
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2024
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report
Commission File Number: 001-40553

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi

(Exact Name of registrant as specified in its charter)

D-MARKET Electronic Services & Trading

(Translation of Registrant's Name into English)

Türkiye

(Jurisdiction of Incorporation or Organization)

Kuştepe Mahallesi Mecidiyeköy Yolu

Cad. No: 12 Tower: 2 Floor:2

Şişli-Istanbul, Türkiye

(Address of principal executive office)

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Kuştepe Mahallesi Mecidiyeköy Yolu

Cad. No: 12 Tower: 2 Floor: 2 Şişli-Istanbul, Türkiye

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
American Depositary Shares	HEPS	The Nasdaq Stock Market LLC
Ordinary shares, nominal value TRY 0.20 per share*		The Nasdaq Stock Market LLC

* Not for trading, but only in connection with the registration of the American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.
281,382,906 Class B ordinary shares and 40,000,000 Class A shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17

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If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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ABOUT THIS ANNUAL REPORT

Except where the context otherwise requires or where otherwise indicated, the terms “**Hepsiburada**,” the “**Company**,” the “**Group**,” “**our company**,” “**our**,” “**ours**,” “**us**,” and “**we**” or similar terms are to the registrant, D-MARKET Electronic Services & Trading, a joint-stock company incorporated under the laws of Türkiye, together with its consolidated subsidiaries.

All references in this annual report to “**TRY**” and “**Turkish Lira**” are to the legal currency of Türkiye, to “**U.S. dollars**,” “**US\$**,” “**USD**” and “**\$**” are to the legal currency of the United States, and to “**euro**,” “**€**” or “**EUR**” are to the currency of the member states of the European Union (the “**EU**”) participating in the European Economic and Monetary Union.

All references in this annual report to “**Turkstat**” are to the Turkish Statistics Institute and to “**BKM**” are to the Turkish Interbank Card Center.

All references in this annual report to the “**Commission**” or to the “**SEC**” are to the United States Securities and Exchange Commission, to the “**Exchange Act**” are to the U.S. Securities Exchange Act of 1934, as amended, and to the “**Securities Act**” are to the U.S. Securities Act of 1933, as amended. All references to “**Türkiye**” are to the Republic of Türkiye.

With respect to our business and operations:

- all references to “**users**” are to all persons accessing our online platform (either through website or mobile application), with or without a registered account;
- all references to “**members**” are to users that have registered on our online platform by creating an account (either through website or mobile application), excluding cancelled memberships;
- all references to “**customers**” are to users (both unregistered users and members) that have purchased at least one item listed on our online platform (either through website or mobile application), including returns and cancellations;
- all references to “**Active Customers**” are to users (both unregistered users and members) who have purchased at least one item listed on our platform within the 12-month period preceding the relevant date, including returns and cancellations;
- all references to “**merchants**” are to legal entities who listed at least one item on our Marketplace within the 12-month period preceding the relevant date;
- all references to “**Active Merchants**” are to merchants who sold at least one item within the 12-month period preceding the relevant date, including returns and cancellations;
- all references to “**Marketplace**” are to the “**3P**” or “**third party**” model marketplace that we operate on our online platform, where merchants list and sell items to customers;
- all references to “**Direct Sales**” are to “**1P**” or “**first party**” model direct sales operations that we perform on our online platform, where suppliers directly sell products to us on a wholesale basis, and we then store and sell such products to the customers;
- all references to “**frequency**” are to the average number of orders per Active Customer over a 12-month period preceding the relevant date;
- all references to “**FBM**” are to our fulfilled-by-merchant fulfillment model, where merchants perform fulfillment by their own means (FBM is only applicable to our 3P-based Marketplace operations);
- all references to “**fulfillment**” are to our logistical processes relating to the placement of an order, including accepting goods, of picking and storing products, consolidating them into batches and packing them into parcels for delivery as well as return operations, as described in greater detail under *Item 4.B. “Information on the Company—Business Overview—Order Fulfillment”*;

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- all references to the “**HepsiLojistik model**” are to our fulfilled-by-Hepsiburada fulfillment model, where we, in case of 1P-based Direct Sales, or merchants, in case of 3P-based Marketplace operations, perform fulfillment through Hepsilojistik, thereby performing fulfillment through our logistics infrastructure;
- all references to the “**Drop-shipping model**” are to our drop-shipping fulfillment model, where we accept customer orders in our 1P-based Direct Sales and transfer orders to our suppliers and our suppliers in turn perform fulfillment by their own means (the Drop-shipping model is only applicable to 1P-based Direct Sales operations);
- all references to the “**Hepsipay Wallet**” are to our embedded wallet within our online platform that we launched as part of our Hepsipay strategic asset in June 2021;
- all references to “**Hepsiburada Premium**” are to our loyalty program launched on July 1, 2022 (which replaced our former loyalty program, the Loyalty Club);
- all references to “**Hepsiburada Premium members**” are to our customers that have subscribed to Hepsiburada Premium, excluding customers that have unsubscribed from Hepsiburada Premium as of the relevant date;
- all references to “**digital products**” are to non-cash games on our platform, such as sweepstakes and gamified lotteries, game pins and codes, gift vouchers and the first monthly payment of Hepsiburada Premium membership subscription;
- all references to “**SKU**” are to stock keeping units including variants (color, size, *etc.*); and
- all references to “**average order value**” are to GMV divided by the number of orders in a given period.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

We report under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”). None of our financial statements were prepared in accordance with generally accepted accounting principles in the United States. We present our consolidated financial statements in Turkish Lira.

Pursuant to the International Accounting Standard 29, Financial Reporting in Hyperinflationary Economies (“IAS 29”), the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. IAS 29 does not establish an absolute rate when hyperinflation is deemed to arise and IASB does not identify specific hyperinflationary jurisdictions. However, IAS 29 provides a series of non-exclusive guidelines that assist companies in exercising their judgement as to when restatement of financial statements becomes necessary. These guidelines consist of (i) analyzing the behavior of the population regarding preservation of wealth in non-monetary assets or in relatively stable foreign currency, prices being quoted in terms of a relatively stable currency, interest rates and wages being linked to a price index, and the loss of the currency’s purchasing power, and (ii) as a quantitative characteristic, verifying if the three-year cumulative inflation rate approaches or exceeds 100%. In March 2022, the International Practices Task Force of the Centre for Audit Quality, which monitors countries experiencing high inflation, categorized Türkiye as a country with projected 36 months’ cumulative inflation rate greater than 100% as of February 28, 2022. Therefore, Turkish companies reporting under IFRS, including Hepsiburada, have been required to apply IAS 29 to their financial statements for periods ended on and after June 30, 2022.

The Company’s consolidated balance sheets at December 31, 2024 and 2023, and consolidated statements of comprehensive income/(loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022, and, unless otherwise stated, the financial information included elsewhere in this annual report, including figures corresponding to the same period of the prior year, reflect a restatement pursuant to IAS 29. Under IAS 29, the Company’s financial statements are presented in terms of the measuring unit current as of December 31, 2024. All the amounts included in the financial statements which are not stated in terms of the measuring unit current at the end of the reporting period are restated applying the general price index. Adjustment for inflation has been calculated considering the price indices published by the Turkish Statistical Institute (Turkstat). Such indices used to restate the financial statements at December 31, 2024 are as follows:

Date	Index	Conversion Factor
December 31, 2024	2,684.55	1.00
December 31, 2023	1,859.38	1.44
December 31, 2022	1,128.45	2.38

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On July 1, 2021, we issued 41,670,000 Class B ordinary shares (with a nominal value of TRY 0.20 per share) represented by American Depositary Shares, with each ADS representing one Class B ordinary share (the “ADSs”), as part of our initial public offering (the “IPO”).

Use of Non-IFRS Financial Measures

Certain parts of this annual report contain non-IFRS financial measures, including, among others, EBITDA, Gross Contribution, Free Cash Flow and Net Working Capital. We define:

- “**EBITDA**” as profit or loss for the period *plus* taxation on income less financial income *plus* financial expenses, *plus* depreciation and amortization *plus* monetary gains/ (losses);
- “**Gross Contribution**” as revenues *less* cost of inventory sold;
- “**Free Cash Flow**” as net cash provided by operating activities *less* capital expenditures *plus* proceeds from sale of property and equipment; and
- “**Net Working Capital**” as current assets (excluding cash, cash equivalents and financial investments) *minus* current liabilities (excluding current bank borrowings and current lease liabilities).

The non-IFRS financial measures included in this annual report are unaudited supplementary measures that are not required by, or presented in accordance with, IFRS or any other generally accepted accounting principles. See Item 5. “*Operating and Financial Review and Prospects—Summary Consolidated Financial and Other Data—Key Indicators of Operating and Financial Performance and Non-IFRS Measures*” for a reconciliation of certain of these non-IFRS measures to the closest IFRS measure set forth in the consolidated financial statements.

These measures have limitations as analytical tools, and you should not consider them as: (a) an alternative to operating profit or net profit as presented in our consolidated financial statements in accordance with IFRS or other generally accepted accounting principles, or as measures of operating performance; (b) an alternative to cash flows from operating, investing or financing activities, as determined in accordance with IFRS or other generally accepted accounting principles, or as a measure of our ability to meet liquidity needs; or (c) an alternative to any other measures of performance under IFRS or other generally accepted accounting principles. See Item 5. “*Operating and Financial Review and Prospects — Summary Consolidated Financial and Other Data—Key Indicators of Operating and Financial Performance and Non-IFRS Measures*” for more detail on the limitations of EBITDA, Gross Contribution, Free Cash Flow and Net Working Capital. Accordingly, investors should not place undue reliance on the non-IFRS financial measures contained in this annual report.

Key Operating Performance Indicators

Certain parts of this annual report contain a number of key operating performance indicators used by our management and often used by competitors in our industry. We define certain terms used in this annual report as follows:

- “**GMV**” as gross merchandise value which refers to the total value of orders/products sold through our platform over a given period of time (including value added tax (“VAT”) without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants;
- “**Marketplace GMV**” as total value of orders/products sold through our Marketplace over a given period of time (including VAT without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants;
- “**Share of Marketplace GMV**” as the portion of GMV sold through our Marketplace represented as a percentage of our total GMV;
- “**EBITDA as a percentage of GMV**” as EBITDA represented as a percentage of GMV;

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- “**Number of orders**” as the number of orders we received through our platform including returns and cancellations;
- “**Active Customers**” as the users (both unregistered users and members) who have purchased at least one item listed on our platform within the 12-month period preceding the relevant date, including returns and cancellations;
- “**Active Merchants**” are to merchants who sold at least one item within the 12-month period preceding the relevant date, including returns and cancellations;
- “**Gross Contribution Margin**” as Gross Contribution represented as a percentage of GMV; and
- “**frequency**” as the average number of orders per Active Customer over a 12-month period preceding the relevant date.

Rounding Adjustments

Certain figures included in this annual report have been subject to rounding adjustments. Accordingly, the figures shown for the same item presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

MARKET AND INDUSTRY DATA

The industry, market and competitive position data included in this annual report is derived from our own internal estimates and research, our management’s understanding of our business and the market in which we operate, as well as from publicly available information, industry and general publications and research, surveys and studies conducted by third parties, such as Electronic Commerce Information System of Turkish Ministry of Trade (“**ETBİS**”), FutureBright Research, BKM, The Information and Communication Technologies Authority of Türkiye (“**ICTA**”), Turkstat, the Central Bank of Republic Türkiye (“**CBRT**”) and the International Monetary Fund (the “**IMF**”).

Due to the evolving nature of our industry and competitors, we believe that it is difficult for any market participant, including us, to provide precise data on the market or our industry (see Item 3.D. “*Key Information—Risk Factors—Risks Relating to Our Business and Industry—Our operating metrics and competitive information, both internally calculated and provided by third parties and included in this annual report, may be calculated differently from the metrics or competitive information published by our competitors or other third parties in our industry and any perceived inaccuracies or inadequate cross-company comparisons may harm our reputation*”). Unless otherwise indicated, information contained in this annual report concerning our industry and the markets in which we operate, including our general expectation, market position, market size and growth rate of the markets in which we participate, is based on information from various sources noted above, including ETBİS, BKM, ICTA and FutureBright Research, and on assumptions that we have made that are based on those data and other similar sources and on our knowledge of the markets for our products and services. We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. Although we are not aware of any misstatements regarding the industry data that we present in this annual report, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under “*Risk Factors,*” “*Cautionary Statement Regarding Forward-Looking Statements,*” and Item 5. “*Operating and Financial Review and Prospects*” in this annual report.

Some market data and statistical information contained in this annual report are also based on management’s estimates and calculations, which are derived from our internal market and brand research and our knowledge of our industry. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. The forward-looking information obtained from these sources is subject to the same qualifications and uncertainties as other forward - looking statements in this annual report.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains “forward-looking” statements as defined in Section 27A of the Securities Act, Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995 that relate to our current expectations and views of future events. These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed under Item 3.D. “*Key Information—Risk Factors*,” Item 4.B. “*Information on the Company—Business Overview*” and Item 5. “*Operating and Financial Review and Prospects*,” which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as “believe,” “may,” “will,” “expect,” “estimate,” “could,” “seek,” “should,” “anticipate,” “aim,” “intend,” “future,” “plan,” “potential,” “continue,” “is/are likely to,” “target” or other similar expressions. Forward-looking statements contained in this annual report include, but are not limited to, statements about:

- our future financial performance, including our revenue, operating expenses and our ability to achieve and maintain operational profitability;
- our expectations regarding the development of our industry and the competitive environment in which we operate;
- the growth of our brand awareness and overall business;
- our ability to successfully remediate the material weaknesses in our internal control over financial reporting;
- the outcome of litigation and other proceedings;
- our ability to improve our technology platform, customer experience and product offerings to attract and retain merchants and customers; and
- our ability to expand our base of Hepsiburada Premium members, and grow and externalize the services of our strategic assets.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements and forecasts are reasonable, no assurance can be given that such expectations will prove to be correct. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set forth in “*Risk Factors*.” You should refer to the “*Risk Factors*” section of this annual report for a discussion of other important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this annual report will prove to be accurate.

We operate in an evolving environment. New risks emerge from time to time, and it is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date on which the statements are made, or to reflect the occurrence of unanticipated events. You should read this annual report and the documents that we have filed as exhibits hereto completely and with the understanding that our actual future results or performance may be materially different from what we expect.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the risks described below. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, prospects, financial condition or results of operations could be materially and adversely affected by any of these risks. This annual report also contains forward-looking statements that involve risks and uncertainties. You should carefully review the "Cautionary Statement Regarding Forward-Looking Statements." Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this annual report.

RISK FACTOR SUMMARY

Risks Relating to Our Business and Industry

- We have incurred significant losses in the past and are likely to continue to incur losses as we continue to invest in order to grow, and we may not achieve operational profitability going forward.
- Our expansion into new products, services, technologies, geographies and markets subjects us to additional risks and we may not be able to manage our growth and expansion efficiently or effectively scale and adapt our existing infrastructure.
- We may fail to maintain or improve our technology infrastructure, or adopt and apply technological advances, which could materially and adversely affect our business, results of operation and financial condition, and the use of new technologies may expose us to increased risks.
- If we fail to maintain and enhance our brand or network effects from our established Marketplace, our business, results of operations and financial condition may be materially and adversely affected.
- We operate in competitive markets, and in the future we may not be able to compete effectively.
- Failed deliveries, excessive returns and other logistics issues may adversely affect our business, results of operation and financial condition.

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- If we fail to retain current customers and merchants or grow or maintain the level of their engagement, our business, financial condition, prospects and results of operations could be materially and adversely affected.
- We may need to raise additional funds to finance our future capital needs including investing in growth and technology, which may prevent us from growing our business.
- Changes in our share ownership or other types of default could result in our inability to draw loans or cause acceleration or events of default under our indebtedness.
- A significant disruption in internet access, telecommunications networks or our IT platform may cause slow response times or otherwise impair our customers' experience, which may in turn reduce traffic to our mobile apps and websites and significantly harm our business, financial condition and results of operations.
- We may experience significant fluctuations in our results of operations and growth rate.
- Any occurrence of natural disasters, epidemics, pandemics or other outbreaks, or other catastrophic events could also materially and adversely affect our business, results of operations or financial condition.
- A cybersecurity incident, including undetected software errors and hacking, may cause material delays or interruptions in our information systems and may reduce the use of our services and damage our brand reputation, which may hinder our ability to conduct our business effectively or result in lost revenues or other costs, including in connection with increasing compliance requirements.
- Unauthorized disclosure of sensitive or confidential customer information or our failure, or the perception by our users that we failed, to comply with privacy laws or properly address privacy concerns could harm our business and reputation with customers, merchants and suppliers.
- Hepsipay is subject to a number of risks that, if they were to occur, could materially and adversely affect our goal of leading the financial technologies market in Türkiye.
- We are subject to credit risk of our borrowers and counterparties in relation to our Buy-Now-Pay-Later solution and consumer finance loan offering.
- We are subject to payment-related risks.
- We may suffer losses relating to the products we sell through our Direct Sales business.
- We rely on many service providers in our business, and the nonperformance or loss of a significant third-party provider through bankruptcy, consolidation or otherwise could adversely affect our operations.
- We operate platforms that include third parties over whose actions we have only partial control.
- If we are unable to compete effectively for advertising spend, or if our merchants reduce advertising spend, our business and results of operations could be materially harmed.
- Our strategic acquisitions may result in operational challenges, and the failure of an acquisition or investment to produce the anticipated results or the inability to fully integrate an acquired company could have an adverse impact on our business, results of operation and financial condition.
- We may use open source code in a manner that could be harmful to our business.
- Our operating metrics and competitive information, both internally calculated and provided by third parties and included in this annual report, may be calculated differently from the metrics or competitive information published by our competitors or other third parties in our industry and any perceived inaccuracies or inadequate cross-company comparisons may harm our reputation.

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- We may not be able to, or may choose not to, insure against all risks we face and may incur losses not covered by insurance, which could have a material adverse effect on our business, financial condition, results of operations and prospects.
- We depend upon our senior management, our IT specialists and other talented employees to grow, operate and improve our business; if we fail to attract, retain and motivate key personnel, our business could be adversely affected.
- Employee misconduct or inadvertent mistakes are difficult to determine and detect and could harm our reputation and business.
- We face uncertainties relating to the growth and profitability of the e-commerce industry in our region and we may face challenges and uncertainties in implementing our e-commerce strategy.
- Our business would be adversely affected if last-mile delivery service carriers were classified as employees instead of independent contractors and we may incur significant additional expenses if the employees of subcontractors carrying out delivery services are considered our employees.

Legal and Regulatory Risks

- We are subject to tax audits that may result in additional tax liabilities and are exposed to changes in tax laws and regulations as well as their interpretation and implementation, including Türkiye's digital service tax and one-off taxes, which could subject us to new liabilities in the future.
- We have in the past been, and may again in the future be, subject to administrative fines imposed by the Turkish Competition Authority, and our reputation may be harmed if we do not comply with Turkish competition laws and regulations or any applicable binding commitments imposed by the Turkish Competition Authority on the Company.
- We are subject to extensive laws and government regulations across our business, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business.
- We are subject to laws and government regulations applicable to payment services and consumer finance businesses, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business.
- We are subject to laws and government regulations relating to competition and antitrust, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business.
- We have in the past been, and may again in the future be, subject to administrative fines imposed by the Personal Data Protection Authority, and our reputation may be harmed if we do not comply with Turkish Personal Data Protection Law No. 6698.
- If we fail to obtain intellectual property rights protection or adequately protect our intellectual property rights, or if we infringe third-party intellectual property rights, our business, prospects, financial condition and results of operations could be adversely affected.
- In connection with our technological operations, we may be subject to intellectual property infringement claims brought against us by others, which are costly to defend and could result in significant damage awards.
- We have been and in the future may be involved in litigation, some of which could be material.
- We may be impacted by fraudulent or unlawful activities of merchants, which could have a material adverse effect on our reputation and business and may result in civil or criminal liability.
- We may be subject to product liability claims when people or property are harmed or damaged by the products that are sold on our platform.

- We have identified material weaknesses in our internal control over financial reporting and have as a result determined that our disclosure controls and procedures were not effective. If we remain unable to remediate identified material weaknesses, or if we have additional material weaknesses in the future, or otherwise fail to implement and maintain effective internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence in our company and the market price of our ADSs may decline.
- The requirements of being a public company will continue to require significant resources and management attention, which could make it difficult to manage our business.
- We may be classified as a passive foreign investment company (“PFIC”), which could result in adverse U.S. federal income tax consequences to U.S. Holders of ADSs.

Risks Relating to Türkiye

- We are subject to risks associated with doing business in an emerging market.
- Our headquarters and other operations and facilities are located in Türkiye and, therefore, our prospects, business, financial condition and results of operations may be adversely affected by political or economic instability in Türkiye.
- As a result of a trend of inflation in Türkiye, the Turkish economy is treated as hyperinflationary, which may adversely affect our business, profitability, results of operations and the value of our ADSs.
- Türkiye’s economy has been facing risks related to its current account deficit, which could have a material adverse effect on our business and results of operations.
- The effects of earthquakes in Türkiye may adversely affect our prospects, business, financial condition and results of operations.
- We are exposed to the risk of inadvertently violating anti-corruption, anti-money laundering, anti-terrorist financing and economic sanctions laws and regulations and other similar laws and regulations.
- Foreign exchange rate risks could affect the Turkish macroeconomic environment, could affect your investment and could significantly affect our results of operation and financial position in future periods if hedging tools are not available at commercially reasonable terms.
- Türkiye is subject to internal and external unrest and the threat of future terrorist acts, which may adversely affect us.
- Conflict and uncertainty in neighboring and nearby countries, as well as other regions with a geopolitical connection to Türkiye, may have a material adverse effect on the Company’s business, financial condition, results of operations or prospects.
 - Risks from events affecting Türkiye’s relationship with the countries in the Middle East.
 - Risks from events affecting Türkiye’s relationship with Russia and Ukraine.
 - Risks from events affecting Türkiye’s relationship with the EU.
 - Risks from events affecting Türkiye’s relationship with the United States.
- Türkiye’s economy has been undergoing a significant transformation and remains subject to ongoing structural and macroeconomic risks.
- Internet and e-commerce regulation in Türkiye is recent, has undergone changes since its inception and is subject to further development.

Risks Relating to Ownership of our ADSs

- The Change of Control may have potential adverse impacts on our business and operations, including potential changes to our strategy, our business relationships and our geopolitical exposures.
- Kaspi controls the majority of our voting rights, and its interests might conflict with or differ from your interests as a shareholder.
- We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.
- As a “controlled company” within the meaning of the Nasdaq rules and a foreign private issuer, we qualify for and do rely on exemptions from certain of the Nasdaq corporate governance standards, including the requirement that a majority of our board of directors consist of independent directors. Our reliance on such exemptions may afford less protection to holders of our ADSs.
- An active trading market for our ADSs may not be sustained to provide adequate liquidity.
- We may need to raise additional funds to finance our future capital needs, which may dilute the value of our outstanding ADSs.
- We may need to carry out certain corporate actions, such as a capital increase, a capital reduction, accounting set-offs or similar actions or a combination thereof to maintain compliance with local capital adequacy rules, some of which may dilute the value of our outstanding ADSs.
- The price of our ADSs might fluctuate significantly, and you could lose all or part of your investment.
- If securities or industry analysts do not publish research or reports or publish unfavorable research about our business, or we fail to meet the expectations of industry analysts, the price of our ADSs and trading volume could decline.
- You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.
- Shareholders and ADS holders may not be able to exercise preemptive rights and, as a result, may experience substantial dilution upon future issuances of ordinary shares.
- ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.
- It is unlikely that we will declare any dividends on our ordinary shares represented by our ADSs and therefore, you must rely on price appreciation of our ordinary shares for a return on your investment; also, to the extent that we declare dividends, we will pay those dividends solely in Turkish Lira.
- You may not receive distributions on the ordinary shares represented by our ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.
- Dividends paid to holders of the ADSs who are not tax resident in Türkiye will be subject to a 15% withholding tax.
- You may be subject to limitations on the transfer of your ADSs.
- You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions in Türkiye based on United States or other foreign laws against us and our management.
- We are a Turkish joint stock company. The rights of our shareholders under Turkish law may be different from the rights of shareholders under the laws of U.S. jurisdictions.

