

# hepsiburada

Q2 2021

August 26, 2021



# Forward Looking Statements

This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995 that reflect the current views of D-MARKET Electronic Services and Trading (“we”, “our”, “Hepsiburada” or the “Company”) about future events and financial performance, including but not limited to statements regarding: (a) our expectations regarding the 2021 GMV; (b) potential disruptions to our operations and supply chain that may result from (i) epidemics or natural disasters, including the duration, scope and impact on our operations in general and the pace of recovery from the COVID-19 pandemic or (ii) recent port shutdowns in China; (c) anticipated launch of new initiatives, businesses or any other strategic projects (d) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, and projected growth and profitability; (e) our liquidity, substantial indebtedness, and ability to obtain additional financing; (f) our strategic goals and plans, including our relationships with existing customers, suppliers and partners, and our ability to achieve and maintain them; and (g) expectations regarding our future performance based on our ability to attract more customers to our platform, to increase frequency of our customers on our platform, to add more merchants to our platform, to expanding our selection of products and services, to scale our new strategic assets and leverage logistics and technology as business enablers. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “aims,” “future,” “intends,” “plans,” “believes,” “estimates,” “likely to” and similar statements. Among other things, quotations from management in this announcement, as well as our outlook and guidance, strategic and operational plans, contain forward-looking statements.

These forward-looking statements are based on management’s current expectations. However, it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. These statements are neither promises nor guarantees but involve known and unknown risks, uncertainties and other important factors and circumstances that may cause Hepsiburada’s actual results, performance or achievements to be materially different from its expectations expressed or implied by the forward-looking statements, including conditions in the U.S. capital markets, negative global economic conditions, potential negative developments in the COVID-19 pandemic, other negative developments in Hepsiburada’s business or unfavorable legislative or regulatory developments. We caution you therefore against relying on these forward-looking statements, and we qualify all of our forward-looking statements by these cautionary statements. For a discussion of certain factors that may affect the outcome of such forward looking statements, see our Prospectus filed with the U.S. Securities and Exchange Commission (“SEC”) in connection with our initial public offering, and in particular the “Risk Factors” section of our Registration Statement on Form F-1 (File No.333-256654) as filed with the SEC. Copies of these filings are available online from the SEC at [www.sec.gov](http://www.sec.gov), or on the SEC Filings section of our Investor Relations website at <https://investors.hepsiburada.com>. These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation. Any such forward-looking statements represent management’s estimates as of the date of this presentation. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date of this presentation.

## Non-IFRS Financial Measures

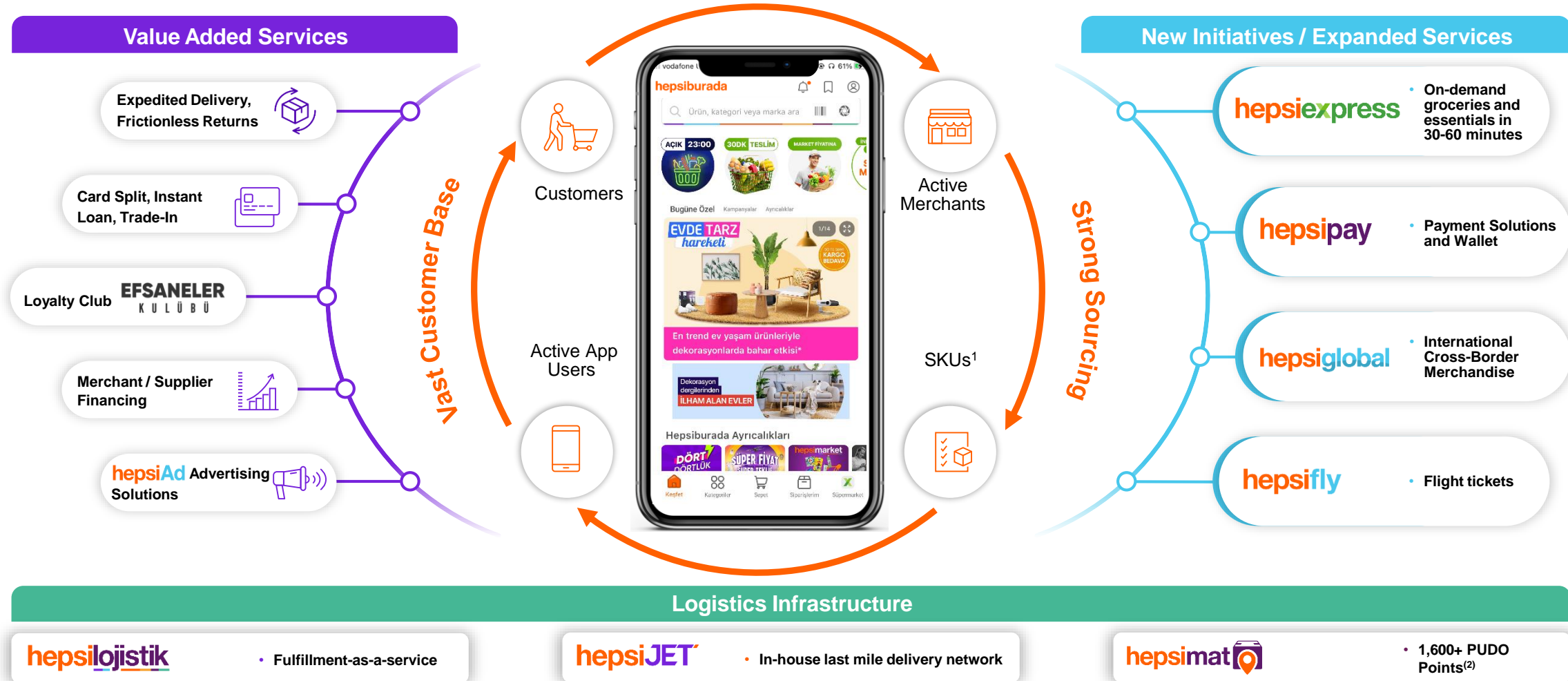
This presentation includes certain non-IFRS financial measures, including but not limited to, EBITDA, Free Cash Flow and Net Working Capital. These financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to profit/loss for the period or other measures of profitability, liquidity or performance under IFRS. You should be aware that the Company’s presentation of these measures may not be comparable to similarly titled measures used by other companies, which may be defined and calculated differently. See “Presentation of Financial and Other Information” in this presentation for a reconciliation of certain of these non-IFRS measures to the most directly comparable IFRS measure.

