

**PENTA TEKNOLOJİ ÜRÜNLERİ
DAĞITIM TİCARET A.Ş.**

**CONVENIENCE TRANSLATION
INTO ENGLISH OF THE
1 JANUARY – 30 JUNE 2023
INTERIM REPORT**





**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REVIEW REPORT ON SEMI-ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

To the General Assembly Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş.

We have been assigned to the review whether the financial information in the review report of Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") prepared as at 30 June 2023 is consistent with the reviewed interim condensed consolidated financial information. Management is responsible for the preparation of the semi-annual report. Our responsibility is to express a conclusion on whether the financial information provided in the semi-annual report is consistent with the reviewed interim condensed consolidated financial information on which we have expressed our conclusion dated 15 August 2023.

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity". Our review includes the assessment as to whether the financial information included in the semi-annual report is consistent with the reviewed interim condensed consolidated financial statements and other explanatory notes. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Consequently, a review on the semi-annual financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying financial information included in the review report is not consistent, in all material respects, with the interim financial information and the information presented in the explanatory notes to interim condensed consolidated financial statements.

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

Mert Tüten, SMMM
Partner

Istanbul, 15 August 2023

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1. GENERAL INFORMATION, CAPITAL AND SHAREHOLDERS STRUCTURE

Reporting Period	: 01.01.2023 – 30.06.2023
Trade Name	: Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş.
Trade Registration Number	: 492652
Head Office Address	: Dudullu Organize Sanayi Bölgesi 4. Cadde No : 1 34775 Ümraniye/İSTANBUL
Phone Number	: (0216) 528 00 00
Fax Number	: (0216) 415 23 27
E-mail Address	: info@penta.com.tr , yatirimciiliskileri@penta.com.tr
Website	: www.penta.com.tr , yatirimci.penta.com.tr

Principal activities of Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş. ("Penta Teknoloji" or the "Company") are distribution of computer, hardware and software goods. The Company purchases the trade goods from domestic and foreign suppliers and distributes them mostly to its domestic customers via its sales network. Total number of the Company's employees is 361 as of 30 June 2023.

The capital and shareholder structure as of 30.06.2023 is given below. Group A shares, held by Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Gözde GSYO A.Ş.") are privileged shares and their only privilege is the privilege of nominating candidates for members of the Board of Directors.

Shareholder	Share Group	Share Capital (TL)	Share Capital (%)
Gözde GSYO A.Ş.	A	106.418.079	27,04
	B	20.335.752	5,17
Mustafa Ergün	B	40.073.394	10,18
İstanbul Portföy Yıldız Serbest Özel Fon	B	35.433.779	9,00
Mürsel Özçelik	B	27.960.870	7,11
Sinan Güçlü	B	27.699.492	7,04
Bülent Koray Aksoy	B	27.650.870	7,03
Other	B	107.943.764	27,43
Total Capital		393.516.000	100,00

The details of subsidiaries as are given below.

Subsidiary Name	Place of Incorporation and Operation	Proportion of Ownership
Commonwealth Finance Investment Ltd.	British Virgin Islands	100,00%
Penta International B.V.	Netherlands	100,00%

2. BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The Company is represented and managed by a 6-member Board of Directors, determined by the General Assembly. Most of the Board Members are non-executive members. Only one member is an executive member. Non-executive Board Members do not have any administrative duties in the Company, other than their Board memberships, and do not interfere in the Company's daily work flow and ordinary operations.

Members of the Board of Directors:

Name	Title
Mehmet TÜTÜNCÜ	Chairman of the Board of Directors
Ali ÜLKER	Vice Chairman of the Board of Directors
Mürsel ÖZÇELİK	Executive Member of the Board of Directors
Erman KALKANDELEN	Member of the Board of Directors
Aytaç Saniye MUTLUGÜLLER	Independent Member of the Board of Directors
Fatma Pınar ILGAZ	Independent Member of the Board of Directors

Authorization and Limitations of the Members of the Board of Directors:

In accordance with the Turkish Commercial Code ("TCC"), the Capital Markets Board regulations and the provisions of the Articles of Association; the Board of Directors is authorized to take all decisions except those that fall within the jurisdiction of the General Assembly.

However, if such matters fall within the scope of a significant transaction pursuant to the Capital Markets Board's Corporate Governance Principles regulation, action is taken within the framework required by the aforementioned regulation. The Corporate Governance Principles, which are mandatory to be implemented by the Capital Markets Board, are complied with.

Top Management of the Company:

Name	Title
Mehmet Fatih ERÜNSAL	General Manager
Gülay ÇUĞU BAL (*)	Chief Financial Officer
Yasemin BUDAK	Digital Transformation and Operations Director
Bülent KÖKEN	Sales Director
Arda SERİM	Business Development and Marketing Director

(*) As of July 7, 2023, Ms. Gülay Bal, who had been serving as Chief Financial Officer, has decided to leave her position in our company. Mr. Ertan Kirez has been appointed as Chief Financial Officer to replace Ms. Gülay Bal.