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- We grant share based compensation to our management and employees, which may cause your interest in the Company to be diluted and our employees' interests to become excessively tied to the trading price of our ADSs.
- We may not maintain our listing on Nasdaq which could limit investors' ability to make transactions in our ADSs and subject us to additional trading restrictions.

Risks Relating to Our Business and Industry

We have incurred significant losses in the past and are likely to continue to incur losses as we continue to invest in order to grow, and we may not achieve operational profitability going forward.

In 2024, we incurred a net loss of TRY 1,604.9 million compared to net income of TRY 109.1 million and a net loss of TRY 6,916.7 million for the years ended December 31, 2023 and 2022, respectively, as we invested in the expansion of our core businesses and in growing our strategic assets. Our net losses were also significantly impacted by inflation adjustments primarily at the Gross Contribution level as we have implemented IAS 29 inflation accounting since 2022. In 2023, our net income generation was mainly driven by the monetary gains due to the Group's net monetary position. Since monetary liabilities, mainly consisting of trade payables and payables to merchants, exceeded monetary assets, mainly consisting of cash and cash equivalents during 2023, the difference resulted in a monetary gain position. We will need to generate and sustain increased revenue and Gross Contribution levels to outpace growing operating expenses and capital expenditures in future periods to achieve operational profitability, and even if we do, we may not be able to maintain or increase our profitability. We anticipate that we may continue to incur net losses in the near term mainly as a result of a challenging macroeconomic environment that is putting pressure on customers' purchasing power, and continued capital expenditures, including investments in our core businesses and the expansion of our logistics operations and financial services operations.

We believe that our ability to generate future profits mainly depends on our ability to execute our strategy and opportunistic mergers and acquisitions. See Item 4.B. "*Information on the Company—Business Overview—Our Strategy.*" This, in turn, depends on our success in improving the customer and merchant experiences through expanded logistics and fulfillment capabilities, developing and improving our platform and offering new products and services that complement our existing offering and preserve and foster further network effects. These efforts may prove more expensive than we anticipate. As a result, any failure to adequately increase our revenue or manage the costs related to our expansion could prevent us from attaining or increasing operational profitability. Additionally, if we introduce new services in connection with our ongoing expansion, including in international markets, this could result in an unexpected increase in costs or divert our senior management's attention, which could negatively impact our goal of achieving and maintaining operational profitability. As we expand our services to additional customers and merchants in various regions and add new categories of products, our offerings in such markets and categories may be less profitable than those in which we currently operate, which may not offset the costs required to expand into such markets or categories and could impact our ability to achieve or sustain operational profitability.

Furthermore, our profitability remains sensitive to inflation trends and changes in monetary policy. The compound effects of an increasingly orthodox monetary policy from the Turkish government in response to inflation and other factors have curtailed and are expected to continue to curtail consumer demand, which has had and is expected to continue to have an adverse effect on our order growth. This may ultimately result in negative real GMV growth. An inability to manage or reduce costs during periods when we experience a slowdown or reversal in growth would put additional pressure on our ability to achieve or sustain profitability.

As a result of the preceding factors, we may not be able to achieve, maintain or increase operational profitability in the near term or at all.

Our expansion into new products, services, technologies, geographies and markets subjects us to additional risks and we may not be able to manage our growth and expansion efficiently or effectively scale and adapt our existing infrastructure.

Our growth strategy depends, in part, on our expansion into new product or service offerings, such as our strategic assets and complementary businesses (see Item 4.B. “*Information on the Company—Business Overview—Strategic Assets*” and “*—Complementary Businesses*”). If we experience significant future growth, we may be required not only to make additional investments in our platform and workforce, but also to expand our fulfillment infrastructure and consumer support or expand our relationships with various partners and other third parties with whom we do business.

Growth of our business places significant demands on our management and key employees. Expansion has increased, and will continue to increase, the complexity of our business and places a significant strain on our management, operations, technical systems, financial resources and internal control over financial reporting functions. Our current and planned personnel, systems, procedures and controls may not be adequate to support and effectively manage our future operations. If our expansion in offerings outpaces our development of fulfillment infrastructure, our performance may be adversely affected, such as our on-time dispatch performance or average time from order to ready-for-dispatch. If we are unable to successfully manage future growth, consumer satisfaction and our reputation may be negatively and materially affected.

Our re-investments in the Company’s growth and certain Company initiatives may fail, which could harm us financially. For example, in 2022, we determined that Hepsiburada Market (formerly known as HepsiExpress), would no longer be considered a strategic asset as we did not believe that this business model was likely to be economically feasible, which ran contrary to our focus on becoming a profitable company in the near term. Then, in 2024, we took the strategic decision to end our Hepsiburada Market initiative entirely. In 2024, we also made the strategic decisions to discontinue HepsiGlobal’s pilot-phase operations in Ukraine and our Hepsiburada Smart Store project, and we made the commercial decision to put our services operated under Hepsiburada Seyahat on hold pending a further strategic review. While the contribution of these projects had not been material before they were discontinued, future similar discontinuations or strategic re-directions may cause inefficiencies and have a material adverse effect on our results of operations and reputation.

Any development of our services, such as any expansion of our payment and lending solutions, or any expansion of our operations to additional countries, or any further expansion of the reach of HepsiGlobal, through which we offer a selection of products from international merchants on our platform and enable Turkish merchants to make cross-border sales in certain countries, such as Azerbaijan, may result in increased or new exposure to regulatory scrutiny and compliance requirements. See “*—Legal and Regulatory Risks—We are subject to extensive laws and government regulations across our business, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business.*” and “*—Risks Relating to Türkiye—Risks from events affecting Türkiye’s relationship with the EU.*” Furthermore, we may not be able to realize our expansion plans or the timeframe and the costs for achieving our plans may be different from those currently anticipated. Our ability to realize such expansion plans may be affected by a number of factors, including geopolitical tensions.

In addition, following the Change of Control (as defined herein), it is possible that some or all of the Company’s expansion plans will be modified. The new controlling shareholder, Kaspi, may reshape the Company’s expansion plans, in whole or in part, to prioritize alternative growth opportunities, synergies, operational efficiencies or cost-optimization measures. Any such modifications could result in temporary inefficiencies or costs that could have an adverse effect on our business and financial condition. See “*—Risks Relating to Ownership of our ADSs—The Change of Control may have potential adverse impacts on our business and operations, including potential changes to our strategy, our business relationships and our geopolitical exposures.*”

We may fail to maintain or improve our technology infrastructure, or adopt and apply technological advances, which could materially and adversely affect our business, results of operation and financial condition, and the use of new technologies may expose us to increased risks.

Our success depends, in part, on our ability to continue to innovate and provide a platform for products and services that is attractive to existing or new customers, and in turn attracts merchants and suppliers to our customer base. We are frequently upgrading and expanding our technology to provide improved performance, increased scale and better integration among our core businesses and complementary businesses (see Item 4.B. “*Information on the Company—Business Overview—Strategic Assets*” and “*—Complementary Businesses*”). For example, our Hepsipay R&D Center is developing projects in areas such as intelligent payment solutions, credit and risk assessment, machine learning- and artificial intelligence (“AI”)-powered credit scoring and fraud detection solutions. Additionally, we may use intelligence solutions to inform our Direct Sales pricing, which could be informed in real time by machine learning algorithms. Adopting new technologies (including technologies based on AI and machine learning), upgrading our website and mobile app infrastructure and maintaining and improving our technology infrastructure require significant investments of time and resources, including adding new hardware, updating software and training new engineering personnel. Adverse consequences for the failure to do so may include unanticipated system disruptions, security breaches, computer virus attacks, slower response times, impaired quality of experiences for our users and delays in reporting accurate operating and financial information. New innovations based on AI in particular may expose us to additional risks in light of the evolving nature of AI technologies. If they are not adequately designed, AI tools can generate inaccurate or biased content, which could subject us to legal or regulatory liability. AI-powered or automated credit analyses, if they are, or are perceived to be, based on flawed data or processes, could give rise to negative consumer perceptions and have an adverse effect on our reputation. Many of the software and interfaces we use are internally developed and proprietary technology. If we experience problems with the functionality and effectiveness of our software or platforms, or are unable to maintain and constantly improve our technology infrastructure to handle our business needs and ensure a consistent and acceptable level of service for our customers and merchants, our business, financial condition, and results of operation, as well as our reputation, could be materially and adversely affected.

If we fail to maintain and enhance our brand or network effects from our established Marketplace, our business, results of operations and financial condition may be materially and adversely affected.

We believe that our “Hepsiburada” brand is fundamentally important to the success of our business and that our brand, as well as the interaction between our customer and merchant value propositions, create significant network effects. Failure to maintain and enhance our brand or the network effects that have contributed to our past growth may materially and adversely affect our business, results of operations and financial condition.

We invest in brand building, marketing and expanding our offering of value-added services with the aim of attracting new, and retaining existing, customers and merchants and increasing their level of engagement. From this, we hope to benefit from network effects whereby our larger consumer base attracts more merchants and our broader spectrum of products and services offered by merchants attracts more customers. However, our brand development or the benefits to our customer and merchant value propositions may not achieve the promotional benefits or network effects that we expect. Benefits may not outpace expenses. For example, the value of our brand awareness may not outpace marketing and brand building expenses. In addition, our existing competitors or potentially new entrants may increase the intensity of their marketing campaigns or value-added services, which may force us to increase our spending to maintain our brand awareness and competitive advantages.

The extent to which we are able to maintain or strengthen these network effects depends on our ability to execute a number of challenging tasks. See “*—If we fail to retain current customers and merchants or grow or maintain the level of their engagement, our business, financial condition, prospects and results of operations could be materially and adversely affected.*” Any failure to meet such challenges may lead to an increased risk of disruptions to our customer base or merchant base and our customer and merchant value propositions, which could adversely affect our profitability, and could have a material adverse effect on our business, financial condition and results of operations. In addition, any changes we make to enhance and improve our platform to meet the needs and interests of certain users or merchants or other third parties may have a negative impact upon others. If we fail to balance the interests of all users and merchants, users may stop visiting our website and using our mobile app and customers may conduct fewer transactions or use alternative e-commerce services, any of which could have a material adverse effect on our business, financial condition and results of operations.

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In the event that our brand is subject to persistent and material negative publicity, complaints from customers, merchants, suppliers or business partners, or exposure as a result of our own actions or as a result of events outside of our control, such as our inability to attract users and merchants, to protect private information of our users and merchants against security breaches, any undetected errors, defects or bugs in software underlying our products and services, or disruption in our IT systems or defamation campaigns in social media against us or e-commerce in general, we may have difficulty in retaining our existing users or merchants or attracting new users or merchants. If such negative publicity about us arises or if users or consumers otherwise perceive that content on our online platform is no longer reliable, our reputation, the value of our brand, our user traffic and number of merchants on our platform could decline. If our brand is harmed or we are forced to increase our marketing expenses to gain back customer and/or merchant trust, our business, prospects, financial condition and results of operations could be materially and adversely affected.

To maintain good customer relations, we need prompt and accurate customer service to resolve irregularities and disputes. Effective customer service requires significant personnel expense, investment in developing programs and technology infrastructure to help customer service representatives carry out their functions as well as a dedicated budget that can be used to resolve disputes and restore customer satisfaction. These expenses, if not managed properly, could significantly impact our profitability. Failure to manage or train our customer service representatives properly could compromise our ability to handle customer complaints effectively. If we do not handle customer complaints effectively, our reputation may suffer and we may lose our customers' confidence.

In addition, from time to time in the past we have executed, and may in future execute, advertisement contracts with celebrities and social media influencers to promote our sites and brands in marketing campaigns. Harm to those celebrities' or social media influencers' reputations, even if not associated with our sites and brands, could also harm our brand image and result in a material decrease in our revenues, which could have a material adverse effect on our business, results of operations and financial condition.

We operate in competitive markets, and in the future we may not be able to compete effectively.

The markets for our products and services are competitive and rapidly evolving. The successful execution of our strategy depends on our ability to nurture the loyalty of our customer base, capitalize on our differentiators and offer our payment services, lending solutions and last-mile delivery services to third parties.

We have many competitors in our e-commerce business. We compete with other e-commerce companies, including online third-party marketplaces and online hybrid marketplaces that, like us, combine a third-party marketplace with their own first-party sales. We also face competition from offline retailers and hard-discounters, including traditional brick-and-mortar retailers and hard-discounters with omni-channel capabilities. Some of those omni-channel retailers have advanced their online sales capabilities over the past few years to meet the increased demand for online retail. We compete with these current and potential competitors for customers, merchants and suppliers. From time to time, our customers may decide not to continue purchasing products on our platform for various reasons, including competition. Our merchants may also decide to switch to our competitors' services. Some of our existing or potential competitors may have greater resources including funding, more customers, and/or greater brand recognition to develop stronger capabilities and expertise in management, technology, finance, product development, sales, marketing, logistics and other areas. Further, the internet facilitates competitive entry and comparison shopping, which enhances the ability of new, smaller or lesser-known businesses, including businesses from outside of Türkiye, to compete against us. We also face e-commerce competition in markets outside of Türkiye that we serve via HepsGlobal.

In addition, we face competition across other sectors in which we operate. We face intense competition with several well-funded players investing heavily in growth, across the parts of the country and in the verticals we serve our customers. In the last-mile delivery services market, in which HepsJet operates, small, emerging delivery companies, albeit few in number, are challenging us, particularly in large cities, by offering their delivery services at relatively lower delivery fees. If competition continues to intensify, we may fail to grow our third-party delivery businesses. In the fulfillment as a service market, in which HepsLojistik operates, other players have invested in such services. Additionally, competition has intensified in the financial services industry, in which Hepsipay operates, spurred by significant investment into the fintech space and relatively new regulations such as digital banking, open banking, banking-as-a-service and Know Your Customer ("KYC") regulations in Türkiye, and as a result we may not achieve our goal of becoming one of the leading players in the financial technologies market in Türkiye. A number of retailers, marketplaces and other companies have also obtained and others may in the future obtain e-money, digital banking or consumer finance licenses and extend their operations off-platform, challenging our plans to extend our off-platform partnerships. A more competitive environment may adversely affect Hepsipay's growth, which could result in a delay or a failure to reach our goals in the financial services sector.

Most recently, the rapid development of new and enhanced technologies, including those based on artificial intelligence and machine learning, continue to increase our competition. Although we have invested and will continue to expend financial resources to strengthen and improve our information technology systems and online platform, some of our current and potential competitors have greater resources and more specialized personnel to support technological advances and to more rapidly enhance their capabilities in this area. Any failure to adapt to technological advances in a timely manner and to integrate our offerings through our online platform and apps could decrease the attractiveness of our platform and apps and could have a material adverse effect on our business, financial condition, results of operations and prospects.

As a result of these various types of current and potential competitors, we may not be able to maintain our level of traffic on our online platform, we may fail to retain or may lose our current market position, we may fail to continue to retain our existing customers and merchants, and we may be required to offer additional customer discounts, or maintain lower prices, which could materially and adversely affect our business, prospects, financial condition and results of operations.

Failed deliveries, excessive returns and other logistics issues may adversely affect our business, results of operation and financial condition.

We offer customers a selection of delivery options, including delivery by courier or collection from our offline network of pick-up and drop-off (“PUDO”) points. If a delivery fails to reach the customer, we may continue bearing the inventory costs or be required to engage with the merchant for the return of the undelivered product. Even if the product is successfully delivered to the customer and delivery is verified, we and our merchants are required either by local regulations or by our operating standards, in most cases, to allow customers to return undamaged products within a certain period of time after delivery, depending on the product. We also face the risk that inventory might be misappropriated or packages mishandled, and we may struggle to verify delivery if the packages are delivered without verification of the customer’s identity via customer signature, confirmation code sent to customer’s mobile phone or otherwise. When products are delivered without verification, we ask for, but may not always receive, reimbursement from the courier company for the cost of delivery of a duplicate product to the customer or a refund of the purchase price.

A significant increase in failed deliveries, excessive or mistaken returns or other logistics issues may force us to allocate additional resources to mitigating these issues and may adversely affect our business, prospects, financial condition and results of operations.

If we fail to retain current customers and merchants or grow or maintain the level of their engagement, our business, financial condition, prospects and results of operations could be materially and adversely affected.

The size and engagement of our Active Customer base, including order frequency and customer loyalty, are critical to our success. A significant component of our value proposition to merchants is their ability to access our over 74 million members. Our business and financial performance have been and will continue to be significantly determined by our success in engaging, retaining, and adding Active Customers. We continue to focus on increasing engagement, whether through our paid-subscription loyalty program, innovation, providing new or improved goods or services, marketing efforts or other means. Nonetheless, our Active Customer base and/or engagement levels have fluctuated in the past and may in the future fail to grow at satisfactory rates, or at all, or may decline. As of December 31, 2024, 2023 and 2022, our Active Customer base was 12.2 million, 11.9 million and 12.2 million, respectively. Our user base growth and engagement could be adversely affected if, among other things:

- we are unable to maintain the quality of our existing products and services;
- we are unable to sustain the customer experience due to budgetary concerns or regulatory changes;
- we are unsuccessful in innovating or introducing new products and services;
- we fail to adapt to changes in user preferences, market trends or advancements in technology;
- we fail to compete with the current competitors or the potential new entrants in the market;
- technical or other problems prevent us from delivering our products or services in a timely and reliable manner or otherwise affect the user experience;

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- there are user concerns related to privacy, safety, security or reputational factors;
- there are adverse changes to our platform that are mandated by, or that we elect to make in response to, legislation, regulation, or litigation, including settlements or consent decrees;
- we fail to maintain the brand image of our platform or our reputation is damaged;
- we fail to maintain the competitive advantage of our platform with respect to pricing;
- there are unexpected temporary or permanent changes to the demographic trends, customer sentiment, competitive landscape or economic development of the markets in which we operate; or
- there is political instability in the markets that we operate in.

Our efforts to avoid or address any of these events could require us to make substantial expenditures to modify or adapt our services or platform. Similarly, our number of Active Merchants has fluctuated in the past and may in the future fail to grow at satisfactory rates, or at all, or may decline, for reasons similar to those described above or if merchants opt to sell only via their own website because they are disincentivized by regulatory developments (such as the new withholding tax collection rule) to sell via a marketplace. As of December 31, 2024, 2023 and 2022, we had 100.2 thousand, 101.5 thousand and 99.7 thousand Active Merchants, respectively. If we fail to engage with or experience a material decrease in the size of our Active Customers or Active Merchants base (in particular with respect to our key merchant accounts), or if customers, merchants or suppliers reduce their engagement with our platform, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We may need to raise additional funds to finance our future capital needs including investing in growth and technology, which may prevent us from growing our business.

Our strategy and technological infrastructure require continuous investment. We may need to raise additional funds to finance our existing and future capital needs, including developing new services and technologies and ongoing operating expenses, such as our efforts to launch and develop new payment and lending solutions, and expansion of our existing services. Raising additional funds through financing arrangements may not be possible at the required amounts or on sufficiently advantageous terms or as a result of macroeconomic conditions. Any debt financing would increase our level of indebtedness and could negatively and materially affect our liquidity and restrict our operations, including increasing our vulnerability to general economic and industry conditions, limit our ability to plan and react to changes in our business and industry and place us at a disadvantage compared to competitors that have less indebtedness. We also can provide no assurance that the funds we raise will be sufficient to finance our indebtedness.

While we primarily have been financed by equity investments from our shareholders, the proceeds of our initial public offering in 2021 and cash flows from operations, we also have entered into financing arrangements with several major Turkish banks. Additionally, in 2024, we began using asset-backed securities (“ABS”) as a source of funds for our operations to partially fund our Buy-Now-Pay-Later (“BNPL”) business externally and Hepsifinans began issuing bonds to grow its consumer finance business. See Item 4.B. “*Information on the Company—Business Overview—Supplier and Merchant Financing*” and Item 5.B. “*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Current Sources of Liquidity and Capital Resources.*” Any breach of our financing arrangements or the inability to service our debt through internally generated cash flow or other sources of liquidity would lead to default, which could have a material adverse effect on our business, results of operations and financial condition. Additionally, while diversification of our funding mix supports the growth of our businesses in BNPL and consumer finance, it brings additional exposure to capital markets risks, including potential limitations in the availability of liquidity in fixed income markets when needed by our businesses, volatility in funding costs, potential mismatches in funding duration and lending durations and risks around securing renewal/extension of permits for issuing capital markets instruments.

We have also invested, and may continue to invest from time to time our available cash in fixed-income investments other than term deposits. These can be direct investments in Eurobonds issued by the Turkish government or Turkish companies, or in mutual funds investments investing in such assets. This exposes us to risks associated with the Turkish government or associated issuers, as well as interest rate fluctuations, hence we can provide no assurance that such investments will yield expected returns, which could have an adverse effect on our financial condition.

Changes in our share ownership or other types of default could result in our inability to draw loans or cause acceleration or events of default under our indebtedness.

The terms and conditions of substantially all of our credit facility arrangements with Turkish banks, which include loans under our supplier and merchant financing where the Company or one of its subsidiaries is the borrower (see Item 4.B. “*Information on the Company—Business Overview—Supplier and Merchant Financing*”) and under which the total amount available was TRY 1,682.7 million and TRY 268.9 million as of December 31, 2024 and December 31, 2023, respectively (see Item 5.B. “*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Current Sources of Liquidity and Capital Resources*”), include various standard default provisions, including notably clauses relating to the control or ownership of our issued ordinary shares. Under the terms of such credit facility arrangements, the exact terms of which vary, various actions, including a transfer of our shares or change in our issued share capital structure, may provide our lenders with the right to accelerate the repayment of outstanding debt facilities and may result in events of default that provide our lenders the right to terminate our arrangements.

Although based on such banks’ prior practice, we do not believe it is likely that they would exercise their acceleration or termination rights under change in control clauses, and the Change of Control did not result in an event of default, we cannot guarantee that such counterparties will not take adverse actions in the future. It is also possible that the positive relationships we have built with Turkish banks could be adversely affected if such banks perceive us as a competitor in light of the strength of the financial services operations of our controlling shareholder in its home market or as a result of our controlling shareholder’s potential acquisition of Rabobank Group’s Turkish subsidiary, subject to regulatory and contractual approvals, as announced in March 2025. If this occurs, Turkish banks may be less likely to cooperate with us in terms of our credit card costs and credit lines. If one or more banks providing such credit lines were to terminate their agreements our access to debt financing may be limited, which would have a material impact on our ability to fund our business.

A significant disruption in internet access, telecommunications networks or our IT platform may cause slow response times or otherwise impair our customers’ experience, which may in turn reduce traffic to our mobile apps and websites and significantly harm our business, financial condition and results of operations.

Our e-commerce business is critically dependent on the performance and reliability of Türkiye’s internet infrastructure, accessibility of bandwidth and servers to our service providers’ networks and the continuing performance, reliability and availability of our platform.

