions for ongoing litigation (*)	8.389	7.113
Provision for cancellation of rent agreements (**)	--	739
Other	4.714	2.103
	<b>13.103</b>	<b>9.955</b>

(\*) Provision for ongoing litigation is comprised of lawsuits filed by consumers and former employees against the Company

(\*\*) Provision for cancellation of rent agreements is comprised of penalties to be paid to landlords related to store closures before the termination date of the rent agreements.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 16 – COMMITMENTS**

***Collateral, pledge, mortgage position***

Collaterals, pledges and mortgages (“CPM”) given by the Company as at 30 June 2021 and 31 December 2020 are as follows:

**CPMs given by the Company**

	<b>30 June 2021</b>			
	<b>TL equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>TL</b>
A. Total amount of CPM given on behalf of own legal personality	<b>721.620</b>	<b>8.531</b>	<b>6.465</b>	<b>580.350</b>
- Collaterals	619.232	1.399	3.500	570.778
- Letter of credit	92.816	7.132	2.965	--
- Pledges	--	--	--	--
- Mortgages	9.572	--	--	9.572
B. Total amount of CPM given in behalf of fully consolidated companies	--	--	--	--
C. Total amount of CPM given for continuation of its economic activities on behalf of third parties	--	--	--	--
D. Total amount of other CPM	--	--	--	--
<b>Total CPM</b>	<b>721.620</b>	<b>8.531</b>	<b>6.465</b>	<b>580.350</b>

**CPMs given by the Company**

	<b>31 December 2020</b>			
	<b>TL equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>TL</b>
A. Total amount of CPM given on behalf of own legal personality	<b>541.946</b>	<b>4.174</b>	<b>6.200</b>	<b>455.455</b>
- Collaterals	489.696	1.623	3.541	445.883
- Letter of credit	42.678	2.551	2.659	--
- Pledges	--	--	--	--
- Mortgages	9.572	--	--	9.572
B. Total amount of CPM given in behalf of fully consolidated companies	--	--	--	--
C. Total amount of CPM given for continuation of its economic activities on behalf of third parties	--	--	--	--
D. Total amount of other CPM	--	--	--	--
<b>Total CPM</b>	<b>541.946</b>	<b>4.174</b>	<b>6.200</b>	<b>455.455</b>

The ratio of the CPM given on behalf of third parties except for the CPM given on behalf of the Company’s own legal personality to total equity is 0% as at 30 June 2021 (31 December 2020: 0%).

As at 30 June 2021 and 31 December 2020, the Company is mainly contingently liable in respect of bank letter of guarantees obtained from banks given to lessors in accordance with the lease agreements, enforcement office related to ongoing lawsuits and custom related to import transactions.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 17 – OTHER CURRENT ASSETS AND LIABILITIES**

The details of the other current and non-current assets as at 30 June 2021 and 31 December 2020 are as follows:

<i>Other current assets</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Advances given	11.010	3.210
Personnel advances	196	114
Deferred VAT	4.915	--
Other current assets	2.153	1.623
	<b>18.274</b>	<b>4.947</b>

The details of the other current liabilities as at 30 June 2021 and 31 December 2020 are as follows:

<i>Other current liabilities</i>	<b>30 June 2021</b>	<b>31 December 2020</b>
Value added tax (“VAT”) payable	--	13.023
Other expense accruals (*)	342	5.646
Other liabilities and obligations	584	877
	<b>926</b>	<b>19.546</b>

(\*) Other expense accruals comprised of irrecoverable gift checks which were given and used Teknosacell Subscription who withdraw subscription subsequently and other various expense accruals.