## Statement Regarding Preliminary Unaudited Financial Information

This presentation includes quarterly information for the three months ended June 30, 2021 and 2020 and first half year information for the year 2020 and 2021. The quarterly information has not been audited or reviewed by the Company’s auditors. The unaudited interim consolidated financial information include the accounts of the Company and its subsidiaries. All periods presented have been accounted for in conformity with International Financial Reporting Standards (“IFRS”).

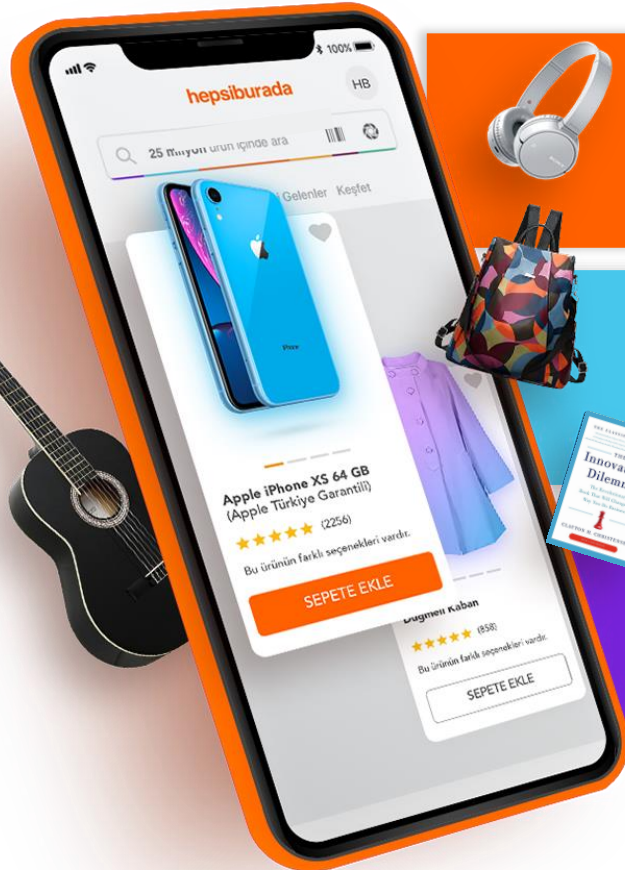
The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of the Company.

# hepsiburada Super App Ecosystem



Notes:  
1. SKUs: Stock Keeping Units  
2. PUDO: Pick-up and drop-off as of June 2021

# hepsiburada Q2 2021 Highlights



**Significant  
Growth at Scale  
inline with Plans**

TRY **5.9 Bn**  
GMV<sup>(1)</sup>  
TRY10.4 Bn in H1 2021

**38% YoY**  
GMV Growth in Q2 2021  
**58%** in H1 2021

**13.1 MM**  
Orders  
**38%** growth YoY in  
Q2 2021

**Growth in Active  
Customer  
and Merchant Base**  
YoY growth in Q2 2021

**Upward trend**  
continued in Active  
Customers <sup>(2)</sup>

**2x**  
Number of Active  
Merchants <sup>(3)</sup>

**~2x**  
SKUs<sup>(4)</sup>  
on the platform

**Solid Execution  
in Strategic Assets**

**hepsiJET<sup>+</sup>**  
**100%**  
city coverage in Turkey  
(81/81 cities)

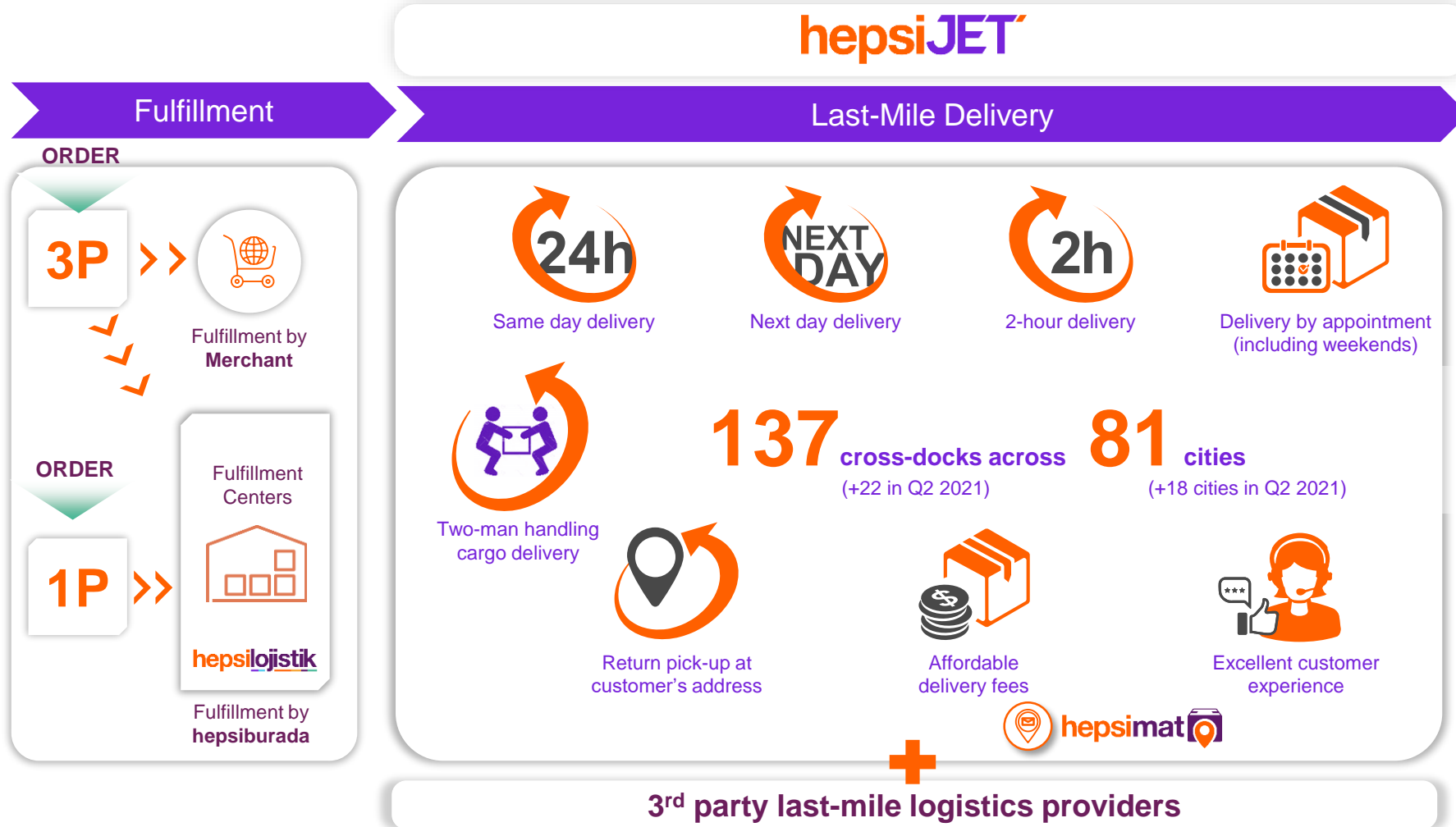
**hepsipay**  
**Wallet**  
launched  
(June 2021)