We are heavily reliant on Türkiye’s internet infrastructure to operate our business. As our data centers and all of our backup centers, along with our headquarters, are located on the European and Asian sides of the city of Istanbul, our operations may also be negatively impacted by disruptions to the power grid, natural disasters, such as fires, floods, earthquakes, telecommunication failures, sabotage, vandalism, terrorist attacks, extreme weather or other events affecting the region. Similarly, if there were any system outages due to any internet delays, disruptions, natural disasters or any other issues with the infrastructure in Türkiye more generally, this would have a material adverse impact on our business and results of operations depending on the length and severity of the issue. For example, in early February 2023, the southeastern and southern regions of Türkiye were hit by two devastating earthquakes registering 7.7 and 7.6 in magnitude and numerous aftershocks that affected primarily 11 provinces, which caused significant disruptions in the telecommunications networks and internet access in the affected regions. The earthquakes resulted in a material temporary decline in overall customer demand on our platform and in the number of orders received, particularly during the first week of the disaster compared to the prior week as well as the same week of the prior year. We believe that the decline was in part caused by the lack of, or very poor, internet connection in the affected regions. In this instance, traffic to our platform recovered to pre-earthquake levels by the second quarter of 2023. If the period of destabilization had been prolonged, or if the extent or the magnitude of the earthquakes had been more detrimental, the duration of traffic loss (and hence order loss) would have materially impacted our financial performance. See “—*Risks Relating to Türkiye—The effects of earthquakes in Türkiye may adversely affect our prospects, business, financial condition and results of operations.*”

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We may experience slow response times or system failures due to a failure of our information storage, retrieval, processing and management capabilities, human errors or capacity constraints. Slow response times or system failures may make our platform less attractive to merchants or customers. If we experience technical problems in delivering our services over the internet, we could experience reduced demand for our services and lower revenue. Also, when too many customers access our sites within a short period of time due to increased demand, such as during our seasonal sales, or any other reason, we have in the past experienced system interruptions that make our platform unavailable or prevent us from efficiently fulfilling orders, which reduces the volume of goods we sell and the attractiveness of our products and services. We cannot assure you that such events will not occur again in the future and while we have backup systems and contingency plans for certain aspects of our operations and business processes, our planning may not account for all possible scenarios.

Significant disruptions in internet access or in the internet generally could significantly harm our business, prospects, financial condition and results of operations.

We may experience significant fluctuations in our results of operations and growth rate.

We have grown significantly in recent years, and we intend to continue to expand the scope and geographic reach of the services we provide. Revenue growth may slow down, decline or reverse for any number of reasons, including our inability to attract or retain merchants and customers, decreased customer order frequency and spending, increased competition, heightened pressure on purchasing power, a slow-down in consumption particularly in discretionary goods, slowing overall growth of the e-commerce market, the emergence of alternative business models, changes in government policies or regulations and general economic conditions. See “—Risks Relating to Türkiye—Türkiye’s economy has been undergoing a significant transformation and remains subject to ongoing structural and macroeconomic risks.” We may also lose customers and merchants for other reasons, such as a failure to deliver a satisfactory customer or transaction experience or high-quality services at a level that our customers expect. If we are unable to properly and prudently manage our operations as they continue to grow, or if the quality of our services deteriorates due to mismanagement, our brand name and reputation could be significantly harmed, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

In addition, a disproportionate amount of sales on our platform has historically taken place during our fourth quarter and we expect this trend to continue in 2025. The limitations introduced by amendments to the E-Commerce Law in 2022 (as defined under Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview*”) providing that capped annual marketing expenditures and customer discounts must be equally distributed among the four fiscal quarters do not apply to the Company as we were below the applicable statutory threshold of marketing expenditures in 2023 and 2024 and expect to remain so in 2025 (see Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview*”). However, they could apply in the future, which could adversely affect our ability to align our marketing efforts with our business’s seasonality. Additionally, as a result of peak seasonal sales, as of December 31 of each year, our cash and cash equivalents balances typically reach an elevated level (other than as a result of cash flows provided by or used in investing and financing activities). As of December 31 each year, this operating cycle typically results in a corresponding increase in accounts payable, combined with a decrease in inventories. Our accounts payable balance generally declines during the first month of each year, resulting in a corresponding decline in our cash and cash equivalents balances. Additionally, we typically experience decreased frequency and traffic on our platform during the summer vacation months which may or may not continue in 2025. Our results of operations and cash flows may fluctuate significantly as a result of a variety of factors, including those described above. Additionally, we factor monthly inflation rates into our financial reporting under IAS 29. The distribution of our sales throughout the months and the level of inflation during each month have a material impact on our revenue growth calculated as per accounting standard IAS 29. See “—Risks Relating to Türkiye—As a result of a trend of inflation in Türkiye, the Turkish economy is treated as hyperinflationary, which may adversely affect our business, profitability, results of operations and the value of our ADSs.” As a result, historical period-to-period comparisons of our results of operations and cash flows are not necessarily indicative of future period-to-period results of operations or cash flows. You should not rely on the results of a single quarterly period as an indication of our annual results of operations, cash flows or future performance.

Any occurrence of natural disasters, epidemics, pandemics or other outbreaks, or other catastrophic events could also materially and adversely affect our business, results of operations or financial condition.

Epidemics and pandemics or other health outbreaks may materially affect our business, including with respect to customer behavior, product sourcing and delivery considerations. For example, the COVID-19 pandemic and the measures taken to limit its spread during 2020 and 2021 have impacted consumer behavior, including e-commerce shopping trends. During the early months of the COVID-19 pandemic, increased numbers of consumers in the Turkish market shifted to e-commerce as a result of social distancing and other government restrictions, which resulted in growing demand for our products and services. With the lifting of Türkiye's lock down measures in July 2021, we observed a slow-down in online consumer activity which had a negative impact on our operational and financial performance and prospects, particularly in 2021.

In addition, other crises or conflicts, such as the Russia-Ukraine conflict, the conflicts in the Middle East, the hyperinflationary environment in Türkiye and the potential for any sudden and significant changes in the value of the Turkish Lira may generate pressure on the supply to our Direct Sales operation and to our merchants. See “—Risks Relating to Türkiye—Risks from events affecting Türkiye's relationship with Russia and Ukraine,” “—Risks Relating to Türkiye—Risks from events affecting Türkiye's relationship with the countries in the Middle East,” “—Risks Relating to Türkiye—As a result of a trend of inflation in Türkiye, the Turkish economy is treated as hyperinflationary, which may adversely affect our business, profitability, results of operations and the value of our ADSs” and “—Risks Relating to Türkiye—Foreign exchange rate risks could affect the Turkish macroeconomic environment, could affect your investment and could significantly affect our results of operation and financial position in future periods if hedging tools are not available at commercially reasonable terms.”

The above developments have materially affected, and may continue to materially and negatively affect, certain of our business activities and results.

Similarly, our business, financial condition and results of operations could be adversely affected by severe weather conditions, natural disasters, geopolitical events, wars, terrorist attacks, the occurrence or re-occurrence of other outbreaks of widespread health epidemics or pandemics, and other similar catastrophic events. The occurrence of a disaster or similar event could materially disrupt our business and operations, adversely affect our markets or the economy generally, or adversely affect our employees, third-party service providers, business partners or a significant portion of our users. For example, in early February 2023, the southeastern and southern regions of Türkiye were hit by two devastating earthquakes registering 7.7 and 7.6 in magnitude and numerous aftershocks that affected primarily eleven provinces. We observed a temporary decline in overall customer demand on our platform and in the number of orders received, particularly during the week of February 6, compared to the previous week and the same week of the prior year. See “—Risks Relating to Türkiye—The effects of earthquakes in Türkiye may adversely affect our prospects, business, financial condition and results of operations.” These types of events could also cause us to close some or all of our operating facilities temporarily or disrupt our logistics and last-mile delivery capabilities, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. In addition, our sales could be materially reduced to the extent that a natural disaster, health epidemic or other major event harms the economy of the countries where we operate. Our operations could also be severely disrupted if our customers, merchants or other participants were affected by such natural disasters, health epidemics or other major events.

A cybersecurity incident, including undetected software errors and hacking, may cause material delays or interruptions in our information systems and may reduce the use of our services and damage our brand reputation, which may hinder our ability to conduct our business effectively or result in lost revenues or other costs, including in connection with increasing compliance requirements.

Our online systems, including our websites, mobile apps and other software applications, products and information systems, could contain undetected errors, or “bugs,” that could adversely affect their performance. While we regularly update and enhance our websites and information systems and introduce new versions of our mobile apps, the occurrence of errors in any such updates or enhancements may cause disruptions in the provision of our services and may, as a result, cause us to lose market share, and our reputation and brand, business, prospects, financial condition and results of operations could be materially and adversely affected.

In addition, computer viruses and cybersecurity incidents have in the past and may in the future cause delays or other service interruptions on our information systems. We have in the past and may in the future also be subject to cybersecurity threats or attempts by malicious actors who seek to gain unauthorized access to our information or systems or to cause intentional malfunctions, loss or corruption of data or leakages of our customers' and merchants' sensitive or personal data, or other cybersecurity incidents.

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For example, during February 2024, the Company experienced a cybersecurity incident. Based on our investigation, we believe that a threat actor utilized compromised merchant login details to access certain merchant accounts on our merchant portal and then download certain merchant and customer data through those merchant accounts. We believe that approximately 673 merchant accounts were breached (representing less than 0.7% of our Active Merchants as of December 31, 2023) and fraudulent listings or transactions were made on 107 merchant accounts. We believe that customer data was downloaded from merchant accounts for approximately 7,200 customers and suspicious orders were created for approximately 1,200 customers (representing approximately 0.06% and 0.01%, respectively, of our Active Customers as of December 31, 2023). Once the Company became aware of the incident, the threat actor was promptly excluded from the merchant portal and a series of measures were implemented, designed to reinforce security protocols, prevent further unauthorized access and remediate the incident, including by suspending and resetting passwords for compromised merchant accounts, cancelling suspicious transactions and reimbursing customers who were impacted. We incurred immaterial expenses in connection with the investigation and remediation of this incident and to reimburse customers for purchases made based on manipulated listings.

In connection with the incident, to fulfill our obligations as a data controller under the Turkish Personal Data Protection Law No. 6698 (the “**LPPD**”), we notified the Personal Data Protection Authority (“**PDP Authority**”), as well as merchants and customers affected by the data breach. The PDP Authority determined, in a decision that was notified to the Company on September 9, 2024, that the Company had failed to take technical and administrative measures necessary to prevent data breaches. Consequently, the PDP Authority imposed on the Company an administrative fine of TRY 3,453,775. We submitted objections against the PDP Authority’s decision pursuant to Article 11 of the Administrative Procedural Law requesting the annulment or the amendment of the decision, but our objections were dismissed. On November 20, 2024, we initiated legal proceedings to challenge the fine, and this process remains ongoing as of the date of this annual report.

We cannot provide any assurance that the various antivirus and computer protection software that we employ in our operations will successfully prevent future cybersecurity incidents (whether through the use of “denial of service” attacks or otherwise) or the transmission of any computer viruses which, if not prevented, could significantly damage our software systems and databases, cause disruptions to our business activities (including to our e-mail, short message service (“**SMS**”), push and other communications systems), result in cybersecurity breaches or inadvertent disclosure of confidential, sensitive or personal information and hinder access to our platform. Further, the failure of such software to perform as anticipated for any reason could disrupt our business operations. For example, on July 19, 2024, a software update by CrowdStrike Holdings, Inc. (“**CrowdStrike**”), a cybersecurity technology company, caused widespread crashes of Windows systems into which it was integrated. Our systems were briefly affected by the CrowdStrike software update, during which time customers using our platform encountered issues while ordering items. A temporary solution released by CrowdStrike allowed orders to resume after 260 minutes, and a permanent solution was implemented on August 18, 2024.

Additionally, cybersecurity threats are becoming increasingly sophisticated due to emerging technologies, such as AI. The use of new technologies may expose us to increased security risks and may result in significant costs and personnel time to adapt our technology infrastructure and to upgrade and maintain our control systems. Any failure to timely make upgrades or identify vulnerabilities in software and detect security incidents may adversely impact our business and reputation.

We, from time to time, use machine learning algorithms for the pricing of goods sold through Direct Sales and we may in the future use AI solutions to inform our Direct Sales pricing, any of which may, as the result of a bug or other error, result in unforeseen or disadvantageous pricing for our goods.

We may incur significant costs to protect our systems and equipment against the threat of, and to repair any damage caused by, computer viruses, hacking or other cybersecurity incidents. These costs, which could be material, could adversely impact our results of operations in the period in which they are incurred and may not meaningfully limit the success of future attempts to breach our information technology systems. Moreover, if a computer virus or other compromise of our systems becomes public, or if we are perceived to have failed to respond to security breaches of our systems or networks, our business, reputation and brand could be materially damaged, resulting in a decrease in the use of our platform, products and services.

The implementation of an overall response plan in the event of a material cybersecurity incident, including compliance with regulatory requirements around timely disclosure thereof, may result in additional costs and require significant management attention, which could have an adverse effect on our business and results of operations. Any failure to properly respond to cybersecurity incidents or threats could also result in private consumer, business partner, or securities litigation and governmental investigations and proceedings, any of which could result in our exposure to material civil or criminal liability, and may adversely affect our business, financial condition and results of operations.

Additionally, compliance costs will be subject to further increase due to the Turkish Cyber Security Law (“CSL”) published in the Official Gazette dated March 19, 2025. The CSL primarily regulates (i) the establishment of the Cyber Security Presidency (“CSP”), (ii) the CSP’s duties and authorities and (iii) the legal requirements for public institutions, legal entities, individuals and organizations without legal personality that exist, operate and provide services in cyberspace (“**Relevant Institutions**”) to comply with cybersecurity regulations. These regulations require the Relevant Institutions, including legal entities, to inform the CSP in the event of any cybersecurity incident. In addition, the CSP is authorized to access and use information, documents, data and records from companies strictly within the scope of its duties under the CSL. This includes utilizing archives and electronic data processing centers belonging to these institutions, as well as collecting, storing, and analyzing the associated log records. The CSL prescribes administrative fines, as well as prison sentences for certain violations, in case of non-compliance with the legislation. Starting from the date the CSL came into effect on March 19, 2025, any failure by us to fully comply with the legislation will result in our exposure to material civil or criminal liability, and may adversely affect our business, financial condition and results of operations.

Unauthorized disclosure of sensitive or confidential customer information or our failure, or the perception by our users that we failed, to comply with privacy laws or properly address privacy concerns could harm our business and reputation with customers, merchants and suppliers.

We collect, store, process, transmit and use certain personal information and other user data in our business. A significant risk associated with e-commerce, financial services and communications is the secure transmission of confidential information and personal data over public networks. The perception of privacy concerns, whether or not valid, may adversely affect our business and results of operations. We must ensure that any processing, collection, use, storage, dissemination, transfer and disposal of data for which we are responsible complies with relevant data protection and privacy laws, including Turkish data protection and privacy laws (along with the decisions, publications and good-practice examples of the relevant authorities, such as the Turkish Personal Data Protection Authority) as well as other data protection and privacy laws, such as the European Union General Data Protection Regulation (“**GDPR**”) particularly due to the launch and development of cross-border sales through Hepsiglobal. The protection of our user, employee and company data is critical to us. Currently, a number of our users authorize us to bill their credit card accounts directly. We rely on commercially available systems, software, tools and monitoring to provide encryption, secure processing, transmission and storage of confidential customer information, such as credit card and other personal information. We collected and processed personal data in connection with the services of Hepsiburada Seyahat until its operations were put on hold at the end of March 2024. We continue to collect and process personal data in connection with the services of Hepsijet, Hepsipay and Hepsifinans. We expect that the amount of personal data collected and processed by Hepsipay and Hepsifinans may further increase as each of these companies launches new financial services and expand their coverage beyond Hepsiburada.

Our facilities and systems, and those of our third-party service providers, may be vulnerable to security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors, or other similar events. Any security breach, or any perceived failure involving the misappropriation, loss or other unauthorized disclosure of confidential information, as well as any failure or perceived failure to comply with laws, policies, legal obligations or industry standards regarding data privacy and protection, whether by us or our merchants, could damage our reputation, expose us to litigation risk, regulatory investigations and liability, subject us to negative publicity, disrupt our operations and harm our business. For example, in February 2024, a threat actor used compromised merchant login details to access an immaterial number of merchant accounts on Hepsiburada’s merchant portal and download certain merchant and customer data (see “—A cybersecurity incident, including undetected software errors and hacking, may cause material delays or interruptions in our information systems and may reduce the use of our services and damage our brand reputation, which may hinder our ability to conduct our business effectively or result in lost revenues or other costs, including in connection with increasing compliance requirements”). We cannot assure you that our security measures will prevent security breaches or that failure to prevent them will not have a material adverse effect on our business. Further, we do not require our vendors to carry cybersecurity insurance to compensate for any losses that may result from any breach of security and our cybersecurity insurance does not cover any breach of security occurring at our vendors. Therefore, our results of operations or financial condition may be materially adversely affected if our existing general liability policies did not cover a security breach.

Hepsipay is subject to a number of risks that, if they were to occur, could materially and adversely affect our goal of leading the financial technologies market in Türkiye.

Hepsipay processes a significant amount of payments on our platform, serving as the majority payment service provider, having processed over 90% of all card payments in December 2024. Hepsipay is subject to a number of risks that, if they were to occur, could materially and adversely affect our goal of leading the financial technologies market in Türkiye, including, but not limited to:

- increasing competition, including from other established companies, e-money companies, companies engaged in other financial technology services and potential new entrants;
- changes to laws and regulations applicable to Hepsipay that may impact our Hepsipay operations' feasibility or profitability, including increased KYC requirements or severe restrictions on digital banking, open banking and banking-as-a-service;
- low penetration of Hepsipay to merchants due to intense competition, cumbersome integration process and/or monetization model;
- breach of customers' privacy and concerns over the use and security of information collected from customers and any related negative publicity or liability relating thereto;
- service outages, system failures or failure to effectively scale the system to handle large and growing transaction volumes;
- dissatisfaction with the check-out experience at third-party retailers leading to the loss of third-party Hepsipay clients;
- increasing costs to Hepsipay, including fees charged by banks to process transactions through Hepsipay, which would also increase our related costs;
- negative news about and social media coverage on Hepsipay, its business, its service offerings, or matters relating to Hepsipay's data security and privacy; and
- failure to manage customer funds accurately or loss of customer funds, whether due to employee fraud, security breaches, technical errors or otherwise.

We are subject to credit risk of our borrowers and counterparties in relation to our Buy-Now-Pay-Later solution and consumer finance loan offering.

We offer a "Buy-Now-Pay-Later" ("BNPL") solution, which provides customers the opportunity to complete their purchase and submit payment a month later or in up to twelve monthly installments. In early 2024, we also launched a consumer finance offering to our customers, which was expanded to third parties in early 2025, in line with the scope of our consumer financing license held through Hepsi Finansman A.Ş. As we expand our financing activities, we anticipate we will be increasingly subject to inherent risks concerning the credit quality of borrowers and counterparties, which affects the value of our finance-related assets. Systemic risks and macroeconomic factors in Türkiye and surrounding markets as well as macro prudential measures taken by the Turkish Government and regulators, discussed under "*Risks Relating to Türkiye*" below, can affect the credit quality of our customers, merchants and other counterparties and their ability to make payments on such financing. We are subject to the risk that customers using the BNPL solution or consumer finance loans may be unable or unwilling to provide payment when due and we may incur greater-than-expected financing costs or legal costs as a result. As these are fairly new service offerings, we do not yet have a track record of providing financial services and our credit review procedures may be insufficient at evaluating and measuring credit risks such that our costs and financial liabilities from borrowings used to fund our financing activities may exceed the value of our financing assets and returns from financing activities, which could negatively impact our financial condition.

Our system to evaluate our customers' creditworthiness may fail to provide an accurate representation of their financial condition. Our access to the Credit Bureau of Türkiye may not always allow us to correctly assess the current indebtedness of an applicant. Additionally, our scoring model may fail to evaluate the effects of certain external events, such as changes in the macroeconomic environment, which can quickly alter a customer's financial profile. Furthermore, we cannot prevent our borrowers from taking out additional loans with other financial institutions or taking other actions that may increase the risk of defaulting on their loans. Any failure to accurately assess the creditworthiness of our customers may result in a deterioration of our loan portfolio and a corresponding increase in loan impairments, which could have a material adverse effect on our business, financial conditions or results of operations. There can be no assurance that our risk management strategies will adequately protect us against our credit risk or that the current level of recovery will remain unchanged in the future.

The vast majority of our loan portfolio is unsecured. Although we have no significant industry or single borrower concentrations in our loan portfolio, in a scenario where a sizable number of borrowers defaulted due to, for example, an economic downturn, we could be unable to recover a significant portion of our loans, which could result in a material financial loss and have a material adverse effect on our financial condition. For example, starting in late 2024, we began to see a general deterioration of economic conditions impacting our borrowers, which has led to an increase in defaults in our loan portfolio as compared to prior periods.

Furthermore, we anticipate extending our financing activities over time, including our BNPL solution, to address new growth opportunities such as "underbanked" populations (i.e., persons with insufficient access to a bank). While we closely monitor non-performing loans, the credit risk of such "underbanked" population may increase and could place additional pressure on the quality of our financial assets.

We are subject to payment-related risks.

We accept payments using a variety of methods, including credit and debit cards, and money transfers. For certain payment methods, including credit and debit cards, we pay various fees to banks and payment companies. These fees may increase over time, which would increase our operating costs and adversely affect our results of operations. Although we use in-house systems for a significant portion of our payment processing, we also use third parties for certain services such as processing of our prepaid cards as well as transactions through Interbank Card Center of Türkiye. Our business may be disrupted for an extended period of time if any of these companies becomes unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and/or lose our ability to accept credit and debit card payments from customers and merchants or facilitate other types of online payments, and our business could be harmed. Moreover, although the payment gateways we use are contractually obligated to indemnify us with respect to liability arising from fraudulent payment transactions, if such fraudulent transactions are related to credit card transactions and become excessive, they could potentially result in our losing the right to accept credit cards for payment. If any of these events were to occur, our business, financial condition and results of operations could be adversely affected.

We are susceptible to potentially illegal or improper uses, including fraudulent and illicit sales on the payment methods accepted by us and bank fraud. In addition, our services could be subject to unauthorized credit card use, identity theft, employee fraud or other internal security breaches. We may incur significant costs to protect against the threat of information security breaches or to respond to or alleviate problems caused by any breaches. Laws may require notification to regulators, users or employees and we may be required to reimburse customers, merchants or credit card companies for any funds stolen as a result of any breaches or to provide credit monitoring or identity theft protection in the event of a privacy breach. These requirements, as well as any additional restrictions that may be imposed by credit card companies, could raise our costs significantly and reduce our attractiveness. In addition to the direct costs of such losses, if they are related to credit card transactions and become excessive they could result in us losing the right to accept credit cards for payment. If we are unable to accept credit cards, our business will be materially adversely affected given that credit cards are the most widely used method for our customers to pay for the products we sell.

We may suffer losses relating to the products we sell through our Direct Sales business.

In connection with our Direct Sales, we purchase products from manufacturers and third parties and subsequently sell such products on our platform. This subjects us to risks relating to managing our inventory turnover. We depend on our forecasts of demand and popularity for a variety of products to make decisions regarding product purchases. Our customers may not order products at the levels expected by us due to our failure to forecast accurately unfavorable market conditions or changes in consumer trends or to anticipate and adequately respond to events such as adverse global or local economic conditions, including recessionary fears or rising inflation, natural or human-caused disasters (including public health crises) or extreme weather (including as a result of climate change), or geopolitical events. This may result in disruptions in our cash conversion cycle or we may suffer losses due to sales below inventory cost or lower than expected price levels. Furthermore, such disruptions may result in overstock and when we overstock products, we may be required to take significant inventory markdowns or write-offs and incur commitment costs, which could materially reduce our profitability. In addition, if the supply of products from manufacturers and third parties deteriorates, we may be unable to obtain the products that customers want to purchase. Manufacturers and third parties may discontinue selling products due to factors that may or may not be within our control. Our inability to secure timely and sufficient supplies of products would negatively affect inventory levels and may have an adverse effect on our financial performance and reputation.

We rely on many service providers in our business, and the nonperformance or loss of a significant third-party provider through bankruptcy, consolidation or otherwise could adversely affect our operations.

We are party to agreements with third-party companies in various aspects of our business model, including the lessors of our fulfillment centers and various logistics providers and IT and data center service providers (domestically and from outside of Türkiye). For example, if we are unable to maintain or renew leases, or lease other suitable premises on acceptable terms, or if our existing leases are terminated for any reason (including in connection with a lessor's loss of its ownership rights to such premises), or if a lease's terms (including rental charges) are revised to our detriment, such matters could have a material adverse effect on our business, financial condition and results of operations.