**NOTE 18 – SHAREHOLDERS’ EQUITY**

The details of the shareholder’s equity structure as at 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>Share</b>	<b>%</b>	<b>Share</b>	<b>%</b>
Hacı Ömer Sabancı Holding A.Ş.	100.500	50%	55.000	50%
Other	100.500	50%	55.000	50%
Nominal share capital	<b>201.000</b>	<b>100</b>	<b>110.000</b>	<b>100</b>
Adjustment for capital	6.628		6.628	
Adjusted capital	<b>207.628</b>		<b>116.628</b>	

The registered capital ceiling of the Company is TL 300.000.000 (full amount) and it consists of 30.000.000.000 shares with a nominal value of 1 Kr each.

The Company’s approved and the issued share capital consists of 20.100.000.000 shares of 1 Kr nominal value (31 December 2020: approved and the issued 11.000.000.000 shares of 1 Kr nominal value).

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 18 – SHAREHOLDERS' EQUITY (Continued)**

With the decision of the board of directors dated 22 February 2021, it has been decided to increase the issued capital of the Company with a nominal value of TL 110.000.000 (full amount) to TL 201.000.000 (full amount) by an increase of TL 91.000.000 (full amount) in total, to be fully paid in cash. In this context, as a result of the exercise of the right to buy new shares between 28 April 2021 and 17 May 2021, the sale of shares with a nominal value of 90.515.180,769 was completed and a total gross income of TL 271.545.637,51 (full amount) was obtained. As a result of the sale of all shares with a nominal value of TL 484.819,231 that were not subject to the exercise of the right to purchase new shares, on the Borsa Istanbul Primary Market on 20 May 2021, a total gross income of TL 4.109.186,32 was obtained. As a result of these transactions, the value of the issued capital of TL 110.000.000 (full amount) was increased by TL 91.000.000 (full amount), paid in full and in cash, and increased to TL 201.000.000 (full amount), and a cash inflow of TL 275.654.823,83 (full amount) was obtained from the capital increase. The 10th article regarding the capital of the Articles of Association, which indicates that the Company's issued capital is TL 201.000.000 (full amount), has been registered and announced in the Turkish Trade Registry Gazette dated 21 June 2021 and numbered 10353.

**Restricted reserves**

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company (Company)'s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Legal reserves as mentioned above shall be classified as "Restricted Reserves Appropriated from Profit" according to Capital Markets Board financial reporting standards. The details of legal reserves are stated below as of 30 June 2021 and 31 December 2020.

	<b>30 June 2021</b>	<b>31 December 2020</b>
Legal reserves	8.704	8.704
	<b>8.704</b>	<b>8.704</b>

**Profit Distribution**

Public companies distribute profit in accordance with Profit Share Communiqué no II-19.1 issued by CMB effective from 1 February 2014.

Companies distribute their profit due to profit distribution policies set by the general assembly in accordance with the related legislation verdicts with a general assembly minute. Within the extent of the communiqué mentioned above a minimal distribution rate is not designated. Companies distribute their profits in accordance with their main agreements of profit distribution policies.

**Share premiums**

It is the item where the amounts that arise due to capital movements such as share issue premiums, canceled partnership shares, share sales profits of companies whose controlling power continues and which are considered a part of the capital are followed. As of June 30 June 2021, shares premiums in the financial statements of the Company are TL 184.655 (31 December 2020: None.)

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 18 – SHAREHOLDERS' EQUITY (Continued)**

**Other comprehensive income that will not be reclassified to profit or loss**

*Gains on revaluation of property, plant and equipment*

It consists of other comprehensive income of gains on revaluation of property, plant and equipment reserves that is not associated with profit and loss.

The movements of revaluation of property, plant and equipment for the year ended 30 June 2021 and 2020 are as follows:

	2021	2020
Opening balance	31.121	28.149
Fair value increase	--	--
<b>Closing Balance</b>	<b>31.121</b>	<b>28.149</b>

*Gain / (losses) on remeasurement of defined benefit plans*

As of 30 June 2021, actuarial loss amounting to TL 6.244 (31 December 2020: TL 6.244) is recognized as other comprehensive income.

