

**TEKNOSA İÇ VE DIŞ TİCARET
ANONİM ŞİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH
OF CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE
SIX MONTH PERIOD ENDED 30 JUNE 2022
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

(Originally issued in Turkish)

8 August 2022

This report contains 2 pages of the review report and 39 pages of condensed interim financial statements and notes.



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**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT
ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH**

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 2022, and the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information ("the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Turkish Accounting Standard 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 condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and 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.

The accounting principles summarized in Note 2, differ from the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

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



Erman Durmaz, SMMM
Engagement Partner
8 August 2022

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT FOR THE
INTERIM PERIOD ENDED 30 JUNE 2022**

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

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**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022**
(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 2022	31 December 2021
Current assets			
Cash and cash equivalents	5	520.824	709.408
Trade receivables	7	264.020	155.925
<i>Trade receivables from related parties</i>	4	30.690	18.609
<i>Trade receivables from third parties</i>	7	233.330	137.316
Inventories	9	2.511.183	1.719.160
Prepaid expenses	10	57.209	9.150
Derivatives		9.310	575
Other current assets	18	71.686	29.316
Total current assets		3.434.232	2.623.534
Non-current Assets			
Other receivables	8	739	612
Investment property	12	35.160	35.160
Right of use assets	11	312.615	166.367
Property, plant and equipment	13	101.450	84.171
Intangible assets	14	54.211	50.213
Prepaid expenses	10	2.337	3.753
Deferred tax assets		63.061	37.286
Total non-current assets		569.573	377.562
TOTAL ASSETS		4.003.805	3.001.096

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

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TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

LIABILITIES	Notes	Current	Prior
		Period	Period
		<i>Reviewed</i>	<i>Audited</i>
		30 June 2022	31 December 2021
Short term liabilities			
Short-term loans and borrowings	6	207.473	--
- Short-term bank loans from related parties	4	37.985	--
- Short-term bank loans from third parties		169.488	--
Short-term portion of long-term finance lease liabilities	6	118.980	96.062
- Short-term portion of long-term finance lease liabilities from related parties	4	1.767	1.952
- Short-term portion of long-term finance lease liabilities from third parties		117.213	94.110
Trade payables	7	2.790.124	2.428.265
- Trade payables to related parties	4	18.083	12.845
- Trade payables to third parties	7	2.772.041	2.415.420
Payables related to employee benefits	15	36.312	29.928
Other payables		6.724	5.153
- Other payables to third parties	8	6.724	5.153
Deferred revenue	10	65.929	32.074
Period profit tax liability		35.139	--
Short term provisions		43.477	33.357
- Short-term provisions for employee benefits	15	24.535	19.102
- Other short-term provisions	16	18.942	14.255
Other current liabilities	18	1.779	2.117
Total current liabilities		3.305.937	2.626.956
Long term liabilities			
Long-term lease liabilities	6	232.079	113.071
- Long-term lease liabilities from related parties	4	--	746
- Long-term lease liabilities from third parties		232.079	112.325
Provisions for employee benefits	15	29.195	18.087
Total non-current liabilities		261.274	131.158
Total liabilities		3.567.211	2.758.114
EQUITY			
Share capital		201.000	201.000
Adjustment to share capital		6.628	6.628
Restricted reserves		8.704	8.704
Other reserves		3	3
Share premiums		184.655	184.655
Other comprehensive income or expense items that will not be reclassified to profit or loss		20.934	25.855
- Losses on remeasurement of defined benefit plans		(14.921)	(8.510)
- Gains on revaluation of property, plant and equipment		35.855	34.365
Other comprehensive income that are or may be reclassified to profit or loss		7.169	431
- Cash flow hedge reserve		7.169	431
Accumulated losses		(184.294)	(315.758)
Net profit for the period		191.795	131.464
Total Equity		436.594	242.982
TOTAL LIABILITIES AND EQUITY		4.003.805	3.001.096

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

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TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

		Current period	Current period	Prior period	Prior period
		<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
		1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April- 30 June 2021
	Notes				
Revenue	19	6.249.184	3.406.101	2.983.252	1.521.990
Cost of revenue (-)	19	(5.144.220)	(2.797.985)	(2.498.696)	(1.288.881)
GROSS PROFIT		1.104.964	608.116	484.556	233.109
Marketing expenses (-)	20	(569.544)	(293.805)	(272.491)	(134.999)
General administrative expenses (-)	20	(77.817)	(41.121)	(36.863)	(20.014)
Other income from operating activities	21	67.189	42.278	32.129	19.424
Other expenses from operating activities (-)	21	(168.461)	(94.980)	(95.311)	(44.711)
OPERATING PROFIT		356.331	220.488	112.020	52.809
Income from investing activities	22	15.566	8.064	4.257	928
Expenses from investing activities (-)	22	(593)	(138)	(2)	--
Impairment profit / (loss) and reversals of impairment losses in accordance with TFRS 9		3	(36)	(1)	(1)
OPERATING PROFIT BEFORE FINANCE COSTS		371.307	228.378	116.274	53.736
Finance income	23	31.356	17.877	2.066	1.730
Finance costs (-)	23	(194.962)	(111.981)	(125.429)	(66.083)
OPERATING PROFIT/ (LOSS) BEFORE INCOME TAX		207.701	134.274	(7.089)	(10.617)
Tax (expense)/income		(15.906)	(513)	4.270	5.438
- Current tax expense		(40.585)	(34.714)	--	--
- Deferred tax income		24.679	34.201	4.270	5.438
PROFIT/(LOSS) FOR THE PERIOD		191.795	133.761	(2.819)	(5.179)
Attributable to:					
Owners of the Company		191.795	133.761	(2.819)	(5.179)
Non-controlling interests		--	--	--	--
OTHER COMPREHENSIVE INCOME/ (EXPENSE)					
Items that are or will not be reclassified to profit or loss		(4.921)	(4.921)	--	--
<i>Remeasurements of defined benefit liability</i>		(8.014)	(8.014)	--	--
<i>Income tax related to items that are or will not be reclassified to profit or loss</i>		3.093	3.093	--	--
Items that are or may be reclassified to profit or loss		6.738	7.266	(18)	--
<i>Gains/(losses) on cash flow hedges</i>		8.735	9.437	(24)	--
<i>Income tax related to items that are or may be reclassified to profit or loss</i>		(1.997)	(2.171)	6	--
TOTAL OTHER COMPREHENSIVE INCOME/ (EXPENSE)		1.817	2.345	(18)	--
TOTAL COMPREHENSIVE INCOME/ (EXPENSE)		193.612	136.106	(2.837)	(5.179)
Earnings/(Loss) per share [(For 1 lot share)]		0,0095	0,0066	(0,00024)	(0,00042)
Diluted earnings/(loss) per share [(For 1 lot share)]		0,0095	0,0066	(0,00024)	(0,00042)