3. SECTORAL DEVELOPMENTS AND ACTIVITIES IN THE REPORTING PERIOD

In the first half of 2023, the impact of the strong sales in the last quarter of 2022 continued into the first half of 2023, resulting in higher net sales in both US Dollar and Turkish Lira terms compared to the first half of the previous year. The Company became the authorized distributor of the xFusion brand, which stands out with its energy-efficient computing network solutions and products that provide highly secure data storage.

4. EVENTS AFTER THE REPORTING PERIOD

The corporate tax rate has been increased from 20% to 25% on July 15, 2023, and the new rate is effective from July 2023 with the "Law on Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on February 6, 2023 and Amendments to Certain Laws and Decree Law No. 375" published in the Official Gazette. As of the date of these financial statements, the Company is in the process of assessing the potential impact of the related law on the financial statements.

Ms. Gülay Bal, who has been serving as the Financial Affairs Director (CFO) at Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş., has decided to leave her position at our company. Mr. Ertan Kirez has been appointed as the Financial Affairs Director (CFO) replacing Ms. Gülay Bal.

5. SUMMARY OF FINANCIAL INDICATORS

Consolidated Balance Sheet as of 30 June 2023:

	(Turkish Lira) 30.06.2023	(Turkish Lira) 31.12.2022	(US Dollar) 30.06.2023	(US Dollar) 31.12.2022
Current Assets	6.112.935.913	4.221.046.442	236.723.550	225.744.931
Non-Current Assets	146.524.737	144.224.008	5.674.173	7.713.215
TOTAL ASSETS	6.259.460.650	4.365.270.450	242.397.723	233.458.146
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Current Liabilities	4.122.929.703	2.840.338.241	159.660.525	151.903.555
Non-Current Liabilities	50.014.749	58.293.296	1.936.822	3.117.573
Equity	2.086.516.198	1.466.638.913	80.800.376	78.437.018
TOTAL LIABILITIES AND EQUITY	6.259.460.650	4.365.270.450	242.397.723	233.458.146

Consolidated Income Statement as of 1 January – 30 June 2023:

	(Turkish Lira) 01.01.2023 - 30.06.2023	(Turkish Lira) 01.01.2022 - 30.06.2022	(US Dollar) 01.01.2023 - 30.06.2023	(US Dollar) 01.01.2022 - 30.06.2022
Revenue	7.186.013.507	4.047.243.175	364.629.739	272.850.307
Cost of Sales (-)	(6.660.612.886)	(3.746.689.182)	(337.970.077)	(252.588.058)
GROSS PROFIT	525.400.621	300.553.993	26.659.662	20.262.249
General Administrative Expenses (-)	(63.604.394)	(30.821.728)	(3.227.388)	(2.077.888)
Marketing, Sales and Distribution Expenses (-)	(111.071.356)	(55.876.902)	(5.635.937)	(3.767.016)
Other Income From Operating Activities	16.643.586	3.865.162	844.522	260.575
Other Expenses From Operating Activities (-)	(84.063.018)	(74.027.503)	(4.265.491)	(4.990.663)
OPERATING PROFIT	283.305.439	143.693.022	14.375.368	9.687.257
Income From Investing Activities	20.036.346	1.242.622	1.016.676	83.773
Finance Income	247.292	163.640	12.548	11.032
Finance Expenses (-)	(88.524.741)	(69.596.514)	(4.491.886)	(4.691.942)
PROFIT BEFORE TAX	215.064.336	75.502.770	10.912.706	5.090.120
Tax Expense From Continuing Operations (-)	(168.487.986)	(72.386.283)	(8.549.348)	(4.880.018)
Current Tax Expense (-)	(122.711.787)	(76.206.425)	(6.226.591)	(5.137.558)
Deferred Tax (Expense)/ Income	(45.776.199)	3.820.142	(2.322.757)	257.540
PROFIT FOR THE YEAR	46.576.350	3.116.487	2.363.358	210.102

5. SUMMARY OF FINANCIAL INDICATORS (CONT'D)

Financial Ratios:

	30.06.2023	30.06.2022
Gross Profit Margin (%)	7,3%	7,4%
Operating Profit Margin (%) ^(*)	4,9%	5,3%
Net Profit Margin (%)	0,6%	0,1%
EBITDA Margin (%)	5,1%	5,5%

^(*) Before other income / expenses from operations.

6. ADMINISTRATIVE, LEGAL AND OTHER OPERATIONAL ISSUES

Related Party Transactions:

The amount of the sales and purchase transactions of the Company with the related parties is less than 1% of the Company's total sales. Details of transactions with related parties are included in note 4 of the independently audited consolidated financial statements report as of 30 June 2023.

Compensation of Key Management Personnel:

The key management personnel of the Company consist of board members, the general manager and the directors. The sum of wages and similar benefits paid to top management in 2023 is 16.536.497 TL.

Donations and Grants:

No donations were made in 2023.

Other Issues:

No material lawsuits were filed against the Company during the period. There are no administrative and/or judicial sanctions against the Company and the members of the management. There has been no transaction or competition situation that may cause a conflict of interest with the company or its subsidiaries, of the shareholders holding the management dominance, the Members of the Board of Directors, senior managers and their spouses and close relatives including relatives-in-law up to the second degree.

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