**Other comprehensive income that be reclassified to profit or loss**

*Gains (losses) on cash flow hedges losses and profits*

Hedging gains/losses consist of the effective portion of the accumulated net change in the fair value of the cash flow hedging instrument related to the hedged transaction that has not yet materialized. As of 30 June 2021, the Company's hedging gains/losses are TL 18 (31 December 2020: None).

**NOTE 19 - REVENUE**

The details of revenue and cost of revenue for six month periods ended 30 June 2021 and 2020 are as follows.

<i>Revenue (net)</i>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Retail sales	2.282.442	1.098.835	1.318.279	431.216
E-commerce sales	497.821	295.436	558.620	446.041
Dealer sales	202.989	127.719	126.619	77.860
	<b>2.983.252</b>	<b>1.521.990</b>	<b>2.003.518</b>	<b>955.117</b>

  

<i>Cost of revenue</i>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Cost of trading goods sold	(2.484.847)	(1.278.775)	(1.698.650)	(826.957)
Installation and warranty expenses	(13.849)	(10.106)	(7.703)	(4.705)
	<b>(2.498.696)</b>	<b>(1.288.881)</b>	<b>(1.706.353)</b>	<b>(831.662)</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 20 –MARKETING AND ADMINISTRATIVE EXPENSES**

The details of marketing expenses for six month periods ended 30 June 2021 and 2020 are as follows:

<i>Marketing expenses</i>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Personnel expenses	(85.841)	(42.070)	(74.515)	(25.376)
Depreciation and amortisation expenses	(58.516)	(29.875)	(51.622)	(26.103)
Rent expenses	(41.508)	(20.482)	(28.374)	(12.998)
Advertising and promotion expenses	(29.578)	(15.795)	(27.538)	(12.328)
Transportation expenses	(18.495)	(9.983)	(12.877)	(7.297)
Consultancy expenses	(16.999)	(6.409)	(10.293)	(4.864)
Energy, fuel, water expenses	(5.881)	(2.951)	(6.396)	(2.128)
Maintenance expenses	(4.115)	(1.972)	(3.849)	(1.821)
Communication expenses	(503)	(290)	(612)	(292)
Travel and accommodation expenses	(337)	(177)	(316)	(33)
Other expenses	(10.718)	(4.995)	(8.675)	(4.290)
	<b>(272.491)</b>	<b>(134.999)</b>	<b>(225.067)</b>	<b>(97.530)</b>

The details of administrative expenses for six month periods ended 30 June 2021 and 2020 are as follows:

<i>Administrative expenses</i>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Personnel expenses	(15.045)	(8.597)	(10.692)	(5.282)
Depreciation and amortisation expenses	(7.966)	(4.049)	(9.190)	(4.722)
IT expenses	(6.981)	(3.403)	(7.437)	(3.373)
Consultancy expenses	(3.099)	(1.633)	(1.939)	(836)
Rent expenses	(1.441)	(753)	(238)	(136)
Maintenance expenses	(325)	(141)	(322)	(133)
Travel expenses	(132)	(64)	(127)	(17)
Energy, fuel, water expenses	(29)	(14)	(36)	(10)
Other expenses	(1.845)	(1.360)	(739)	(152)
	<b>(36.863)</b>	<b>(20.014)</b>	<b>(30.720)</b>	<b>(14.661)</b>

**NOTE 21 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES**

The details of other income from operating activities for six month periods ended 30 June 2021 and 2020 are as follows:

<i>Other income from operating activities</i>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Concessions on lease payments.(*)	13.873	8.854	23.764	23.764
Interest income	8.606	5.198	3.109	1.842
Foreign exchange gains	6.665	3.850	6.980	4.672
Income from personnel	703	360	418	141
Gift cards	389	249	1.709	1.325
Non-current asset impairment	316	72	615	200
Reversal of provisions for cancellation of rent agreements	--	--	285	--
Other income	1.577	841	1.010	(682)
	<b>32.129</b>	<b>19.424</b>	<b>37.890</b>	<b>31.262</b>



**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 21 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)**

(\*) Concessions on lease payments consist of store rents within the scope of TFRS 16, which are discounted or not paid during Covid-19 period.

