
hepsiburada

**D-MARKET ELEKTRONİK HİZMETLER
VE TİCARET A.Ş.
2023 ANNUAL REPORT**

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**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

To the General Assembly of D-Market Elektronik Hizmetler ve Ticaret A.Ş.

1. Opinion

We have audited the annual report of D-Market Elektronik Hizmetler ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2023 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 14 June 2024 on the full set consolidated financial statements for the 1 January - 31 December 2023 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.



- c) to include the matters below in the annual report:
- events of particular importance that occurred in the Company after the operating year,
 - the Group’s research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor’s Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

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

A handwritten signature in blue ink, appearing to read 'M. Cenk Uslu', is written over the text of the company name.

Mehmet Cenk Uslu, SMMM
Independent Auditor

Istanbul, 9 August 2024

I) GENERAL INFORMATION

I.a) Fiscal period to which the report relates:

This Annual Report (“**Annual Report**”) is in relation to the activities of D-Market Elektronik Hizmetler ve Ticaret A.Ş. (hereinafter referred to as “**D-Market**” or the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the year 2023.

I.b) Corporate name of the Company, trade register number, communication information in relation to headquarters and its branches and, if any, its website address:

Corporate Name : D-Market Elektronik Hizmetler ve Ticaret A.Ş.
Trade Registry Office : İstanbul
Trade Registry Number : 436165
Address : Kuştepe Mah. Mecidiyeköy Yolu Cad. No:12 Kat: 2
Kule 2 34387 Şişli / İstanbul
Phone : 212 705 68 00
Fax : 212 397 26 08
Corporate Website : investors.hepsiburada.com

The branches of the Company are listed below:

Branch	Telephone	Address
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Trump Towers Branch	0212 705 68 00	Kuştepe Mahallesi Mecidiyeköy Yolu Caddesi No:12 Kat: 2 Kule:2 34387 Şişli, İstanbul
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi İzmir Torbalı Branch	0549 831 40 59	Kazım Karabekir Mahallesi Bekir Saydam Caddesi No:76 D.No:1 Torbalı, İzmir
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Ankara Kazan Branch	0549 438 15 77	Saray Mahallesi 221. Sokak No:6 Kazan, Ankara
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Diyarbakır Yenişehir Branch	0549 826 33 35	Üçkuyu Mahallesi Mir Cebeli 1. Sokak No:5 Merkez, Yenişehir, Diyarbakır
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Adana Seyhan Branch	0549 438 18 53	Zeytinli Mahallesi Turhan Cemal Beriker Bulvarı No.623 Seyhan, Adana
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Gebze Branch	0549 827 18 69	İnönü Mahallesi Farabi Caddesi No:3 Gebze Güzeller OSB Gebze, Kocaeli
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi İstanbul Tuzla Branch	0536 067 08 53	İstanbul Deri Organize Sanayi Bölgesi, Dolap Caddesi No:3 K-2 Özel Parsel Tuzla, İstanbul
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Sancaktepe 1 Branch	0530 526 64 44	Meclis Mahallesi Seheryeli Sokak No: 1 İç Kapı No: 2 Sancaktepe, İstanbul
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Sancaktepe 2 Branch	0530 526 64 44	Meclis Mahallesi Seheryeli Sokak No: 1 İç Kapı No: 3 Sancaktepe, İstanbul

I) GENERAL INFORMATION (Continued)

I.b) Corporate name of the Company, trade register number, communication information in relation to headquarters and its branches and, if any, its website address (continued):

D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Ankara Ata Branch	0549 836 20 70	Saray Mahallesi 115. Cadde No: 10 Kahramankazan, Ankara
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Adana İhtisas Merkezi Branch	0549 477 58 04	Döşeme Mahallesi Turhan Cemal Beriker Bulvarı No: 132 Seyhan, Adana
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Gebze Cumhuriyet Branch	0549 774 83 75	Balçık Mahallesi 3273. Sokak No: 31 İç Kapı No: 1 Gebze, Kocaeli

The Company was established in April 2000 and it currently operates as a retail website (www.hepsiburada.com) offering its customers a wide selection of merchandise including electronics and non-electronics (including books, sports, toys, kids and baby products, cosmetics, furniture, etc.)

As of December 31, 2023, the ultimate shareholders of D-Market are the members of Doğan Family, TurkCommerce B.V and The Bank of New York Mellon.

On July 6, 2021, the Company completed an initial public offering ("IPO") of 65,251,000 American Depositary Shares ("ADSs") representing 65,251,000 Class B ordinary shares, at a price to the public of \$12.00 per ADS on Nasdaq. Within the offering, 41,670,000 ADSs sold by the Company and 23,581,000 ADSs sold by a selling shareholder were offered. This number of shares included 8,511,000 ADSs sold by the shareholder pursuant to the underwriters' exercise in full of their over-allotment option. The ADSs began trading on the Nasdaq Global Select Market under the ticker name "HEPS" on July 1, 2021.

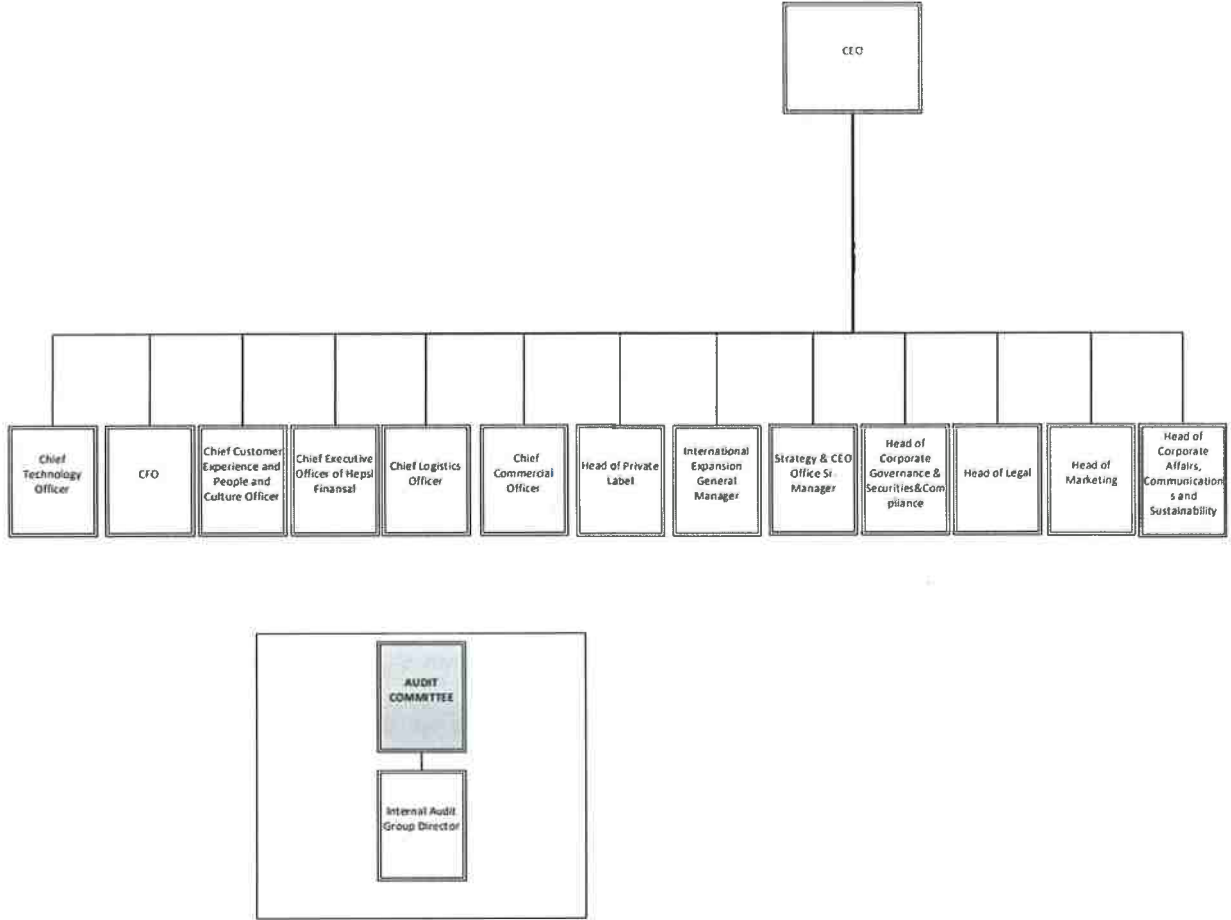
I.c) The organizational, capital and partnership structures of the Company and the changes in relation thereto within the fiscal period:

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i) GENERAL INFORMATION (Continued)

I.c.1 Organizational Structure of the Company:

As of December 31, 2023, the organizational structure of the Group is as follows:



I.c.2 Capital and Shareholding Structure:

The shareholding structure and share capital (restated values of shares) of the Company as of December 31, 2023 is as follows:

	December 31, 2023 (thousand TRY)	Share (%)	December 31, 2022 (thousand TRY)	Share (%)
Turk Commerce B.V.	65,579	13%	72,660	15%
Hanzade Vasfiye Doğan Boyner	106,867	21%	106,867	21%
Vuslat Doğan Sabancı	74,248	15%	74,248	15%
Yaşar Begümhan Doğan Faralyalı	74,248	15%	74,248	15%
Arzuhan Doğan Yalçındağ	67,719	14%	67,719	14%
Işıl Doğan	3,109	<1%	3,109	<1%
Other (*)	7,081	1%	-	-
Publicly traded shares	99,810	20%	99,810	20%
	498,661	100	498,661	100

I) GENERAL INFORMATION (Continued)

I.c.2 Capital and Shareholding Structure (continued) :

(*) Represents the nominal value of treasury shares acquired.**I.c.2 Capital and Shareholding Structure (continued):**

At the Extraordinary General Assembly meeting (“**GAM**”) dated May 25, 2021, it was decided that the Company adopts the registered capital system as per the provisions of the Turkish Commercial Code (“**TCC**”) numbered 6102 and nominal value of each share has been determined as TRY 0.20. Upon this GAM, the issued share capital of the Company was divided into 284,328,290 registered shares each with a nominal value of TRY 0.20.