**hepsiexpress**  
**ca. 40** brands  
**1,800+** stores

## Notes:

1. Refers to the total value of orders/products sold through our platform over a given period of time (including value added tax ("VAT") without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants
2. "Active Customers" means users (both unregistered users and members of the platform) who purchased an item within the 12-month period preceding the relevant date, including returns and cancellations
3. "Active Merchants" means who sold at least one item within the 12-month period preceding the relevant date, including returns and cancellations. Reflects the ratio of the figure as at 30 June 2021 compared to the figure as 30 June 2020.
4. "SKUs" refers to Stock Keeping Units. Reflects the ratio of the figure as at 30 June 2021 compared to the figure as 30 June 2020.

# HepsiJet: Coverage of All Cities



Coverage of all cities in Turkey in Q2 2021

hepsiJET

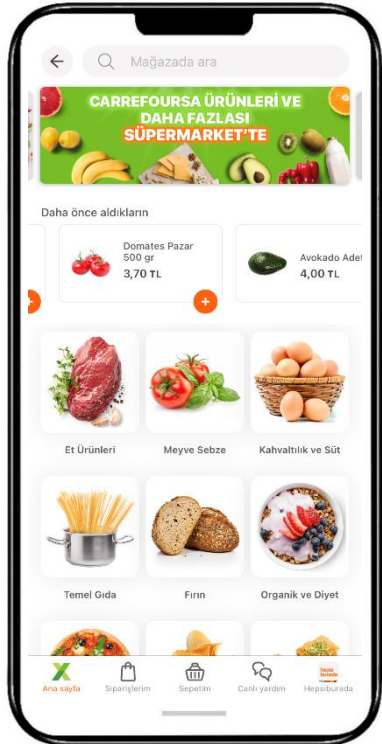
*Strong last-mile capabilities delivering orders and easy frictionless return services*

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Note: Figures as of June 2021.

# HepsiExpress: Continued Expansion in Coverage and Base

hepsiexpress



Motorbike

Refrigerated Vans

- ✓ **On-demand** Delivery
- ✓ **Instant** (in 30-60 mins)
- ✓ **Scheduled** (Hourly slots)

*Solid execution;  
strengthened  
base in Q2*

Expanding  
Geographical  
Coverage

Coverage<sup>(1)</sup> of  
**58 Cities**  
(+44 in Q2 2021)

Coverage<sup>(1)</sup> of  
**60MM+**  
Population

Diversifying  
Services Portfolio

New category in place:  
**Water delivery**

Growing  
Merchant Base

 **40+** Partners  
**1,800+** Stores  
(+25 partners and +~1K stores  
in Q2 2021)

Growing  
Workforce

Courier and  
Picker Network of  
**2,600+**  
(+~1,500 in Q2 2021)

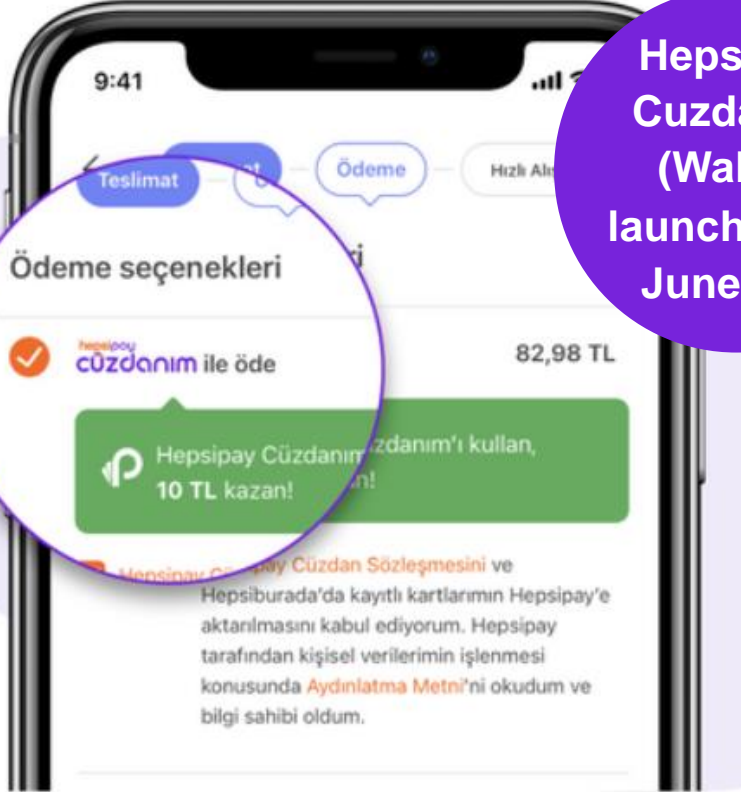
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Notes: Figures as of June 2021

(1) Coverage includes grocery and water delivery service through own operations and through merchants.