If these third parties do not comply with applicable legal or administrative requirements, were to default on their obligations, or if we lose a significant provider through bankruptcy, consolidation or otherwise, we may be subject to litigation with these third-party providers, fail to renew the respective agreements on commercially acceptable terms, or at all, and, therefore, face the need of switching to new third-party providers, who may provide services to us at higher prices. Our backup systems and contingency planning may not account for all possible scenarios and we may have limited access to alternative sites for our fulfillment operations, logistics services, IT and data center services, or other services and may not be able to timely replace these third parties, or find a replacement on a cost-efficient basis, in the event of disruptions, failures to provide services or other issues with them that may adversely affect our business. Any of these consequences could have a material adverse effect on our business financial condition and results of operations.

We operate platforms that include third parties over whose actions we have only partial control.

Our e-commerce services business, other than our Direct Sales, requires the participation of third parties such as merchants who own the products offered through our Marketplace. We cannot control all actions of these third parties and if they do not perform their functions to our satisfaction or the satisfaction of our users, it may damage the reputation of our platform. Our e-commerce business relies upon merchants to provide and post their products on our platform, and we cannot be certain that the products that they sell will all be legitimate, of a sufficiently high quality or that they will accurately represent the products in their postings. We cannot be certain that efforts to conduct security and know-your-customer procedures with respect to our merchants and screen the listings placed by our merchants periodically and upon receipt of complaints (see Item 4.B. “*Information on the Company—Business Overview—Marketplace—Merchants*”) will detect every improper third-party action before it reaches our users. Further, while we have no liability for the content provided by third parties or illegal or unlawful activity related to goods or services provided by such third parties on our website as a “hosting service provider” and “electronic commerce intermediary service provider” under Article 5 of the Law on Internet Crimes (as defined under Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview*”) and Article 9 of the E-Commerce Law, respectively, we may nevertheless face compensation claims, administrative fines or even criminal complaints under Turkish laws for counterfeit products, content or products blocked or prohibited in Türkiye or content or products infringing trademarks or other intellectual property rights if we receive a notification of the unlawful or illegal content and do not take any action (including removing the unlawful content). While we have agreements with each of our merchants that obligate them to carry out their respective businesses in a professional manner and while we are not liable under Turkish law for such merchants' content or products, except in the circumstances described above, any legal protections we might have could be insufficient to compensate us for our losses and would not be able to repair the damage to our reputation.

If we are unable to compete effectively for advertising spend, or if our merchants reduce advertising spend, our business and results of operations could be materially harmed.

We run a growing advertising business on the Hepsiburada platform. If we are unable to compete effectively for advertising spend, or if merchants reduce advertising spend due to adverse macroeconomic conditions or for other reasons, our business and results of operations could be materially harmed. Our ability to maintain or increase the amount and pricing of advertising sold through our platform will depend on our ability to create more value than our competitors, including by improving the number of users and transactions, monetization and brand awareness. The competitive environment has intensified, with global digital platforms, other e-commerce platforms and online food retailers increasingly vying for a share of global fast moving consumer goods (FMCG) players' advertising budgets. Failing to provide superior value or deliver advertisements effectively and competitively could harm our reputation, financial condition and operating results. Changes to our advertising policies and data privacy practices, or those of other companies, may adversely affect the advertising that we are able to sell. In addition, the existence and development of technologies that block ads online or affect our ability to customize ads could harm our advertising business.

Furthermore, some of our high-traffic merchants have been investing in their own online sites and mobile applications. This has caused shifts in traffic distribution as their own websites have gained in popularity, which has adversely affected our own traffic and conversion rates. Such merchants have spent, and may continue to spend, an increasing portion of their advertising budgets on their own online sites and applications rather than on our platform. Moreover, their motivation to sell on Hepsiburada may decline as they grow their direct online sales. Failing to retain these merchants and secure their advertising spend could negatively impact our financial condition and operating results.

Our strategic acquisitions may result in operational challenges, and the failure of an acquisition or investment to produce the anticipated results or the inability to fully integrate an acquired company could have an adverse impact on our business, results of operation and financial condition.

We may decide to enter into strategic partnerships or to acquire complementary businesses or technologies in order to expand our operations, products and services and to adjust our business portfolio in response to changing market conditions. For example, in 2022, we completed the acquisition of Hepsifinans, through which we have entered the consumer finance sector and in 2023, we announced a joint investment in one of the leading payment gateway service providers in Türkiye, Craftgate Technology. The success of acquisitions or investments is based on our ability to make accurate assumptions regarding the valuation of these operations, growth potential, integration and other factors related to the respective businesses. Our acquisitions or investments may not produce the results that we expect at the time we enter into or complete a given transaction. Such acquisitions and investments can be time-consuming and costly, could create unforeseen operational challenges and expenditures or may not meet our expectations. Furthermore, we may not be able to successfully integrate operations that we acquire, including their personnel, financial systems, distribution or operating procedures. If we fail to successfully integrate acquisitions, our business results of operation and financial condition could suffer. In addition, the integration of any acquired business and their financial results may adversely affect our business, operating results and financial condition.

We may use open source code in a manner that could be harmful to our business.

We use open source code, which is subject to licensing restrictions, in connection with our technology and services. Original developers of open source code do not provide warranties, indemnities or other contractual protections for the use of their source code. The use of such open source code may ultimately require us to replace certain code used in our platform, pay a royalty to use open source code, disclose and freely license all or a portion of our proprietary software code, or discontinue certain aspects of our platform. Additionally, the use of open source code presents certain security risks. As open source code is publicly available, it may be easier for hackers and unauthorized third parties to determine how to breach our websites, apps and systems that rely on open source code. As a result, the use of open source code could have a material adverse effect on our business, financial condition and results of operations.

Our operating metrics and competitive information, both internally calculated and provided by third parties and included in this annual report, may be calculated differently from the metrics or competitive information published by our competitors or other third parties in our industry and any perceived inaccuracies or inadequate cross-company comparisons may harm our reputation.

Most of our operating metrics included in this annual report and which we regularly communicate to the market are calculated by us internally. We also provide industry, market and competitive information in this annual report based on studies and reports of third parties (see "Market and Industry Data").

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Our methods of calculating operating metrics such as Active Customers, number of orders and GMV and those of third parties in calculating industry, market and competitive information (including market share data) may differ from estimates published by third parties or from similarly titled metrics published by our competitors or other parties due to differences in methodology. For instance, we calculate GMV as the total value of orders/products sold through our platform over a given period of time (including VAT without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants. Other companies or third parties may calculate GMV differently, for instance, by excluding returns and cancellations, VAT or cargo income, or including other service revenues. They may also calculate Active Customers or the number of orders differently based on differences in the technology used or technical methods used to record such metrics. We believe our calculation of GMV, as well as other metrics and third-party information, in this annual report provides investors with a useful tool to understand the value of transactions processed through our platforms. However, if customers, merchants or investors do not perceive our operating metrics or the information on our industry, market and competitive information included in this annual report to be accurate, our reputation could be materially and adversely affected.

For further information on our operating metrics, their calculation and assumptions relating thereto, see Item 5. “*Operating and Financial Review and Prospects—Summary Consolidated Financial and Other Data—Key Indicators of Operating and Financial Performance and Non-IFRS Measures.*”

We may not be able to, or may choose not to, insure against all risks we face and may incur losses not covered by insurance, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on insurance coverage to insure against damage and loss to our IT infrastructure and operational assets, including the server hardware, fulfillment centers, network, and storage devices and back-up facilities in our data centers. We maintain insurance coverage for our employees, executives and properties. Although we maintain our existing insurance coverage and purchase any additional insurance coverage as necessary for our operations, including social security and health insurance coverage for our employees and executive officers and liability insurance for our directors and executive committee, we cannot assure you that our insurance coverage provides us with sufficient coverage for all losses, events or incidents. We also may choose not to insure against all risks we face. For example, we do not require our vendors to carry cybersecurity insurance to compensate for any losses that may result from any breach of security and our cybersecurity insurance does not cover any breach of security occurring at our vendors. See “—*Unauthorized disclosure of sensitive or confidential customer information or our failure, or the perception by our users that we failed, to comply with privacy laws or properly address privacy concerns could harm our business and reputation with customers, merchants and suppliers.*” Therefore, should an uninsured loss or a loss in excess of our insured limits occur, we would lose the capital invested in, and the anticipated revenue from, the affected assets, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We depend upon our senior management, our IT specialists and other talented employees to grow, operate and improve our business; if we fail to attract, retain and motivate key personnel, our business could be adversely affected.

We depend upon the continued services and performance of our senior management team and other key personnel, many of whom have a level of experience and local knowledge that is difficult to replicate. The unexpected departure of any of them from the Company could have a material adverse effect on our business, financial condition and results of operations, and there can be no assurance that we will be able to attract or retain suitable replacements for such personnel in a timely manner or at all.

Our success and growth strategy also depend on our continued ability to identify, hire, develop, motivate and retain talented employees. Our ability to execute and manage our operations efficiently is dependent upon contributions from all of our employees. Competition for senior management and key IT personnel is intense, and the pool of qualified candidates is relatively limited.

From time to time, some of our key personnel have chosen to leave our Company for various reasons, including personal career development plans or alternative compensation packages. An inability to retain the services of our key personnel or properly manage the working relationship among our management and employees may expose us to legal or administrative action or adverse publicity, which could adversely affect our reputation, business, prospects, financial condition and results of operations. For example, other leading technology platforms also operate in Türkiye and compete directly with us for the same talent pool, which has a limited number of skilled IT or other professionals.

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Our focus on profitability has involved, and may continue to involve, cuts to personnel costs, such as salary and benefits reductions and downsizing efforts. Additionally, we may make certain organizational changes, which may include changes to our management team, our structure, our business strategy and our strategic priorities. The Change in Control may also result in unexpected loss of senior management or key talent. Our efforts to manage costs and to effect other changes may not succeed or may result in disruption, which could adversely affect our business, employee morale and our ability to compete effectively, and in turn impact our revenues, operations and results of operations.

If we lose key employees, training new ones with no prior relevant experience could be time consuming and require a significant amount of resources. We may also need to increase the compensation we pay to our employees from time to time in order to retain them. If competition in our industry intensifies, it may be increasingly difficult for us to hire, motivate and retain highly skilled personnel due to significant market demand. If we fail to attract additional highly skilled personnel or retain or motivate our existing personnel, we may be unable to pursue our targets, and our business, financial condition and results of operations could be materially and adversely affected.

An inability to retain and replace existing personnel or to attract new personnel could have a material adverse effect on our business, financial condition and results of operations.

Employee misconduct or inadvertent mistakes are difficult to determine and detect and could harm our reputation and business.

We face risks that may arise out of our employees' lack of knowledge or willful, negligent or involuntary violations of laws, rules and regulations or other misconduct. Misconduct by employees could involve, among other things, the improper use or disclosure of confidential information (including trade secrets and personal information), embezzlement or fraud, any of which could result in regulatory sanctions or fines imposed on us, as well as cause us serious reputational or financial harm. We have experienced fraudulent misconduct by employees in the past, which to date has not caused any material harm to our business. For example, in late 2023, an incident of theft occurred at one of our warehouses with respect to merchandise of a value of approximately TRY 6.5 million (approximately US\$ 140 thousand). We determined that three then-employees of the Company were involved in the theft. The three employees were dismissed, with criminal charges subsequently filed. Any further misconduct may result in unknown and unmanaged risks and losses. Moreover, our employees may make inadvertent mistakes while carrying out their duties, including where data is compiled manually. There can be no assurance that our internal audits, compliance procedures, security departments, ethics hotline, codes of conduct and other procedures in place that are designed to monitor our employees' conduct will allow us to discover employee misconduct or mistakes in a timely and effective manner, if at all. It is not always possible to guard against employee misconduct or mistakes and ensure full compliance with our risk management and information policies. The direct and indirect costs of employee misconduct or mistakes can be substantial, and our business, financial condition and results of operations could be materially and adversely affected.

We face uncertainties relating to the growth and profitability of the e-commerce industry in our region and we may face challenges and uncertainties in implementing our e-commerce strategy.

Our future sales depend substantially on consumers' widespread acceptance and use of e-commerce. While e-commerce has existed in our region for decades, only recently have certain regional e-commerce companies become sizeable. Our future results of operations will depend on numerous factors affecting the development of the e-commerce retail industry in our region, which may be beyond our control. These factors include:

- the growth of the overall retail sector in a hyperinflationary environment where consumers, in general, have faced and may continue to face pressure with respect to their purchasing power;
- the growth rate of internet, broadband, personal computer and smartphone penetration and usage in our region;
- the trust and confidence level of e-commerce consumers, as well as changes in customer demographics and consumer tastes and preferences;
- the selection, pricing and popularity of products that online merchants offer;
- whether alternative retail channels or business models that better address the needs of consumers emerge;

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- regulatory changes that may hinder the development of the e-commerce sector; and
- the development of logistics, payment and other ancillary services associated with e-commerce.

Low rates of growth and profitability in the local e-commerce industry as a result of any of these other factors could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business would be adversely affected if last-mile delivery service carriers were classified as employees instead of independent contractors and we may incur significant additional expenses if the employees of subcontractors carrying out delivery services are considered our employees.

For our Hepsijet operations, we (i) retain the services of self-employed last-mile delivery service carriers and (ii) subcontract last-mile delivery services from third-party service providers.

The classification of self-employed last-mile delivery service carriers as independent contractors has been challenged in courts and by government agencies in various non-Turkish jurisdictions. We believe that our carriers are independent contractors, as they decide for themselves how best to perform their services, they provide a vehicle to perform the delivery services, and they are under no exclusive commitment to us other than not providing delivery services to our competitors.

We also subcontract last-mile delivery services from third-party service providers, and such providers may or may not have employees of their own. Turkish law allows for employees of third-party subcontractors to bring certain claims against us directly, due to our indirect relationship. From time to time in the ordinary course of our operations we have been involved in legal proceedings initiated by employees of third-party subcontractors, such as employment-related claims arising out of termination of our relationship with their employer. While we do not believe the employees of our subcontractors are our employees, several employment-related claims are pending against us before courts specializing in employment law. We do not currently believe that the outcome of these cases will have a material adverse impact to our financial position, either individually or in the aggregate.

If courts or government agencies of competent jurisdictions reclassify our self-employed carriers as our employees instead of independent contractors, or establish an employment relationship between us and the employees of subcontractors, or otherwise find us to be in violation of any Turkish labor law or regulation, we may incur significant additional expenses to compensate those carriers or employees of third-party subcontractors, potentially becoming liable for monetary obligations such as employee benefits, social security contributions, taxes and penalties in addition to the costs associated with defending, settling or resolving these matters. Moreover, the government or government agencies may introduce new legislations or regulations setting forth a minimum percentage of carriers as our employees and restricting the proportion of self-employed carriers used as subcontractors in our operations. Further, any such reclassification of our carriers as employees or such legislative or regulatory restrictions on our ability to contract with self-employed carriers may require us to make certain operational changes going forward, and as a result, our growth, operations, financial condition and operating results could be adversely and materially affected.

Legal and Regulatory Risks

We are subject to tax audits that may result in additional tax liabilities and are exposed to changes in tax laws and regulations as well as their interpretation and implementation, including Türkiye's digital service tax and one-off taxes, which could subject us to new liabilities in the future.

We are subject to a variety of taxes in Türkiye including but not limited to corporate income tax, withholding tax, value added tax (“VAT”), payroll taxes and social security taxes, among others. The estimated net results of our business are based on tax rates which are currently applicable, as well as current tax regulations and interpretations by tax authorities. A change in applicable corporate tax rates or in general of any tax rule or interpretation made by tax authorities may impact our net results of operations. From time to time, there are changes to tax rates by governmental authorities. For example, effective as of July 2023, the general VAT tax rate was increased from (the previously reduced rate of) 18% to 20%, the reduced VAT of 8% was increased to 10%, and the reduced VAT for certain cleaning products was increased from 8% to 20%. More recently, the Law Amendment to Tax Laws and Certain Laws and Decree No. 375 numbered 7524, published in the Official Gazette No. 32620 on August 2, 2024, introduced a minimum corporate tax rate of 10% to be applied to profits earned in fiscal year 2025 and subsequent tax periods. The purpose of the minimum corporate tax is to ensure that the tax assessed is not less than 10% of corporate income, whenever taxpayers have taxable income before applying relevant exemptions or deductions. From time to time, we may be subject to tax audits by the Turkish tax authority, which can result in additional charges or fines. For example, in July 2020, we received a request from the Turkish tax authority for the initiation of a tax audit for the years 2019 and 2018 with regards to corporate income tax and VAT. This tax audit resulted in the Company having to pay an additional TRY 723 thousand tax liability in September 2022. New tax audits were initiated for the financial year 2022, with respect to corporate income tax and VAT, on February 29, 2024, for D-Ödeme and on March 5, 2024 for D-Fast. These tax audits are in early stages, so we are not able to quantify the associated risk, at this stage. A limited-scope tax audit focused on our gift vouchers and digital codes was also initiated on October 6, 2023, for the Company. Audits may be time-consuming and divert efforts and resources of management and may sometimes result in material tax penalties that would have an adverse impact on our financial condition. In addition to our results of operations, any dividends or other distributions paid in respect of any of our ordinary shares may also be adversely affected in case of any changes to the applicable double taxation treaties or any increase in the level of withholding tax, which is currently 15%.

In March 2020, a digital service tax (the “DST”) took effect in Türkiye imposing a 7.5% tax on revenue generated from a broad range of digital services, including digital advertising, digital content sales and digital platform services. The DST only applies to companies that generate revenues from covered digital services of at least: (i) TRY 20 million in Türkiye and (ii) €750 million globally. As of the date of this annual report, we are not subject to the DST as our revenues from such services are below the threshold. However, as a result of our growth, we may in the future exceed such threshold if it is not increased, or we may exceed such threshold if it is reduced, at which time our operations may become subject to the DST.

We may also be subject to one-off taxes. For example, in February 2023, two earthquakes hit the southeastern region of Türkiye. In response to the effects of these earthquakes, in March 2023, an earthquake tax was implemented to generate funds. The tax was introduced with Article 10(27) of the Law No. 7440 on Restructuring of Certain Receivables and Amendments to Certain Laws (the “Law No. 7440”). The rate of the earthquake tax was set at 10% on exemption and deduction amounts applied on income under the applicable laws, among other items, and pertained to the accounting period ended on December 31, 2022. While we were not subject to this one-time earthquake tax, any amendments to the tax legislation or subsequent practice of tax authorities may require us to pay an earthquake or other one-off tax in the future, including on a retroactive basis for prior accounting periods.

Furthermore, we may be harmed by new or amended tax laws applicable to our industry. For example, the Presidential Decree numbered 9284 published in the Official Gazette on December 22, 2024, imposed on merchants selling their products through marketplaces, such as our platform, a withholding tax equal to 1% starting from January 1, 2025. With an amendment to the Income Tax Law No. 193, published in the Official Gazette on August 2, 2024, as of January 1, 2025, the Company is obliged to deduct withholding tax on behalf of merchants selling through our platforms as an offset to the income taxes payable by such merchants, due to the Company's role as an intermediary service provider, as defined in the E-Commerce Law. Although the new rules have not introduced a new tax liability for Hepsiburada, the Company is exposed to increased compliance risks in connection with the performance of its new obligations. Moreover, merchants may choose not to sell through marketplaces and instead sell directly to customers or offline to avoid the application of the withholding tax. Additionally, the Decision on the Amendment of Certain Articles of the Customs Law No. 4458 published in the Official Gazette on August 6, 2024, amended the customs laws to, in relevant part, reduce the value limit, from €150 to €30, for simplified processing of imported consumer goods sent to individuals by mail or express courier and raised the applicable Single and Fixed Duty for such goods, from 20% to 30% for goods imported from the EU and from 30% to 60% for goods imported from non-EU countries. Although the changes have not had a material adverse impact on our operations, we have had to downsize our Hepsiglobal operations in response to the new rules and the existence of strict customs restrictions may hinder the future growth of some of our operations.

If existing tax laws, rules or regulations in our markets are amended, or if new tax laws, rules or regulations are enacted, including with respect to the DST, sales tax, value-added taxes, withholding taxes, –revenue-based taxes, earthquake tax or other similar taxes applicable to the digital economy or multi-national businesses, the results of these changes could increase our effective tax rate, tax liabilities and/or associated costs. Possible implications may include double taxation, multiple levels of taxation, additional obligations, prospectively or retrospectively, as well as imposition of interest and penalties if non-compliance is determined. Potential heightened tax law enforcement against us could have a material adverse effect on our business, financial condition and results of operations.

We have in the past been, and may again in the future be, subject to administrative fines imposed by the Turkish Competition Authority, and our reputation may be harmed if we do not comply with Turkish competition laws and regulations or any applicable binding commitments imposed by the Turkish Competition Authority on the Company.

Our business is subject to Turkish competition laws and regulations. We have been, and may continue to be, subject to investigations by the Turkish Competition Authority (the "TCA"), which monitors compliance with these laws and regulations. For example, in April 2021, the TCA initiated an investigation against 32 companies regarding anti-competitive agreements in the labor markets (including companies operating in the e-commerce, retail, broadcasting and fast-food industries, but excluding us) to determine whether those entities had violated the Law on the Protection of Competition (the "**Competition Law**"), which prohibits such anti-competitive agreements. The allegations that led to the investigation solely related to direct or indirect agreements regarding non-solicitation of employees that potentially restricted competition in the labor markets in Türkiye. On June 15, 2021, without notice, TCA officials conducted an on-site inspection at our headquarters and reviewed the digital correspondence of a limited number of senior managers and human resources employees. On August 18, 2021, we received a notification from the TCA stating that the Competition Board, the decision making body of the TCA, had decided to initiate an investigation on August 5, 2021 against 11 companies including Hepsiburada the subject of which was the same as the existing April 2021 investigation, and to merge these two investigations. On April 18, 2022, we received notice that the rapporteurs completed an investigation report stating their opinion that we violated the Competition Law that prohibits anti-competitive agreements in the labor markets and an administrative fine should be imposed. Following an oral hearing meeting on July 18, 2023, the Competition Board concluded its investigation and rendered its decision on July 31, 2023, stating that the Company had violated Article 4 of the Competition Law prohibiting anti-competitive agreements. The Competition Board imposed an administrative fine in the amount of TRY 3,627 thousand (with a 25% discount on early payment) on Hepsiburada for which we recognized a provision of TRY 227,535 thousand (as adjusted for inflation) in our consolidated financial statements for the year ended December 31, 2022. As of the date of this annual report, we have not yet received the reasoned decision from the TCA.

On August 31, 2023, the TCA initiated a separate preliminary investigation to determine whether Hepsiburada had violated Article 4 of the Competition Law in connection with the Company's automatic pricing mechanism ("APM") offered to sellers in our Marketplace. On that date, the TCA conducted an on-site inspection at Hepsiburada's headquarters and the Company subsequently submitted the information and documents requested by the TCA. As a result of the preliminary investigation, the Competition Board decided to initiate an investigation against Hepsiburada together with other e-commerce platforms, namely, DSM Grup Dan.İletişim ve Satış Ticaret A.Ş (Trendyol) and Amazon Turkey Perakende Hizmetleri Limited, and we were notified of the investigation decision on October 19, 2023. On October 31, 2023, a second on-site inspection was conducted by the TCA at the headquarters of Hepsiburada. The first written defense was submitted on November 30, 2023. On January 30, 2024, we submitted an offer of commitments to the TCA intended to address the TCA's possible competition concerns related to the APM and to end the investigation without any administrative fine. The Competition Board accepted the proposed commitments with its decision notified to us on October 4, 2024. The commitment decision requires that the Company make certain changes to the APM, including to the Buy Box algorithm. Accordingly, the option to automatically match the Buy Box price offered to sellers must be removed from the APM and sellers will only be offered the options to "set price below Buy Box" and "set price above Buy Box." In addition, the Company must not directly or indirectly incentivize the sellers to use the APM. These commitments resolved the TCA's concerns on the APM's possible facilitation of price coordination between sellers. These commitments did not have any material adverse effect on the Company's operations and business. However, to ensure compliance with the commitments, the Company is required to submit an annual report to the TCA starting one year after the notification of the reasoned decision received on February 20, 2025. If the TCA decides that the Company fully or partially fails to comply with the commitments, the TCA may impose an administrative fine for each day of non-compliance of five ten-thousandths (0.05%) of the annual revenue generated in the fiscal year preceding the TCA's decision on the Company's non-compliance.