On July 5, 2021, the Board of Directors resolved to increase the Company's capital amounting to TRY 27,803 thousand to TRY 498,661 thousand through additional capital increase in accordance with the authorization given by the General Assembly dated May 25, 2021. In addition to the capital increase, the Board has decided to undertake a stock premium of TRY 13,704,054 thousand and to issue 41,670,000 class B shares with a premium.

On July 6, 2021, the Group received TRY 13,731,857 thousand from the public offering on Nasdaq and since the completion of the public offering through capital increase, TRY 27,803 thousand has been accounted as capital increase and TRY 13,588,633 thousand has been accounted as share premium after deducting transaction costs. The Group paid a transaction fee of TRY 180,092 thousand related to the public offering and TRY 115,421 thousand was netted off from share premium.

I.d) Statements in relation to the privileged shares and the voting rights of the shares:

By means of the Extraordinary General Assembly Resolution dated May 25, 2021, the Articles of Association of the Company were amended, and the right of privilege was granted to shareholders of Group A. At the Ordinary and Extraordinary General Assembly meetings, Group A shares have been granted 15 (fifteen each) voting rights, and the Group B shares have been granted 1 (one) vote each save for the provisions of the TCC. Information on the privilege in the Company as of December 31, 2023, in the Articles of Association is presented below.

TRANSFER OF SHARES ARTICLE 7

Transfer of Class B shares is unrestricted, provided that the relevant articles of the Turkish Commercial Code and provisions of these articles of association are reserved. However, Class A shares may be transferred within the framework of the arrangements provided in article titled “Elimination of Share Classes Partially or Completely and Privileged Votes” of these articles of association.

PARTIAL OR FULL TERMINATION OF SHARE CLASSES AND PRIVILEGED VOTES ARTICLE 7/A

A. Events Fully Eliminating Privileged Shares

Except for the Permitted Transactions defined in section (D) of this article, in the following events, the privileged voting afforded to Class A shares under these articles of association shall automatically terminate, to the extent permitted by the provisions of the Turkish Commercial Code and other legislation, without revival afterwards. In any case, if these situations occur, the articles of association hereby shall be amended and share classes and references to share classes shall be removed in the first general assembly meeting to be held thereupon:

- a. 180 days following the transaction that leads to the shares (including both privileged Class A shares and ordinary Class B shares) held by the shareholder(s) who own(s) Class A shares to fall below 7.5% of the total paid-in capital of the Company
- b. In the event that the shareholder who owns Class A shares is a real person, 180 days after the date of legal documentation of this person's or people's (i) death or (ii) permanent mental incapacity due to health reasons;
- c. In the event that the shareholder who owns Class A shares is a real person, if the following conditions are fulfilled together: this person or these people, wholly and solely with their own will, (a) resign(s) from the Board of Directors of the Company, (b) do(es) not become

I) GENERAL INFORMATION (Continued)

I.d) Statements in relation to the privileged shares and the voting rights of the shares (continued):

a candidate for the Company's board of directors and (c) cease(s) to hold any employment or consultancy position at the Company and if this situation is not corrected within 1 (one) calendar year; 1 (one) calendar year after all duties and titles are terminated,

B. General Time Limit Regarding the Privileged Shares

Notwithstanding occurrence or non-occurrence of the events set forth under (a) to (c) above in section (A) of this article hereinabove, on the 20th anniversary of the date on which the Company's shares or other securities representing the Company's capital start to be traded in any stock exchange, the voting privilege afforded to all Class A shares existing as of such date, shall automatically terminate, to the extent permitted by the provisions of the Turkish Commercial Code and other legislation, without revival afterwards. In any case, if these situations occur, the articles of association hereby shall be amended and share classes and references to share classes shall be removed in the first general assembly meeting to be held thereupon.

C. Events Partially Eliminating Privileged Shares

Except for the Permitted Transactions defined in section (D) of this article, in following events, the privileged voting afforded to Class A shares under these articles of association shall automatically terminate, to the extent permitted by the provisions of the Turkish Commercial Code and other legislation, without revival afterwards. In any case, if these situations occur, the articles of association hereby shall be amended and share classes and references to share classes shall be removed in the first general assembly meeting to be held thereupon:

a. Except for the cases included in the scope of "Permitted Transactions" below, in the event that Class A shares are transferred to any third real or legal person, as of the date of this transfer, only in relation to the transferred shares; and

b. Upon application of the shareholders who own Class A shares to the Central Registry Agency of Türkiye (Merkezi Kayıt Kuruluşu Anonim Şirketi) or a substitute institution to convert such shares to tradable form in the stock exchange for any reason including for sale thereof in the stock exchange or subjecting the same to collateral and only in relation to the transferred shares.

D. Permitted Transactions

However, in case of occurrence of Permitted Transactions, even if they are within the scope of the transactions stated under the above headings (A), (B) and (C) of this article, Class A shares may be transferred without being converted to Class B shares. Below transactions are "Permitted Transactions":

a. Legal or arbitrary transfer transactions to be made by the shareholder who owns Class A shares to his or her first or second degree relatives; and

b. Transactions whereby Class A shares are transferred to a domestic or overseas legal entity whose management is controlled by the first or second degree relatives of the shareholder who owns Class A shares.

CAPITAL INCREASE AND DECREASE ARTICLE 8

The Company's share capital may be increased or decreased when necessary, within the framework of the provisions of the Turkish Commercial Code. Bonus shares issued in capital increases through bonus issues shall be distributed to the existing shareholders as of the date of the increase pro rata to their shares.

Unless otherwise determined, in capital increases to be made, Class A shares shall be issued in return for the Class A shares and Class B shares shall be issued in return for the Class B shares. In paid capital increase, in relation to Class A shares, if the owners of the said shares do not exercise their right to acquire new shares, only the relevant Class A shares shall automatically be converted to Class B shares.

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I) GENERAL INFORMATION (Continued)

I.d) Statements in relation to the privileged shares and the voting rights of the shares (continued):

VOTING RIGHT AND APPOINTMENT OF PROXY ARTICLE 23

In Ordinary and Extraordinary General Assembly meetings, each Class A share grants 15 (fifteen) votes to the shareholders who owns these shares and each of Class B share grants one vote to the shareholders, provided that provisions of the Turkish Commercial Code are reserved.

In the General Assembly meetings, votes are cast openly. However, a ballot can be held upon request of the shareholders who owns at least 1/20 of the capital represented in the meeting.

AMENDMENT IN ARTICLES OF ASSOCIATION ARTICLE 26

Amendments to the articles of association shall be decided in the general assembly to be called in line with the provisions of the Turkish Commercial Code and the Articles of Association, within the framework of provisions of the Turkish Commercial Code and the articles of association. The amendments to the articles of association must be registered and announced.

Amendments to the articles of association shall bind third parties after registration thereof. In case the amendment of the articles of association is subject to the permission of the Ministry of Trade of Republic of Türkiye or another public institution or organization, the draft amendments to the articles of association, which are not approved by the mentioned public institutions or organizations, cannot be included in the agenda of the general assembly and cannot be discussed.

Pursuant to the provisions of Article 454 of the Turkish Commercial Code, if the decision of the general assembly on amendment of the articles of association is of a nature that violates the rights of privileged shareholders of Class A shares, this decision shall be made in a special meeting to be held by Class A shareholders, unless approved by a decision they will take within the framework of the provisions of the relevant legislation, it is not applicable.

I.e) Information on the management body, senior management and the number of employees:

I.e.1 Board of Directors:

The Members of the Board of Directors as of December 31, 2023 are as follows:

- Hanzade Vasfiye Doğan BOYNER (Chairman of the Board of Directors)
- Erman KALKANDELEN (Deputy Chairman of the Board of Directors)
- Vuslat Doğan SABANCI
- Tolga BABALI
- Mehmet Murat EMİRDAĞ⁽¹⁾
- Mehmet Erol ÇAMUR⁽²⁾
- Tayfun BAYAZIT (Independent Board Member)
- Ahmet Fadıl ASHABOĞLU (Independent Board Member)
- Dr. Stefan GROSS-SELBECK⁽³⁾ (Independent Board Member)

I) GENERAL INFORMATION (Continued)

I.e.1 Board of Directors (continued):

- (1) Mehmet Murat Emirdağ stepped down as a member of the Board of Directors as of January 15, 2024 and Ahmet Toksoy was appointed as a member of the Board of Directors in his place.
- (2) Halil Cem Karakaş stepped down as an independent member of the Board of Directors as of October 20, 2023. Mehmet Erol Çamur was appointed as a member of the Board of Directors effective as of October 27, 2023.
- (3) As of January 2, 2023, Cemal Ahmet Bozer stepped down as a member of the Board of Directors and Dr. Stefan Gross-Selbeck was appointed as an independent member of the Board of Directors on the same date.

The resumes of the members of the Board of Directors are as follows:

Hanzade Vasfiye Doğan Boyner

Committee Memberships: None

Hanzade Vasfiye Doğan Boyner is the founder and has served as the Chair of the Board of Directors since she founded Hepsiburada in 2000. Ms. Doğan is an experienced entrepreneur and leader of e-commerce and technology businesses as well as blue-chip companies. In 2002, Ms. Doğan founded Nesine, one of Türkiye's leading sports betting platforms, and currently holds the position of chairwoman. From 2003 to 2007, Ms. Doğan was the chairwoman of Doğan Publishing, Türkiye's largest publishing company in terms of circulation at the time. From 2006 to 2010, Ms. Doğan was first a board member and then the chairwoman of Petrol Ofisi, Türkiye's main fuel-products distribution company and second largest corporation by revenue throughout that period.

Ms. Doğan is the founding board member and served as the Vice-Chairwoman of Global Relations Forum between 2009 and 2020. She has been a member of the Brookings Institute Board of Trustees since 2014. Ms. Doğan is a regular participant at the World Economic Forum and a Committee Member of the Digital Platforms and Ecosystems Initiative. Between 2012 and 2022, Ms. Doğan served as the chairwoman of the Aydın Doğan Foundation, a not-for-profit organization with a social mobility mission and currently serves as a board member.