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

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

	Paid-in 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	Other comprehensive income that are or may be reclassified to profit or loss	Retained earnings/ (Accumulated losses)	Net profit/(loss) for the period	Total Equity
								Gains/(losses) reserves			
Prior period											
Balance at 1 January 2021	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
Transfer to retained earnings	--	--	--	--	--	--	--	--	85.296	(85.296)	--
Total comprehensive expense	--	--	--	--	--	--	--	(18)	--	(2.819)	(2.837)
Balance at 30 June 2021	201.000	6.628	8.704	3	184.655	(6.244)	31.121	(18)	(315.758)	(2.819)	107.272
Current period											
Balance at 1 January 2022	201.000	6.628	8.704	3	184.655	(8.510)	34.365	431	(315.758)	131.464	242.982
Transfers	--	--	--	--	--	--	--	--	131.464	(131.464)	--
Total comprehensive income	--	--	--	--	--	(6.411)	1.490	6.738	--	191.795	193.612
Balance at 30 June 2022	201.000	6.628	8.704	3	184.655	(14.921)	35.855	7.169	(184.294)	191.795	436.594

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TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM SIX-MONTH PERIOD ENDED
30 JUNE 2022 AND 2021**

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

		Current Period	Prior Period
		Reviewed	Reviewed
	Notes	1 January - 30 June 2022	1 January - 30 June 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the period		191.795	(2.819)
Adjustments			
Adjustments for depreciation and amortisation expenses	20	89.072	66.482
Adjustment for the (gains)/losses on sale of fixed assets	22	31	(59)
Impairment / (cancellation) of tangible assets	13	20	(316)
Adjustments for (reversal of)/impairment of receivables	7	(3)	1
Adjustments for (reversal of)/for other provisions		9.701	5.157
Adjustments for impairment of right of use assets	11	923	--
Adjustments for (reversal of)/impairment of inventory	9	8.266	5.888
Adjustments for (reversal of)/provision for employee benefits		10.772	(2.659)
Adjustments for interest income	22	(15.004)	(4.196)
Adjustments for finance costs and income	23	163.606	123.363
Adjustments for tax (income)/expense		15.906	(4.270)
		475.085	186.572
Changes in working capital:			
Increase in trade receivables from third parties	7	(96.011)	(24.106)
Increase in trade receivables from related parties	4	(12.081)	(2.493)
Increase in inventories		(800.289)	(357.479)
Increase in other assets related to operations		(65.007)	(49.777)
Increase/(decrease) in trade payables to third parties	7	356.621	(6.958)
Increase/(decrease) in trade payables to related parties	4	5.238	(3.760)
Increase/(decrease) in other liabilities related to operations		41.472	(242)
Payments related to provisions for employee benefits		(2.245)	(4.752)
Tax paid		(5.446)	--
Payments related to other provisions		(5.014)	(2.011)
Cash provided by operating activities		(107.677)	(265.006)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	13	(35.164)	(13.082)
Acquisition of intangible assets	14	(11.458)	(7.241)
Proceeds from sale of property, plant and equipment and intangible assets		518	232
Interest received	22	15.004	4.196
Cash used in investing activities		(31.100)	(15.895)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Other financing cost paid		(179.622)	(72.365)
Payments for lease liabilities	6	(93.674)	(59.678)
Proceeds from bank borrowings	6	196.000	127.500
Repayments of bank borrowings	6	(1.440)	(318.206)
Cash inflows from share premium and other capital increase		--	275.655
Cash (used in)/provided from financing activities		(78.736)	(47.094)
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(217.513)	(327.995)
The effect of changes in foreign exchange rates on cash and cash equivalents in foreign currency	23	28.929	834
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	709.408	392.201
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	5	520.824	65.040

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

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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 2022**

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

NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS

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. In addition, the website www.teknosa.com became “Marketplace” as of February 4, 2022 and started selling its own products to its customers as well as the products of its authorized dealers on its website. The Company’s main shareholder is Hacı Ömer Sabancı Holding A.Ş. As at 30 June 2022, number of personnel of the Company is 2.363 (31 December 2021: 2.303). 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, the Company 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 195 stores with 101.851 square meters retail space as at 30 June 2022 (31 December 2021: 101.574 square meters, 198 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

The accompanying condensed interim financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) as set out in the Communiqué numbered II-14.1 “Communiqué on Principles of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs published by POA consist of standards and interpretations which are Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The condensed interim financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Financial Statements and User Guide published in the Official Gazette numbered 30794 on 7 June 2019.

According to 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 2021.

Approval of condensed interim financial statements:

The condensed interim financial statements are approved by the Company’s Board of Directors on 8 August 2022. The General Assembly of the Company has the right to amend and relevant regulatory bodies have the right to request the amendment of these condensed interim financial statements.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

(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

In accordance with the announcement made by the POA on 20 January 2022, it has been stated that companies applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting Standard in Hyperinflationary Economies ("TAS 29"). Since no new announcement has been made by POA regarding the application of inflation accounting, no inflation adjustment has made in accordance with TAS 29 while preparing the financial statements as of 30 June 2022.

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

The financial statements of the Company have been prepared comparatively with the prior year 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 has not made reclassifications on prior period financial statements.