On March 12, 2024, the TCA initiated a separate preliminary investigation to determine whether one of our merchants and e-commerce platforms including Hepsiburada had violated Articles 4 and 6 of the Competition Law. We believe that the preliminary investigation likely related to potential sales restrictions on the products and brands of which this merchant is the authorized distributor within Türkiye. However, as the statutory period to conclude a preliminary investigation has expired without any notification from the TCA regarding the initiation of an investigation, it is possible that the relevant complaint has been dismissed.

Although we believe that our operations are in material compliance with Turkish competition laws, these or any other investigations that may be conducted by the TCA in the future into our business conduct, and the imposition of related administrative fines or obligations on us, could have a material adverse effect on our reputation, business, prospects, financial condition and results of operations.

See *"—We are subject to laws and government regulations relating to competition and antitrust, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business."*

We are subject to extensive laws and government regulations across our business, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business.

Our business is impacted by laws and regulations in Türkiye that affect the industries our businesses operate in, and their scope has increased significantly in recent years. We are subject to a variety of regulations, including those relating to e-commerce, internet applications or content services, privacy and data protection, labor and employment laws, competition, intellectual property, cybersecurity, virtual items, national security, content restrictions, consumer protection, prevention of money laundering and financing criminal activity and terrorism, digital financial services regulation, electronic payment services regulation, consumer finance regulation, traffic and transportation regulation and travel regulations.

For example, we are required under Turkish law to obtain a workplace opening and operation permit from the relevant authorities before beginning operations at each of our facilities. These permits are subject to examination or verification by the relevant authorities. We have not obtained, and in the future may fail to obtain, such permits for some of our facilities before beginning to operate them, which may result in administrative fines or penalties or even sanctions such as the temporary suspension of our operations at those facilities lacking valid permits, which could materially and adversely affect our business, results of operations and financial condition.

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Recent and future expansion in terms of our services and geographic coverage, including our ramp-up of Hepsipay payment solutions and launch of new products and services such as investing in precious metals (e.g., gold), our consumer finance loans through Hepsifinans, and any future expansion into cross-border sales through HepsiGlobal have recently subjected us to, and could further subject us to, increased or new regulatory scrutiny and compliance requirements, dealings with new regulatory bodies and other risks that may be costly or difficult to comply with, such as payment services regulations, consumer finance services regulations, compliance with privacy laws and data security laws, including the GDPR, and compliance costs across different legal systems, including customs laws. We may have to come up with, adapt and implement different operating practices and protocols depending on the requirements of new regulators, which may require us to expend substantial resources. In certain cases, such regulatory changes may adversely affect our growth plans and we may not be able to achieve our targets in those areas.

We are required to hold, and do currently hold, licenses in order to offer such solutions, but since legislation around these offerings is continuously evolving and may be subject to different interpretation by the relevant regulatory authorities in the future, there can be no assurance that we will not be required to obtain any additional permits or licenses in the future with respect to any of our current or future solutions. If we fail to obtain such permits or licenses in the future, our business, prospects, financial condition and results of operations could be materially and adversely affected.

Regulators may periodically re-examine and increase enforcement of compliance obligations, which may require us or our business partners to further revise or expand the compliance program. Such compliance requirements may also make it more burdensome to use our services and products, which could potentially discourage users from using our services and products.

See also “*We are subject to laws and government regulations applicable to payment services and consumer finance businesses, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business,*” “*We are subject to laws and government regulations relating to competition and antitrust, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business,*” “*We have in the past been, and may again in the future be, subject to administrative fines imposed by the Personal Data Protection Authority, and our reputation may be harmed if we do not comply with Turkish Personal Data Protection Law No. 6698,*” “*A cybersecurity incident, including undetected software errors and hacking, may cause material delays or interruptions in our information systems and may reduce the use of our services and damage our brand reputation, which may hinder our ability to conduct our business effectively or result in lost revenues or other costs, including in connection with increasing compliance requirements*” and “*Risks Relating to Türkiye—Internet and e-commerce regulation in Türkiye is recent, has undergone changes since its inception and is subject to further development.*”

We are subject to laws and government regulations applicable to payment services and consumer finance businesses, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business.

The provision of financial services through Hepsipay and Hepsifinans, such as e-wallet, e-money, payment facilitation services and consumer lending, is highly regulated and subject to a broad range of complex laws and regulations that are rapidly changing.

For example, after we obtained licenses from the Banking Regulation and Supervision Agency (“**BRSA**”) to operate financial services through Hepsipay, in 2019 an amendment to the relevant legislation changed the competent authority regulating payment companies to the Central Bank of the Republic of Türkiye (the “**Central Bank**”). The Central Bank has in the past and may in the future impose new or additional licensing requirements, capital commitments, governance standards, reporting obligations or other regulatory requirements, requiring us to devote substantial operational and financial resources to comply with such requirements. For example, in December 2021, the Central Bank published the Regulation on Payment Services and Electronic Money Issuance and Payment Service Providers (the “**Payment Services Regulation**”) and the Communiqué on Information Systems of Payment and Electronic Money Institutions and Data Sharing Services in the Field of Payment Services Providers (the “**Payment Services Communiqué**”), in Türkiye’s Official Gazette, requiring compliance within one year with the following requirements, among others, on e-commerce payment services such as Hepsipay’s wallet service: (i) to keep collateral at the Central Bank, in accordance with the number of customers, volume of transactions and other conditions specified therein, (ii) to comply with higher minimum equity requirement, and (iii) to comply with additional obligations such as remote know-your-customer diligence. The one-year compliance period for the new requirements introduced in the Payment Services Communiqué, initially extended to February 28, 2023, was ultimately finalized as of September 30, 2023 (following a number of extensions to the original deadline). On October 7, 2023, the Central Bank introduced certain amendments to the Payment Services Regulation within key areas, including, among others, digital wallets, payment service providers, e-money issuers, card-based payment instruments, the scope of Central Bank permissions for share transfers, and the protection of payment funds. Notably, the amendments imposed new requirements on payment service providers such as Hepsipay to obtain certain licenses and authorizations for their activities, including an operating license for providers offering digital wallet services and an authorization for digital wallet service providers involved in transferring funds to issue electronic money. These new statutory permits were initially due to be obtained from the Central Bank by October 7, 2024 but the Central Bank extended this deadline until April 7, 2025. Hepsipay obtained the necessary licence permits for its digital wallet services on January 10, 2025.

Further, on January 27, 2024, the Official Gazette published the Communiqué on the Redetermination of Minimum Equity Amounts for Payments and Electronic Money Institutions, revising the minimum equity amounts for payment and electronic money institutions set forth in the Payment Services Regulation. Payment and electronic money institutions were mandated to adhere to the updated minimum equity requirements by June 30, 2024, when the communiqué came into effect. Following this date, Hepsipay inadvertently had a 54-day period in which its capital level was below the minimum regulatory thresholds of TRY 55 million. Hepsipay raised its capital to above the minimum regulatory threshold as soon as information regarding this breach was discovered, but in line with regulatory requirements, the infringement was reported to the Central Bank. Although Hepsipay has never intentionally had insufficient capital and its shareholder increased such capital to comply with regulations at the first instance such requirement was apparent, this may still result in a fine. The Central Bank may in its discretion impose an administrative fine on Hepsipay ranging from TRY 209,984 to TRY 4,724,676 for the year 2024 for this infringement. Except as set forth above, Hepsipay believes it has complied with its obligations under the communiqué as of the date of this annual report. However, any additional failure to comply with these regulations may result in the limitation, suspension or termination of services or the imposition of penalties, including fines which could have a material adverse effect on our business, results of operations and financial condition.

Additionally, amendments to the “Regulation on Measures Regarding Prevention on Laundering Proceeds of Crimes and Financing of Terrorism” and the General Communiqué (Serial No: 5) of the Turkish Financial Crimes Investigation Board’s (“**MASAK**”), which were published in the Official Gazette on December 25, 2024, will materially affect Hepsipay’s KYC obligations. With the new regulation, the identity verification processes in electronic money services, including those made with prepaid cards, have been significantly tightened. Starting from March 25, 2025, customers who fall outside the definition of “Anonymous Customers” were required to complete a remote identity verification process in order to execute their payments through Hepsipay. Any failure to comply with applicable rules may result in the limitation, suspension or termination of services or the imposition of penalties, including administrative fines which could have a material adverse effect on our business, results of operations and financial condition.

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In addition, within the scope of the Communiqué on the Management and Supervision of IT Systems of Payment Institutions and Electronic Money Institutions, a regular independent audit is required to be performed on Hepsipay every two years. Seven instances of non compliance were found as a result of the 2024 audit and the report was sent to the Central Bank. The Central Bank may in its discretion impose administrative fines on the Company ranging from TRY 209,984 to TRY 4,724,676 for the year 2024 for each breach. If such an administrative fine is imposed by the Central Bank, the Company has a right to appeal the imposition of such fine to the Turkish Criminal Court of Peace.

Moreover, Hepsiburada acts as a commercial representative of merchants and funds are transferred to the merchants through Hepsiburada. According to the Payment Services Regulation and the Payment Services Communiqué, a report must be filed with the Central Bank in January of each year in which the amount of intermediary service provider activities exceeds TRY 50 million within the prior twelve-month period. As a consequence of this provision, intermediary service providers, including Hepsiburada, submitted reports in January 2022, January 2023 and January 2024. The Central Bank is the competent authority to evaluate our reports to determine whether our reported activity qualifies as a payment service, within the scope of the Payment Services Regulation and the Payment Services Communiqué. If the Central Bank concludes that our reported activity is a payment service, we may be required to restructure our service such that we transfer funds to merchants through Hepsipay instead of Hepsiburada.

We are also subject to the Turkish Regulation on Measures to Prevent Laundering of Proceeds of Crime and the Financing of Terrorism (the “**AMLCFT**”) due to Hepsiburada being deemed (i) an “intermediary in the purchase and sale of precious metals, stones or jewels” because we conduct the sale of gold and (ii) as “operating in the field of gambling” because we offer digital products on our platform, including non-cash games, pursuant to an authorization obtained from the Turkish General Directorate of the National Lottery Administration (the “**GDNL**”). Accordingly, we are required to, among other things, carry out certain KYC checks, report suspicious transactions and monitor certain activities. Any failure to comply with the terms of the AMLCFT may result in the limitation, suspension or termination of our services and/or imposition of civil and criminal penalties, and fines. Additionally, we are subject to the rules and regulations of the GDNL regarding non-cash games offered on our platform. In case of any failure to comply with the rules and regulations of the GDNL, our authorization granted by the GDNL may be cancelled, and we may be subject to administrative fines.

Following the Regulation Amending the Regulation on Measures to Prevent Laundering of Proceeds of Crime and Financing of Terrorism (Decree No: 9305), the Regulation Amending the Regulation on the Compliance Program Regarding Obligations to Prevent Laundering of Proceeds of Crime and Financing of Terrorism, and the Communiqué Amending the General Communiqué of the Financial Crimes Investigation Board (Serial No: 5) (Serial No: 26), published by MASAK on December 25, 2024, medium, large, or very large-scale electronic commerce intermediary service providers carrying out transactions with electronic commerce service providers have become subject to Law No. 5549 on Prevention of Laundering of Proceeds of Crime and its secondary regulations, without any transaction limit, pursuant to which, in relevant part, service providers are required to verify the identity of electronic commerce service providers in accordance with the provisions set forth in this legislation. Failure to comply with these regulations may result in an administrative fine of TRY 226,671 for each unverified electronic commerce service provider and approximately TRY 3.8 million in case of non-appointment of a compliance officer. The Company appointed a Compliance Officer and a Deputy Compliance Officer, as required by the legislation, but has determined that completion of the implementation of identity verification processes for our existing electronic commerce service providers, as well as newly acquired clients, within the timeframe required by the legislation would not be feasible and so we have submitted a formal request for an extension of this compliance period. See Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview.*”

Our consumer finance company, Hepsifinans, is under the regulatory authority of the BRSA, and subject to regulations and audits by them. Further, Hepsipay and Hepsifinans are subject to rules and regulations by MASAK. MASAK is responsible for overseeing compliance with the rules on national terrorist asset freezing under Law No. 6415 on the Prevention of the Financing of Terrorism and may impose criminal penalties and administrative fines in case of failure to comply with the rules. For example, on October 16, 2023, MASAK initiated investigations against Hepsipay due to alleged breaches of Law No. 6415, specifically related to the opening of wallet accounts for 17 clients who were subject to asset freezing orders due to systemic errors. On March 25, 2024, MASAK informed Hepsipay that it had imposed administrative fines totaling TRY 1,290 thousand on Hepsipay. Hepsipay settled this penalty on April 3, 2024, availing itself of an early payment discount of 25%.

Further, Hepsifinans was acquired with its existing customers, loans and associated data and contracts. Therefore, it is also subject to audit for its past business by the related parties. Although we carry indemnifications from the previous shareholders due to these past operations, any future findings might create regulatory fines as well as disruptions to daily business, some of which may not be covered by these indemnifications.

We anticipate devoting substantial operational and financial resources to comply with the requirements of all the existing and new regulations and communiqués associated with our financial services businesses, and change our internal rules and procedures in accordance with any predefined and future changes. We have in the past, and may in the future, face additional audits and investigations by regulators or third parties appointed by the regulators for alleged violations of such requirements. Any further investigations may require resources to respond to and could result in further penalties or fines if it is determined that we violated any regulatory requirements, which may adversely impact our business and financial condition.

We are subject to laws and government regulations relating to competition and antitrust, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business.

The TCA may from time to time modify regulations or adopt new regulations in response to developments of new markets and market behaviors in different sectors or industries. In order to better understand these developing markets such as the emerging e-marketplace platform sector, the market forces and behaviors, as well as to ensure their operational efficiency and identify any potential competition problems, the TCA undertakes routine inquiries and information-gathering processes with various stakeholders within these developing markets. For example, the TCA launched a sector inquiry in relation to the online advertisement market, which is a developing market in Türkiye. Similarly, in June 2020, the TCA commenced a sector inquiry on the e-marketplace platforms sector. The preliminary report relating to the inquiry process was published by the TCA in May 2021, which raised a number of findings related to (i) competition between platforms, (ii) competition with respect to products sold within a platform and (iii) certain privacy or data protection matters with respect to platform customers. We submitted an interested party opinion to provide the TCA further information about our business' role and operations in the e-marketplace platform sector and our view about the operation and regulation of the sector in general. The TCA conducted a workshop in July 2021 to obtain the opinions of the market players and stakeholders, customers, lawyers and academics regarding the findings, assessments and proposed policies within the preliminary report. The TCA issued its final report on April 14, 2022, which may result in additional regulations for the e-marketplace platform sector with which we may be required to comply in the future. Such sector inquiries are not company-specific investigations and do not result in company-specific administrative fines and obligations. However, if the TCA adopts new rules and regulations which we may need to comply with in the future, the additional regulatory burden may have a negative impact on our operations and financial results.

For example, on June 6, 2024, the “Draft Regulation Amending the Law on the Protection of Competition” (the “**Draft Competition Law Amendments**”) was circulated by the TCA for public comment. The Draft Competition Law Amendments propose to expand the scope of the Competition Law to include the concept of a “gatekeeper” (“**Gatekeeper**”) for basic platform services, which we believe would include electronic commerce intermediary service providers like us, as currently defined. The Draft Competition Law Amendments would regulate the conduct and obligations of Gatekeepers. The Draft Competition Law Amendments state that quantitative thresholds will be determined by the Communiqué that will be released by the TCA, taking into account the annual gross revenues and the number of end-users or the number of commercial users. The net transaction volume threshold for “large-scale electronic commerce intermediary service providers” under the Draft Competition Law Amendments is expected to capture providers currently falling within the scope of the E-commerce Law. Where an enterprise does not exceed the quantitative thresholds stipulated in the Communiqué, the TCA may also make a determination for inclusion based on qualitative criteria, by taking into account some or all of the following elements: network effect, data ownership, vertically integrated and conglomerate structure, economies of scale and scope, lock-in and evolution effect, transition costs, multiple access, user trends, and mergers and acquisitions carried out by the enterprise in the context of the structure of its basic platform services. The Draft Competition Law Amendments propose to introduce several restrictions on Gatekeepers such as (i) limitations on the use of data, (ii) prohibitions on the implementation of the use of most favored customer (MFC) conditions and exclusivity and (iii) restrictions on providing ancillary services that are connected with the main services. If Parliament were to approve such amendments or similar amendments to the Competition Law, this would result in a substantial additional regulatory burden for us, and we would need to devote substantial operational and financial resources to ensure compliance with such regulatory requirements, which could have an adverse effect on our operations and financial results.

We have in the past been, and may again in the future be, subject to administrative fines imposed by the Personal Data Protection Authority, and our reputation may be harmed if we do not comply with Turkish Personal Data Protection Law No. 6698.

Our Company is subject to the Turkish Law on the Protection of Personal Data (the “LPPD”) and other relevant secondary legislation on the protection of personal data. The Personal Data Protection Board (the “PDP Board”) may request information and documents ex officio or upon complaint, and if it determines that there is a violation of the LPPD as a result of its investigation, it may decide to issue instructions and impose administrative fines. In addition, there is a risk that the decisions to be taken by the PDP Board in investigations may be published on the PDP Authority’s website and will identify the subject company. If a decision against the Company is published on the PDP Authority’s website, in addition to any sanctions that may be imposed with such a decision, our reputation may be negatively and materially affected.

Our Company was subject to six investigations conducted by the Personal Data Protection Authority (“PDP Authority”) in 2022 and 2023 and is likely to be subject to such investigations in the future. We settled three of these investigations by paying the administrative fines imposed by the PDP Authority (benefiting from a discount). For the remaining three investigations, the PDP Authority decided to close the investigation without imposing any administrative fine.

In February 2024, in accordance with its obligations as a data controller under the LPPD, we notified the PDP Authority of unauthorized access to some customer personal information in connection with a cybersecurity incident. In September 2024, the PDP Authority determined that we had failed to take technical and administrative measures necessary to prevent data breaches. The PDP Authority imposed an administrative fine of TRY 3,453,775. We submitted objections against the PDP Authority’s decision pursuant to Article 11 of the Administrative Procedural Law requesting the annulment or the amendment of the decision, but our objections were dismissed. On November 20, 2024, we initiated legal proceedings to challenge the fine, and this process remains ongoing as of the date of this annual report. See “—A cybersecurity incident, including undetected software errors and hacking, may cause material delays or interruptions in our information systems and may reduce the use of our services and damage our brand reputation, which may hinder our ability to conduct our business effectively or result in lost revenues or other costs, including in connection with increasing compliance requirements.”

If we fail to obtain intellectual property rights protection or adequately protect our intellectual property rights, or if we infringe third-party intellectual property rights, our business, prospects, financial condition and results of operations could be adversely affected.

Our trademarks, service marks, copyrights, trade dress, trade secrets, proprietary technology, domain names and other intellectual property rights are valuable assets that are critical to our success. We principally rely on trademarks (including by applying to register our trademarks in respect of key jurisdictions based on our business assessment) and confidentiality agreements to protect our intellectual property rights. We have a portfolio of registered trademarks in Türkiye in respect of many of our core brands, such as our “hepsiburada” and “hepsiglobal” brands. However, we may in some circumstances be unable to (or may be delayed in our ability to) apply for or register our trademarks (including where third parties allege pre-existing rights or have made earlier applications) or acquire our desired domain names or prevent third parties from acquiring trademarks or domain names that are identical or similar to, infringe or diminish the value of our trademarks and other proprietary rights. There is also a risk that third parties will claim that our products, trademarks or brands infringe their intellectual property rights — for instance, if a third-party claims that it has obtained prior rights or a pre-existing trademark application or registration for an identical or similar trademark. These third parties may bring infringement claims against us or may oppose the registration and protection of our brands and/or trademark rights.

These risks are further exacerbated by our growth and the expansion of our business into new geographies. For example, in August 2018, our application with the European Union Intellectual Property Office (“EUIPO”) for the domain name “hepsiburada.com” was opposed by Alpak B.V. (“Alpak”), which had previously registered the EU trademark “hepsiburada.” Although our initial request for a declaration of invalidity against Alpak’s trademark was rejected by the EUIPO, we brought our case before the EUIPO Board of Appeal, which upheld our appeal in its entirety in January 2023. Alpak B.V. appealed against the Board of Appeal’s decision before the Luxembourg Courts in March 2023. In February 2024, a trial was held in Luxembourg and the Court decided in favor of Hepsiburada, declaring Alpak’s “hepsiburada” trademark invalid. This decision was not appealed, so the Board of Appeal’s decision in favor of Hepsiburada was finalized. Additionally, in December 2024, we were informed that a lawsuit had been filed against our Company by ANAGRAM INTERNATIONAL, LLC Ltd. in the U.S. District Court for the Northern District of Illinois Eastern Division regarding the alleged infringement of the “ANAGRAM” trademark. The lawsuit pertained to products sold by us under the Anagram name/brand through the “Hepsiburada Collections” store on the Walmart USA marketplace. While we were able to settle this matter with a de minimis payment, we may be subject to other unrelated infringement claims in the future that could have a material adverse impact on our business operations and results of operations.

If we are unable to prevent third parties from acquiring trademarks or domain names that are identical or similar to ours or that infringe or diminish the value of our brands, trademarks and/or other proprietary rights, or if we are not able to defend our brands and/or trademarks from infringement claims or from oppositions to registration, our market recognition may be diluted, third parties may be free to use our brands and/or trademarks in respect of the same or similar goods or services, our expansion into new markets could be stifled and our business, financial conditions, customer relationships, reputation and results of operation could be adversely affected.

We are not always able to discover or determine the extent of any unauthorized use of our proprietary rights. Actions taken by third parties that license our proprietary rights may materially diminish the value of our proprietary rights or reputation. The protection of our intellectual property may require the expenditure of significant financial and managerial resources. Moreover, the steps we take to protect our intellectual property may be unsuccessful, and may not always adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights. We also cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or other intellectual property rights.

The validity, application, enforceability and scope of protection of intellectual property rights for many internet-related activities, such as internet commercial methods patents, are uncertain and still evolving, which may make it more difficult for us to protect our intellectual property, and our business, prospects, financial condition and results of operations could be adversely affected.

In connection with our technological operations, we may be subject to intellectual property infringement claims brought against us by others, which are costly to defend and could result in significant damage awards.

We rely, to some extent, on third-party intellectual property, such as licenses to use software to operate our business and certain other copyrighted works. Due to the nature of our business operations, we may from time to time be subject to claims and legal proceedings regarding alleged infringement by us of the intellectual property of third parties. We also expect to be exposed to a greater risk of being subject to such claims in light of growing competition in the market. A number of internet, technology, media and patent-holding companies own or are actively developing patents covering e-commerce and other internet-related technologies, as well as a variety of online business models and methods. We believe that these parties will continue to take steps to protect these technologies, including, but not limited to, seeking patent protection in certain jurisdictions. As a result, disputes regarding the ownership of technologies and rights associated with e-commerce and other online activities are likely to arise in the future. In addition, we use certain open source code, and the use of open source code is often subject to compliance with certain license terms, which we may inadvertently breach. See “—*We may use open source code in a manner that could be harmful to our business.*”

Although our employees are instructed to avoid acts that would infringe the intellectual property of others, we cannot be certain that our products, services and brand identifiers do not or will not infringe on valid patents, trademarks, copyrights or other intellectual property rights held by third parties. We may incur substantial expenses in responding to and defending against infringement claims, regardless of their veracity. Such diversion of management time and expenses, and the potential liability associated with any lawsuit, may cause significant harm to our business, prospects, financial condition and operations. A successful infringement claim against us could result in significant monetary liability, such as being liable for license fees, royalty payments, lost profits or other damages, or material disruption of our business. Similarly, the owner of the intellectual property may obtain injunctive relief to prevent us from making further use of certain technology, software or brand identifiers. If the amount of such payments is significant or if we are prevented from incorporating certain technology or software into our products or services or using our brand identifiers without hindrance, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We have been and in the future may be involved in litigation, some of which could be material.