Ms. Doğan holds a Bachelor's degree in economics from the London School of Economics and a Master of Business Administration from Columbia University where she continues to serve as a member of the Business School Board of Overseers.

Erman Kalkandelen

Committee Memberships: None

Erman Kalkandelen has served as a member of the Board of Directors since August 2020. Mr. Kalkandelen currently serves as the CEO and Chairman of Franklin Templeton Türkiye. Mr. Kalkandelen previously co-managed the Templeton Emerging Market Small Cap strategy. He is currently heading the private equity practice of Franklin Templeton in Türkiye and CEE and focusing mainly on the technology industry. He is a member of the board of directors of Netlog Lojistik, Gözde Girişim and Gozde Tech Ventures, Fibabanka, Şok Marketler, Bleckmann, Penta Teknoloji and Bizim Toptan.

Mr. Kalkandelen holds a Master of Business Administration, with honors, from Sabanci University. During his MBA, he also studied strategic management at the Warrington School of Business Management, Florida University and graduated with honors from the Labor Economics Department of the Political Sciences Faculty, Ankara University.

I) GENERAL INFORMATION (Continued)

I.e.1 Board of Directors (continued):

Vuslat Dođan Sabancı

Committee Memberships: None

Vuslat Dođan Sabancı has been a member of the Board of Directors since 2020. Ms. Sabancı has over twenty years of experience in publishing and media. From 2004 to 2008, she served as the CEO of Hürriyet Publishing, Türkiye's foremost newspaper group, and as publisher from 2008 to 2018, during which time Hürriyet became a widely read and influential newspaper and Türkiye's largest digital content company. Prior to joining Hürriyet, Ms. Sabancı worked at The New York Times and The Wall Street Journal. Ms. Sabancı founded Hürriyet Emlak, one of Türkiye's leading real estate websites in 2016, and has been chairwoman since 2019. Ms. Sabancı sits on the board of a number of companies, including Dođan Group. Ms. Sabancı is a lifetime honorary board member of the International Press Institute (IPI) and serves on the Advisory Board of Columbia University's Global Centers, as well as on the Columbia Global Leadership Council.

In 2006, Ms. Sabancı received the UN Grand Award for outstanding achievement for her social justice campaigns. She is Vice President of the not-for-profit Aydın Dođan Foundation and a founding board member of Turkish Businesswomen Association and the not-for-profit organization Endeavor Türkiye.

Ms. Sabancı holds a Bachelor's degree in economics from Bilkent University and completed her graduate studies in International Media and Communications at Columbia University's School of International and Public Affairs.

Tolga Babalı

Committee Memberships: Risk Committee, Corporate Governance Committee

Tolga Babalı has been a member of the Board of Directors since May 2021. As of 2023, Mr. Babalı also serves as a senior officer under an employment contract with the Company. Since 2008, he has held several management roles in Dođan Holding and related companies in the Dođan Group and, between August 2017 and March 2023, Mr. Babalı served as a member of the executive committee of Dođan Holding, with responsibility for financial and operational management. He continues to serve as a board member in a number of Dođan Group companies.

Prior to joining the Dođan Group, Mr. Babalı worked for the Tax Inspection Board and Revenue Administration at the Ministry of Finance of the Republic of Türkiye from 1998 to 2008.

Mr. Babalı holds a bachelor's degree in economics from Gazi University and holds licenses as a Sworn-in Certified Public Accountant and an Independent Auditor.

Mehmet Erol Çamur

Committee memberships: None

Mehmet Erol Çamur was appointed as a member of the Board of Directors in October 2023. He previously served as a member of the Company's Board of Directors between 2015 and 2022.

Mr. Çamur worked for the Ministry of Finance of the Republic of Türkiye between 1986 and 1995 and held management positions in the private sector for five years before joining the Dođan Group in 2000. As part of the Dođan Group, Mr. Çamur has served within several management roles and been responsible for, among other things, various financial matters. Currently, he is serving as the Financial Affairs Coordinator for certain companies within the Dođan Group.

Mr. Çamur holds a Bachelor's degree in Political Science from Ankara University.

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I) GENERAL INFORMATION (Continued)

I.e.1 Board of Directors (continued):

Mehmet Murat Emirdağ

Committee memberships: None

Mehmet Murat Emirdağ served as the General Manager (CEO) of the Company from February 1, 2019 until December 31, 2022 and as a Board Member until January 15, 2024.

Prior to Hepsiburada, Mr. Emirdağ held various executive positions at leading companies such as Instacart, Zynga, Microsoft and Unilever.

Mr. Emirdağ holds a Master of Business Administration degree from Columbia Business School and holds degrees in Chemical Engineering and Mechanical Engineering from Bosphorus University in Istanbul.

Ahmet Toksoy

Committee memberships: None

Ahmet Toksoy was appointed as a member of the Board of Directors since January 2024. Mr. Toksoy worked for the Ministry of Finance of the Republic of Türkiye between 1984 and 1989. Later, Mr. Toksoy became a member of Hürriyet Holding's Inspection Board, served at Hürriyet Newspaper as the Assistant Financial Affairs Manager from 1990 to 1991 and as Financial Affairs Manager from 1991 to 1995. Mr. Toksoy practiced as a Certified Public Accountant at Aktif Denetim Certified Public Accountant Company from 1995 to 1998. Mr. Toksoy held the position of Chief Financial Officer (CFO) of Hürriyet Newspaper from 1998 to the early 2010s and from 2010 to 2019, was the Chief Financial Officer (CFO) of Doğan Holding and, over the years, took on various positions at Doğan Group, including Head of Audit and Risk Management of Doğan Holding, Chairman of the board of directors of Hürriyet Newspaper and a member of the board of directors of various affiliate companies of Doğan Group. Mr. Toksoy continues to serve as a member of the board of directors of Doğan Holding.

Mr. Toksoy holds a bachelor's degree in finance from Istanbul University.

Ahmet Fadıl Ashaboğlu

Committee Memberships: Audit Committee, Risk Committee (Chairman), Corporate Governance Committee

Ahmet Fadıl Ashaboğlu joined the Board of Directors in May 2022 as an independent board member. He began his career as a Research Assistant at MIT in 1994, followed by various positions in capital markets within UBS Warburg, New York (1996-1999). After serving as a management consultant at McKinsey & Company, New York (1999-2003), Ahmet Fadıl Ashaboğlu moved back to Türkiye and joined Koç Holding as Finance Group Coordinator in 2003. He was appointed as Group Chief Financial Officer at Koç Holding in 2006 and served in that position until April 2022. Ahmet Fadıl Ashaboğlu is currently a board member of various private companies including Yapı Kredi Bank, Koç Financial Services, Koç Finansman and Sirena Marine.

Mr. Ashaboğlu holds a BSc degree from Tufts University and a Master of Science degree from Massachusetts Institute of Technology (MIT), both in Mechanical Engineering.

Tayfun Bayazıt

Committee Memberships: Audit Committee (Chairman), Risk Committee

Tayfun Bayazıt has been a member of the Board of Directors since July 2021 as an independent board member. Mr. Bayazıt started his banking career at Citibank in 1983. He subsequently worked in executive positions within Çukurova Group for 13 years (Yapı Kredi as Senior EVP and Executive Committee Member, Interbank as CEO, Banque de Commerce et de Placements S.A. Switzerland as President and CEO).

In 1999, he was appointed as Vice Chairman of the Board of Directors at Doğan Holding and an Executive Director of Dışbank. In 2001, he assumed the CEO position at Dışbank. In 2003, he was also appointed

P-1 91 8

I) GENERAL INFORMATION (Continued)

I.e.1 Board of Directors (continued):

Chairman of the Board of Directors at Dışbank, and was requested to remain as CEO of Fortis Türkiye and the region in July 2005 after its acquisition. Subsequently, he was elected as Chairman of Fortis in 2006.

Mr. Bayazıt came back to Yapı Kredi in 2007 (at which time Yapı Kredi was owned by a joint venture of the UniCredit and the Koç Group) as CEO and two years later he was elected as Chairman. He served as chairman of all Yapı Kredi subsidiaries including Yapı Kredi Sigorta (property and casualty insurance) and Yapı Kredi Emeklilik (private pension and life) for 4 years. Yapı Kredi was the fourth largest high street bank in Türkiye with subsidiaries in Holland, Bahrain and Russia, actively involved in mortgage lending among other individual banking activities with a strong digital focus.

Mr. Bayazıt left this post in August 2011 to set up his own firm "Bayazıt Consulting Services." He was then elected as the Country Chairman for MarshMcLennan Group, Türkiye in September 2012 and serves as the Chairman for Polisan Holding and is a member of the board of directors of Zorlu Holding and Boyner Holding. He is an independent board member at Adel Kalemçilik.

He is a member of TUSIAD (Turkish Industrialists and Business Association) High Advisory Board and takes an active role in other non-governmental organizations such as the World Resources Institute, Corporate Governance Association of Türkiye. He is a member of the board of trustees of Bosphorus University and Turkish Education Volunteers Foundation.

Mr. Bayazıt holds a BS degree in Mechanical Engineering (1980) and a Master of Business Administration from Columbia University, New York (Finance and International Business - 1983).

Stefan Gross-Selbeck

Committee memberships: Audit Committee

Dr. Stefan Gross-Selbeck joined the Board of Directors as an Independent Board Member in January 2023. He has over twenty years of experience in senior management roles, including the position of CEO, and various board memberships. Dr. Gross-Selbeck was a Senior Partner and Managing Director of Boston Consulting Group until March 2024. Since January 2023, he has been serving as Global Topic Leader Climate Technologies at BCG. He previously serves as the Global Managing Partner of BCG Digital Ventures, the corporate venture arm of the Boston Consulting Group and as Managing Partner for their European operations. Prior to joining BCG Digital Ventures in 2014, he was CEO of New Work SE (formerly known as XING AG), a leading social network for professionals in Europe, between 2009-2013. He also had different management positions at eBay, ProSiebenSat1 and Boston Consulting Group GmbH. Dr. Gross-Selbeck is a member of the advisory boards of the German Startup Association and several ventures built by BCG Digital Ventures.