2.2 Changes in significant accounting policies

The accounting policies applied in these interim condensed financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2021.

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. Identified significant accounting errors are applied retrospectively and prior period financial statements are restated.

The assumptions and significant accounting estimates used in the preparation of the interim condensed financial statements as of 30 June 2022 have not changed compared to those used in the preparation of the financial statements as of the year ended 31 December 2021.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
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(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

Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of 30 June 2022

Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however, the Company has not early adopted are as follows.

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 for the deferral of application 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.

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

In May 2021 IASB issued “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”, which amended TAS 12 Income Taxes. Related changes were published by POA as Amendments to TAS 12 on 27 August 2021.

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

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

2.4 Summary of Significant Accounting Policies (Continued)

**Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of
30 June 2022 (Continued)**

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

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

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 recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

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 recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized 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 TAS 12 will have significant impact on its financial statements.

Definition of Accounting Estimates (Amendments to TAS 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. Related changes were published by POA as Amendments to TAS 8 on 11 August 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 TFRS 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 TAS 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.

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

2.4 Summary of Significant Accounting Policies (Continued)

**Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of
30 June 2022 (Continued)**

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

Definition of Accounting Estimates (Amendments to TAS 8) (Continued)

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 TAS 8 will have significant impact on its financial statements.

Disclosure of Accounting Policies (Amendments to TAS 1)

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. Among these amendments, the ones related to TAS 1 were published by POA as Amendments to TAS 1 on 11 August 2021.

The key amendments to TAS 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.

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 TAS 1 will have significant impact on its financial statements.

Amendments are effective on 1 January 2022

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2022:

1. Annual Improvements to TFRS Standards 2018–2020 -Amendment to TFRS 1 First-time Adoption of International Financial Reporting Standards, TFRS 9 Financial Instruments, TAS 41 Agriculture
2. Reference to the Conceptual Framework – Amendments to TFRS 3 Business Combinations
3. Property, Plant and Equipment – Proceeds before Intended Use (Amendments to TAS 16 Property, Plant and Equipment)
4. Onerous Contracts – Cost of Fulfilling a Contract (Amendments to TAS 37 Provisions, Contingent Liabilities and Contingent Assets)

These newly adopted amendments to standards have not been a significant impact on the financial statements of the Company.

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

2.5 Critical judgments and estimates

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. Useful lives are based on management’s best estimates and reviewed at each reporting date and adjusted if appropriate.

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 mentioned provision amount is applied at the rate of 100% over the net book value of right-of-use assets, 100% for leasehold improvements and 50% over the net book value of tangible fixed assets. As of June 30, 2022, the Company has recorded a net impairment of TL 923 for right-of-use assets and TL 20 for tangible assets (30 June 2021: TL 316 impairment reversal of property, plant and equipment) (Note 11 and 13).

Allowance 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 22.267 as at 30 June 2022 (31 December 2021: TL 14.001) (Note 9).

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

2.5 Critical judgments and estimates (Continued)

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 2022, the amount offset from the deferred revenue from the gift checks recognised in the financial statement is amounting to TL 15.293 (31 December 2021: TL 15.460) (Note 10).

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NOTE 3 – SEGMENT REPORTING

The Company applies TFRS 8 starting from 1 January 2009 and determined the reportable segments based on the internal 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 sales channel. The Company's sales channel are as follows: Electronics retail sales, and sales of air conditions and white goods through dealers. These sales are also reviewed as stores and e-commerce (including Marketplace sales) 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:

	1 January -30 June 2022		
	Stores and e-commerce	Dealer Group	Total
Total segment income	5.826.728	422.456	6.249.184
Income from third party customers	5.826.728	422.456	6.249.184
Adjusted EBITDA	459.665	89.565	549.230

	1 January -30 June 2021		
	Stores and e-commerce	Dealer Group	Total
Total segment income	2.780.263	202.989	2.983.252
Income from third party customers	2.780.263	202.989	2.983.252
Adjusted EBITDA	222.608	21.448	244.056

	1 April -30 June 2022		
	Stores and e-commerce	Dealer Group	Total
Total segment income	3.143.261	262.840	3.406.101
Income from third party customers	3.143.261	262.840	3.406.101
Adjusted EBITDA	260.220	56.067	316.287

	1 April -30 June 2021		
	Stores and e-commerce	Dealer Group	Total
Total segment income	1.394.271	127.719	1.521.990
Income from third party customers	1.394.271	127.719	1.521.990
Adjusted EBITDA	99.148	13.868	113.016

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NOTE 3 – SEGMENT REPORTING (Continued)

	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Reconciliation of Adjusted EBITDA with profit before taxes	549.230	316.287	244.056	113.016
Depreciation and amortisation expenses	(89.072)	(46.321)	(66.482)	(33.924)
Finance income /(costs), net	(163.606)	(94.104)	(123.363)	(64.353)
Income/(expenses) from investing activities, net	14.973	7.926	4.255	928
Impairment profit / (loss) and reversals of impairment losses in accordance with TFRS 9	3	(36)	(1)	(1)
Other operating income/(expenses), net	(101.270)	(52.700)	(63.182)	(25.287)
Provision for employee termination benefits	(2.557)	3.222	(2.372)	(996)
Profit/(loss) before tax	207.701	134.274	(7.089)	(10.617)

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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.