The details of other expense from operating activities for six month periods ended 30 June 2021 and 2020 are as follows:

<i>Other expense from operating activities</i>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Interest expenses on payables	(75.076)	(37.699)	(28.417)	(8.469)
Foreign exchange loss	(10.955)	(2.862)	(7.612)	(4.640)
Litigation expenses	(2.385)	(1.872)	(2.070)	(1.113)
Other expenses	(6.895)	(2.278)	(2.913)	(1.826)
	<b>(95.311)</b>	<b>(44.711)</b>	<b>(41.012)</b>	<b>(16.048)</b>

**NOTE 22 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

*Income by investment activities*

The details of income from investing activities for six month periods ended 30 June 2021 and 2020 are as follows:

	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Gain from sale of fixed assets	61	45	7	3
Interest income on time deposits	4.196	883	2.050	2.015
	<b>4.257</b>	<b>928</b>	<b>2.057</b>	<b>2.018</b>

The details of expense from investing activities for six month periods ended 30 June 2021 and 2020 are as follows:

	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Loss from sale of fixed assets	(2)	--	(1.575)	(1.181)
	<b>(2)</b>	<b>--</b>	<b>(1.575)</b>	<b>(1.181)</b>

**NOTE 23 – FINANCE INCOME AND COSTS**

The details of finance costs for six month periods ended 30 June 2021 and 2020 are as follows:

<b>Finance Expenses</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Credit card commission and discount expenses	(69.647)	(35.792)	(42.094)	(19.621)
Interest expense due lease liabilities	(25.486)	(12.339)	(32.355)	(15.472)
Interest and commission expenses	(26.346)	(15.744)	(21.916)	(12.220)
Guarantee letters commission expenses	(2.491)	(1.290)	(891)	(463)
Foreign exchange expenses	(1.232)	(773)	(272)	(199)
Other finance expenses	(227)	(145)	(129)	(59)
	<b>(125.429)</b>	<b>(66.083)</b>	<b>(97.657)</b>	<b>(48.034)</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 23 – FINANCE INCOME AND COSTS (Continued)**

The details of finance income for six month periods ended 30 June 2021 and 2020 are as follows:

	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Foreign exchange income	2.066	1.730	1.262	1.231
	<b>2.066</b>	<b>1.730</b>	<b>1.262</b>	<b>1.231</b>

**NOTE 24 – DERIVATIVE FINANCIAL INSTRUMENTS**

	<b>30 June 2021</b>		<b>31 December 2020</b>	
	Assets	Liabilities	Assets	Liabilities
Foreign currency forward contracts	--	(24)	--	--
<i>Short-term</i>	--	(24)	--	--
	--	<b>(24)</b>	--	--

As at 30 June 2021, the Company signed foreign currency forward contracts with the maturities in three months in order to hedge the foreign exchange exposures arising from the purchases denominated in foreign currency of the dealers. As at 30 June 2021 the total nominal amount of foreign exchange forward contracts that the Company is obliged to realize and which are not due is TL 4.923 (EUR 475) (31 December 2020: None). As at 30 June 2021, fair value of the Company's foreign currency forward contracts is estimated to be approximately TL 24 as a liability. These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. The fair value of the foreign currency forward contracts that are designated and effective as cash flow hedges amounting to TL 24 has been accounted for under equity (31 December 2020 : None).

**NOTE 25 – LOSS PER SHARE**

Earnings per share stated in the statement of comprehensive income is determined by dividing the net profit for the period by the weighted average number of shares issued during the relevant period.