Dr. Gross-Selbeck holds an MBA from INSEAD and a doctorate in law from the University of Konstanz, Germany. He studied law and economics at the Universities of Freiburg, Lausanne, Montpellier and Cologne.

Committees of the Board of Directors

There are three committees reporting to the Board of Directors, namely (1) Audit Committee, (2) Risk Committee and (3) Corporate Governance Committee. All members of these committees operate to fulfill the requirements of the U.S. Securities and Exchange Commission - SEC, U.S. Nasdaq, TCC and work in a way to ensure voluntary compliance with Turkish capital markets legislation.

Members of the Committees of the Board Directors as well as their duties and responsibilities are as follows:

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I) GENERAL INFORMATION (Continued)

I.e.1 Board of Directors (continued):

(1) Audit Committee:

The Audit Committee assists the Board in its responsibilities for (i) the integrity of the financial statements, (ii) the qualifications and independence of the statutory auditors, (iii) oversight of the independent auditors' performance and the internal audit function, and (iv) compliance with legal and regulatory requirements, as well as environmental and social responsibilities. Members of the Audit Committee as of December 31, 2023, are as follows:

- Tayfun BAYAZIT (Chairman)
- Ahmet Fadil ASHABOĞLU (Member)
- Stefan GROSS-SELBECK (Member)

On October 6, 2023, Halil Cem Karakaş resigned from the Audit Committee. On the same date, Stefan Gross-Selbeck was appointed as a member of the committee.

(2) Risk Committee:

The Risk Committee is responsible for the early identification of risks that pose a threat to the existence, development and continuity of the Company. It reviews the Company's risk management policies at least once a year. Members of the Risk Committee as of December 31, 2023 are as follows:

- Ahmet Fadil ASHABOĞLU (Chairman)
- Tayfun BAYAZIT (Member)
- Tolga BABALI (Member)

(3) Corporate Governance Committee:

The Corporate Governance Committee periodically reviews whether the corporate governance principles are applied by the Board of Directors and makes recommendations to the Board of Directors on corporate governance issues. The Committee also fulfills the functions of the Nomination and Remuneration Committee, which advises the board on nomination and remuneration policies for the board and executives. Members of the Corporate Governance Committee as of December 31, 2023 are as follows:

- Ahmet Fadil ASHABOĞLU (Chairman)
- Tayfun BEYAZIT (Member)
- Tolga BABALI (Member)

On October 6, 2023, Halil Cem Karakaş resigned from the Corporate Governance Committee. On the same date, Tayfun Bayazit was appointed as a member of the committee.

I.e.2 Senior Management:

Except for the members of the Company's Board of Directors, those who are conferred the authority and responsibility to plan, manage and control the activities of the Group directly or indirectly by the Board of Directors are defined as "senior management". The names and titles of the Company Group Heads as of December 31, 2023 are listed below:



I) GENERAL INFORMATION (Continued)

I.e.2 Senior Management (continued): As of December 31, 2023 are listed below:

Hepsiburada CEO	Nilhan Onal Gökçetkin
Hepsiburada CFO	Halil Korhan Öz
Hepsiburada Chief Customer Experience and People Officer (CEPO)	Esra Beyzadeoğlu
Hepsiburada Chief Commercial Officer (CCO)	Ender Özgün
Hepsiburada Chief Technology Officer (CTO)	Alexey Shevenkov
Hepsiburada Chief Logistics Officer (CLO)	Mehmethan Yallagöz
Hepsi Finansal CEO (HepsiPay CEO)	Erkin Aydın

During the period, the following changes occurred in the senior management team:

- Nilhan Onal Gökçetkin took over as Hepsiburada CEO as of January 1, 2023.
- Murat Büyümez took a leave of absence from his position as Hepsiburada Chief Commercial Officer as of May 2023 and officially resigned from his position as of October 20, 2023. Ender Özgün has been serving as the Chief Commercial Officer since May 2023. Ender Özgün served as Hepsiburada Chief Marketing Officer from July 2021 to May 2023. Between May 2023 and October 2023, Ender Özgün served as both Hepsiburada Chief Commercial Officer and Hepsiburada Chief Marketing Officer.
- Effective January 2, 2023, the responsibilities of the Chief Human Resources Officer position held by Esra Beyzadeoğlu were expanded to include customer experience and customer service functions under the title of Chief Customer Experience and People Officer.
- Effective January 2, 2023, the responsibilities of Chief Information Officer and Chief Technology Officer have been combined and organized under the role of Chief Technology Officer, which is held by Alexey Shevenkov.

I.e.3 Number of Personnel:

As of December 31, 2023, the Group has 3,213 employees.

I.f) Information about the transactions made by the members of the management body with the Company on behalf of themselves or someone else within the framework of the authorization given by the general assembly of the Company and their activities within the scope of the prohibition of competition:

As stated in TCC, it is permitted to authorize the members of the Board of Directors to carry out, on their own behalf or on behalf of others, any commercial transaction that falls within the scope of the Company's business, and to become a partner with unlimited liability in a company which is engaged in the same type of commercial business, as specified in article 396 of the TCC. The members of the Company's Board of Directors serve as members of the Board of Directors of some other Doğan Group companies, including those having similar fields of activity with the Company, and of the companies in which Franklin Templeton Türkiye has a shareholding and in 2023, there were no significant transactions requiring information in this context.

The Company has signed employment contracts with Mr. Murat Emirdağ and Mr. Tolga Babalı, members of the board of directors of the Company for the year 2023, to serve as senior executives of the Company starting from January 2023. Under the terms of their employment contracts, Mr. Murat Emirdağ and Mr. Tolga Babalı act as senior executives of the Company and receive benefits such as monthly salary, performance and other bonuses and social security benefits. Mr. Murat Emirdağ moved into a consulting role on May 1, 2023 under a consulting agreement with the Company, which is in effect until January 31, 2024.

II) REMUNERATION PROVIDED TO THE MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

All rights, benefits and remuneration provided to the members of the Board of Directors are determined every year at the Group General Assembly. Except for the independent members of the Board of Directors, no "attendance fee" is paid to the members of the Board of Directors, and the executive Members of the Board of Directors may also receive monthly salaries, bonuses and related fringe benefits for their duties in the Company. The total amount of financial benefits such as salaries, bonuses, share-based payments, health insurance, communication and transportation provided to the Group's senior management consisting of Members of the Board of Directors, General Managers, Group Presidents and directors are disclosed in Note 26 Related Party Disclosures in the notes to the consolidated financial statements prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") for the period ended December 31, 2023.

With the decision of the Company's Board of Directors dated March 24, 2021, the first period of the vesting schedule of the share-based payment plan, which is defined as the end of 18 (eighteen) months after the public offering date of the depositary receipts in the US, was completed on January 31, 2023. On April 24, 2023, the Board of Directors made revisions to the Group's share-based payment plan dated March 24, 2021 for key executives, directors, managers, officers, employees and consultants who contributed to the Group's performance. The revised share-based payment plan was approved at the ordinary general shareholders' meeting held on August 25, 2023. The revisions to the share-based payment plan were in the form of allocating the unused portion of the First Period share amount to two newly created periods, the Fourth Period and the Fifth Period, without changing the eligibility criteria for the share-based payment plan and without interfering with the vested rights of those who are covered by the First, Second and Third Periods based on their individual contracts signed before the revision date.

The Company does not provide any guarantees such as loans, credits and personal loans to any Member of the Board of Directors and executives and guarantees such as sureties in their favor.

III) RESEARCH AND DEVELOPMENT ACTIVITIES

In 2023, the Group's website and application development costs amount to TRY 907 million 149 thousand.

The Group's research and development activities are carried out at the two R&D Centers, located in İstanbul and certified by the Ministry of Industry and Technology of Republic of Türkiye. HepsiJet and HepsiPay also have an R&D center each. With a philosophy that puts customer experience at the center, projects are being developed in different areas such as artificial intelligence applications, big data management, smart catalog management, recommendation engine, search engine, dynamic content management, logistics, warehouse management, advertising, payment solutions, fraud prevention and smart communication. In addition to the existing trademarks and the trademarks the applications of which are pending, the copyrights of the components of the website and mobile application such as design, code, contents, visuals, software integration and interfaces are protected under the relevant regulation. As of December 31, 2023, there are 3 registered patents and 7 pending applications under D-Market in Türkiye. There is 1 registered patent and 6 pending applications under D-Fast.

As of December 31, 2023, technology operations have 830 Group personnel and 59 different product functions working on a specific technological product. Research and development centers collaborate with leading universities in Türkiye, making the Group attractive for technological talents and engineers.



IV) THE COMPANY'S ACTIVITIES AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES

IV.a) Information on investments made by the Group in the relevant accounting period:

In 2023, the Group purchased fixtures and fittings amounting to TRY 125 million 247 thousand and spent TRY 11 million 974 thousand in total on leasehold improvements and warehouse investments. The total purchase price of software and rights purchased by the Group amounted to TRY 128 million 758 thousand.

IV.b) Information on the Group's internal control system and internal audit activities and the Board of Directors' opinion on this matter:

The Group has manual and automated internal control systems in place against financial and operational risks. The efficiency of internal controls is regularly reviewed and new control points are included in the process when necessary.

The Internal Audit Department, which reports directly to the Board of Directors and the Audit Committee, is responsible for carrying out audit activities across the Group and its subsidiaries in accordance with International Standards for the Professional Practice of Internal Auditing and reporting the findings to the Audit Committee. Audit activities mainly consist of operational (technology and business processes) audits performed within the framework of annual risk-based audit plans and compliance audits with section 404 of the Sarbanes Oxley Act.

Operational audit activities are performed in accordance with the annual audit plan prepared based on the risk-based audit approach. Through these audits, the Internal Audit function assesses the effectiveness of the Company's risk management, control and corporate governance processes, assures the Board of Directors and the Audit Committee on these processes, and helps the Company achieve its objectives.