	30 June 2022	
	Receivables	Payables
	Current	Current
	Trading	Trading
Balances with related parties		
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (*)	19.202	--
Aksigorta A.Ş.	6.384	51
Akbank T.A.Ş.	4.465	--
Hacı Ömer Sabancı Holding A.Ş.	320	61
Akçansa Çimento San. ve Tic. A.Ş.	144	--
Brisa Bridgestone Sabancı Lastık San.Ve Tic.A.Ş.	133	--
Çimsa Çimento San.ve Tic. A.Ş.	32	--
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	10	16.194
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	--	1.776
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	--	1
	30.690	18.083

	31 December 2021	
	Receivables	Payables
	Current	Current
	Trading	Trading
Balances with related parties		
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (*)	15.255	--
Çimsa Çimento San.ve Tic.A.Ş.	1.925	--
Akbank T.A.Ş.	856	--
Kordsa Teknik Tekstil Anonim Şirketi	244	--
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	129	--
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	126	--
Akçansa Çimento San. ve Tic. A.Ş.	47	--
Aksigorta A.Ş.	17	545
Hacı Ömer Sabancı Holding A.Ş.	10	21
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	--	10.777
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	27
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	--	1.475
	18.609	12.845

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

	30 June 2022	31 December 2021
<u>Deposit accounts in Akbank T.A.Ş.</u>		
Demand deposit	73.472	90.945
Time deposit	389.713	562.412
	463.185	653.357

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NOTE 4 – RELATED PARTY DISCLOSURES (Continued)

	30 June 2022	31 December 2021
<u>Credit card receivables in Akbank T.A.Ş.</u>		
Credit card receivables	6.769	9.429
	6.769	9.429

	30 June 2022	31 December 2021
<u>Short term bank loans in Akbank T.A.Ş.</u>		
Short term bank loans	37.985	--
	37.985	--

	<u>1 January -30 June 2022</u>		
Transactions with related parties	Sale of goods	Rent expense	Other expenses
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	33.176	(2.011)	(3.557)
Akbank T.A.Ş.	17.455	--	--
H.Ö. Sabancı Holding A.Ş.	500	--	(171)
Agesa Hayat ve Emeklilik A.Ş.	246	--	--
Çimsa Çimento San.ve Tic.A.Ş.	201	--	--
Akçansa Çimento San. ve Tic. A.Ş.	170	--	--
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	85	--	--
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	29	--	(24.367)
Aksigorta A.Ş.	26	--	(3.359)
Enerjisa Enerji Üretim A.Ş.	20	--	--
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	17	--	--
Temsa İş Makinaları İmalat Pazarlama ve Satış A.Ş.	17	--	--
Kordsa Teknik Tekstil A.Ş.	12	--	--
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	3	--	(4.600)
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	--	(26)
	51.957	(2.011)	(36.080)

	<u>1 January -30 June 2021</u>		
Transactions with related parties	Sale of goods	Rent expense	Other expenses
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	--	--
Agesa Hayat ve Emeklilik 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)
	23.426	(1.654)	(7.067)

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NOTE 4 – RELATED PARTY DISCLOSURES (Continued)

The details of short and long-term lease liabilities to related parties as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Short portion of long-term lease liabilities to related parties	1.767	1.952
Long-term lease liabilities to related parties	--	746
	1.767	2.698

Benefits for the key management personnel

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 2022 and 2021 are as follows:

	1 January – 30 June 2022	1 January – 30 June 2021
Salaries and other benefits	9.261	5.707
	9.261	5.707

NOTE 5 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Cash	2.987	2.691
Time deposit	389.713	562.412
Demand deposit	93.081	96.225
Credit card slip receivables	35.043	48.080
	520.824	709.408

The Company does not have any blocked deposits as at 30 June 2022 and 31 December 2021.

The details of time deposits, maturity dates and interest rates of the company as at 30 June 2022 and 31 December 2021 are as follows:

Currency	Maturity	Interest Rate	30 June 2022
TL	1 July 2022	20%	389.500
		Accrual of interest	213
			389.713
Currency	Maturity	Interest Rate	31 December 2021
TL	3 January 2022	26,75%	562.000
		Accrual of interest	412
			562.412

The Company’s exposure to credit risk, foreign currency risk and details of impairment for cash and cash equivalents are disclosed in Note 24.

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NOTE 6 - SHORT-TERM LOANS AND BORROWINGS

The details of loans and borrowings as at 30 June 2022 are as follow:

	30 June 2022			
	Currency	Interest Rate	Amount	Maturity
Unsecured bank loans	TL	18,90%	37.985	16 August 2022
Unsecured bank loans	TL	18,28%	84.305	16 September 2022
Unsecured bank loans	TL	21,40%	85.183	14 March 2023
Short-term financial liabilities			<u>207.473</u>	

The Company does not have any short-term bank loans as at 31 December 2021.

The reconciliation of the Company's liabilities arising from bank loans for the accounting periods ending on 30 June 2022 and 2021 is as follows:

	2022	2021
Bank borrowings as of 1 January	--	370.058
Cash inflows during the period	196.000	127.500
Interest and principal repayments during the period	(1.440)	(318.206)
Interest expense during the period (including accruals)	12.913	26.346
Bank borrowings as of 30 June	<u>207.473</u>	<u>205.698</u>

The details of lease liabilities as at 30 June 2022 and 31 December 2021 are as follows:

Lease Liabilities	Present value of minimum lease payments	
	30 June 2022	31 December 2021
Within one year	127.543	117.851
Less: future finance charges	(8.563)	(21.789)
Present value of lease liabilities	<u>118.980</u>	<u>96.062</u>
Within two years and after	248.779	138.718
Less: future finance charges	(16.700)	(25.647)
Present value of lease liabilities	<u>232.079</u>	<u>113.071</u>

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 is as follows:

	2022	2021
Lease liabilities at 1 January	209.133	266.406
Increase/ (decrease) in lease liabilities during the period	210.337	16.346
Lease payments during the period	(93.674)	(59.678)
Interest expense during the period	25.263	25.486
Lease liabilities at 30 June	<u>351.059</u>	<u>248.560</u>

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NOTE 7 - TRADE RECEIVABLES AND PAYABLES

The details of trade receivables and trade payables as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Short-term trade receivables		
Trade receivables	103.345	77.850
Notes receivables	137.234	66.718
Due from related parties (Note 4)	30.690	18.609
Allowance for doubtful receivables (-)	(7.249)	(7.252)
	264.020	155.925

The average maturity of the Company's trade receivables is 1-7 days for retail receivables and 49 days for dealer groups. (31 December 2021: For retail: 1-7 days, 65 days for dealer receivables). As of 30 June 2022, the Company does not apply overdue interest on trade receivables. (31 December 2021: None).