# Solid Execution: Hepsipay Wallet Launch

HepsiPay  
Cüzdanım  
(Wallet)  
launched on  
June 10<sup>th</sup>



## Key Advantages



Easiest and fastest  
way to pay and  
receive returns



“Hyper-  
customized” offers



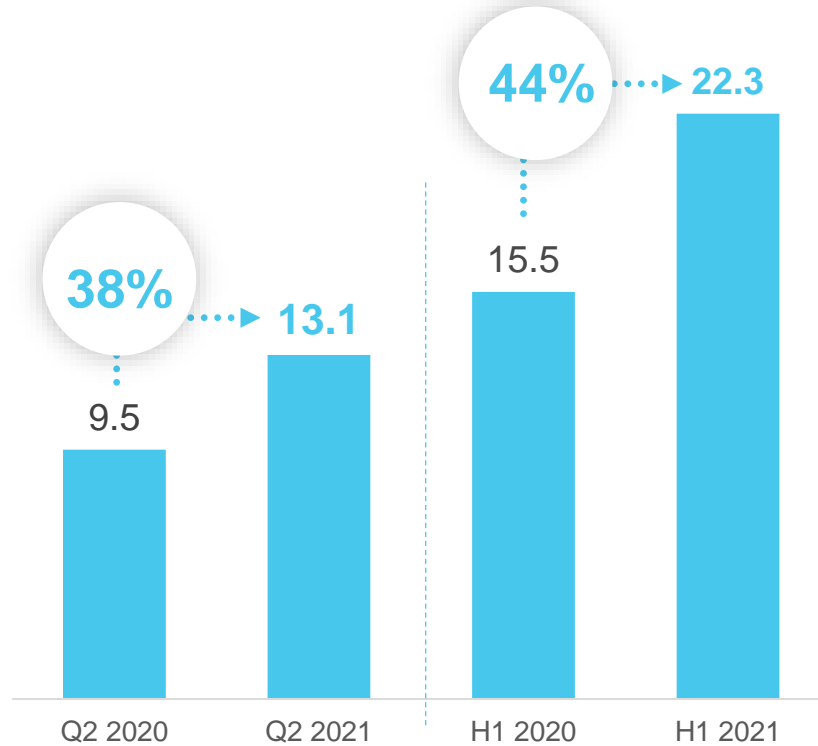
Cashback

**hepsipay**

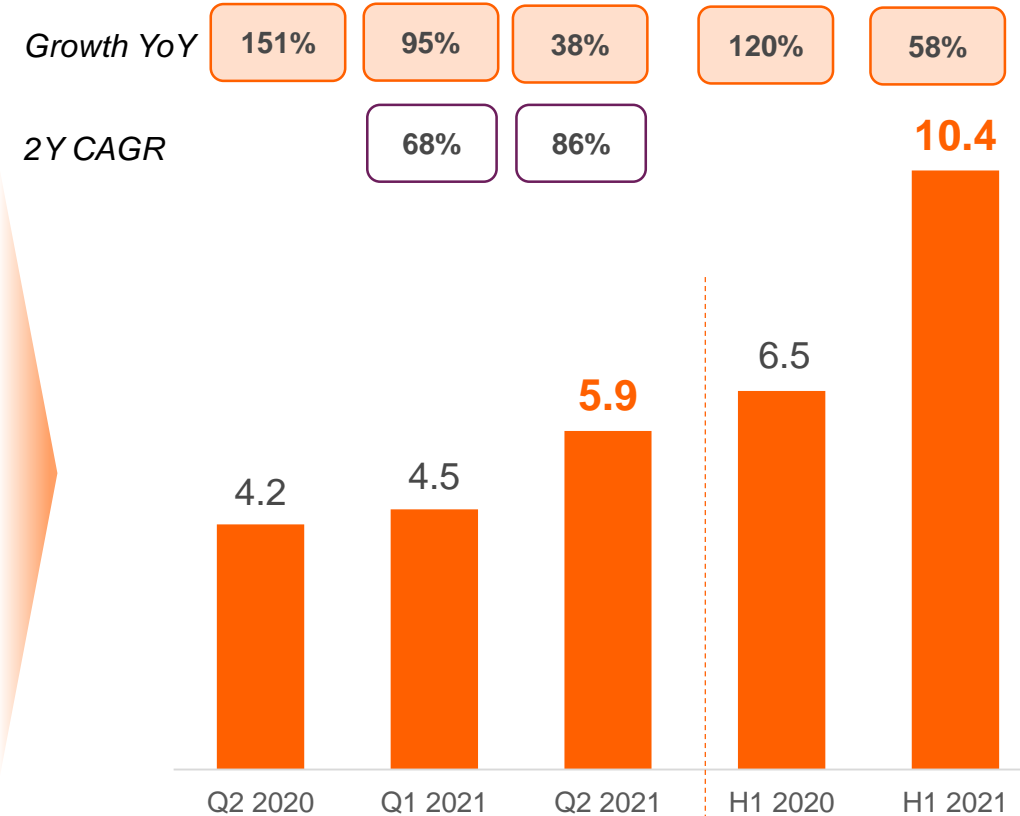
*Digital wallet evolving  
into best-in-class  
payment platform across  
online and offline  
channels*

# Robust GMV Growth

Total Number of Orders (million, %YoY)



GMV (TRY billion, %YoY)