Within the scope of compliance with section 404 of the Sarbanes Oxley Act, audit activities are carried out within the framework of the annual plan to provide assurance on the existence, adequacy and effective operation of the internal control structure established in the Group and Group Companies whose financial statements are consolidated. All stages of the audit activities carried out within the scope of compliance with the aforementioned article, starting from the planning stage to the follow-up and finalization of the internal control deficiencies and actions identified, are regularly reported to the Audit Committee, the Chief Executive Officer and the Chief Financial Officer.

The Internal Audit Department also performs a consultancy function on current issues and matters requested by the management. The Internal Audit mechanism operates with a risk-based audit approach. In this framework, possible functional and organizational risks are constantly reviewed. The main input of the audit activities is the risk analyses resulting from these studies.

The Group has also established an Internal Control and Compliance Department. This team, which is tasked with ensuring that all existing business processes and newly established processes are operated with controls to minimize risks, reports periodically to the Chief Financial Officer and the Audit, Risk and Corporate Governance Committees of the Board of Directors.

IV.c) Information on the Company's direct or indirect subsidiaries and their shareholding rates:

Information regarding the direct and indirect subsidiaries of D-Market is presented below:



IV) THE COMPANY'S ACTIVITIES AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

IV.c) Information on the Company's direct or indirect subsidiaries and their shareholding rates (continued):

1) D-Fast Dağıtım Hizmetleri ve Lojistik A.Ş. ("D-Fast")

D-FAST DAĞITIM HİZMETLERİ VE LOJİSTİK A.Ş.			
Shareholders	Number of Shares	Share Amount (TRY) (Nominal)	Share Ratio (%)
D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.	222,329,299	222,329,299.00	100.00
TOTAL	222,329,299	222,329,299.00	100.00

D-Fast was established on February 26, 2016 and operates as a cargo and logistics company that provides last-mile delivery services to the customers of Hepsiburada and other e-commerce websites with which it has an agreement. As of December 31, 2023, D-Fast provides services in 81 provinces.

2) D-Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş. ("D-Ödeme")

D-ÖDEME ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.			
Shareholders	Number of Shares	Share Amount (TRY) (Nominal)	Share Ratio (%)
D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.	421,535,857	421,535,857.00	100.00
TOTAL	421,535,857	421,535,857.00	100.00

D-Ödeme was established on June 4, 2015 and provides payment services intermediation and e-money services. D-Ödeme obtained an operating license from the Banking Regulation and Supervision Agency on February 20, 2016. D-Ödeme carried out its first payment services transaction on June 15, 2016. D-Ödeme launched the HepsiPay wallet, a digital wallet product integrated into the Hepsiburada's platform, in June 2021. Operating as Hepsiburada's payment gateway, D-Ödeme enables its customers to pay with their e-money account balances and registered cards.

3) Hepsi Finansal Danışmanlık A.Ş. ("Hepsi Finansal")

HEPSİ FİNANSAL DANIŞMANLIK A.Ş.			
Shareholders	Number of Shares	Share Amount (TRY) (Nominal)	Share Ratio (%)
D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.	415,000,000	415,000,000.00	100.00
TOTAL	415,000,000	415,000,000.00	100.00

Established on December 1, 2021, Hepsi Finansal plans to operate as a holding company for the Group's financial technology operations and aims to provide financial solutions to Hepsiburada customers.

IV) THE COMPANY'S ACTIVITIES AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

IV.c) Information on the Company's direct or indirect subsidiaries and their shareholding rates (continued):

Hepsi Finansal is the main shareholder of Doruk Finansman A.Ş. (the current trade name of the company is "Hepsi Finansman A.Ş."), which was acquired in February 2022.

4) Hepsi Finansman A.Ş. ("Hepsi Finansman")

HEPSİ FİNANSMAN A.Ş.			
Shareholders	Number of Shares	Share Amount (TRY) (Nominal)	Share Ratio (%)
HEPSİ FİNANSAL DANIŞMANLIK A.Ş.	410,000	410,000,000.00	100.00
TOTAL	410,000	410,000,000.00	100.00

Doruk Finansman A.Ş.'s trade name has been changed to Hepsi Finansman A.Ş. as published in the trade registry gazette dated January 9, 2023, and numbered 10743. As of December 31, 2023, Hepsi Finansman has not yet begun its credit operations for a new portfolio. It continues carrying out collection operations of the portfolio acquired from Doruk Finansman A.Ş.

5) Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş.

HEPSİBURADA GLOBAL ELEKTRONİK HİZMETLER TİCARET VE PAZARLAMA A.Ş.			
Shareholders	Number of Shares	Share Amount (TRY) (Nominal)	Share Ratio (%)
D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.	5,050,000	5,050,000.00	100.00
TOTAL	5,050,000	5,050,000.00	100.00

Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş. was registered on March 29, 2024, as announced in the Trade Registry Gazette dated March 29, 2024, and numbered 11054. It aims to provide electronic commerce and service provider services in the internet environment, to consolidate products manufactured or supplied by real or legal persons in Türkiye, to provide the necessary integration with foreign marketplaces and to operate for various other purposes.

6) Hepsiburada Global B.V.

HEPSİBURADA GLOBAL B.V.			
Shareholders	Number of Shares	Share Amount (EURO) (Nominal)	Share Ratio (%)
D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.	1,000,000	1,000,000.00	100.00
TOTAL	1,000,000	1,000,000.00	100.00

Hepsiburada Global B.V. was established in the Netherlands on July 28, 2023, with a total issued capital of EUR 1,000,000. Hepsiburada Global B.V. aims to operate with the purpose of facilitating Hepsiburada's integration with European payment solutions and marketplaces.

IV) THE COMPANY'S ACTIVITIES AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

IV.d) Information on the Group's own shares acquired:

The Company has signed a contribution agreement ("**Contribution Agreement**") with TurkCommerce B.V. ("**TurkCommerce**"). According to this Contribution Agreement, the Company has purchased 4,615,384 Class B ordinary shares of the Company from TurkCommerce for USD 5,732,306.93 ("**Share Purchase Price**") and the price per share is equivalent to USD 1.242 ("**Transaction**"). The Share Purchase Price was paid by offsetting the settlement contribution amount of USD 3,975,000 ("**Contribution Amount**") owed by TurkCommerce to the Company under the preliminary protocol signed between the parties in December 2022.

IV.e) Explanations regarding the private audit and public audit conducted during the accounting period:

The Group received notification from the Turkish tax authority for initiation of tax audits with respect to 2022 financial year's corporate income tax and VAT, in February 2024 for D-Ödeme and in March 2024 for D-Fast. As of the approval date of these financial statements, tax investigations and submission of the requested information to the tax authority are ongoing and the investigations are at an initial stage. The Group management and its tax advisors believe that the investigations are routine and ordinary.

IV.f) Information about the lawsuits filed against the Group that may affect the financial status and operations of the Company and their possible outcomes:

On September 28, 2021, before the Supreme Court of the State of New York ("**State Court**") and on October 21, 2021, before the Federal Court for the Southern District of New York ("**Federal Court**"), two class action lawsuits were filed against the Company and other defendants, alleging false and/or incomplete statements in the prospectus and registration statement issued in connection with the Company's U.S. initial public offering. Within the scope of the decision of the Board of Directors numbered 2022/30 and dated November 10, 2022, in line with the opinions of the relevant expert legal and financial advisors, it was decided to settle the lawsuits, and it was agreed that the Company would pay TRY 429,028 thousand (USD 13,900 thousand) to the plaintiffs to fully settle both lawsuits. Concerning USD 3,975 thousand of the mentioned amount, an agreement was reached on December 5, 2022, between the Company and TurkCommerce B.V., the shareholder and other defendant who sold shares during the public offering, for TurkCommerce to pay this amount to the Company. The Company has provided a provision amounting to TRY 429,028 thousand (USD 13,900 thousand) in its consolidated financial statements as of December 31, 2022. The settlement agreement, prepared by the plaintiff and defendants for the termination of both cases, was signed by the parties and submitted to the preliminary approval of the Federal Court in March. The Federal Court granted its preliminary approval for the settlement agreement on April 20, 2023, and its final approval at the hearing of August 1, 2023, thus concluding the Federal case. The State Court also dismissed the case on September 22, 2023. As a result, both cases have been finally resolved without any admission of liability by the defendants.

IV.g) Explanations on administrative or judicial sanctions imposed on the Group and the members of the management body due to practices contrary to the provisions of the legislation:

There are no significant administrative or judicial sanctions imposed on the Group and the members of the management body due to practices contrary to the provisions of the legislation. More detailed information is provided in the consolidated financial statements prepared in accordance with TAS/TFRS for the period ended December 31, 2023, at Note 15.

IV.h) Information and evaluations on whether the targets set in the previous periods have been achieved, whether the resolutions of the general assembly have been fulfilled, and if the targets have not been achieved or the resolutions have not been fulfilled, the reasons thereof:

The Ordinary General Assembly Meeting of the Company for the year 2022 was held on August 25, 2023 at the Company headquarters. At the said Ordinary General Assembly Meeting, the meeting quorum was met with 301,250,829 shares and resolutions were adopted by open voting.

IV) THE COMPANY'S ACTIVITIES AND SIGNIFICANT DEVELOPMENTS IN RELATION TO THE ACTIVITIES (Continued)

IV.h) Information and evaluations on whether the targets set in the previous periods have been achieved, whether the resolutions of the general assembly have been fulfilled, and if the targets have not been achieved or the resolutions have not been fulfilled, the reasons thereof (continued):

There is no situation of non-fulfilment of the targets set in the previous periods and the relevant general assembly resolutions.

IV.i) If an extraordinary general assembly meeting was held during the year, information on the extraordinary general assembly meeting, including the date of the meeting, the resolutions adopted at the meeting and the actions taken in relation thereto:

No extraordinary general assembly meeting was held during the year.

IV.j) Information on donations and grants made by the Group during the year and expenditures made within the framework of social responsibility projects:

During the year, the Group donated approximately TRY 4 million 27 thousand 700 to various institutions and organizations.