The movement table of the Company's provision for doubtful receivables is as follows:

	30 June 2022	30 June 2021
As at 1 January	7.252	7.262
Charge for the period	66	(4)
Reversals	(69)	5
	7.249	7.263

As of 30 June 2022 and 31 December 2021, the Company obtained the collaterals listed below for the checks, notes and trade receivables:

	30 June 2022	31 December 2021
Letters of guarantees received	218.080	113.297
Mortgages	8.152	8.772
	226.232	122.069

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 226.232 (31 December 2021: TL 122.069).

As at the reporting date, there are not any collaterals or mortgages which are sold or re-pledged by the Company.

The Company's exposure to credit risk, foreign currency risk and details of impairment for short-term trade receivables are disclosed in Note 24.

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NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Short term trade payables:

	30 June 2022	31 December 2021
Trade payables	2.673.711	2.403.994
Due to related parties (Note 4)	18.083	12.845
Expense accruals	98.330	11.426
	2.790.124	2.428.265

As at 30 June 2022, the Company offsets income accruals from its suppliers amounting to TL 212.244 with trade payables (31 December 2021: TL 75.697). Average payment term of trade payables is 87 days (31 December 2021: 87 days). The Company does not have payments on a monthly basis for late interest as of 30 June 2022. (31 December 2021: None).

The foreign exchange rate risk and liquidity risk for the Company’s trade payables are disclosed in Note 24.

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

The details of other receivables and other payables as at 30 June 2022 and 31 December 2021 are as follows:

Other receivables

	30 June 2022	31 December 2021
Deposits and guarantees given	739	612
	739	612

Other payables

	30 June 2022	31 December 2021
Deposits and guarantees received	6.724	5.153
	6.724	5.153

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NOTE 9 - INVENTORIES

The details of the inventories as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Trading goods	2.359.490	1.674.884
Goods in transit	173.960	58.277
Allowance for impairment on inventories (-)	(22.267)	(14.001)
	2.511.183	1.719.160

The movements of allowance for inventories for the periods ended at 30 June 2022 and 30 June 2021 are as below:

	30 June 2022	30 June 2021
<i>Allowance for impairment on inventories:</i>		
As at 1 January	(14.001)	(15.702)
Change for the period/(used in) the period, net	(8.266)	(5.888)
As at 30 June	(22.267)	(21.590)

NOTE 10 – PREPAID EXPENSES AND DEFERRED REVENUE

The details of prepaid expenses as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
<i>Short-term prepaid expenses</i>		
Short term prepaid expenses	52.369	8.322
Advances given for inventories	4.840	828
	57.209	9.150

	30 June 2022	31 December 2021
<i>Long-term prepaid expenses</i>		
Long term prepaid expenses	2.337	3.753
	2.337	3.753

The details of the deferred revenue as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
<i>Short-term deferred revenue</i>		
Advances received	50.450	16.316
Income from gift checks	15.293	15.460
Other	186	298
	65.929	32.074

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NOTE 11 – RIGHT OF USE ASSETS

As of 30 June 2022 and 2021, the movement of right of use assets is as follows:

<u>Cost value</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
1 January 2022 opening balance	426.810	13.476	440.286
Additions	217.882	--	217.882
Disposals	(13.870)	--	(13.870)
Impairment	(2.387)	--	(2.387)
30 June 2022 closing balance	628.435	13.476	641.911
<u>Accumulated depreciation</u>			
1 January 2022 opening balance	(267.946)	(5.973)	(273.919)
Charge for the period	(62.574)	(1.722)	(64.296)
Disposal	7.455	--	7.455
Impairment	1.464	--	1.464
30 June 2022 closing balance	(321.601)	(7.695)	(329.296)
Net carrying amount as of 1 January 2022	158.864	7.503	166.367
Net carrying amount as of 30 June 2022	306.834	5.781	312.615

<u>Cost value</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
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	414.894	12.888	427.782
<u>Accumulated depreciation</u>			
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	(221.328)	(4.108)	(225.436)
Net carrying amount as of 1 January 2021	209.332	10.378	219.710
Net carrying amount as of 30 June 2021	193.566	8.780	202.346

As of 30 June 2022 the depreciation expense is TL 64.296 (30 June 2021: TL 47.822), thereof TL 63.497 of depreciation charges included in marketing expenses (30 June 2021: TL 47.240) and TL 799 included in general administrative expenses (30 June 2021: TL 582).

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NOTE 12 – INVESTMENT PROPERTY

The net book value of the investment properties of the company is TL 35.160 as of 30 June 2022 (31 December 2021: TL 35.160).

The Company generates rental income by TL 1.368 (2021: TL 831) from its investment property, which is leased by an operating lease agreement. Direct operating costs arising from the investment property is amounting to TL 357 (2021: TL 258). 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 14 February 2022.

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 2022 and 31 December 2021 there is no mortgage on investment properties.

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment and related accumulated depreciation for the period ended 30 June 2022 are as follows:

Cost	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Balance at 1 January 2022	27.929	369	242	112.049	113.403	6.925	260.917
Additions	--	--	--	9.646	9.111	16.407	35.164
Disposals	--	--	--	(636)	(698)	--	(1.334)
Allowance of impairment (*)	--	--	--	(391)	(1.959)	--	(2.350)
Transfers	--	--	--	3.321	5.243	(14.823)	(6.259)
Balance at 30 June 2022	27.929	369	242	123.989	125.100	8.509	286.138
Accumulated depreciation and impairment losses							
Balance at 1 January 2022	(5.930)	(369)	(60)	(77.580)	(92.807)	--	(176.746)
Charge for the period	(345)	--	(18)	(6.402)	(4.292)	--	(11.057)
Disposals	--	--	--	217	568	--	785
Allowance of impairment (*)	--	--	--	391	1.939	--	2.330
Balance at 30 June 2022	(6.275)	(369)	(78)	(83.374)	(94.592)	--	(184.688)
Net carrying amount at 31 December 2021	21.999	--	182	34.469	20.596	6.925	84.171
Net carrying amount at 30 June 2022	21.654	--	164	40.615	30.508	8.509	101.450

(*) As of 30 June 2022, the impairment loss during the period calculated for property, plant and equipment is net TL 20 (30 June 2021: TL 316 reversal of impairment).