~2x Active Merchants<sup>(1)</sup>

~2x SKUs<sup>(2)</sup>

Rising active customer base and frequency

Source: Company data

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

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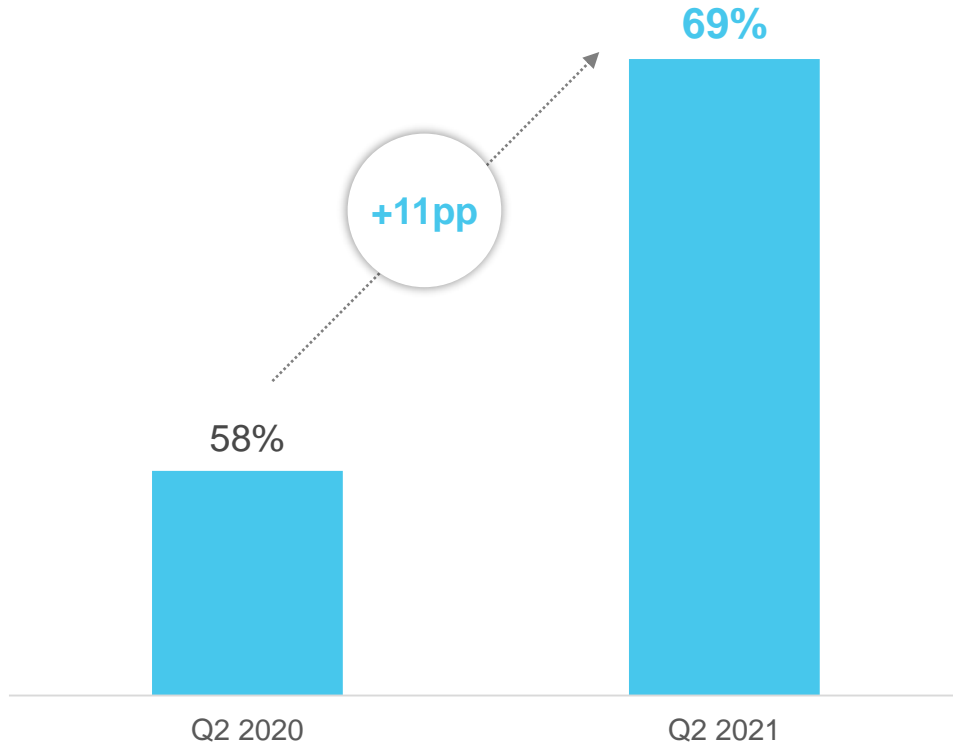
Notes:

1. Merchants who sold at least one item within the 12-month period preceding the relevant date, including returns and cancellations. Reflects the ratio of the figure as at 30 June 2021 compared to the figure as 30 June 2020.

2. Stock Keeping Units. Reflects the ratio of the figure as at 30 June 2021 compared to the figure as 30 June 2020.

# Rising Share of Marketplace

## Share of Marketplace GMV<sup>(1)</sup>



Source: Company data

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### Notes:

1. The portion of GMV sold through our Marketplace represented as a percentage of our total GMV
2. Total number of users that have registered to our online platform by creating an account (either through website or mobile application), excluding cancelled memberships as of December 31, 2020
3. Includes both merchant and supplier financing, calculation based on FY2020 total financing volume of TL1,349 MM divided by FY2018 total financing volume of TL118 MM