IV.k) Legal transactions carried out by the company in favor of the parent company or group companies, measures taken or avoided in favor of group companies:

Although the Company has the status of a controlling company, there are no measures taken or avoided to be taken for the benefit of group companies in 2023 or any transactions that need to be compensated.

IV.l) Whether the Company has obtained an appropriate counter performance in the legal transactions mentioned in subparagraph (IV.k), whether the measure taken or avoided to be taken has caused damage to the Company, and if the Company has suffered damage, whether it has been compensated:

Since there are no transactions in the Company as listed in paragraph (IV.k) of the report, there is no loss to be recognized.

V) FINANCIAL SITUATION

V.a) The management body's analysis and assessment of the financial position and results of operations, the degree of realization of planned activities, the company's position vis-à-vis the set strategic objectives:

Despite the challenging macroeconomic conditions throughout the year, the Company closed the year 2023 with a 34% increase in revenue and 142% increase in gross profit compared to the previous year, with strong increases in key operational metrics. Efforts to elevate the customer experience, a wide range of products and various payment solutions led to an increase in gross sales volume and an improved path to profitability. Operating loss decreased by TRY 3,898 million year-on-year to TRY 2.1 billion. Net income increased by TRY 4,866 million to TRY 75.5 million for the year ended on December 31, 2023, from a net loss of TRY 4,791 million for the year ended on December 31, 2022. This improvement is due to higher monetary earnings supported by a strong improvement in operating loss.

In 2022, order frequency increased by 44% annually, from 6.6 orders per customer per year in 2022 to 9.5 orders per customer per year in 2023. The total number of orders placed through the Hepsiburada platform amounted to 113 million, an increase of 41% compared to last year. At the same time, the average order value (excluding digital products) increased by 15.2% in 2023 compared to 2022. The increase in the average order value (excluding digital products) is mainly due to the increase in average selling prices exceeding inflation and higher share of large-ticket items in electronics in 2023 compared to 2022.



V) FINANCIAL SITUATION (Continued)

V.a) The management body's analysis and assessment of the financial position and results of operations, the degree of realization of planned activities, the company's position vis-à-vis the set strategic objectives (continued):

According to the results of the independent market research commissioned by the Company, the Company maintained its industry leadership in 2023 with the highest Net Promoter Score (NPS) in the Turkish e-commerce market, thanks to the privileged delivery and payment services offered by Hepsiburada.

The number of Hepsiburada Premium members, a paid customer loyalty program launched in July 2022, reached 2.2 million by the end of 2023. This program has been effective in increasing customer loyalty and order frequency. This program is valued for the higher interaction and order frequency it creates among members.

Hepsiburada's wallet and payment gateway solution HepsiPay reached 14.3 million users as of December 31, 2023. As an extension of the strategy to become a payment gateway by consolidating the payment options on the Hepsiburada platform, a joint investment was made with Craftgate Technology, one of the leading payment gateway service providers in Türkiye, on August 23, 2023. As of December 31, 2023, the "Buy Now Pay Later" solution was used by more than 328 thousand customers and approximately 978 thousand orders were processed through non-card payment solutions (including Buy Now Pay Later and shopping loans).

In 2023, the number of active sellers of the Company reached approximately 101.5 thousand, and the number of products offered on the platform increased from 163.6 million in 2022 to 230.4 million in 2023. With the "Hepsiburada My Business Partner" program, which offers comprehensive services to sellers, the merchant practice continued. The Company organized various campaigns to both benefit its customers and support its sellers in increasing their sales. Marketplace sales accounted for 66.9% of the total sales volume.

The logistics company D-Fast, one of Hepsiburada's key strategic investments in achieving excellence in customer satisfaction, continued its services with 3,187 vehicles in 81 provinces across Türkiye as of December 31, 2023, an increase of 30% compared to 2022.

In 2023, HepsiJet delivered 92% of direct sales made through the Hepsiburada platform and 61% of total Marketplace packages. The "Return on Delivery" service, one of the firsts in the sector and offered by the Company since 2021, continued to be realized through HepsiJet. As of December 31, 2023, the number of HepsiJet couriers increased by 30% compared to the previous year. In 2024, further expansion of the Company's HepsiJet endpoint delivery services "on-platform" and "off-platform" for third parties (with more than 2,000 off-platform customers at the end of 2023), is expected to enable the Company to offer delivery services more cost-effectively.

In 2024, despite the uncertainties and challenges posed by global and local market and macroeconomic conditions, efforts continue to be made to achieve strategic objectives, and it is planned to take firm steps towards the prioritized profitability target by prioritizing customer loyalty, differentiating through logistics and financial services businesses and starting to offer these services to third parties, and focusing on strategic priorities with disciplined cash and cost management.

V.b) Information on the Group's sales, productivity, revenue generation capacity, profitability, debt/equity ratio and other issues that will give an idea about the results of the Group's operations in comparison with previous years and forward-looking expectations:

In 2023, total revenues increased by 34% to TRY 35.6 billion. Total orders increased by 41% year-on-year to 113 million.

The financial ratios calculated from the Group's balance sheet and income statement prepared in accordance with the TCC are as follows;

V) FINANCIAL SITUATION (Continued)

V.b) Information on the Group's sales, productivity, revenue generation capacity, profitability, debt/equity ratio and other issues that will give an idea about the results of the Group's operations in comparison with previous years and forward-looking expectations (continued):

PRODUCTIVITY RATES		2023	2023	2022	2022	
1	Operating Capital Turnover Rate	REVENUE	35,559	36.35	26,478	25.41
		CURRENT ASSETS	14,624		13,805	
		CURRENT LIABILITIES	13,646		12,763	
2	Equity Turnover Rate	REVENUE	35,559	10.77	26,478	7.87
		EQUITY	3,303		3,366	
3	Asset Turnover Rate	REVENUE	35,559	2.02	26,478	1.60
		TOTAL ASSETS	17,581		16,588	
PROFITABILITY RATIOS						
1	Operating Profitability Ratio	OPERATING PROFIT OR LOSS	(2,092)	(0.06)	(5,990)	(0.23)
		REVENUE	35,559		26,478	
2	Gross Sales Profitability Ratio	GROSS PROFIT OR LOSS FROM SALES	7,086	0.20	2,924	0.11
		REVENUE	35,559		26,478	
3	Return on Equity Ratio	NET PROFIT OR LOSS FOR THE PERIOD	76	0.02	(4,791)	(1.42)
		EQUITY	3,303		3,366	
4	Net Profit Ratio	NET PROFIT OR LOSS FOR THE PERIOD	76	0.00	(4,791)	(0.18)
		REVENUE	35,559		26,478	
LIQUIDITY RATIOS						
1	Current Ratio	CURRENT ASSETS	14,624	1.07	13,805	1.08
		CURRENT LIABILITIES	13,646		12,763	
2	Liquidity Ratio	CURRENT ASSETS	14,624	0.78	13,805	0.85
		STOCKS	3,965		2,947	
		CURRENT LIABILITIES	13,646		12,763	
3	Cash Ratio	READY ASSETS	5,500	0.40	8,677	0.68
		SECURITIES	0		0	
		CURRENT LIABILITIES	13,646		12,763	
4	Debt-to-Cash/ Equity Ratio	(DEBT) OR CASH	5,037	(1.53)	8,205	(2.44)
		EQUITY	3,303		3,366	

	Current Period Current Period December 31, 2023	Previous Period Prior Period December 31, 2022
Revenue	35,559	26,478
Gross Profit	7,086	2,924
Net Profit/Loss for the Period	76	(4,791)

M d d

V) FINANCIAL SITUATION (Continued)

V.b) Information on the Group's sales, productivity, revenue generation capacity, profitability, debt/equity ratio and other issues that will give an idea about the results of the Group's operations in comparison with previous years and forward-looking expectations (continued):

The Company has set its strategic priorities for 2024 and beyond. Accordingly, the Hepsiburada Premium program will continue to be an important asset in increasing customer loyalty in 2024. Hepsipay, which offers solutions that support customers' purchasing power, and Hepsijet, which aims for excellence in customer experience, will be the Company's key points of differentiation. In 2024, the Company aims to increase the number of external customers served by Hepsijet and offer Hepsipay's financial technology solutions to other retailers. In 2024, the Company continues to work with a focus on sustainable growth and profitability.

V.c) Determinations and assessments of the management body as to whether the Group's capital is uncovered or insolvent:

According to Article 519 of TCC, paragraphs 1 and 2, reserves allocated from the profit are considered statutory reserves only if they do not exceed 20% of the capital. In the evaluation of insolvency, the premiums on shares under equity were not considered because the statutory reserves allocated from the profit did not reach 20% of the capital. Other reserves related to share-based payments are never considered statutory reserves allocated from profit and will be regarded as free reserves. As a result of the calculations, as of December 31, 2023, the share capital of the Company is not uncovered and the Company is not insolvent in accordance with TCC article 376.

V.d) Measures to be taken to improve the Group's financial structure:

Since the Company operates with negative net working capital, debt is financed with cash generated from operations. It is anticipated that the negative net working capital position will be maintained and debt as well as acquisition commitments will be financed through available cash and cash equivalents, cash generated from operations and funds available to the extent available to the Company under existing borrowing facilities.

The focus is on improving inventory management and managing marketing expenditures effectively and in line with the target customer. In addition, the business is continuously evaluated with a focus on profitability and necessary changes in business models are implemented.

In the short term, given the priority of being a profitable company, the Company believes that its existing cash, cash equivalents and cash expected to be generated from operations will be sufficient to meet its liabilities. Strategic priorities have been developed that emphasize asset differentiation (including logistics services and affordable solutions), customer loyalty, third-party payment, lending and last-mile services, and overall cost optimization. It is believed that these strategic priorities will support the path to operational profitability.

In 2024, it is possible to use asset-backed securities as a source of funding for the Company's operations. It is hoped that this will provide the Company with an additional source of cash to finance its operations.