For the period ended 30 June 2022, thereof TL 10.157 of depreciation charges included in marketing expenses (30 June 2021: TL 7.642) and TL 900 included in general administrative expenses (30 June 2021: TL 643).

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement of property, plant and equipment and related accumulated depreciation for the year period ended 30 June 2021 are as follows:

Cost	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Balance at 1 January 2021	24.324	369	57	89.367	104.743	2.458	221.318
Additions	--	--	--	3.716	2.667	6.699	13.082
Disposals	--	--	--	(136)	(99)	--	(235)
Impairment	--	--	--	(28)	--	--	(28)
Reversal of impairment	--	--	--	286	55	--	341
Transfers	--	--	--	427	1.245	(2.700)	(1.028)
Balance at 30 June 2021	24.324	369	57	93.632	108.611	6.457	233.450
Accumulated depreciation and impairment losses							
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	(5.630)	(369)	(57)	(73.506)	(89.366)	--	(168.928)
Net carrying amount at 31 December 2020	19.000	--	--	19.822	19.182	2.458	60.462
Net carrying amount at 30 June 2021	18.694	--	--	20.126	19.245	6.457	64.522

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NOTE 14 – INTANGIBLE ASSETS

The movement of intangible assets and related accumulated depreciation for the period ended 30 June 2022 and 2021 are as follows:

<u>Cost</u>	Licences-rights and computer software	Total
Balance at 1 January 2022	175.620	175.620
Additions	11.458	11.458
Transfers	6.259	6.259
Balance at 30 June 2022	193.337	193.337
<u>Accumulated amortisation</u>		
Balance at 1 January 2022	(125.407)	(125.407)
Charge for the period	(13.719)	(13.719)
Balance at 30 June 2022	(139.126)	(139.126)
Net book value as at 31 December 2021	50.213	50.213
Net book value as at 30 June 2022	54.211	54.211
<u>Cost</u>		
Balance at 1 January 2021	142.982	142.982
Additions	7.241	7.241
Transfers	1.028	1.028
Disposals	(185)	(185)
Balance at 30 June 2021	151.066	151.066
<u>Accumulated amortisation</u>		
Balance at 1 January 2021	(103.340)	(103.340)
Charge for the period	(10.375)	(10.375)
Disposals	37	37
Balance at 30 June 2021	(113.678)	(113.678)
Net book value as at 31 December 2020	39.642	39.642
Net book value as at 30 June 2021	37.388	37.388

Amortisation expenses amounting to TL 5.199 (30 June 2021: TL 3.634) are included in marketing expenses and TL 8.520 (30 June 2021: TL 6.741) are included in general administrative expenses.

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**NOTE 15– PAYABLES RELATED TO EMPLOYEE BENEFITS AND PROVISIONS FOR
EMPLOYEE BENEFITS**

The details of payables related to employee benefits as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Accrued salaries	20.914	13.986
Social security premiums payable	15.398	12.374
Income taxes payable	--	3.568
	36.312	29.928

The details of the provisions for employee benefits as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
<i>Short-term provisions</i>		
Provision for unused vacation	8.671	5.446
Provision for head office personnel premium	10.031	6.708
Provision for sales personnel premium	5.833	6.948
	24.535	19.102

	30 June 2022	31 December 2021
<i>Long-term provisions</i>		
Provision for employee termination benefit	28.184	17.614
Provision for head office personnel premium	1.011	473
	29.195	18.087

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:

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**NOTE 15– PAYABLES RELATED TO EMPLOYEE BENEFITS AND PROVISIONS 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 2022, 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 4,20% real discount rate (31 December 2021: 4,20%) calculated by using 17% annual inflation rate and 21% interest rate. Estimated rates of voluntary leaves for sales personnel and administrative personnel for 0-15 years are taken into consideration as 14,74 % and 9,46%, respectively (31 December 2021: 15,70% and 10,21%), 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 (121 personnel) and the provision has been calculated accordingly.

NOTE 16 – PROVISIONS

The details of the other short-term provisions as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Provisions for ongoing litigation (*)	7.898	9.152
Other	11.044	5.103
	18.942	14.255

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

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NOTE 17 – COMMITMENTS

Collateral, pledge, mortgage position

Collaterals, pledges and mortgages (“CPM”) given by the Company as at 30 June 2022 and 31 December 2021 are as follows:

CPMs given by the Company	30 June 2022			
	TL equivalents	USD	Euro	TL
A. Total amount of CPM given on behalf of own legal personality	1.182.658	12.759	8.776	816.218
- Collaterals	885.107	1.422	3.044	808.066
- Pledges	--	--	--	--
- Mortgages	8.152	--	--	8.152
- Letter of credit	289.399	11.337	5.732	--
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	--	--	--	--
Total CPM	1.182.658	12.759	8.776	816.218

CPMs given by the Company	31 December 2021			
	TL equivalents	USD	Euro	TL
A. Total amount of CPM given on behalf of own legal personality	891.219	9.489	4.728	698.656
- Collaterals	760.042	1.452	3.495	689.884
- Pledges	--	--	--	--
- Mortgages	8.772	--	--	8.772
- Letter of credit	122.405	8.037	1.233	--
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	--	--	--	--
Total CPM	891.219	9.489	4.728	698.656

The ratio of other 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 2022 (31 December 2021: 0%).

As at 30 June 2022 and 31 December 2021, the Company is contingently liable in respect of bank letter of guarantees obtained from banks mainly given to lessors in accordance with the lease agreements, enforcement office related to ongoing lawsuits and custom related to import transactions.

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NOTE 18 – OTHER CURRENT ASSETS AND LIABILITIES

The details of the other current assets as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
<i>Other current assets</i>		
Deferred VAT	62.610	26.128
Advances given	5.309	1.594
Personnel advances	295	92
Other current assets	3.472	1.502
	71.686	29.316

The details of the other current liabilities as at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
<i>Other current liabilities</i>		
Other expense accruals	832	764
Other liabilities and obligations	947	1.353
	1.779	2.117

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NOTE 19 – REVENUE

The details of revenue for six-month periods ended 30 June 2022 and 2021 are as follows.