## Comprehensive Suite of End-to-End Solutions and Value Added Services For Merchants

### Merchant Portal with Large User Reach

Access to **33MM** members<sup>(2)</sup>  
&  
**hepsiAd** solutions

### Vast Fulfillment Services

**hepsiJET**  
&  
**hepsilojistik**

### Merchant & Supplier Finance

**11.4x<sup>(3)</sup>**  
increase in financing  
over the last 2 years

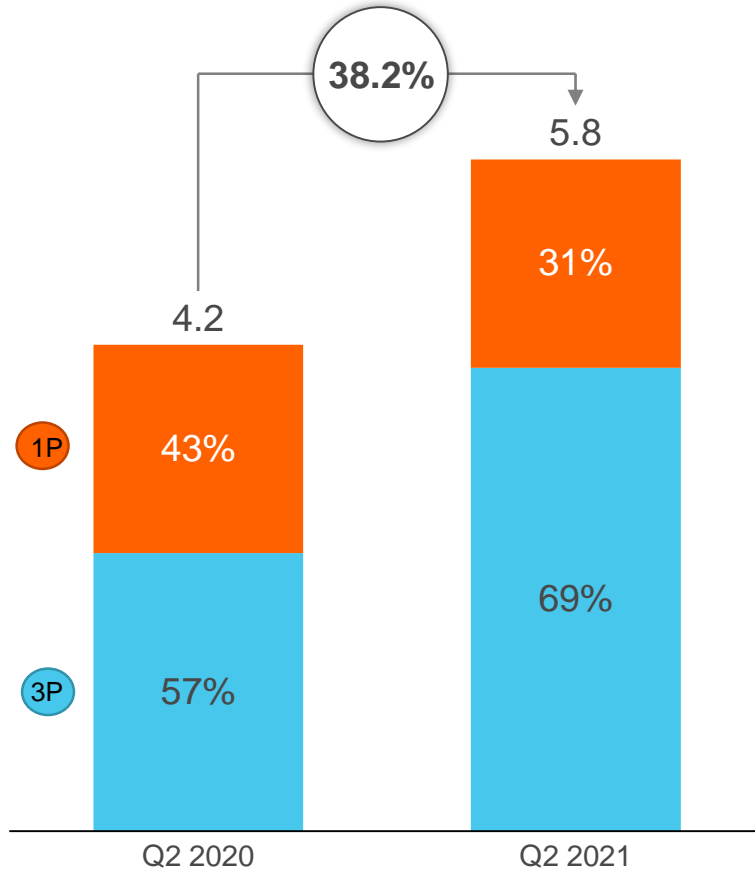
### Training & Support

Wide course catalogue of  
**highly tailored training sessions**

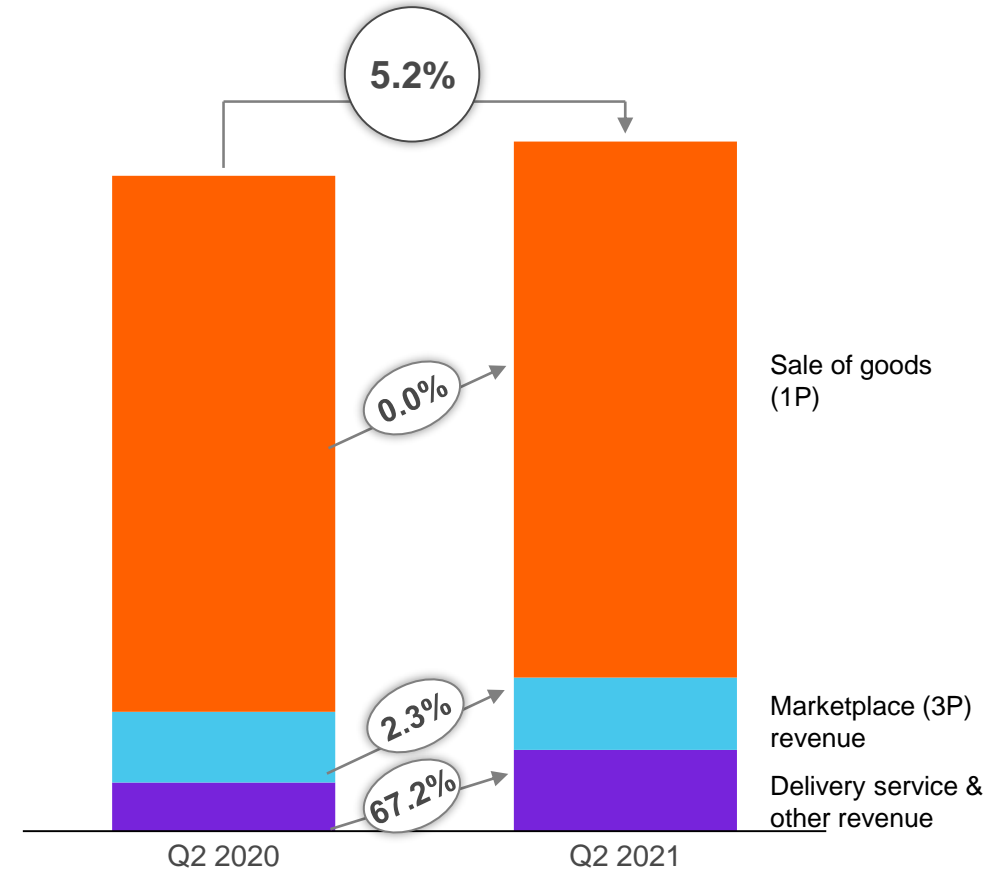
**hepsiakademi**

# Q2 2021: GMV and Revenue Growth

GMV (TRY billion, %YoY)



Revenue (TRY million, %YoY)



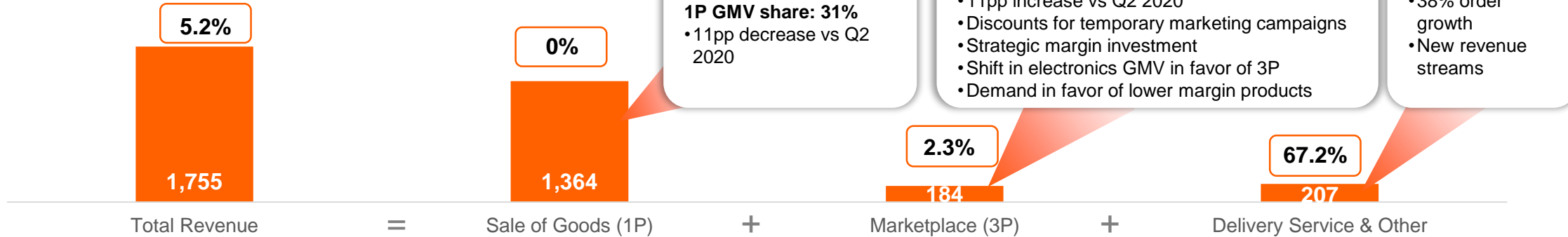
Source: Company data

See "Certain Definitions" in the appendix of this presentation for GMV definition

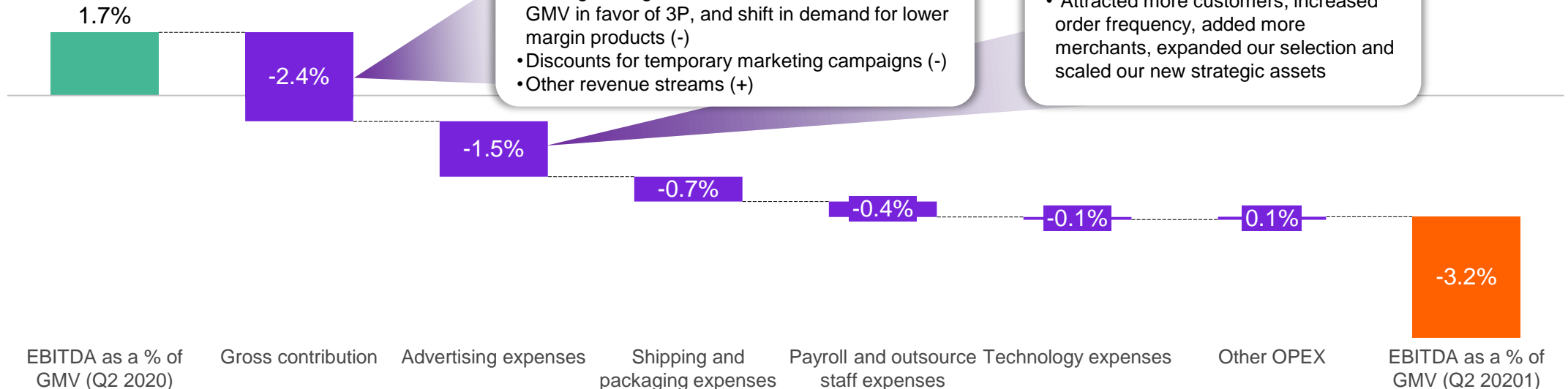
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# Revenue and Profitability Analysis

## YoY Q2 Revenue Growth (TRY million)



## YoY Q2 EBITDA Bridge (% of GMV)



Source: Company data. Net loss for Q2 2021 is TRY 324.1 million.