V.d) Measures to be taken to improve the Group's financial structure:

In addition to pursuing financing opportunities, the focus remains on improving overall operating performance and liquidity by evaluating different options that may be open to the Company, restructuring plans or strategic options related to strategic assets, and closely monitoring inventory turnover levels to ensure optimal inventory levels at any given time. Optimum staffing levels required to sustain operations are dynamically reviewed and actions are taken as and when required.

V) FINANCIAL SITUATION (Continued)

V.e) Information on the dividend distribution policy, and if no dividend distribution is to be made, the justification thereof and the proposal on how the undistributed profit will be utilised:

Article 519 of the Turkish Commercial Code shall apply to the legal reserves to be set aside by the Company. The amount remaining after deducting the amounts that must be paid or set aside by the Company, such as the general expenses of the Company and various depreciation costs, and the taxes that must be paid by the Company, from the revenues determined at the end of the accounting period of the Company, and the amount remaining after deducting the losses of previous years, if any, from the net profit for the period shown in the annual balance sheet, shall be distributed in the following order and principles:

General Legal Reserves

a) Pursuant to Article 519 of the Turkish Commercial Code, 5% of the net profit for the period calculated in this manner is set aside each year as general legal reserves until it reaches 20% (twenty per cent) of the paid-in capital.

First Dividend

b) From the remaining amount, first dividend is allocated over the amount to be found by adding the amount of donations made during the year, if any, in accordance with the Turkish Commercial Code within the framework of the Company's profit distribution policy.

After the above-mentioned deductions are made, the General Assembly has the right to decide to distribute the dividend to the members of the Board of Directors, employees of the Company and persons other than shareholders.

Second Dividend

c) The General Assembly may resolve to distribute the remaining portion of the net profit for the period, after deducting the amounts specified in subparagraphs (a) and (b), in whole or in part, as second dividend or to set it aside voluntarily as reserves in accordance with article 521 of the TCC.

General Legal Reserves

d) Ten per cent of the amount found after deducting the dividend at the rate of 5% of the capital from the portion decided to be distributed to the shareholders and other persons participating in the profit shall be added to the general legal reserve fund in accordance with the second paragraph of Article 519 of the Turkish Commercial Code.

Unless the reserves required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for the shareholders in the articles of association or dividend distribution policy are set aside, no decision can be made to set aside other reserves, to transfer profit to the following year, to distribute dividends to the members of the board of directors, employees of the partnership and persons other than shareholders, and no dividend can be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

Dividends are distributed equally to all shares existing as of the date of distribution, regardless of their issue and acquisition dates.

The General Assembly will decide on the amount to be distributed from this profit and how it will be distributed, taking into consideration the Company's financial situation, initiatives and investments. The method and time of distribution of the profit decided to be distributed shall be decided by the General Assembly upon the proposal of the Board of Directors on this matter.



V) FINANCIAL SITUATION (Continued)

V.e) Information on the dividend distribution policy, and if no dividend distribution is to be made, the justification thereof and the proposal on how the undistributed profit will be utilized (continued):

The profit distribution decision made by the general assembly in accordance with the provisions of these articles of association cannot be revoked.

Since there is no distributable profit for the period according to the financial statements of D-Market prepared in accordance with TCC as of December 31, 2023, there is no profit distribution proposal presented to the General Assembly.

VI) RISKS AND ASSESSMENTS OF THE BOARD OF DIRECTORS IN RELATION THERETO

VI.a) Information on the risk management policy that the Group will implement against the foreseen risks:

Risk Management, monitoring and measurement of financial, operational and compliance risks are carried out by the Board of Directors and senior managers in the Group. In addition, the Risk Committee, consisting of three Members of the Board of Directors, two of whom are independent Members, was established in 2021 to work in charge of this issue. This committee continued its activities in 2023 in accordance with the committee bylaws.

Financial, Compliance and Operational Risk Management:

Risk management activities aimed at identifying and detecting the risks faced by the Group and controlling and mitigating the potential risks identified in this way are carried out under the coordination of the Company's senior management and the financial affairs department. Within this framework, in order to minimize and manage the risks specific to the sectors in which the Company operates, senior managers and unit managers were provided with training on legislation, thereby establishing a risk perception and raising awareness at all levels. In the management of risks related to compliance with the tax legislation, commercial law and other regulatory authorities, which have an important place in financial, operational and compliance risks, evaluation meetings are held from time to time with the participation of auditing and certified public accountancy companies, under the coordination of the Group CFO, and risks are constantly monitored. Along with this, the Internal Control and Compliance team evaluates the risks in all business processes that affect the financials and questions the existence of controls that respond to such risks.

Financial Risk Management:

The Group's activities expose it to a variety of financial risks, including debt and the effects of changes in stock market prices, foreign exchange rates and interest rates. The Group's comprehensive risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Group's financial performance.

a) Liquidity Risk:

The Group manages the liquidity risk by regularly monitoring the cash flows and ensuring the continuation of sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities. Prudent liquidity risk management expresses the ability to keep sufficient cash, the availability of sufficient credit transactions, the availability of fund resources and the ability to close market positions. The funding risk of current and prospective debt requirements is managed by maintaining the availability of sufficient number of high quality credit providers.

b) Foreign Currency (Exchange Rate) Risk:

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to local currency. The Group monitors its exchange rate risk and net monetary position on a monthly basis through regular reporting and meetings. Monitoring is ensured by checking that foreign currency balances are within the approved limits.



**VI) RISKS AND ASSESSMENTS OF THE BOARD OF DIRECTORS IN RELATION THERETO
(Continued)**

VI.a) Information on the risk management policy that the Group will implement against the foreseen risks (continued):

c) Credit Risk:

Credit risk consists of cash and cash equivalents, deposits held with banks and customers exposed to credit risk including uncollectible receivables. Ownership of financial assets entails the risk that the other party will not be able to fulfill the contract. However, due to the nature of the operations used to generate revenue, many sales transactions are carried out with prepayments or simultaneous cash transfers, so that the companies affiliated to the Group are not exposed to significant credit risk and there are no doubtful receivables at significant levels in the group companies.

d) Funding Risk:

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate funding lines from high quality lenders and supply financing arrangements.

e) Capital Risk:

While trying to ensure the continuity of its activities in capital management on the one hand, the Group also aims at increasing its profitability by using the debt and equity balance in the most efficient way on the other hand. The Group's capital structure consists of the items of debts including loans, cash and cash equivalents, issued capital, capital reserves, profit reserves and retained earnings, respectively. The risks associated with each capital class together with the Group's cost of capital are evaluated by the management. Based on these assessments, the management aims at keeping the capital structure in balance through the acquisition of new debt or the repayment of existing debt, as well as dividend payments and issuance of new shares.

VI.b) Information on the activities and reports of the early detection and management of risk committee, if any:

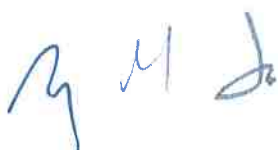
The Risk Committee, consisting of three Members of the Board of Directors, two of whom are independent Members, was established in 2021 to work in charge of this issue. The Risk Committee Charter contains detailed information about the responsibilities and working principles of the Risk Committee members.

VI.c) Projected risks in terms of sales, productivity, revenue generation capacity, profitability, debt/equity ratio and similar issues:

Inflationary price increases affecting the cost of inventories, personnel costs, transportation costs and other operating expenses have increased the Company's cash requirements. In addition, the high inflationary environment in Türkiye may result in a decrease in customer demand and therefore a decrease in Gross Sales Volume relative to targets, and accordingly higher customer discounts may be offered to trigger any slowdown in demand to increase demand, which may lead to a lower Gross Profit. As a result, additional financing may be sought from sources outside the operations for working capital needs. It may be possible to pursue inorganic growth opportunities to expand operations. Such acquisitions may result in additional cash requirements and financing. Increased exposure to risk as we expand financial services may affect the value of financial assets, as the credit risk of the parties involved in the Pay Now Pay Later solution is carried.

If Buy Now Pay Later and the planned consumer finance product is chosen to be financed with bank loans, additional financing costs may arise. In addition, from time to time it is necessary to provide financial assurance to third parties and letters of guarantee are obtained for suppliers in connection with such obligations. Such off-balance sheet commitments may also result in an increase in finance costs.

In connection with assessing the Company's ability to continue as a going concern, factors that could significantly affect the assessment, including the competitive environment and customer demand, the ability to defer or cancel uncommitted capital expenditures and reduce advertising expenditures, as well as the



VI) RISKS AND ASSESSMENTS OF THE BOARD OF DIRECTORS (Continued)

ability to mitigate the impact of an inflationary environment that could increase operating expenses and costs and reduce profitability, are considered as follows: (i) in an inflationary environment, vendors and product suppliers may demand shorter payment terms, resulting in a lower negative net working capital position; and (ii) any regulatory changes that would limit operational capabilities resulting in lower Gross Sales Volume generation could also result in a lower negative net working capital position. Long-term cash requirements are expected to be driven largely by capital expenditures and working capital requirements necessary to improve profitability and business growth. Given the dynamic nature of the market in which we operate, changing market regulations, volatility in capital markets, the current state of the business, the high inflation environment, volatility in foreign exchange rates, supply chain challenges due to the impact of the COVID-19 pandemic, as well as the impact on business operations of the uncertainty created by the impact of the war between Russia and Ukraine, the development of the ability to fully meet long-term capital requirements and long-term liquidity needs may be unanticipated and adversely affected.

The current economic environment and market conditions may limit the ability to borrow, to a lesser extent, in amounts or on acceptable terms that may be necessary to support funding needs or cash flows. Additional debt will result in increased financial expenses. In addition to pursuing alternative financing opportunities, different options, plans or options related to strategic business lines can be evaluated and necessary changes implemented. In addition, the focus is on improving overall operating performance and liquidity by improving inventory management and renegotiating more favorable payment terms with suppliers. Optimum staffing levels required to sustain operations are dynamically reviewed and actions can be taken when necessary.

VII) CONTROLLING COMPANY INFORMATION

VII.a) Capital increases/decreases in subsidiaries and justification:

D-FAST DAĞITIM HİZMETLERİ VE LOJİSTİK A.Ş.