<i>Revenue (net)</i>	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Retail sales	5.210.634	2.799.993	2.282.442	1.098.835
E-commerce sales	616.094	343.268	497.821	295.436
Dealer sales	422.456	262.840	202.989	127.719
	6.249.184	3.406.101	2.983.252	1.521.990

<i>Cost of revenue</i>	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Cost of trading goods sold	(5.121.114)	(2.782.723)	(2.484.847)	(1.278.775)
Installation and warranty expenses	(23.106)	(15.262)	(13.849)	(10.106)
	(5.144.220)	(2.797.985)	(2.498.696)	(1.288.881)

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NOTE 20 – SELLING AND MARKETING AND ADMINISTRATIVE EXPENSES

The details of selling and marketing expenses for six-month periods ended 30 June 2022 and 2021 are as follows:

<i>Selling and Marketing expenses</i>	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Personnel expenses	(201.344)	(100.172)	(85.841)	(42.070)
Rent expenses	(90.561)	(49.468)	(41.508)	(20.482)
Advertising and promotion expenses	(81.303)	(36.811)	(29.578)	(15.795)
Depreciation and amortisation expenses	(78.852)	(40.996)	(58.516)	(29.875)
Transportation expenses	(31.151)	(17.681)	(18.495)	(9.983)
Energy, fuel, water expenses	(23.270)	(12.011)	(5.881)	(2.951)
Consultancy expenses	(21.765)	(11.721)	(16.999)	(6.409)
Maintenance expenses	(7.563)	(4.148)	(4.115)	(1.972)
Travel and accommodation expenses	(1.173)	(892)	(337)	(177)
Communication expenses	(638)	(375)	(503)	(290)
Other expenses	(31.924)	(19.530)	(10.718)	(4.995)
	(569.544)	(293.805)	(272.491)	(134.999)

The details of administrative expenses for six-month periods ended 30 June 2022 and 2021 are as follows:

<i>Administrative expenses</i>	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Personnel expenses	(34.673)	(19.269)	(15.045)	(8.597)
IT expenses	(17.783)	(7.581)	(6.981)	(3.403)
Depreciation and amortisation expenses	(10.220)	(5.325)	(7.966)	(4.049)
Consultancy expenses	(7.607)	(4.478)	(3.099)	(1.633)
Rent expenses	(1.954)	(1.022)	(1.441)	(753)
Travel expenses	(655)	(473)	(132)	(64)
Maintenance expenses	(530)	(284)	(325)	(141)
Energy, fuel, water expenses	(65)	(33)	(29)	(14)
Other expenses	(4.330)	(2.656)	(1.845)	(1.360)
	(77.817)	(41.121)	(36.863)	(20.014)

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NOTE 21 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for six-month periods ended 30 June 2022 and 2021 are as follows:

<i>Other income from operating activities</i>	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Foreign exchange gains	48.588	28.953	6.665	3.850
Interest income	13.145	9.137	8.606	5.198
Income from personnel	879	405	703	360
Gift cards	151	21	389	249
Impairment/cancellation of fixed asset	--	--	316	72
Reversal of provisions for cancellation of rent agreements	--	--	13.873	8.854
Other income	4.426	3.762	1.577	841
	67.189	42.278	32.129	19.424

The details of other expense from operating activities for six month periods ended 30 June 2022 and 2021 are as follows:

<i>Other expense from operating activities (-)</i>	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Interest expenses on trade transactions	(113.908)	(63.580)	(75.076)	(37.699)
Foreign exchange losses	(46.660)	(27.952)	(10.955)	(2.862)
Litigation expenses	(3.557)	(2.499)	(2.385)	(1.872)
Impairment of fixed asset	(943)	503	--	--
Other expenses and losses	(3.393)	(1.452)	(6.895)	(2.278)
	(168.461)	(94.980)	(95.311)	(44.711)

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NOTE 22 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities for six-month periods ended 30 June 2022 and 2021 are as follows:

Income from investment activities

	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Interest income on time deposits	15.004	8.031	4.196	883
Gain from sale of tangible and intangible assets	562	33	61	45
	15.566	8.064	4.257	928

The details of expense from investing activities for six-month periods ended 30 June 2022 and 2021 are as follows:

Expenses from investment activities

	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Loss from sale of tangible and intangible assets	(593)	(138)	(2)	--
	(593)	(138)	(2)	--

NOTE 23 – FINANCE COSTS AND INCOME

The details of finance costs for six-month periods ended 30 June 2022 and 2021 are as follows:

	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Credit card commission and discount expenses	(150.489)	(81.764)	(69.647)	(35.792)
Interest expense due lease liabilities (Note 6)	(25.263)	(15.253)	(25.486)	(12.339)
Interest and commission expenses	(12.913)	(10.417)	(26.346)	(15.744)
Guarantee letters commission expenses	(3.126)	(1.572)	(2.491)	(1.290)
Foreign exchange expenses	(2.427)	(2.427)	(1.232)	(773)
Other finance costs	(744)	(548)	(227)	(145)
	(194.962)	(111.981)	(125.429)	(66.083)

The details of finance income for six-month periods ended 30 June 2022 and 2021 are as follows:

	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Foreign exchange income	31.356	17.877	2.066	1.730
	31.356	17.877	2.066	1.730