We have been involved in litigation relating principally to contract disputes, employment, consumer, intellectual property, tax, securities law and other matters in the ordinary course of our business, which have also included legal proceedings initiated by employees of third-party subcontractors, such as employment-related claims arising out of termination of our relationship with their employer. As our business expands, we may face an increasing number of such claims or claims relating to product liability, including those involving high amounts of damages. As we became a publicly listed company with a higher profile and as our public profile may continue to grow in the future through any expansion of our cross-border business by HepsiGlobal, we may face additional exposure to claims and lawsuits inside and outside Türkiye.

For example, in September 2021 and October 2021, alleged holders of our ADSs filed class action lawsuits in the state and federal courts of the State of New York, respectively. After negotiations, the parties signed a stipulation of settlement agreement with no admission of liability on March 22, 2023 which was approved by the federal court at a fairness hearing held on August 1, 2023 and pursuant to which the state court action was dismissed with prejudice on September 22, 2023. Pursuant to the settlement, Hepsiburada paid \$13.9 million to resolve both actions in their entirety. According to a contribution agreement entered into between the Company and TurkCommerce B.V. (a co-defendant in the lawsuits and currently a holder of the Company's Class B Ordinary Shares) on September 28, 2023, TurkCommerce B.V. agreed to contribute \$3,975,000 towards the settlement amount and the Company agreed to purchase 4,615,384 Class B ordinary shares of the Company from TurkCommerce B.V. against payment of \$5,732,307 which was partially offset by the \$3,975,000 settlement contribution amount owed by TurkCommerce B.V. The transaction regarding the acquisition of 4,615,384 Class B ordinary shares of the Company from TurkCommerce B.V. was completed on October 18, 2023, and the repurchased shares remain as treasury shares of the Company.

We may also initiate proceedings from time to time. For example, we initiated litigation for annulment of the Turkish Capital Markets Board (the "TCMB") decision regarding a fee imposed by the TCMB on the Company. Following the IPO of the Company on the Nasdaq Stock Exchange, the TCMB imposed a "board registration fee" amounting to over TRY 60.1 million, including interest accruing on this fee, attorney's fees and the costs of the proceedings. The TCMB fee was calculated based upon the shares sold in our IPO, including the shares sold by TurkCommerce B.V. The Company applied to the TCMB with an objection letter in 2021 and received a reply letter from the TCMB in 2022 maintaining its initial decision. The Company then initiated proceedings for annulment of the decision in June 2022. The court dismissed our request for suspension of execution of the decision of the TCMB and dismissed the case in March 23, 2023. The Company appealed the decision all the way up to the Council of State over the course of 2023 and early 2024, but the appeal was rejected on May 14, 2024 and the decision was finalized.

Although the main appeal was ongoing, on June 19, 2023, the TCMB notified Hepsiburada that the board registration fee should be paid in accordance with the calculation method set out by the TCMB. The Company responded to the TCMB with a letter on July 3, 2023, to object to the calculation method of the TCMB. On July 19, 2023, the Company received a reply letter from the TCMB stating that the objection of the Company was rejected. On August 22, 2023, a separate litigation for the annulment of the case was initiated by the Company before the Ankara Regional Administrative Court requesting a stay of execution of the TCMB's decision to reject the Company's objection. The stay of execution request was rejected by the Ankara Regional Administrative Court on November 30, 2023 and the court ruled to dismiss the case on June 5, 2024. An appeal against the dismissal of the case, regarding the calculation method, was filed on June 28, 2024, and is still under review as of the date of this annual report. Despite the ongoing appeal, the TCMB required payment of the board registration fee, stating the appeal does not suspend execution. Accordingly, TRY 60.1 million was paid on August 28, 2024, and an updated issuance document was submitted on September 3, 2024, which the TCMB approved on September 16, 2024, acknowledging the payment.

The outcome of any claims, investigations and proceedings is inherently uncertain, and regardless of the outcome, defending against these claims could be both costly and time-consuming, and could significantly divert the efforts and resources of our management and other personnel. An adverse determination in any such litigation or proceedings could result in damages as well as legal and other costs, limit our ability to conduct business or require us to change the manner in which we operate, which would have a material adverse effect on our business, prospects, financial condition and results of operations.

We may be impacted by fraudulent or unlawful activities of merchants, which could have a material adverse effect on our reputation and business and may result in civil or criminal liability.

Despite measures we have taken and continue to take, our e-commerce services remain susceptible to potentially illegal or improper uses, which could damage our reputation and subject us to liability. Our standard agreement with the merchants on our Marketplace provides for weekly payments to merchants rather than immediately after the sale of a product. Our standard form agreement with our merchants and suppliers provides that we will directly compensate a customer for the purchase price if a customer returns a product and the merchant or supplier must refund us the price of the returned product. These provisions are designed to prevent merchants or suppliers from collecting payments, fraudulently or otherwise, in the event that a customer does not receive the products they ordered or when the products received are materially different from the merchant's or supplier's descriptions, to prevent merchants on our Marketplace from selling unlawful, counterfeit, pirated, or stolen goods, selling goods in an unlawful or unethical manner, and to prevent our merchants or suppliers from violating the proprietary rights of others or otherwise violating our product requirements. If our merchants or suppliers circumvent or otherwise fail to comply with these provisions, it could harm our business or damage our reputation.

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While we have no liability for the content provided by third parties on our website under the E-Commerce Law or the related E-Commerce Regulation, we may face compensation claims, administrative fines or even criminal complaints if we become aware of unlawful or illegal content and do not take any action. We are deemed to be aware of unlawful or illegal content in circumstances such as if the content is determined as unlawful within the scope of a regulatory compliance report or notified to us by a judicial decision, the Turkish Ministry of Trade or other public institutions and organizations in Türkiye. We are also required to remove or restrict access to content constituting certain crimes under Article 8 of the Law on Internet Crimes, if we are notified of an order of the president of the Information and Communication Technologies Authority of Türkiye to this effect. The scope of crimes under this provision was expanded with the amendment made to this provision on October 13, 2022.

In addition, if we receive from the relevant rights holder a complaint of infringement of intellectual and industrial property rights that complies with the requirements of Article 12 of the E-Commerce Regulation, we are required to remove products from our platform within 48 hours and inform the rights holder and the seller of the product accordingly. If we receive an objection from the seller that complies with the requirements of Article 13 of the E-Commerce Regulation, pursuant to Article 14 of the E-Commerce Regulation we are required to re-publish the product within 24 hours and inform the rights holder and the seller, provided that it can be clearly understood from the documents and information submitted by the seller that the objection is justified. Pursuant to Article 14 of the E-Commerce Regulation, our examination is limited with the information and documents obtained from the seller and we are not required to conduct a separate investigation to determine the ownership of relevant intellectual and industrial rights. We are also not required to process complaints regarding the same product and claim unless the rights holder submits new documents proving the infringement of intellectual and industrial property rights. Failure to comply with these provisions will result in an administrative penalty of TRY 22,807 to TRY 228,071 for each violation for the year 2025.

We may be subject to product liability claims when people or property are harmed or damaged by the products that are sold on our platform.

We are exposed to product liability or food safety claims relating to personal injury or illness, death or environmental or property damage caused by the products that are sold by us or through our Marketplace or through our strategic assets, and we do not maintain any insurance with respect to such product liability. As the products offered by us or through our Marketplace are manufactured by third parties, we have only limited control over the quality of these products. In addition, we cannot always effectively prevent our merchants from selling harmful or defective products on our Marketplace, which could cause death, disease or injury to our customers or damage their property. We may be seen as having facilitated the sale of such products and may be forced to recall such products. Under our Direct Sales model, where we act directly as seller, we may also have to recall harmful products.

Although we require that our merchants only offer products that comply with the existing product safety rules and monitor such compliance, we may not be able to detect, enforce or collect sufficient damages for breaches of such agreements. In addition, any negative publicity resulting from product recalls or the assertion that we sold defective products could damage our brand and reputation. Any material product liability, food safety or other claim could have an adverse effect on our business, prospects, results of operations and financial condition.

We have identified material weaknesses in our internal control over financial reporting and have as a result determined that our disclosure controls and procedures were not effective. If we remain unable to remediate identified material weaknesses, or if we have additional material weaknesses in the future, or otherwise fail to implement and maintain effective internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence in our company and the market price of our ADSs may decline.

Pursuant to SEC rules, our management must report on the effectiveness of our disclosure controls and procedures. Additionally, under Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the “**Sarbanes-Oxley Act**”), our management is required to report on the effectiveness of our internal control over financial reporting at the end of each fiscal year. Furthermore, we are required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. Even if our management concludes that our internal control over financial reporting is effective, our auditor may decline to attest to our management’s assessment or may issue a report that is qualified if it is not satisfied with our controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us.

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In prior fiscal years as well as the fiscal year ended December 31, 2024, our assessment has revealed material weaknesses in our internal controls that render our internal control over financial reporting ineffective. In 2022, we identified deficiencies in our internal control over financial reporting related to the design and operating effectiveness of information technology general controls (“ITGCs”) for information systems with respect to access rights, IT program change management controls and segregation of duties, in all cases with respect to IT applications, which in the aggregate constituted a material weakness. The ITGC control deficiencies identified in 2022 were not remediated as of December 31, 2023 (or December 31, 2024), and were therefore included as part of the material weaknesses disclosed below.

As part of management’s assessment of its internal control over financial reporting for the fiscal year ended December 31, 2023, we identified material weaknesses as described below, in our internal control over financial reporting related to:

- a. the design and operating effectiveness of ITGCs for information systems with respect to certain IT applications and IT databases that are relevant to the preparation of our consolidated financial statements; and
- b. deficiencies in the control environment, information and communication, monitoring and control activities components of the COSO Framework (as defined herein) that constitute material weaknesses, either individually or in the aggregate. The material weaknesses identified in the components of the COSO Framework are commensurate with the nature, growth and complexity of the Company’s business.

As part of our management’s assessment of its internal control over financial reporting for the fiscal year ended December 31, 2024, our management concluded that these material weaknesses had not yet been remediated as of December 31, 2024.

There is no guarantee that we will be able to remediate identified material weaknesses or that additional material weaknesses will not be identified in the future. Additionally, we have incurred and expect to continue to incur additional expenses, and we have spent and expect to continue to spend significant management time, in complying with testing requirements and working to establish effective internal control over financial reporting. If we remain unable to remediate our material weaknesses in a timely manner, or if additional material weaknesses in our internal control over financial reporting are discovered, we may not be able to timely or accurately report our financial position, results of operations or cash flows or establish and maintain effective disclosure controls and procedures. Our failure to maintain an effective internal control environment could cause our consolidated financial statements to contain material misstatements, which could cause investors to lose confidence in our reported financial information. Investors’ loss of confidence in our reported financial information could in turn limit our access to capital markets, harm our results of operations, and lead to a reduction in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential Nasdaq listing violations, regulatory investigations and civil or criminal sanctions. See Item 15. “*Controls and Procedures.*”

The requirements of being a public company will continue to require significant resources and management attention, which could make it difficult to manage our business.

As a public company with ADSs traded on an exchange located in the United States, we are subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act, the listing requirements of Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations has increased and may continue to increase our legal, financial and other compliance costs and increase the demands on our legal, compliance and financial reporting personnel as well as our systems and other resources.

The Exchange Act requires that we file annual reports with respect to our business, financial condition and results of operations. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures over our financial reporting. Furthermore, establishing and maintaining the corporate infrastructure demanded of a public company may divert our management’s time and attention from implementing our growth strategy, which could prevent us from improving our business, financial condition and results of operations. We have made, and will continue to make, changes to our internal controls and procedures over our financial reporting and accounting systems to meet our reporting obligations as a public company. However, we have previously relied on and we continue to rely on outside experts and the measures we take may not be sufficient to satisfy our obligations as a public company. These obligations could have a material adverse effect on our business, financial condition, results of operations and cash flow.

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As a public company with ADSs traded on an exchange located in the United States, we are subject to a broader scope of laws, regulations and standards, and therefore, potentially subject to a broader scope of fines, penalties and liability under U.S. securities laws. For example, in September 2021 and October 2021, holders of our ADSs filed class action lawsuits in the state and federal courts of the State of New York, respectively. The complaints alleged that the Company's registration statement contained untrue statements of material facts or omitted to state facts necessary to make the statements made therein not misleading in violation of Sections 11, 12 and 15 of the Securities Act. After negotiations, the parties signed a stipulation of settlement agreement with no admission of liability on March 22, 2023 which was approved by the federal court at a fairness hearing held on August 1, 2023 subsequent to which the state court action was also dismissed with prejudice on September 22, 2023. Pursuant to the settlement, Hepsiburada paid \$13.9 million to resolve both actions in their entirety. We may, in the future, be named as a defendant in other legal actions, which could result in material costs and expenses.

In addition, changes in laws, regulations and standards relating to corporate governance and public disclosure create uncertainty for public companies, increase legal and financial compliance costs and make some activities more time-consuming. For example, as a public company, these rules and regulations make it more expensive for us to maintain insurance, such as director and officer liability insurance, and we may be required to incur higher costs to obtain the same.

Furthermore, as of January 1, 2025, we no longer qualify as an "emerging growth company." As a result, we are required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act for the year ending December 31, 2024, with respect to the effectiveness of our internal control over financial reporting. We have incurred and will continue to incur additional expenses in connection with compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and our management must devote additional time and effort to implement and comply with such requirements. Moreover, even if our management concludes that our internal control over financial reporting is effective, our auditor may decline to attest to our management's assessment or may issue a report that is qualified if it is not satisfied with our controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, in connection with the implementation of the necessary procedures and practices related to internal control over financial reporting, we have in the past identified and may in the future identify deficiencies that could result in non-compliance with the requirements of Section 404. Failure to comply with Section 404 could subject us to regulatory scrutiny and sanctions, impair our ability to raise revenue, cause investors to lose confidence in the accuracy and completeness of our financial reports and negatively affect the price of our ADSs. See "*We have identified material weaknesses in our internal control over financial reporting and have as a result determined that our disclosure controls and procedures were not effective. If we remain unable to remediate identified material weaknesses, or if we have additional material weaknesses in the future, or otherwise fail to implement and maintain effective internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence in our company and the market price of our ADSs may decline.*"

We may be classified as a passive foreign investment company ("PFIC"), which could result in adverse U.S. federal income tax consequences to U.S. Holders of ADSs.

We will be classified as a passive foreign investment company, or PFIC, in any taxable year if either: (1) 50% or more of the fair market value of our gross assets (generally determined on the basis of a quarterly average) for the taxable year produce passive income or are held for the production of passive income or (2) 75% or more of our gross income for the taxable year is passive income. Based on the market price of our ADSs and the composition of our Group's income, assets and operations, we do not believe we were a PFIC for the 2024 taxable year or expect to be treated as a PFIC for the current taxable year or in the foreseeable future. This is a factual determination, however, that depends on, among other things, the composition of the income and assets, and the market value of the assets, of us and our subsidiaries from time to time, and thus the determination can only be made annually after the close of each taxable year. Because the market value of the assets for the purposes of the asset test will generally be determined by reference to the aggregate value of our outstanding ADSs, our PFIC status will depend in large part on the market price of our ADSs, which may fluctuate significantly. Therefore there can be no assurances that we will not be classified as a PFIC for the current taxable year or for any future taxable year.

If, contrary to our belief, we were characterized as a PFIC for any year, certain adverse U.S. federal income tax consequences could apply to a U.S. investor who holds ADSs with respect to any "excess distribution" received from us and any gain from a sale or other disposition of ADSs, and U.S. investors also may be subject to additional reporting obligations with respect to ADSs. In such case, we do not intend to provide the information necessary for a U.S. investor to make a qualified electing fund election with respect to the ADSs. See Item 10.E. "*Additional Information—Taxation—Material U.S. Federal Income Tax Considerations for U.S. Holders—Passive Foreign Investment Company Rules.*"

Risks Relating to Türkiye

We are subject to risks associated with doing business in an emerging market.

We mainly operate in Türkiye and derive substantially all of our revenue from activities in Türkiye, which is an emerging market. As a result, our business, results of operations, financial condition and prospects are significantly affected by the overall level of economic activity and political stability in Türkiye. External events and financial turmoil in neighboring emerging markets could disrupt the business environment in Türkiye. Moreover, financial turmoil in one or more emerging market(s) tends to adversely affect prices for securities in other emerging market countries. An increase in the perceived risks associated with investing in emerging economies could dampen capital flows to Türkiye and adversely affect the Turkish economy. Investors' interest in Türkiye might be negatively affected by events in other emerging markets or the global economy in general, which could adversely affect the value of our business and/or stock price could have a material adverse effect on our business, results of operations and prospects.

Our headquarters and other operations and facilities are located in Türkiye and, therefore, our prospects, business, financial condition and results of operations may be adversely affected by political or economic instability in Türkiye.

Substantially all of our revenue is derived from our operations in Türkiye. Accordingly, political uncertainty, instability and economic conditions in Türkiye may directly affect our business. For example, on March 19, 2025, approximately 100 individuals were prosecuted and many remain detained by the Turkish judiciary, including politicians, journalists, businessmen and most notably the mayor of Istanbul, who was considered to be the main opposition party's presidential candidate. Some customers have conducted politically driven boycotts, whereby they no longer purchase merchandise from certain merchants, or decrease their use of e-commerce in general. This may have a direct and indirect adverse impact on our business. The political protests and general unrest that followed the March arrests have weakened the Turkish Lira, prompting the CBRT to sell foreign currency reserves and increase interest rates to curb further depreciation. Currency depreciation may have an adverse impact on our results of operation and financial condition, and higher interest rates may adversely affect our ability to fund our business operations. See “—Foreign exchange rate risks could affect the Turkish macroeconomic environment, could affect your investment and could significantly affect our results of operation and financial position in future periods if hedging tools are not available at commercially reasonable terms” and “—Risks Relating to Our Business and Industry—We may need to raise additional funds to finance our future capital needs including investing in growth and technology, which may prevent us from growing our business.”

Political matters have affected and continue to affect certain investors' perception of Türkiye and the attractiveness of the Turkish economy from time to time. Should the March 2025 unrest and shopping boycotts described above persist and worsen, or should any new developments that are considered to contribute to instability in Türkiye emerge, the value of our ADSs could decline.

As a result of a trend of inflation in Türkiye, the Turkish economy is treated as hyperinflationary, which may adversely affect our business, profitability, results of operations and the value of our ADSs.

Inflationary pressures affect our business and financial performance. The Turkish economy has experienced significant inflationary pressures with year-over-year consumer price inflation rates rising as high as 69.7% in the late 1990s and early 2000s. While inflation decreased during the 2010s, the Turkish economy saw a rapid surge in inflation in 2024, 2023 and 2022 due to numerous factors. The annual consumer price index (“CPI”) increased by 44.4%, 64.8% and 64.3% in 2024, 2023 and 2022, respectively, as published by Turkstat. The annual CPI inflation reached its highest level since June 1998, at 85.5%, in October 2022. Additionally, developments in the USD/TRY and global commodity prices materially impact the inflation outlook. As a result, the course of global economic activity, geopolitical developments and the impact of climate conditions on commodity prices must be closely monitored to understand and anticipate inflation developments in Türkiye. In the first Inflation Report of the year published on February 7, 2025, the CBRT made an inflation forecast for the end of 2025 of 24%. According to the results of the CBRT's Market Participants Survey dated February 2025, the markets' inflation expectation for the end of 2025 was 28.3%.

In the event of continued or rising inflation, we may not be able to and/or our merchants may not be able to adjust the prices we charge our customers to offset the effects of inflation on our cost structure. These factors negatively affected our margins in 2023-2024 and may continue to negatively affect our margins in 2025. Inflation and government measures to combat inflation that impact macroeconomic stability in Türkiye have affected and may continue to affect supply as well as general demand for our products and services. Inflation adversely impacts consumer behavior and leads to further reductions in purchasing power of our users, consumer confidence and consumer spending, therefore impacting our order growth. This may have a material adverse effect on our business and results of operations. For example, during 2022, 2023 and 2024, we observed the impact of inflation in the increased average price of products on our platform. We have also observed that pressure on consumer spending has caused a tendency for customers to substitute products with more affordable alternatives (*i.e.*, towards lower-priced brands, regardless of whether sales are of essentials or non-essentials) and postponement of purchase decisions for certain categories of products. Although the consumer confidence index (seasonal and calendar adjusted) in Türkiye increased by 3.9 points from 77.4 in December 2023 to 81.3 in December 2024 (and remained at levels around 81.0 and 82.1 during January 2025 and February 2025), any number below 100.0 indicates a pessimistic outlook.

In addition, the continued rise in inflation has increased and could continue to increase our costs of operation, particularly in cost of inventory, payroll expenses and delivery costs, which has put and is expected to continue to put pressure on our cash requirements. We may not be able to keep wages and salaries at attractive levels in order to retain talent. Additionally, we or our merchants may consider offering higher customer discounts to stimulate customer demand in response to a slowdown, which could have an adverse impact on our GMV growth rate and our Gross Contribution. These factors may require us to obtain additional funding from sources other than our operations to meet our working capital needs or could otherwise negatively affect our business, financial condition and results of operation.

If the high inflation environment worsens or if new economic developments arise that have a similar effect, the resulting impact on consumer behavior and on our expenses may have a worsening adverse effect on our order growth, GMV growth, revenue, profitability and financial position, which may culminate in negative real GMV growth in future periods. See Item 5 “*Operating and Financial Review and Prospects—Key Factors Affecting Our Financial Condition and Results of Operations—Inflation and Hyperinflation.*”

Following the categorization of Türkiye as a country with a three-year cumulative inflation rate greater than 100% in March 2022 by the International Practices Task Force of the Centre for Audit Quality, Türkiye has been considered as a hyperinflationary economy pursuant to IFRS rules (IAS 29 *Financial Reporting in Hyperinflationary Economies*), requiring companies in Türkiye reporting under IFRS, including us, to apply IAS 29 to their financial statements for periods ending on and after June 30, 2022. As a result, we had to allocate additional resources to the preparation of our IFRS financials, which resulted in additional associated expenses in 2022 and in the years since. Our financial statements following the application of IAS 29 and related adjustments are no longer directly comparable to our historical financial statements. This may have created, and may continue to create, a challenge for investors and security analysts who look at our past performance to analyze and make forecasts about our future performance, including with respect to comparisons of current and historical margins. Therefore, investors and security analysts would require additional detailed information about our business plan and our macroeconomic assumptions in order to make their own projections for the Company. We cannot guarantee that we will be disclosing such detailed information in relation to our business plans or macroeconomic assumptions. Even if we do so, we cannot predict whether our investors or security analysts will be able to or willing to make their own projections about our Company. See “*Risks Relating to Ownership of our ADSs—If securities or industry analysts do not publish research or reports or publish unfavorable research about our business, or we fail to meet the expectations of industry analysts, the price of our ADSs and trading volume could decline.*”

Türkiye’s economy has been facing risks related to its current account deficit, which could have a material adverse effect on our business and results of operations.

Macroeconomic developments in Türkiye, including those related to Türkiye’s net trade and current account deficit, affect our business and financial performance.

Türkiye’s volatile current account deficit may reflect both Türkiye’s long-standing structural economic problems and current economic and market conditions. Structural economic problems include dependence on imported energy and a high proportion of imports for manufacturing and domestic consumption and a low savings rate. To date, Türkiye’s current account deficit has been funded largely through short-term foreign capital borrowings and foreign portfolio investments. Increased uncertainty in the global financial markets could make it more difficult for Türkiye to finance its current account deficit, leading to increased volatility in the Turkish economy, which could have a material adverse effect on our business and results of operations.

The effects of earthquakes in Türkiye may adversely affect our prospects, business, financial condition and results of operations.