There has been no change in D-Fast's share capital of TRY 222,329,299 (nominal) in 2023.

D-Market owns 100% of D-Fast and there has been no change in its sole shareholding in 2023.

VII.a) Capital increases/decreases in subsidiaries and justification (continued):

D-ÖDEME ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.

With the decision taken at the Extraordinary General Assembly Meeting held on April 24, 2023 and registered on May 2, 2023, D-Payment's existing capital of TRY 196,535,857 (nominal) was reduced to TRY 111,535,857 by a decrease of TRY 85,000,000 and simultaneously increased to TRY 196,535,857 (nominal) by an increase of TRY 85,000,000.

With the decision taken at the Extraordinary General Assembly Meeting of D-Ödeme held on October 19, 2023 and registered on October 26, 2023, the existing capital of D-Ödeme, which was TRY 196,535,857 (nominal) was increased to TRY 421,535,857 (nominal) with an increase of TRY 225,000,000.

D-Market owns 100% of D-Ödeme and there has been no change in its sole shareholding in 2023.

VII) CONTROLLING COMPANY INFORMATION (Continued)

HEPSİ FİNANSAL DANIŞMANLIK A.Ş.

With the Extraordinary General Assembly Decision of Hepsi Finansal dated April 6, 2023 and registered on April 19, 2023, it was decided to increase the existing capital of TRY 49,000,000 (nominal) to TRY 109,000,000 (nominal) by an increase of TRY 60,000,000.

With the Extraordinary General Assembly Resolution of Hepsi Finansal dated October 24, 2023 and registered on November 15, 2023, it has been resolved to increase its existing capital of TRY 109,000,000 (nominal) to TRY 415,000,000 (nominal) by an increase of TRY 306,000,000.

D-Market owns 100% of Hepsi Finansal and there has been no change in its sole shareholding in 2023.

HEPSİ FİNANSMAN A.Ş.

With the resolution of the Extraordinary General Assembly of Hepsi Finansman dated May 25, 2023 and registered on May 30, 2023, Hepsi Finansman's previous capital of TRY 50,000,000 (nominal) was increased to TRY 110,000,000 (nominal) by an increase of TRY 60,000,000.

In accordance with the Extraordinary General Assembly Meeting of Hepsi Finansman held on November 23, 2023 and registered on November 30, 2023, Hepsi Finansman's previous capital of TRY 110,000,000 (nominal) was increased to TRY 410,000,000 (nominal) by an increase of TRY 300,000,000.

100% of Hepsi Finansman is owned by Hepsi Finansal Danışmanlık A.Ş. and there has been no change in its sole shareholding in 2023.

HEPSİBURADA GLOBAL B.V.

Hepsiburada Global B.V. was established on July 28, 2023 in the Netherlands with a total issued capital of EUR 1,000,000. The first EUR 100,000 capital commitment of Hepsiburada Global B.V. was paid on October 26, 2023. Hepsiburada Global B.V. is 100% owned by D-Market and there has been no change in its shareholding in 2023.

VII.b) Information about the shares of the companies included in the Group in the capital of the parent Company:

As of December 31, 2023, 65.41% of the Company's shares are held by real person shareholders belonging to the Doğan Family, 20.02% by shares corresponding to depositary receipts traded in the US, 13.16% by investor shareholders and 1.42% by the Company and there is no controlling shareholder.

VII) CONTROLLING COMPANY INFORMATION (Continued)

VII.c) Statements on the internal audit and risk management systems of the group with respect to the preparation process of the consolidated financial statements:

The Company and its subsidiaries keep and prepare their legal books and statutory financial statements in accordance with the accounting principles prescribed by the Turkish Commercial Code and tax legislation. The consolidated financial statements of the Group are prepared and subjected to independent audit on the basis of Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and the annexes and comments in relation thereto in compliance with international standards published by the Public Oversight, Accounting and Auditing Standards Authority ("POA").

Risk Management, monitoring and measurement of financial, operational and compliance risks are carried out by the Board of Directors and senior managers in the Group. In addition, the Risk Committee, consisting of three Members of the Board of Directors, two of whom are independent Members, was established in 2021 to work in charge of this issue.

The Group has Internal Audit and Internal Control & Compliance Units, and these two teams carry out their activities to identify and mitigate risks, design the right controls and test the proper operation of the designed controls.

Risk management activities aimed at identifying and detecting the risks faced by the Group and controlling and mitigating the potential risks identified in this way are carried out under the coordination of the Company's senior management and the financial affairs department. Within this framework, in order to minimize and manage the risks specific to the sectors in which the Company operates, senior managers and unit managers were provided with training on legislation, thereby establishing a risk perception and raising awareness at all levels. In the management of risks related to compliance with the tax legislation, commercial law and other regulatory authorities, which have an important place in financial, operational and compliance risks, evaluation meetings are held from time to time with the participation of auditing and certified public accountancy companies, under the coordination of the Group CFO, and risks are constantly monitored.

VII.d) Information about the reports stipulated in Article 199 of the TCC:

Members of the Board of Directors did not have any requests within the framework of Article 199/4 of the Turkish Commercial Code.

VIII) OTHER ISSUES




- 1) Mehmet Murat Emirdağ resigned from the Board of Directors as of January 15, 2024 and Ahmet Toksoy was appointed as a member of the Board of Directors in his place.
- 2) M. Seçkin Köseoğlu has been appointed as the Chief Financial Officer of the Company effective from January 1, 2024. Halil Korhan Öz's term as Chief Financial Officer of the Company ended as of December 31, 2023.
- 3) Mehmethan Yallagöz resigned as Hepsiburada Chief Logistics Officer as of March 31, 2024 and Hakan Karadoğan was appointed as CEO of Logistics in his place.
- 4) The Law on the Regulation of Electronic Commerce numbered 6563 and the Regulation on Electronic Commerce Intermediary Service Providers and Electronic Commerce Service Providers, which entered into force on January 1, 2023 at the earliest, stipulate certain obligations for electronic commerce service providers ("ECSP") and electronic commerce intermediary service providers ("ECISP"). The obligations foreseen for ECSPs and ECISPs are differentiated for medium, large and very large scale ECISPs based on thresholds determined based on net transaction volumes. The relevant Law and Regulation include provisions such as the prohibition of unfair commercial practices, the obligation to obtain an electronic commerce license, advertising and discount

VIII) OTHER ISSUES (Continued)

budget restrictions, and the prohibition of payment service and transportation activities. As the Company is within the scope of medium-sized ECISP in 2024, as it was in 2023, taking into account the relevant net transaction volume, the Company is not subject to restrictions such as advertising and discount budget restrictions and prohibition of payment service and transportation activities for large and very large-scale ECISPs in the legislation. The thresholds foreseen for medium, large and very large-scale ECSPs and ECISPs will be applied to the net transaction volume for the calendar year preceding the date of the increase by increasing the thresholds according to the annual rate of change of the electronic commerce volume calculated each year using ETBIS data. In this context, taking into account the thresholds updated every year, it will be determined which threshold the Company is within the scope of medium, large and very large scale according to the net transaction volume of the previous year. The Company may be subject to additional obligations and restrictions depending on the threshold that the Company falls under. Following the publication of the Law, a lawsuit was filed with the Constitutional Court for the annulment of the Law. The Constitutional Court rejected the lawsuit on July 13, 2023 and ruled that the relevant provisions of the Law are in compliance with the Constitution. The Council of State also filed a lawsuit with the Constitutional Court for the annulment of certain provisions of the Law. This application was also rejected by the Constitutional Court on February 1, 2024 and it was ruled that the relevant provisions of the Law were in conformity with the Constitution. Currently, the obligations set out in the Law are in force.

- 5) With the resolution taken at the Extraordinary General Assembly Meeting of D-Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş. held on April 16, 2024 and registered on April 19, 2024, D-Ödeme's previous capital of TRY 421,535,857 (nominal) was increased by TRY 300,000,000 to TRY 721,535,857 (nominal).
- 6) A company titled Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş. with a total nominal capital of TRY 5,050,000.00 divided into 5,050,000 shares of TRY 1.00 each was established and registered in the Turkish Trade Registry Gazette dated March 29, 2024 and numbered 11054. D-Market is the 100% shareholder of Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş.
- 7) The Group has been granted with the approval of the CMB to participate as the originating entity in a structure led by Pasha Yatırım Bank Hepsiburada Varlık Finansmanı Fonu, for the issuance of Asset-Backed Securities ("**ABS**") up to TRY 2 billion for one year. The Group intends to use its BNPL receivables in this structure to be able to sustainably grow its BNPL business and reduce its impact on working capital. On 26 April 2024, Pasha Yatırım Bank Hepsiburada Varlık Finansmanı Fonu applied to the CMB for the issuance of TRY 200 million ABS. The first issuance of ABS amounting to TRY 150 million, within the scope of the TRY 2 billion limit given by the CMB to Pasha Yatırım Bank Hepsiburada Varlık Finansmanı Fonu, settled on 5 June 2024. The issue consists of four tranches with a maximum maturity of 147 days and at an annual interest rate varying between 54% to 57% depending on the maturity.
- 8) The bond issuance application of Hepsi Finansman A.Ş. was approved by the CMB on August 2, 2024, with a nominal issuance ceiling of TRY 1,050,000,000.

<p>Hanzade Vasfiye DOĞAN BOYNER <i>President of the Board of Directors</i></p>	<p>Erman KALKANDELEN <i>Vice President of the Board of Directors</i></p>
<p>Vuslat Doğan SABANCI <i>Member of the Board of Directors</i></p>	<p>Tolga BABALI <i>Member of the Board of Directors</i></p>
 <p>Mehmet Erol ÇAMUR <i>Member of the Board of Directors</i></p>	 <p>Ahmet TOKSOY <i>Member of the Board of Directors</i></p>
 <p>Tayfun BAYAZIT <i>Independent Member of the Board of Directors</i></p>	<p>Ahmet Fadıl ASHABOĞLU <i>Independent Member of the Board of Directors</i></p>
<p>Stefan GROSS-SELBECK <i>Independent Member of the Board of Directors</i></p>	

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