	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Weighted average number of ordinary shares outstanding during the period (in full)	11.653.591.160	12.300.000.000	11.000.000.000	11.000.000.000
Profit/(loss) for the year attributable to owners of the Company	(2.819)	(5.179)	(46.730)	(15.830)
Basic (loss) / earnings per share from continuing operations				
-thousands of ordinary shares (thousands TL)	(0,00024)	(0,00042)	(0,00425)	(0,00144)
Basic (loss) / diluted earnings per share from continuing operations				
-thousands of ordinary shares (thousands TL)	(0,00024)	(0,00042)	(0,00425)	(0,00144)

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 26 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

**Foreign currency risk**

As the Company primarily purchases from domestic vendors in TL, the Company is exposed to limited foreign exchange risk.

The risk is monitored by the Board of Directors in regular meetings. The idle cash is invested in foreign currency in order to minimise the foreign exchange risk resulted from balance sheet items. The Company also manages the foreign currency risk by limited use of forward contracts, which is one of derivative instruments, if necessary.

Foreign Currency Position	30 June 2021			
	TL equivalent	USD	EUR	Other
1. Trade receivables	3.487	339	52	--
2a. Monetary financial assets (including cash on hand and bank accounts)	38.421	4.062	295	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	10.609	1.218	1	--
<b>4. Current assets (1+2+3)</b>	<b>52.517</b>	<b>5.619</b>	<b>348</b>	<b>--</b>
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	326	37	--	--
<b>8. Non-current assets (5+6+7)</b>	<b>326</b>	<b>37</b>	<b>--</b>	<b>--</b>
<b>9. Total assets (4+8)</b>	<b>52.843</b>	<b>5.656</b>	<b>348</b>	<b>--</b>
10. Trade payables	(102.943)	(8.562)	(2.741)	--
11. Financial liabilities	--	--	--	--
12a. Other monetary liabilities	--	--	--	--
12b. Non-monetary other liabilities	(3.287)	(375)	(2)	--
<b>13. Current liabilities (10+11+12)</b>	<b>(106.230)</b>	<b>(8.937)</b>	<b>(2.743)</b>	<b>--</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	--	--	--	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
<b>17. Non-current liabilities (14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total liabilities (13+17)</b>	<b>(106.230)</b>	<b>(8.937)</b>	<b>(2.743)</b>	<b>--</b>
<b>19. Net asset/ (liability) position of off-statement derivative instruments (19a+19b)</b>	<b>(4.923)</b>	<b>--</b>	<b>(475)</b>	<b>--</b>
Off-balance sheet derivative assets	--	--	--	--
Off-balance sheet derivative liabilities	(4.923)	--	(475)	--
<b>20. Net position of foreign currency derivatives</b>	<b>(4.923)</b>	<b>--</b>	<b>(475)</b>	<b>-</b>
<b>21. Net position of foreign currency asset / (liability) (9+18+20)</b>	<b>(58.310)</b>	<b>(3.281)</b>	<b>(2.870)</b>	<b>--</b>
<b>22. Net position of monetary foreign currency asset / (liability) (TFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(61.035)</b>	<b>(4.161)</b>	<b>(2.394)</b>	<b>--</b>
<b>23. Total fair value of foreign currency hedge</b>	<b>24</b>	<b>--</b>	<b>2</b>	<b>--</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**  
**(Continued)**