Earthquakes have in the past adversely impacted, and may again in the future adversely impact the Turkish economy and the business environment in Türkiye. For example, in January 2024, the Minister of Treasury and Finance stated that the expenses related to two earthquakes that occurred in February 2023 and affected approximately 14 million people in the southeastern region amounted to TRY 950 billion (corresponding to approximately US\$ 30 billion), representing 3.7% of the GDP of Türkiye in 2023. More generally, Türkiye has been the site of devastating earthquakes in the past and may again be hit by serious earthquakes in the future. The country is covered by numerous fault lines including the North Anatolian Fault extending from eastern Türkiye across northern Türkiye and into the Aegean Sea for a length of 1200–1500 kilometers and the East Anatolian Fault extending from eastern Türkiye to south of the country. The fault lines covering the country may trigger future earthquakes in the country. These possible earthquakes may have severe impacts on the Turkish economy which may adversely affect our business and results of operations and prospects. In 2023, given the size of the earthquake zone, the death toll, the number of displaced people and the resulting decrease in consumers' discretionary shopping, we suffered a decline in customer demand on our platform during the first quarter of year, a negative impact on our customer numbers and a temporary disruption in our delivery services to and around the region. Similar or worse impacts on our business could arise in the event of future earthquakes.

Considering Istanbul's large population and economic importance for Türkiye, any major earthquake near Istanbul may cause substantial economic damage which may adversely affect our business and results of our operations and prospects. Most of our headquarters and offices are located in Istanbul and one of our fulfillment centers which also includes an office building is located in Gebze, a district of Kocaeli situated very close to Istanbul. Such an earthquake near Istanbul could therefore have a material adverse impact our business and results of our operations.

We are exposed to the risk of inadvertently violating anti-corruption, anti-money laundering, anti-terrorist financing and economic sanctions laws and regulations and other similar laws and regulations.

We have policies and procedures designed to assist with compliance with applicable laws and regulations in Türkiye, and as a foreign private issuer listed on a U.S. stock exchange, we may be subject to U.S. anti-money laundering and anti-terrorist financing laws and regulations, including the U.S. Bank Secrecy Act of 1970, the U.S. Money Laundering Control Act of 1986, and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, and U.S. anti-bribery and anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"). The FCPA prohibits providing, offering, promising or authorizing, directly or indirectly, anything of value to government officials, political parties or political candidates for the purposes of obtaining or retaining business or securing any improper business advantage. In addition, our operations may be subject to economic sanctions laws and regulations imposed by the United States, the EU, the United Kingdom, or any other relevant jurisdiction. Such laws and regulations may prohibit transactions in, with, involving, or relating to certain countries or regions or certain persons or entities. For example, starting in February 2022, the United States and a number of other countries around the world have been imposing sanctions and export controls against Russia over its invasion of Ukraine including regional trade bans, designations of entities (including Russian banks and state-owned entities) and individuals as Specially Designated Nationals and Blocked Parties, and restrictions on access by Russia to financial systems.

We maintain internal compliance policies and procedures, but we cannot provide any assurance that these policies and procedures will be complied with or that they will prevent all violations of the applicable laws and regulations and every instance of fraud, abuse, money laundering, terrorist financing, bribery and corruption. We also cannot provide any assurance that potential violations of our internal compliance procedures will be uncovered through our procedures or that violations of the applicable anti-bribery or money laundering, anti-terrorist financing and economic sanctions laws and regulations will not occur. We have internal audit, security and other procedures in place, which are designed to prevent instances of fraud, abuse, money laundering, terrorist financing, bribery and corruption. However, despite these controls and procedures, there can be no assurance that through these and other procedures we use we will timely and effectively catch any violations of our internal compliance procedures or any violations of laws and regulations, including those related to fraud, money laundering, terrorist financing, bribery, corruption and economic sanctions. Moreover, we may still be exposed to potential civil or criminal penalties or associated investigations under the relevant applicable laws and regulations which may, if not successfully avoided or defended, have an adverse impact on our business, prospects, financial condition or results of operations. Similarly, actual findings or mere allegations of such violations could negatively impact our reputation and limit our future business opportunities, which may cause our reputation, financial condition and results of operations to be materially and adversely affected.

Foreign exchange rate risks could affect the Turkish macroeconomic environment, could affect your investment and could significantly affect our results of operation and financial position in future periods if hedging tools are not available at commercially reasonable terms.

We are exposed to foreign exchange rate risks between Turkish Lira, U.S. dollars and Euros. Although our income, expenses, assets and liabilities are primarily denominated in Turkish Lira, we also maintain some non-Turkish Lira-denominated assets and liabilities, primarily in U.S. dollars. As of December 31, 2024, 2023 and 2022, we maintained Turkish Lira equivalent assets in U.S. dollars of TRY 2,963.7 million, TRY 8,857.7 million and TRY 6,804.0 million, respectively, primarily consisting of cash, cash equivalents and financial investments. As of the same dates, we maintained Turkish Lira equivalent liabilities in U.S. dollars of TRY 1,420.2 million, TRY 1,855.8 million and TRY 2,642.4 million, respectively, primarily consisting of trade payables, payables to merchants and due to related parties. The variety of currencies that we work with may increase if and when Hepsiglobal expands its cross-border operations.

As of December 31, 2024, if the U.S. dollar had strengthened or weakened by 10% against the Turkish Lira, with all other variables held constant, our income/ (loss) before income taxes would have been TRY 154.4 million lower or higher, mainly as a result of foreign exchange gains or losses on the translation of U.S. dollar assets and liabilities. We do not currently undertake any currency hedging to manage our exposure in Türkiye to changes in foreign exchange rates. Consequently, any sudden and significant changes in foreign exchange rates may have an adverse impact on our financial condition, revenue and results of operations.

Because we are incorporated in Türkiye, and because we are subject to Turkish accounting rules, we are bound to calculate and declare dividends, if any, in Turkish Lira, which will then be payable in U.S. dollars to the holders of ADSs. The depreciation of Turkish Lira against the U.S. dollar could cause fewer U.S. dollars to be obtained from the conversion of Turkish Lira at any time dividend payments are made to ADS holders.

According to the Central Bank, the Turkish Lira depreciated by 19.7% against the U.S. dollar as of December 31, 2024, 57.4% in 2023 and 44.1% in 2022. Despite lower depreciation and reduced volatility in 2024 compared to the 2023, negative real interest rates has continued to exert pressure on the Turkish Lira. Any further significant fluctuations in the value of the Turkish Lira relative to U.S. dollars could have a materially adverse effect on consumer demand, our business, and results of operations.

Türkiye is subject to internal and external unrest and the threat of future terrorist acts, which may adversely affect us.

Türkiye is located in a region that has been subject to ongoing political and security concerns. Türkiye has been subject to a number of terrorist attacks, resulting in a number of fatalities and casualties. Such incidents have had, and could continue to have, a material adverse effect on the Turkish economy. This, in turn, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Türkiye has been subject to a number of bombings, including in tourist-focused centers in Istanbul and the city center in Ankara, including incidents in Ankara in October 2023 and in Istanbul in November 2022, which have resulted in a number of fatalities. Such incidents may continue to occur periodically. Such internal and external unrest and the threat of future terrorist acts may lead to reductions in purchasing power of our customers, consumer confidence, consumer spending, general demand for e-commerce goods and services, display advertising and marketing spending of our advertisers and, therefore, also a reduction in demand for our products and services, which would have a material adverse effect on our business and results of operations.

Conflict and uncertainty in neighboring and nearby countries, as well as other regions with a geopolitical connection to Türkiye, may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Türkiye is located in a region that has been subject to ongoing political and security concerns. Political uncertainty in and tensions regarding certain neighboring and nearby countries has from time to time had an impact on the political and economic environment in Türkiye and may affect investors' perceptions of the risks of investing in the securities of Turkish companies. Any material adverse impact on the Turkish economy or political stability as a result of deteriorations of Türkiye's international relations, especially resulting from the events which affect Türkiye's relationship with the countries or regions described below, could result in a reduction in the purchasing power of our customers, consumer confidence, consumer spending, general demand for e-commerce goods and services, display advertising and marketing spending of our advertisers and, therefore, also a reduction in demand for our products and services, which would have a material adverse effect on our business and results of operations.

Risks from events affecting Türkiye's relationship with the countries in the Middle East.

The impact on Türkiye of political instability in the Middle East is exemplified by the internal conflict in the region. Türkiye has conducted a number of cross-border operations in Iraq and Syria targeting organizations deemed to be terrorist organizations in order to prevent terrorist activities against Türkiye.

The ongoing conflict in Syria has been the subject of significant international attention, and its impact and resolution are difficult to predict. In December 2024, an Islamist military and political party opposed to the Syrian government, Hayat Tahrir al-Sham (“HTS”), seized control of Syria from the prior ruler, Bashar al-Assad, who fled to Russia. Although HTS is designated as a terrorist organization by the United States, the EU, the United Nations, Türkiye and others, Türkiye has called for the designation to be removed and European leaders have sent delegations to the new government in Syria to seek to normalize relations. As a result of the civil war in Syria, it is estimated that approximately four million Syrian refugees have fled from the country to Türkiye and it remains unclear whether they will return to Syria or if conditions in Syria will deteriorate.

Separately, on October 8, 2023, Israel formally declared war on Hamas in response to the coordinated attacks perpetrated by Hamas on October 7, 2023. On April 9, 2024, Türkiye restricted exports of a wide range of products to Israel until a ceasefire is declared in Gaza. On January 15, 2025, Israel and Hamas agreed on a ceasefire deal which came into effect on January 19, 2025. However, the ceasefire lasted only two months and Israel resumed its offensive in March 2025. Given the continuing hostilities in the Middle East and the number of parties involved, it is very difficult to predict the potential developments of these conflicts and their impacts on the geopolitical stability in the broader region, including Türkiye.

Although we do not have material direct or indirect business operations, interests or investments in Syria, Iraq, Israel or Palestine, it is not possible to predict the broader consequences of the ongoing conflicts. It is also not possible to predict any additional adverse effects on existing macroeconomic conditions, consumer spending habits, currency exchange rates, and financial markets, all of which could adversely impact our business, financial condition, and results of operations.

Risks from events affecting Türkiye's relationship with Russia and Ukraine.

Russia has become one of Türkiye's most important trading partners and is the largest supplier of natural gas to Türkiye. Tourism from Russia to Türkiye constitutes another important aspect of Türkiye's relationship with Russia. Türkiye and Russia also cooperate in other industries, including tourism, the construction industry and the ongoing construction of the Akkuyu Nuclear Power Plant, the first stage of which is expected to be commissioned in 2025. Türkiye also has important relations with Ukraine, a significant tourism and trading partner. On February 24, 2022, Russia commenced a full scale military invasion of Ukraine. Türkiye publicly opposed the Russian invasion and subsequently acted as a host to peace negotiations between Ukraine and Russia, and helped broker a deal between the two countries to allow maritime grain shipments from Ukraine. In July 2023, President Recep Tayyip Erdogan met with Volodymyr Zelensky, President of Ukraine, in İstanbul and he stated that Ukraine deserved to be in NATO. In September 2024, the Turkish President reiterated Türkiye's steadfast support for Ukraine's sovereignty and territorial integrity in a video message to the Fourth Crimea Platform Leaders Summit. In February 2025, Türkiye hosted the negotiations between Ukrainian and Russian negotiators and the U.S. delegation in İstanbul to address concerns regarding embassy operations, including banking access and staffing stability. In March 2025, further negotiations took place but no ceasefire was agreed. Even if a potential ceasefire agreement is ultimately agreed, there is no certainty that the conflict will not recur in the future. Türkiye's position as a NATO member and a host to preliminary negotiations between Ukrainian and Russian negotiators may materially affect Türkiye's global diplomatic position as well as its economic and financial condition.

Following the invasion of Ukraine, the United States, the EU, Canada, Japan and Australia have imposed sanctions on Russia, select Russian companies and select Russian nationals. Following these sanctions, thousands of Russians and Ukrainians fled to Türkiye to stay, invest, and hold assets because Türkiye did not impose any sanctions on Russia except for the closure of the Bosphorus and Dardanelles straits to warships. If Türkiye were to impose such sanctions, they may have a material adverse effect on Türkiye's economy and financial condition due to Türkiye's significant trade, natural gas supply and tourism relationships with Russia. Although sanctioning countries including the United States and the EU have not taken measures against Türkiye, they could do so if they determined that Türkiye supported Russia's war efforts including, for example, by failing to impose sanctions on Russia, which could have a material adverse effect on Türkiye's economy. Heightened tensions, if any, between Türkiye and Russia, or Ukraine, or the sanctioning countries such as the U.S. could materially negatively affect global macroeconomic conditions and the Turkish economy, which would have a material adverse effect on our business and results of operations.

Risks from events affecting Türkiye's relationship with the EU.

Türkiye commenced negotiations on its accession to the EU on October 3, 2005 and expects to join the EU at some point in the future. The EU decided in 2006 to suspend negotiations with respect to eight out of 35 parts, or “chapters,” and not to “close” the other 27 chapters, of Türkiye’s accession negotiations because of Türkiye’s restrictions with respect to the Greek Cypriot Administration. During the EU General Affairs Council meeting of December 8, 2009, Greek Cypriots declared that “normalization” of relations is a precondition for progress in six chapters. As a result, 14 chapters have been blocked. On November 24, 2016, the European Parliament passed a non-binding resolution to suspend talks with Türkiye but the EU Foreign Ministers rejected the call by the European Parliament to freeze the accession process of Türkiye on December 13, 2016.

On April 25, 2017, the Parliamentary Assembly of the Council of Europe reopened the political monitoring process against Türkiye, leading the European Parliament to call EU governments to suspend membership negotiations with Türkiye on March 13, 2019. On October 30, 2024, the European Commission published its 2024 country report on Türkiye, conveying criticism but stating that Türkiye remains a key partner and a candidate country for the EU, making reference to Türkiye’s improving relations with Greece and the increase in its trade volume with the EU, which led to it becoming the EU’s fifth largest trading partner in 2023. Türkiye’s accession depends on a number of economic and political factors relating to both Türkiye and the EU. Although the shared objective of the negotiations is accession, these negotiations are an open-ended process, the outcome and timing of which cannot be guaranteed. Further delays or other adverse developments in Türkiye’s accession to the EU may have a negative effect on Türkiye’s economic performance and credit ratings and could have a material adverse effect on our business, financial condition and/or results of operations.

Additionally, in recent years, several important natural gas reserves have been discovered in the eastern Mediterranean, where Türkiye has also been engaging in exploration activities.

The EU and Türkiye have supported conflicting claims to the gas in these waters. On November 11, 2019, the EU adopted a framework for imposing sanctions on individuals or entities responsible for, or involved in, drilling and exploration activities. In October 2020, both France and Greece asked the EU to consider suspending the bloc’s customs union agreement with Türkiye.

Any decision by the EU to abolish the customs union with Türkiye, end Türkiye’s EU accession bid or impose additional sanctions on Türkiye might cause a deterioration in the relationship between Türkiye and the EU, impede Türkiye’s access to EU funding and have a material adverse impact on Türkiye’s economy. These actions could also increase duties for cross-border sales and therefore increase the effective price of products imported from, or exported to, the EU, including products sold on our platform, such as those imported (or, once outbound services are launched, exported) through Hepsiglobal.

On July 28, 2023, the Company incorporated Hepsiburada Global B.V., a wholly-owned subsidiary in the Netherlands, in line with Hepsiburada’s strategy to expand its operations into the EU. EU directives require entities incorporated in Europe to comply with the EU’s international sanctions rules. Although Hepsiburada currently uses its best efforts to comply with EU international sanctions as a best practice and as part of its contractual obligations, the fact that Hepsiburada has an EU-based subsidiary has subjected and will continue to subject Hepsiburada to European legal and compliance requirements and regulatory scrutiny.

Risks from events affecting Türkiye's relationship with the United States.

The relationship between the United States and Türkiye has been strained by recent developments in the Turkish region, and also by Türkiye’s agreement to acquire an air and missile defense system from Russia in December 2017. In response to these events, the United States Congress has considered potential sanctions against Türkiye. In December 2020, the United States imposed sanctions that targeted the Presidency of Defense Industries (SSB) of Türkiye, its chairman and three other officials. Then-United States President Joseph R. Biden signed a directive to ease and lift part of the sanctions it imposed on Türkiye in 2019. However, Türkiye’s military operations in Syria remained a point of contention.

Moreover, certain legal proceedings in the United States against Turkish individuals and entities may impact Türkiye's relationship with the United States. In 2018, a New York federal court found a former executive at Türkiye's majority state-owned bank Türkiye Halk Bankası A.Ş. guilty on charges that included bank fraud and conspiracies to evade U.S. sanctions against Iran and sentenced him to prison. He was released in July 2019, but the U.S. Department of Justice brought similar allegations against Türkiye Halk Bankası A.Ş., which are ongoing as of the date of this annual report. As of the date of this annual report, the final outcome in relation to the judicial process, or whether any sanction, fine or penalty will be imposed by the Office of Foreign Assets Control ("OFAC") or any other U.S. regulatory body on Türkiye Halk Bankası A.Ş. or any other Turkish bank or person in connection with those matters, as well as the possible reaction of the Turkish Government or the financial markets to any such events, is unknown. On October 22, 2024, the U.S. Court of Appeals for the Second Circuit ruled that Halkbank is not entitled to immunity and can be prosecuted on the criminal charges laid out in the indictment, and remanded the case to the United States District Court for the Southern District of New York for further proceedings.

Geopolitical risks, coupled with the volatility of the Turkish Lira and Türkiye's reliance on foreign investment, present significant economic challenges, particularly as Türkiye's growth prospects are closely tied to its economic and political relationship with the United States. On December 20, 2024, two U.S. Senators introduced new possible sanctions against Türkiye in regards to the ongoing conflict in Syria, referred to as the "Countering Turkish Aggression Act of 2024." It is not yet known whether the newly elected Congress, which convened in January 2025, will move these proposed sanctions forward. Actual or perceived political instability in Türkiye, escalating diplomatic and political tensions with the United States or other countries, and/or other political circumstances could have a material adverse effect on the Company's business, financial condition or results of operations or on the market price of the ADSs.

Türkiye's economy has been undergoing a significant transformation and remains subject to ongoing structural and macroeconomic risks.

Since the mid-1980s, the Turkish economy has moved from a highly protected state-directed system to a market-oriented free enterprise system. Reforms have, among other things, largely removed price controls and reduced subsidies, reduced the role of the public sector in the economy, emphasized growth in the industrial and service sectors, liberalized foreign trade, reduced tariffs, promoted export growth, eased capital transfer and exchange controls, encouraged foreign investment, strengthened the independence of the Central Bank, led to full convertibility of the Turkish Lira by accepting Article VIII of the International Monetary Fund's (the "IMF") Articles of Agreement and overhauled the tax system.

However, the Turkish economy has also experienced a succession of financial crises and severe macroeconomic imbalances. These include substantial budget deficits, significant current account deficits, high rates of inflation and high real rates of interest.

According to Turkstat, the annual rate of change in the consumer price index was at 44.38% in December 2024. (See "*As a result of a trend of inflation in Türkiye, the Turkish economy is treated as hyperinflationary, which may adversely affect our business, profitability, results of operations and the value of our ADSs*"). Türkiye had a current account deficit of USD 10.0 billion in 2024, compared to USD 45.0 billion in 2023 and USD 45.8 billion in 2022. (See "*Türkiye's economy has been facing risks related to its current account deficit, which could have a material adverse effect on our business and results of operations.*").

In March 2019, the United States announced that imports from Türkiye would no longer be eligible for tariff relief under the "Generalized System of Preferences" program, which seeks to promote economic growth in countries identified as developing countries. The United States cited Türkiye's rapid economic development since its entry into the program and that it thus no longer qualified to benefit from these tariff preferences. Regulatory changes such as these reflect increasing challenges faced by some exporters, which might have a material adverse effect on Türkiye's economy and/or the financial condition or one or more industries within Türkiye. Furthermore, any future tightening of tariffs by the United States, such as the ones declared in March and April 2025, or other countries could have a significant adverse impact on Türkiye's economy.

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The Turkish Treasury and Finance Minister announces GDP growth estimates and inflation rate with a 3-year horizon on an annual basis. There can be no assurance that the targets indicated will be reached, that the Turkish government will continue to implement its current and proposed economic and fiscal policies successfully or that the economic growth achieved in recent years will continue considering external and internal circumstances, including the Central Bank's efforts to curtail inflation and simplify monetary policy while maintaining a lower funding rate, the current account deficit and macroeconomic and political factors, such as changes in oil prices and uncertainty related with conflicts in Iraq and Syria (See “—*Conflict and uncertainty in neighboring and nearby countries, as well as other regions with a geopolitical connection to Türkiye, may have a material adverse effect on the Company's business, financial condition, results of operations or prospects*”) and political developments in Türkiye (see “—*Our headquarters and other operations and facilities are located in Türkiye and, therefore, our prospects, business, financial condition and results of operations may be adversely affected by political or economic instability in Türkiye*”).

Any of these developments might cause Türkiye's economy to experience macroeconomic imbalances, which might impair our business strategies and/or have a material adverse effect on our business, financial condition and/or results of operations. Global macroeconomic shifts that adversely affect Türkiye's economy may also have a material adverse impact on global share prices, including the price of our ADSs. For example, various announcements in April 2025 about tariffs to be imposed or lifted by the United States on all countries caused material volatility in global share values, which may adversely affect the price of our ADSs.

The compound effects of an increasingly orthodox monetary policy from the Turkish government in response to inflation and other factors have curtailed and are expected to continue to curtail consumer demand, which has had and is expected to continue to have an adverse effect on our order growth. This, in turn, may ultimately result in negative real GMV growth, which could have a material adverse effect on our business, results of operations and financial condition. It could also have a material adverse effect on the price of our ADSs and weaken investor confidence in our longer-term prospects.

Internet and e-commerce regulation in Türkiye is recent, has undergone changes since its inception and is subject to further development.

In 2007, Türkiye enacted a law setting forth obligations and liabilities of content, access and hosting providers as well as certain requirements specific to online content (the “**Internet Law**”). A number of laws and regulations impacting e-commerce and digital businesses in Türkiye have been enacted since 2007, including amendments to the Internet Law, the E-Commerce Law (as defined under Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview*”), various laws to protect personal data and laws on electronic payments, among others. However, unlike in the United States, little case law exists around the Internet Law and E-Commerce Law and existing jurisprudence has not been consistent and may not reflect the latest amendments or additional legislation. Legal uncertainty arising from the limited guidance provided by current laws in force allows for different judges or courts to decide very similar claims in different ways and establish contradictory jurisprudence. This allows for legal uncertainty and could set adverse precedents, which individually or in the aggregate could have a material adverse effect on our business, results of operations and financial condition. In addition, legal uncertainty may negatively affect our customers' perception and use of our services.

In 2022, significant amendments were made to the E-Commerce Law, and the E-Commerce Regulation was adopted and further amended, which introduced new obligations for electronic commerce intermediary service providers and electronic commerce service providers, such as Hepsiburada, with the aim of preventing unfair competition, a harmful competitive environment and monopolistic commercial practices in the Turkish e-commerce market. We are required to comply with certain obligations set forth in the E-Commerce Law and the E-Commerce Regulation and may face administrative fines in case of any violations. See Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview*.”

The E-Commerce Law and the E-Commerce Regulation provide for different obligations depending on the annual Net Transaction Volume (in nominal terms) and number of transactions pertaining to electronic commerce intermediary service providers and electronic commerce service providers. Depending on our annual Net Transaction Volume and number of transactions, the scope of our obligations under the E-Commerce Law and the E-Commerce Regulation may be subject to change, which may materially affect our business. Hepsiburada's Net Transaction Volume is currently below the TRY 160,426.1 million threshold.