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NOTE 24 – 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 minimize 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 2022			
	TL equivalent	USD	EUR	Other
1. Trade receivable	917	34	20	--
2a. Monetary financial assets (including cash on hand and bank accounts)	81.181	4.192	645	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	20.192	578	601	1
4. Current assets (1+2+3)	102.290	4.804	1.266	1
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	617	37	--	--
8. Non-current assets (5+6+7)	617	37	--	--
9. Total assets (4+8)	102.907	4.841	1.266	1
10. Trade payables	(170.030)	(6.850)	(3.185)	--
11. Financial liabilities	--	--	--	--
12a. Other monetary liabilities	--	--	--	--
12b. Non-monetary other liabilities	(6.553)	(391)	(2)	--
13. Current liabilities (10+11+12)	(176.583)	(7.241)	(3.187)	--
14. Trade payables	--	--	--	--
15. Financial liabilities	--	--	--	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Non-current liabilities (14+15+16)	--	--	--	--
18. Total liabilities (13+17)	(176.583)	(7.241)	(3.187)	--
19. Net asset/ (liability) position of off-statement derivative instruments (19a-19b)	186.018	8.440	2.587	--
19a. Off-balance sheet derivative assets	186.018	8.440	2.587	--
19b. Off-balance sheet derivative liabilities	--	--	--	--
20. Net position of foreign currency asset / (liability) (9+18+19)	112.342	6.040	666	1
21. Net position of monetary foreign currency asset / (liability) (IFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)	(87.932)	(2.624)	(2.520)	--
22. Total fair value of foreign currency hedge	9.310	517	40	--

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**NOTE 24 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

Foreign currency risk (Continued)

Foreign Currency Position	31 December 2021		
	TL equivalent	USD	EUR
1. Trade receivable	4.979	326	51
2a. Monetary financial assets (including cash on hand and bank accounts)	72.406	4.207	1.213
2b. Non-monetary financial assets	--	--	--
3. Other	582	44	1
4. Current assets (1+2+3)	77.967	4.577	1.265
5. Trade receivables	--	--	--
6a. Monetary financial assets	--	--	--
6b. Non-monetary financial assets	--	--	--
7. Other	480	37	--
8. Non-current assets (5+6+7)	480	37	--
9. Total assets (4+8)	78.447	4.614	1.265
10. Trade payables	(52.467)	(2.433)	(1.423)
11. Financial liabilities	--	--	--
12a. Other monetary liabilities	--	--	--
12b. Non-monetary other liabilities	(4.974)	(381)	(2)
13. Current liabilities (10+11+12)	(57.441)	(2.814)	(1.425)
14. Trade payables	--	--	--
15. Financial liabilities	--	--	--
16a. Monetary other liabilities	--	--	--
16b. Non-monetary other liabilities	--	--	--
17. Non-current liabilities (14+15+16)	--	--	--
18. Total liabilities (13+17)	(57.441)	(2.814)	(1.425)
19. Net asset/ (liability) position of off-statement derivative instruments (19a-19b)	88.249	2.036	4.211
19a. Off-balance sheet derivative assets	88.249	2.036	4.211
19b. Off-balance sheet derivative liabilities	--	--	--
20. Net position of foreign currency asset / (liability) (9+18+19)	109.255	3.836	4.051
21. Net position of monetary foreign currency asset / (liability) (IFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)	24.918	2.100	(159)
22. Total fair value of foreign currency hedge	575	(69)	100

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**NOTE 24 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

Foreign currency risk (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 2022

	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	(4.001)	4.001	(4.001)	4.001
2- Amount hedged for USD risk (-)	--	--	14.069	(14.069)
3- USD net effect (1 +2)	(4.001)	4.001	10.068	(10.068)
In case 10% appreciation of EUR against TL:				
4 - EUR net assets/liabilities	(3.366)	3.366	(3.366)	3.366
5 - Amount hedged for EUR risk (-)	--	--	4.533	(4.533)
6- EUR net effect (4+5)	(3.366)	3.366	1.167	(1.167)
In case 10% appreciation of other currency against TL:				
7- Net assets/liabilities in other foreign currency	--	--	--	--
8- Amount hedged for other currency risk (-)	--	--	--	--
9- Other currency assets net effect (7+8)	--	--	--	--
TOTAL (3+6+9)	(7.367)	7.367	11.235	(11.235)

Foreign Currency Sensitivity Table

31 December 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	4.978	(4.978)	--	--
2- Amount hedged for USD risk (-)	--	--	2.642	(2.642)
3- USD net effect (1 +2)	4.978	(4.978)	2.642	(2.642)
In case 10% appreciation of EUR against TL:				
4 - EUR net assets/liabilities	5.948	(5.948)	--	--
5 - Amount hedged for EUR risk (-)	--	--	6.183	(6.183)
6- EUR net effect (4+5)	5.948	(5.948)	6.183	(6.183)
In case 10% appreciation of other currency against TL:				
7- Net assets/liabilities in other foreign currency	--	--	--	--
8- Amount hedged for other currency risk (-)	--	--	--	--
9- Other currency assets net effect (7+8)	--	--	--	--
TOTAL (3+6+9)	10.926	(10.926)	8.825	(8.825)

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NOTE 25 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

As at 30 June 2022 and 31 December 2021, fair value and carrying amounts of assets and liabilities are shown in the table below:

	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
30 June 2022					
Financial Assets					
Cash and cash equivalents	520.824	--	--	520.824	5
Trade receivables (including due from related parties)	264.020	--	--	264.020	7
Other receivables	739	--	--	739	8
Derivatives	--	9.310	--	9.310	
Financial Liabilities					
Short-term bank loans	--	--	207.473	207.473	6
Lease liabilities	--	--	351.059	351.059	6
Trade payables (including due to related parties)	--	--	2.790.124	2.790.124	7
Other payables	--	--	6.724	6.724	8
31 December 2021					
Financial Assets					
Cash and cash equivalents	709.408	--	--	709.408	5
Trade receivables (including due from related parties)	155.925	--	--	155.925	7
Other receivables	612	--	--	612	8
Derivatives	--	575	--	575	
Financial Liabilities					
Lease liabilities	--	--	209.133	209.133	6
Trade payables (including due to related parties)	--	--	2.428.265	2.428.265	7
Other payables	--	--	5.153	5.153	8

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.

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NOTE 26 - EVENTS AFTER THE REPORTING PERIOD

From the balance sheet date to 8 August 2022, the Company has closed its Kahramanmaraş Elbistan store in Kahramanmaraş province for sale as of 22 July 2022. As a result of this closure, the retail sales area of the Company decreased by 137 square meters.