Foreign Currency Position	31 December 2020			
	TL equivalent	USD	EUR	Other
1. Trade receivables	2.702	304	52	--
2a. Monetary financial assets (including cash on hand and bank accounts)	8.697	547	520	--
2b. Non monetary financial assets	--	--	--	--
3. Other	3.322	451	1	--
<b>4. CURRENT ASSETS (1+2+3)</b>	<b>14.721</b>	<b>1.302</b>	<b>573</b>	<b>--</b>
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non monetary financial assets	--	--	--	--
7. Other	411	56	--	--
<b>8. NON CURRENT ASSETS (5+6+7)</b>	<b>411</b>	<b>56</b>	<b>--</b>	<b>--</b>
<b>9. TOTAL ASSETS (4+8)</b>	<b>15.132</b>	<b>1.358</b>	<b>573</b>	<b>--</b>
10. Trade payables	(33.729)	(2.328)	(1.847)	(26)
11. Financial liabilities	--	--	--	--
12a. Other monetary liabilities	--	--	--	--
12b. Non monetary other liabilities	(2.755)	(373)	(2)	--
<b>13. CURRENT LIABILITIES (10+11+12)</b>	<b>(36.484)</b>	<b>(2.701)</b>	<b>(1.849)</b>	<b>(26)</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	--	--	--	--
16a. Monetary other liabilities	--	--	--	--
16b. Non monetary other liabilities	--	--	--	--
<b>17. NON CURRENT LIABILITIES (14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. TOTAL LIABILITIES (13+17)</b>	<b>(36.484)</b>	<b>(2.701)</b>	<b>(1.849)</b>	<b>(26)</b>
<b>19. Net position of financial statement (9+18)</b>	<b>(21.352)</b>	<b>(1.343)</b>	<b>(1.276)</b>	<b>(26)</b>
<b>20. Net position of foreign currency asset / (liability) (9+18+19)</b>	<b>(21.352)</b>	<b>(1.343)</b>	<b>(1.276)</b>	<b>(26)</b>
<b>21. Net position of monetary foreign currency asset / (liability) (IFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(22.330)</b>	<b>(1.477)</b>	<b>(1.275)</b>	<b>(26)</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**  
**(Continued)**

The table below presents the Company’s sensitivity to a 10% deviation in foreign exchange rates of USD, EUR and other foreign currencies. These amounts have indicated the effect of the USD, EUR and other foreign currencies against TL strengthened / weakened by 10%. During this analysis all other variables held constant.

Foreign Currency Sensitivity Table	30 June 2021		30 June 2021	
	Profit / Loss		Equity	
	Appreciation of foreign currencies	Depreciation of foreign currencies	Appreciation of foreign currencies	Depreciation of foreign currencies
In case 10% appreciation of USD against TL				
1 - USD Dollars net assets/liabilities	(2.856)	2.856	--	--
2- Amount hedged for USD risk (-)	--	--	--	--
<b>3- USD net effect (1 +2)</b>	<b>(2.856)</b>	<b>2.856</b>	--	--
In case 10% appreciation of EUR against TL				
4 - EUR net assets/liabilities	(2.975)	2.975	--	--
5 - Amount hedged for EUR risk (-)	--	--	(492)	492
<b>6- EUR net effect (4+5)</b>	<b>(2.975)</b>	<b>2.975</b>	<b>(492)</b>	<b>492</b>
In case 10% appreciation of other currency against TL				
7- Net assets/liabilities in other foreign currency	--	--	--	--
8- Amount hedged for other currency risk (-)	--	--	--	--
<b>9- Other currency assets net effect (7+8)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3+6+9)</b>	<b>(5.831)</b>	<b>5.831</b>	<b>(492)</b>	<b>492</b>

**Foreign Currency Sensitivity Table**

Foreign Currency Sensitivity Table	31 December 2020	
	Profit / Loss	
	Appreciation of foreign currencies	Depreciation of foreign currencies
In case 10% appreciation of USD against TL		
1 - USD Dollars net assets/liabilities	(986)	986
2- Amount hedged for USD risk (-)	--	--
<b>3- USD net effect (1 +2)</b>	<b>(986)</b>	<b>986</b>
In case 10% appreciation of EUR against TL		
4 - EUR net assets/liabilities	(1.149)	1.149
5 - Amount hedged for EUR risk (-)	--	--
<b>6- EUR net effect (4+5)</b>	<b>(1.149)</b>	<b>1.149</b>
In case 10% appreciation of other currency against TL		
7- Net assets/liabilities in other foreign currency	--	--
8- Amount hedged for other currency risk (-)	--	--
<b>9- Other currency assets net effect (7+8)</b>	<b>--</b>	<b>--</b>
<b>TOTAL (3 + 6 +9)</b>	<b>(2.135)</b>	<b>2.135</b>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 27 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)**