See "Certain Definitions" in the appendix of this presentation for GMV definition

# Robust Cash Flow Generation

## Positive Free Cash Flow Generation

Free Cash Flow<sup>(1)</sup>, TRY MM

	Q2 2021	Q2 2020
<b>Operating activities</b>		
Net loss for the period	(324.1)	(15.1)
Change in net working capital	943.1	78.8
Other <sup>(2)</sup>	130.4	90.8
<b>Net cash provided by operating activities</b>	<b>749.4</b>	<b>154.5</b>
<b>Investing activities</b>		
Net purchases and sales of PP&E and intangible assets	(44.0)	(18.4)
<b>Net cash used in investing activities</b>	<b>(44.0)</b>	<b>(18.4)</b>
<b>Free Cash Flow</b>	<b>705.4</b>	<b>136.1</b>

+

**Strong cash flow generation by maintaining a negative net working capital position**

+

**Capex on product developments and intangible assets**

Source: Company data

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Notes:

1. Net cash provided by operating activities less capital expenditures plus proceeds from sale of property and equipment
2. Relates to adjustments to reconcile profit/(loss) before income taxes to cash flows from operating activities

# GMV Outlook

Multi Levers to Drive Long-Term Growth

**2021E GMV: TRY 28 billion – TRY 29 billion**



**Attracting More  
Customers to  
Our Platform**



**Increasing the  
Frequency of Our  
Customers on  
Our Platform**



**Adding More  
Merchants  
to Our Platform**



**Expanding Our  
Selection of  
Products and  
Services**



**Scaling Our  
New Strategic  
Assets**



**Leveraging Logistics  
and Technology as  
Business and  
Experience Enablers**

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## Q&A



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## Appendix



# Q2 2021: Summary Financials

TRY million	Q2 2021	Q2 2020	Q2 YoY	H1 2021	H1 2020	H1 YoY
Revenue	1,754.7	1,667.7	5.2%	3,140.5	2,504.3	25.4%
Gross Contribution	486.9	452.3	7.6%	907.3	685.2	32.4%
Gross Contribution margin <sup>(1)</sup>	8.3%	10.7%	(2.4)pp	8.8%	10.5%	(1.7)pp
Operating Expenses <sup>(2)</sup> (Opex)	(1,974.9)	(1,616.6)	22.2%	(3,491.6)	(2,457.9)	42.1%
Opex as a % of GMV	(33.7%)	(38.2%)	4.5%	(33.7%)	(37.6%)	3.9%
Net Loss	(324.1)	(15.1)	2046.4%	(561.4)	(72.0)	679.7%
EBITDA	(188.6)	71.1	n.m	(292.3)	86.0	n.m.
EBITDA as a % of GMV	(3.2%)	1.7%	(4.9)pp	(2.8%)	1.3%	(4.1)pp

Source: Company data

# Income Statement

## Income Statement, TL MM

	Six Months Ended	Six Months Ended	Three Months Ended	Three Months Ended
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>Revenues</b>	<b>3,140,536</b>	<b>2,504,344</b>	<b>1,754,701</b>	<b>1,667,705</b>
Cost of inventory sold	(2,233,267)	(1,819,120)	(1,267,809)	(1,215,423)
Shipping and packaging expenses	(395,908)	(213,269)	(234,934)	(141,857)
Payroll and outsource staff expenses	(349,687)	(129,505)	(122,368)	(71,320)
Advertising expenses	(382,150)	(212,855)	(286,081)	(144,589)
Technology expenses	(27,348)	(13,918)	(14,597)	(7,392)
Depreciation and amortization	(58,816)	(39,450)	(31,670)	(19,956)
Other operating expenses, net	(44,381)	(29,762)	(17,440)	(16,021)
<b>Operating (loss) / income</b>	<b>(351,021)</b>	<b>46,465</b>	<b>(220,198)</b>	<b>51,147</b>
Financial income	95,480	52,330	42,481	24,661
Financial expenses	(305,846)	(170,842)	(146,344)	(90,930)
<b>Loss before income taxes</b>	<b>(561,387)</b>	<b>(72,047)</b>	<b>(324,061)</b>	<b>(15,122)</b>
Taxation on income	-	-	-	-
<b>Loss for the period</b>	<b>(561,387)</b>	<b>(72,047)</b>	<b>(324,061)</b>	<b>(15,122)</b>

# Balance Sheet

## Balance Sheet, TL MM

Assets:	30 June 2021	31 December 2020
Cash and cash equivalents	706,259	592,643
Trade receivables	178,748	157,107
Due from related parties	1,224	3,408
Inventories	608,621	770,141
Contract assets	10,567	55,737
Other current assets	105,031	110,795
<b>Total current assets</b>	<b>1,610,450</b>	<b>1,689,831</b>
Property and equipment	65,624	56,950
Intangible assets	128,198	89,387
Right of use assets	173,878	125,983
Other non-current assets	10,608	2,806
<b>Total non-current assets</b>	<b>378,308</b>	<b>275,126</b>
<b>Total assets</b>	<b>1,988,758</b>	<b>1,964,957</b>
Liabilities:		
Bank borrowings	158,801	347,436
Lease liabilities	66,630	51,211
Trade payables and payables to merchants	2,461,651	2,024,549
Due to related parties	6,329	3,930
Provisions	3,411	3,734
Employee benefit obligations	110,655	22,808
Contract liabilities and merchant advances	245,110	150,698
Other current liabilities	128,368	51,779
<b>Total current liabilities</b>	<b>3,180,955</b>	<b>2,656,145</b>
Lease liabilities	119,955	92,845
Employee benefit obligations	5,387	3,299
<b>Total non-current liabilities assets</b>	<b>125,342</b>	<b>96,144</b>
<b>Total liabilities</b>	<b>3,306,297</b>	<b>2,752,289</b>
Share capital	56,866	56,866
Other capital reserves	34,236	-
Share premiums	187,465	187,465
Restricted reserves	1,586	1,586
Accumulated deficit	(1,597,692)	(1,033,249)
<b>Total equity</b>	<b>(1,317,539)</b>	<b>(787,332)</b>
<b>Total liabilities and equity</b>	<b>1,988,758</b>	<b>1,964,957</b>