	Financial assets at amortized cost	Financial assets and liabilities measured by reflecting FV difference in other comprehensive income	Financial liabilities at amortised cost	Book value	Note
<b>30 June 2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	65.040	--	--	65.040	5
Trade receivables (including due from related parties)	129.897	--	--	129.897	7
Other receivables (including due from related parties)	493	--	--	493	
<b>Financial liabilities</b>					
Financial liabilities	--	--	205.698	205.698	6
Lease liabilities	--	--	248.560	248.560	6
Trade payables (including due to related parties )	--	--	1.375.646	1.375.646	7
Other payables	--	--	3.446	3.446	
Derivatives	--	24	--	24	24
<b>31 December 2020</b>					
<b>Financial assets</b>					
Cash and cash equivalents	392.201	--	--	392.201	5
Trade receivables (including due from related parties)	103.297	--	--	103.297	7
Other receivables (including due from related parties)	571	--	--	571	
<b>Financial liabilities</b>					
Financial liabilities	--	--	370.058	370.058	6
Lease liabilities	--	--	266.406	266.406	6
Trade payables (including due to related parties )	--	--	1.386.364	1.386.364	7
Other payables	--	--	2.913	2.913	

The Company management assumes that the carrying values of the financial assets and liabilities are close to their fair value because of their short-term nature.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**  
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

---

**NOTE 27 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)**

Fair values of financial instruments:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.
- Level 2: Financial assets and liabilities are valued from the inputs used to find the direct or indirectly observable price of the relevant asset or liability other than the stock exchange price specified at the first level.
- Level 3: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used in finding the fair value of the asset or liability.

Fair value hierarchy table as of 30 June 2021 is as follows:

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>30 June 2021</b>			
Derivative instruments	--	(24)	--
	--	(24)	--

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

---

**NOTE 28 – OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON THE FINANCIAL STATEMENTS OR BE EXPLAINED FOR THE CLEAR, INTERPRETABLE AND UNDERSTANDABLE OF THE FINANCIAL STATEMENTS.**

The Covid-19 outbreak, which was declared as a pandemic by the World Health Organization (WHO) on 11 March 2020, and the measures taken against the pandemic continue to cause disruptions in operations and negatively affect economic conditions in all countries exposed to the pandemic. As a result, asset prices, liquidity, exchange rates, interest rates and many other issues are affected and remain uncertain about the future due to pandemic effects. The Company management follow-up in detail the possible effects of the Covid-19 pandemic on the Company's operations, financial status, financial performance and cash flows in all respects, and detailed evaluations are made and necessary actions are taken in order to minimize its effects. Company activities in the online channel have increased their impact and importance on financial and operational terms compared to previous periods.

Company continues to perform omni channel sales activities by adding up Carrefoursa corner store into retail channel in 2020.

As of the end of 2020, the restrictions, resulted from the increase in pandemic measures in Turkey and around the world, have been continued in 2021. The measures taken within the scope of Covid-19 have affected the working hours and days of the stores. For the periods when the stores were closed and there were curfew on weekend within the scope of Covid-19 measures, concessions were provided in lease payments by mutual meetings with the property owners and short-time working allowance was applied for the employees who met the conditions

While preparing the interim financial statements dated 30 June 2021, the company evaluated the possible effects of the Covid-19 epidemic on the financial statements and reviewed the estimates and assumptions used in the preparation of the financial statements. In this context, the Company has tested possible impairments that may occur in the financial and non-financial assets in the financial statements and no impairment has been identified.

As of the date of the report, there are no important issues affecting the Company's activities and financial statements except those described in the financial statements.

**NOTE 29 - EVENTS AFTER THE REPORTING PERIOD**

None.