# Cash Flow Statement

## Cash Flow Statement, TL MM

	Six Months Ended	Six Months Ended
	30 June 2021	30 June 2020
Loss before income taxes	(561,387)	(72,047)
<b>Adjustments to reconcile profit/(loss) before income taxes to cash flows from operating activities:</b>	<b>403,662</b>	<b>180,527</b>
Interest and commission expenses	244,262	145,903
Depreciation and amortization	58,816	39,450
Interest income on time deposits	(14,231)	(11,288)
Interest income on credit sales	(18,884)	(6,640)
Provision for unused vacation liability	4,554	2,553
Provision for share based payment	131,918	-
Provision for legal cases	232	2,625
Provision for doubtful receivables	1,352	2,179
Provision for impairment of trade goods, net	(1,879)	7,484
Provision for post-employment benefits	856	435
Net foreign exchange differences	(3,334)	(2,174)
<b>Changes in net working capital</b>		
Change in trade payables and payables to merchants	437,101	667,783
Change in inventories	163,399	(218,327)
Change in trade receivables	(25,718)	(413,076)
Change in contract liabilities and merchant advances	94,412	55,864
Change in contract assets	45,170	(5,685)
Change in other liabilities	81,830	70,535
Change in other assets and receivables	(2,037)	(26,765)
Change in due from related parties	2,184	(6,299)
Change in due to related parties	2,399	10,540
Post-employment benefits paid	(1,825)	(756)
Payments for concluded litigation	(555)	(806)
Payments for personnel bonus	(13,464)	(10,433)
Payments for unused vacation liabilities	(925)	(328)
Collections of doubtful receivables	2,725	31
<b>Net cash provided by operating activities</b>	<b>626,971</b>	<b>230,758</b>
<b>Investing activities:</b>		
Purchases of property and equipment and intangible assets	(81,053)	(34,160)
Proceeds from sale of property and equipment	694	4
<b>Net cash used in investing activities</b>	<b>(80,359)</b>	<b>(34,156)</b>
<b>Financing activities:</b>		
Proceeds from borrowings/(Repayment of borrowings)	(191,672)	233,768
Interest and commission paid	(231,386)	(127,195)
Lease payments	(46,431)	(24,401)
Interest received on time deposits	13,921	11,494
Interest income on credit sales	18,884	6,640
<b>Net cash provided by / (used in) financing activities</b>	<b>(436,684)</b>	<b>100,306</b>
<b>Net increase in cash and cash equivalents</b>	<b>109,928</b>	<b>296,908</b>
<b>Cash and cash equivalents at 1 January</b>	<b>592,281</b>	<b>281,982</b>
Effects of exchange rate changes on cash and cash equivalents	3,378	591
<b>Cash and cash equivalents at 30 June</b>	<b>705,587</b>	<b>579,481</b>

# Non-IFRS Metrics Reconciliation (I/II)

## EBITDA

(TRY in millions)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net loss for the period	(324.1)	(15.1)	(561.4)	(72.0)
Taxation on income	0.0	0.0	0.0	0.0
Financial income	42.5	24.7	95.5	52.3
Financial expenses	(146.3)	(90.9)	(305.8)	(170.8)
Depreciation and amortization	(31.7)	(20.0)	(58.8)	(39.5)
<b>EBITDA</b>	<b>(188.6)</b>	<b>71.1</b>	<b>(292.3)</b>	<b>86.0</b>

For additional details on the use of non-IFRS financial measures and a reconciliation to IFRS, please refer to our Form 6-K, filed August 26, 2021.

# Non-IFRS Metrics Reconciliation (II/II)

## Free Cash Flow

(TRY in millions)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net cash provided by operating activities	749.4	154.5	627.0	230.8
Capital expenditures	(44.7)	(18.4)	(81.1)	(34.2)
Proceeds from the sale of property and equipment	0.7	0.0	0.7	0.0
Free Cash Flow	705.4	136.1	546.6	196.6

## Net Working Capital

(TRY in millions)	As of June 30, 2021	As of December 31, 2020
Current assets	1,610.5	1,689.8
Cash and cash equivalents	(706.3)	(592.6)
Current liabilities	(3,181.0)	(2,656.1)
Bank borrowings, current	158.8	347.4
Lease liabilities, current	66.6	51.2
Net Working Capital	(2,051.4)	(1,160.3)

# Certain Definitions

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

- **GMV** as gross merchandise value which refers to the total value of orders/products sold through our platform over a given period of time (including value added tax (“VAT”) without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants;
- **Marketplace GMV** as total value of orders/products sold through our Marketplace over a given period of time (including VAT without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants;
- **Share of Marketplace GMV** as the portion of GMV sold through our Marketplace represented as a percentage of our total GMV;
- **Gross Contribution** as revenues less cost of inventory sold. Gross Contribution is an indicator of our operational profitability as it reflects direct costs of products sold to our buyers;
- **Gross Contribution margin** as Gross Contribution represented as a percentage of GMV;
- **Number of orders** as the number of orders we received through our platform including returns and cancellations;
- **Active merchant base** as merchants who sold at least one item within the 12-month period preceding the relevant date, including returns and cancellations;
- **Net working capital** is defined as current assets (*excluding cash and cash equivalents*) minus current liabilities (*excluding current bank borrowings and current lease liabilities*)).