The provisions of the amendments to the E-Commerce Law and the E-Commerce Regulation introduced in 2022 that are most directly relevant to the Company include the following:

- limits on the total amount of advertising and marketing expenditures and customer discounts with the goal to prevent e-commerce platforms from gaining an asymmetric market share through excessive discounts and excessive marketing by using disproportionate economic power. We have not yet become subject to any restrictions with respect to advertisement and discount budgets because we have remained below the applicable threshold since inception (TRY 160,426.1 million in 2025). If our Net Transaction Volume exceeds the threshold for the relevant period and we become subject to advertisement and discount budget restrictions in the upcoming years, we may have to limit our advertisement and discount expenditures, which could directly or indirectly have an adverse impact on our business.
- restrictions on engaging in certain business operations, such as payments and financial services. The restrictions also limit specified listing activities within a platform and the provision of last-mile delivery services to third parties. Similarly to the above, we have not yet become subject to restrictions concerning the provision of payments and financial services and last-mile delivery services to third parties as the restrictions apply only to companies whose Net Transaction Volume, as of 2025, exceeds TRY 320,852.2 million. It is expected that the applicable threshold will be adjusted every year, and our Net Transaction Volume will need to be assessed on an annual basis.
- a ban on the sale of private label products for all e-commerce companies on their own platforms. We have continued our private label business in the fashion category outside of Türkiye as part of our Hepsiglobal operations, which are not quantitatively material to the Company. We are also selling our private label products through the brand's own website and on another marketplace in Türkiye.
- a prohibition on unfair commercial practices in electronic commerce. Examples of unfair commercial practices under the E-Commerce Law include failing to make payment to the seller within the time specified in the E-Commerce Law, forcing the seller to sell goods or services with special offers, failing to determine the conditions of the commercial relationship with the seller through an intermediation contract and/or making unilateral amendments to such contract to the detriment of the seller, charging a fee from the seller when no service is provided or the type of service provided and the amount/rate of the service fee is not specified in the intermediation contract and, suspending or terminating the service provided to the seller in the absence of any objective criteria in the intermediation contract. In addition, Article 11(6) of the E-Commerce Regulation lists additional practices which would only constitute unfair commercial practices for large and very large-scale electronic commerce intermediary service providers (as defined in the E-Commerce Regulation). The E-Commerce Regulation was further amended to include additional unfair commercial practices, effective March 8, 2025. In the future, in case of further amendments to these provisions or emergence of certain common practices in the market as a result of application of these provisions or due to the decisions of judicial or regulatory authorities regarding these regulations or their interpretation, we may need to adjust our operations.
- a requirement to include mandatory elements of intermediation contracts concluded between electronic commerce intermediary service providers and electronic commerce service providers. The E-Commerce Regulation, as most recently amended effective March 8, 2025, provides for additional mandatory elements for the intermediation contracts of medium, large and very large-scale electronic commerce intermediary service providers (as defined in the E-Commerce Regulation).
- an obligation for electronic commerce intermediary service providers operating in Türkiye whose Net Transaction Volume is over TRY 53,475.4 million in a calendar year and the number of transactions (excluding cancellations and returns) is over one hundred thousand, to obtain and annually renew an e-commerce license upon payment of a license fee. The effective license fee will be calculated based on a graduated rate of a company's Net Transaction Volume derived from within Türkiye for the prior calendar year such that the effective license fee applied would be the sum of progressively higher proportions of the electronic commerce intermediary service provider's Net Transaction Volume exceeding the thresholds specified in the E-Commerce Law. For example, where the Net Transaction Volume is between TRY 53,475.4 million and TRY 106,950.7 million, the license fee is calculated as the three per ten thousand of the amount exceeding TRY 53,475.4 million. In case Net Transaction Volume is between TRY 106,950.7 million and TRY 160,426.1 million, the license fee is the sum of the above amount, plus five per thousand of the part exceeding TRY 106,950.7 million.

Article 9 and Article 10 of the Law On Amendments To The Law On Consumer Protection And Certain Other Laws published on October 30, 2024 stipulates that certain specified sales and expenditures may be deducted from the Net Transaction Volume used as the basis for calculating license fees, up to a multiple of such amounts decreasing annually from four times in 2024 to three times in 2025 and to two times from 2026 onwards. To benefit from this provision, the Net Transaction Volume of the electronic commerce intermediary service providers must not exceed 20% of the electronic commerce volume calculated by the Turkish Ministry of Trade using data from the Electronic Commerce Information System (ETBIS). We are currently eligible to benefit from this provision.

This provision went into effect on January 1, 2025. We paid a license fee in the amount of TRY 180.0 million on March 27, 2025. The license fee will materially increase if our Net Transaction Volume passes the threshold of TRY 160,426.1 million in a future year.

The amendments to the E-Commerce Regulation introduced in the regulation published in the Official Gazette on March 8, 2025, generally regulate the provisions regarding (i) the scope of information and verification obligations, (ii) unfair commercial practices for electronic commerce intermediary service providers, (iii) data processing obligations, (iv) exceptions to the total amount of advertising and discount budgets limits, (v) the mandatory elements of certain intermediation contracts, (vi) the independent audit and regulatory compliance reporting deadlines, and (vii) sales abroad that will be deducted while calculating the license fee.

Any failure to comply with requirements under the E-Commerce Regulation that currently apply or that may apply in the future could subject us to fines, which could have a material adverse impact on our business, our results of operations, our financial condition and our reputation.

Under Article 4 of the Tax Procedure Law General Communiqué No. 538 published in the Official Gazette on May 31, 2022, as a hosting service provider and intermediary service provider, we became subject to an obligation to provide continuous information to the Turkish Revenue Administration for tax purposes. This information may include web addresses where the service is provided, name, ID/tax number and workplace address of service receivers, amount and date of each collection or sale transaction, and bank account information regarding payments made to service receivers. We may be subject to penalties under Tax Procedure Law if we fail to comply with this reporting obligation.

In the future, the Company may face more stringent restrictions and higher compliance costs if we grow at a faster pace, which could have a material adverse effect on our competitiveness and on our business, financial condition and/or results of operations. For more detail on regulatory changes, see Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview.*”

Risks Relating to Ownership of our ADSs

The Change of Control may have potential adverse impacts on our business and operations, including potential changes to our strategy, our business relationships and our geopolitical exposures.

On October 17, 2024, our then-controlling shareholder, being Hanzade Vasfiye Doğan Boyner, our Founder, and Vuşlat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan (collectively, the “**Selling Shareholders**”), entered into a stock purchase agreement (the “**Stock Purchase Agreement**”) with Joint Stock Company Kaspi.kz (“**Kaspi**”), a joint stock company incorporated under the laws of Kazakhstan, for all outstanding Class A shares and Class B shares of the Company held by the Selling Shareholders, corresponding to 65.41% of our share capital (the “**Change of Control**”). The Change of Control was subject to regulatory approvals of the Turkish Competition Board, the Banking Regulation and Supervision Agency, the Information Technologies and Communications Authority and the Central Bank of the Republic of Türkiye and was completed on January 29, 2025 (“**Closing**”), on which date Kaspi became our new controlling shareholder. Following the Change of Control, in accordance with former Article 7/A of the Articles of Association, all outstanding Class A shares automatically converted into Class B shares, and the Class B shares were re-designated as “ordinary shares” effective from March 4, 2025.

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The aggregate consideration payable by Kaspi in connection with the Stock Purchase Agreement was approximately \$1,127 million, payable in two tranches: a cash consideration of \$600.0 million, which was paid at Closing, and a deferred cash consideration of \$526.9 million to be paid to the Selling Shareholders no later than six months following Closing. As collateral to secure Kaspi's obligation to pay the deferred cash consideration, at Closing Kaspi pledged 65,199,658 ordinary shares of the Company, representing 20% of the total issued and outstanding equity interests in the Company, in favor of the Selling Shareholders. All rights related to the pledged shares (including the right to attend and vote at our General Assembly Meetings of Shareholders) will be exercisable by Kaspi until the occurrence of an Event of Default (as defined in Stock Purchase Agreement). If an Event of Default occurs, meaning that Kaspi fails to pay the deferred cash consideration within the specified period, all rights with respect to the pledge shares will become exercisable by the Selling Shareholders, which may result in a further change to the control structure of the Company. See Item 7.A. "Major Shareholders and Related Party Transactions—Major Shareholders." During the term of the share pledge, Kaspi cannot dispose of the pledged shares, which must continue to represent 20% of the total outstanding capital of the Company.

Following the Change of Control, it is possible that some or all of our expansion plans will be modified. The new controlling shareholder, Kaspi, may prioritize alternative growth opportunities, synergies, operational efficiencies or cost-optimization measures. Furthermore, our integration with Kaspi may result in temporary inefficiencies, costs increases or loss of personnel and may require substantial time and focus from our management, which could negatively impact our ability to successfully manage our growth and expansion and have an adverse impact on the market price of our ADSs. Going forward, the market price of our ADSs may also be adversely affected by a material decrease in the market price of Kaspi's own ADSs.

The Change of Control may have constituted a termination event under certain financing or commercial agreements entered into by us or our subsidiaries. Although based on our counterparties' prior practice, we do not believe it is likely that they would exercise their acceleration or termination rights under such clauses, we cannot guarantee that such counterparties will not take adverse actions in the future, which could have a material impact on our business and expansion strategy.

Furthermore, as a result of the Change of Control, we are no longer controlled by domestic Turkish individuals, but rather by a company incorporated under the laws of Kazakhstan. Our new ownership structure may lead to a reconfiguration of our relationship with local government authorities, regulators and other key stakeholders, and we no longer benefit from ties established between our Founder, her family and various third parties in the Turkish market. Our new ownership structure may result in increased scrutiny and a shift in public perception which could pose additional risks for our operations and reputation. For example, the strength of the financial services operations of Kaspi in Kazakhstan or the March 2025 announcement of Kaspi's potential acquisition of Rabobank Group's Turkish subsidiary, subject to regulatory and contractual approvals, may weaken our relationships with current and potential partners in the Turkish financial services sector if they see us as a competitor, which could have an adverse impact on our business and our financial condition.

Moreover, our operations may be restricted by regulations on foreign investments. We may also be directly or indirectly impacted by changes in Kazakh law and policies. The foreign controlling ownership exposes us to increased geopolitical risks. These risks may arise from, for example, changes in trade policies, diplomatic tensions, political and financial instability in Kazakhstan or economic sanctions imposed by the Kazakh government or on Kazakh entities and individuals.

Kaspi controls the majority of our voting rights, and its interests might conflict with or differ from your interests as a shareholder.

As a result of the Change of Control, Kaspi owns 65.41% of the Company's ordinary shares and thus can exercise control over the Company. In certain circumstances, the interests of the controlling shareholder may conflict with the interests of other shareholders, including interests of the holders of the ADSs. In addition, this concentration of ownership may negatively affect the market price of the ADSs by, among other things, as a result of any action:

- delaying, defending or preventing a change of control, even at a per-share price that is in excess of the then-current price of the ADSs;
- impeding a merger, consolidation, takeover or other business combination involving us, even at a per-share price that is in excess of the then-current price of the ADSs;
- forcing a merger, consolidation, takeover, delisting, tender offer, squeeze out or other business combination involving us that increases the amount of indebtedness or outstanding ordinary shares, or the sale of revenue-generating assets; or

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- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, even at a per-share price that is in excess of the then-current price of the ADSs.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

We are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act and certain other requirements of the Sarbanes-Oxley Act. The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter, and, accordingly, the next determination will be made with respect to us on June 30, 2025. We would cease to be a foreign private issuer at such time if (i) more than 50% of our outstanding voting securities are held by U.S. residents and (ii) any of the following three circumstances applies: (1) the majority of our executive officers or members of our board of directors are U.S. citizens or residents, (2) more than 50% of our assets are located in the United States or (3) our business is administered principally in the United States. If we lose our foreign private issuer status on that date, we would be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms beginning on January 1, 2026, which are more detailed and extensive than the forms available to a foreign private issuer. We would also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders would become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we would lose our ability to rely upon exemptions from certain corporate governance requirements under the listing rules of Nasdaq. As a U.S. listed public company that is not a foreign private issuer, we would incur significant additional legal, accounting and other expenses that we would not incur as a foreign private issuer, and accounting, reporting and other expenses in order to maintain a listing on a U.S. securities exchange. These expenses would relate to, among other things, the obligation to present our financial information in accordance with U.S. GAAP in the future.

As a "controlled company" within the meaning of the Nasdaq rules and a foreign private issuer, we qualify for and do rely on exemptions from certain of the Nasdaq corporate governance standards, including the requirement that a majority of our board of directors consist of independent directors. Our reliance on such exemptions may afford less protection to holders of our ADSs.

Kaspi controls a majority of our voting power. Under Nasdaq listing rules, a listed company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a "controlled company," and such a company may elect not to comply with certain Nasdaq corporate governance requirements, including (i) the requirement that a majority of the board of directors consist of independent directors, (ii) the requirement that the corporate governance and nominations committee making decisions on compensation and nominations be composed entirely of independent directors and (iii) the requirements to have a compensation committee and that such committee be composed entirely of independent directors.

Similarly, as a foreign private issuer, we are permitted to follow home country practice in lieu of most of the Nasdaq corporate governance standards. Accordingly, our board of directors and applicable committees include fewer independent members than would be required if we were subject to all Nasdaq listing rules. As such, their approach may be different from that of a board with a majority of independent directors or a committee with only independent directors and, as a result, our management oversight may be more limited than if we were subject to all Nasdaq listing rules.

We intend to continue to rely on these and other exemptions described in more detail under Item 16G, "Corporate Governance." We may in the future elect to follow home country practices in Türkiye with regard to other matters. Accordingly, our shareholders will not have the same protection afforded to shareholders of companies that are subject to all of the Nasdaq corporate governance standards, and the ability of our independent directors to influence our business policies and affairs may be reduced.

An active trading market for our ADSs may not be sustained to provide adequate liquidity.

We cannot predict the extent to which investor interest in us will sustain an active trading market for our ADSs on Nasdaq or how liquid that market might remain. If an active trading market is not sustained, holders may have difficulty selling the ADSs that they purchase, and the value of such ADSs might be materially impaired.

We may need to raise additional funds to finance our future capital needs, which may dilute the value of our outstanding ADSs.

We may need to raise additional funds to finance our existing and future capital needs, including developing new services and technologies, and to fund ongoing operating expenses. If we raise additional funds through the sale of equity securities, these transactions may dilute the value of our outstanding ADSs. We may also decide to issue securities, including debt securities that have rights, preferences and privileges senior to our ADSs. Any debt financing would increase our level of indebtedness and could negatively affect our liquidity and restrict our operations. We also can provide no assurances that the funds we raise will be sufficient to finance our existing indebtedness. We may be unable to raise additional funds on terms favorable to us or at all. If financing is not available or is not available on acceptable terms, we may be unable to fund our future needs. This may prevent us from increasing our market share, capitalizing on new business opportunities or remaining competitive in our industry.

We may need to carry out certain corporate actions, such as a capital increase, a capital reduction, accounting set-offs or similar actions or a combination thereof to maintain compliance with local capital adequacy rules, some of which may dilute the value of our outstanding ADSs.

We are subject to Turkish minimum capital adequacy rules. We may need to carry out certain corporate actions, such as capital increases, capital reductions, accounting set-offs or similar measures or a combination thereof to ensure that we comply with applicable requirements. Some remedial corporate actions could be dilutive to ADS holders or otherwise reduce the proportion of our share capital that is represented by ADSs, which could have an adverse impact on the price and liquidity of our ADSs. Additionally, any actual or perceived failure to comply with capital adequacy rules could have a material adverse impact on our reputation and could weaken investor confidence in our business.

The price of our ADSs might fluctuate significantly, and you could lose all or part of your investment.

Volatility in the market price of our ADSs may prevent you from being able to sell your ADSs at or above the price you paid for such securities. The trading price of our ADSs has been and may continue to be volatile and subject to wide price fluctuations in response to various factors, including:

- the overall performance of the equity markets;
- issuance of new or changed securities analysts' reports or recommendations;
- negative market perception of our performance as compared to our competitors;
- additions or departures of key personnel;
- sales of our ADSs or shares by us or our principal shareholders;
- changes in law, litigation, regulatory and tax allegations, fines or proceedings that involve us or our subsidiaries;
- general economic and geo-political conditions, both globally and in Türkiye;
- ongoing or future occurrences of natural disasters, epidemics, other catastrophic events, including acts of war;
- changes in interest rates;
- availability of capital; and
- the market price of the ADSs of Kaspi, our controlling shareholder.

These and other factors might cause the market price of our ADSs to fluctuate substantially, which might limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the liquidity of our ADSs. In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies across many industries. The changes frequently appear to occur without regard to the operating performance of the affected companies. Accordingly, the price of our ADSs could fluctuate based upon factors that have little or nothing to do with our Company, and these fluctuations could materially reduce our share price. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities. For example, we were named as a defendant in certain purported shareholder class action lawsuits which have been settled. See "*Risk Factors—Legal and Regulatory Risks—We have been and in the future may be involved in litigation, some of which could be material.*" We may be involved in future litigation which may have a material adverse effect on our financial condition and results of operations.

If securities or industry analysts do not publish research or reports or publish unfavorable research about our business, or we fail to meet the expectations of industry analysts, the price of our ADSs and trading volume could decline.

The trading market for our ADSs depends in part on the research and reports that securities or industry analysts publish about us, our business or our industry. If one or more of the analysts who covers us downgrades our stock, the price of our ADSs will likely decline. If one or more of these analysts, or those who currently cover us, ceases to cover us or fails to publish regular reports on us, interest in the purchase of our ADSs could decrease, which could cause the price of our ADSs or trading volume to decline.

You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by their ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, including any general meeting of our shareholders, if we so request, the depository will, as soon as practicable thereafter, fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights and distribute to the holders as of the record date (i) the notice of the meeting or solicitation of consent or proxy sent by us, (ii) a statement that such holder will be entitled to give the depository instructions and (iii) a statement as to the manner in which instructions may be given by the holders.

You may instruct the depository of your ADSs to vote the ordinary shares underlying your ADSs. Otherwise, you will not be able to exercise your right to vote unless you withdraw our ordinary shares underlying the ADSs you hold. However, you may not know about the meeting far enough in advance to withdraw those ordinary shares. We cannot guarantee that you will receive the voting materials in time to ensure that you can instruct the depository to vote the ordinary shares underlying your ADSs. In addition, the depository and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. Local trade registry office practices and interpretations of regulations governing proxy collection from ADS holders have been evolving and may be subject to further change from time to time. For example, the Trade Registry recently imposed additional documentation requirements and took longer to register the voting results of the general assembly. This means that you may not be able to exercise your right to vote, and there may be nothing you can do if the ordinary shares underlying your ADSs are not voted as you requested.

Shareholders and ADS holders may not be able to exercise preemptive rights and, as a result, may experience substantial dilution upon future issuances of ordinary shares.

In the event of an issuance of ordinary shares, including for purposes of a capital increase, subject to certain exceptions, each shareholder will have a *pro rata* preemptive right in proportion to the aggregate nominal value of the ordinary shares held by such holder. These preemptive rights may be restricted or excluded by a resolution of a general meeting of shareholders or by the board of directors, which is authorized to restrict preemptive rights under a registered capital system. This could cause existing shareholders and ADS holders to experience substantial dilution of their interest in us. In the United States, we may be required to file a registration statement under the Securities Act to implement preemptive rights. We can give no assurances that an exemption from the registration requirements of the Securities Act would be available to enable U.S. holders of ordinary shares or holders of ADSs to exercise such preemptive rights and, if such exemption is available, we may not take the steps necessary to enable U.S. holders of ordinary shares or holders of ADSs to rely on it. Accordingly, you may not be able to exercise preemptive rights on future issuances of ordinary shares, and, as a result, your percentage ownership interest in us would be diluted. Furthermore, rights offerings are difficult to implement effectively under the current U.S. securities laws, and our ability to raise capital in the future may be compromised if we need to do so through a rights offering in the United States.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial for any claim they may have against us or the depository arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depository were to oppose a jury trial based on this waiver, the court would have to determine whether the waiver was enforceable based on the facts and circumstances of the case in accordance with applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, or by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this would be the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depository in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us or the depository. If a lawsuit is brought against us or the depository under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have, including outcomes that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or the ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depository of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

It is unlikely that we will declare any dividends on our ordinary shares represented by our ADSs and therefore, you must rely on price appreciation of our ordinary shares for a return on your investment; also, to the extent that we declare dividends, we will pay those dividends solely in Turkish Lira.

We do not currently anticipate paying any dividends. Instead, we intend to retain earnings, if any, for future operations and expansion. Any decision to declare and pay dividends in the future will be made at the discretion of our general assembly of shareholders, acting pursuant to a proposal by our board of directors, and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our general meeting of shareholders or board of directors may deem relevant. Accordingly, investors will most likely have to rely on sales of their ADSs, which may increase or decrease in value, as the only way to realize cash from their investment. There is no guarantee that the price of our ADSs will ever exceed the price that you paid.

Dividends may also be subject to limitations in the terms of our credit facility arrangements and any dividends paid may provide our lenders with the right to accelerate outstanding amounts thereunder or result in an event of default. See “—Risks Relating to Our Business and Industry—Changes in our share ownership or other types of default could result in our inability to draw loans or cause acceleration or events of default under our indebtedness.”

To the extent we declare cash dividends in the future, we will pay those dividends solely in Turkish Lira. As the value of the Turkish Lira fluctuates continuously, a holder of our ADSs will be exposed to currency fluctuations generally and particularly between the date on which a dividend is declared and the date on which dividends are paid.

You may not receive distributions on the ordinary shares represented by our ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it receives on our ordinary shares after deducting its fees and expenses. You will receive these distributions in proportion to the number of our ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. We have no obligation to take any other action to permit the distribution to any holders of our ADSs or ordinary shares. This means that you may not receive the distributions we make on our ordinary shares or any value from them if it is illegal or impractical for us to make them available to you. These restrictions may have a material adverse effect on the value of your ADSs.

Dividends paid to holders of the ADSs who are not tax resident in Türkiye will be subject to a 15% withholding tax.

Dividends payable by a joint stock company that has its legal and/or business center in Türkiye to shareholders (both individual and corporate) who are not tax residents of Türkiye (*i.e.*, non residents), and who do not have a permanent establishment constituted in Türkiye through a permanent representative or place of business therein are subject to a 15% withholding tax to be deducted by the Turkish corporation from the gross amount of dividend distribution to its shareholders. Dividends distributed to a legal entity in Türkiye (which should be already registered for corporate tax in Türkiye) are exempt from such withholding tax. There is a presumption that ADSs representing our ordinary shares are being held by non-resident holders that do not have a taxable presence in Türkiye such as a permanent establishment constituted through a representative or place of business therein. Therefore, any dividends that we may decide to distribute in the future in respect of the ADSs will be subject to this 15% withholding tax based on the corresponding gross amount of distribution, which could adversely affect the value of your investment. Türkiye's tax treaties with different countries may provide reduced dividend withholding taxes such as 5%; however such reduced tax rates are not usually applicable to portfolio type investments because of minimum shareholding ratio requirements stipulated in most of Türkiye's tax treaties. Therefore, the final withholding tax burden for ADS holders should be determined by considering their tax residency status as well as other conditions in the respective tax treaties. See Item 10.E. "*Additional Information—Taxation—Material Türkiye Tax Considerations.*"

You may be subject to limitations on the transfer of your ADSs.

Your ADSs, which may be evidenced by ADRs, are transferable on the books of the depositary.

However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of your ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions in Türkiye based on United States or other foreign laws against us and our management.

We are incorporated and conduct a substantial portion of our business and have substantial assets located in Türkiye. In addition, the majority of our directors and officers are nationals and residents of countries other than the United States. As a result, it may be difficult to effect service of process within the United States upon these persons. It may also be difficult to enforce in U.S. courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal or state securities laws against us and our officers and directors who are not resident in the United States and the substantial majority of whose assets are located outside of the United States. The liability of our directors and executives towards us and our shareholders will be governed by Turkish laws as well as the shareholding rights of investors before the Turkish courts. Further, it is unclear whether an original lawsuit against us or our directors or executive officers based on U.S. federal or state securities laws can be enforced in Turkish courts. Moreover, Türkiye does not have treaties with the United States providing for the reciprocal recognition and enforcement of judgments of courts. Therefore, even if a judgment were obtained against us or our management for matters arising under U.S. federal or state securities laws or other applicable U.S. federal or state law, it may not be possible to enforce such a judgment in Türkiye.

Furthermore, any claim against us which is denominated in a foreign currency would, upon pronouncement of our bankruptcy, only be payable in Turkish Lira, thereby shifting the currency exchange risk to you. The relevant exchange rate for determining the Turkish Lira amount of any such claim would be the Central Bank's exchange rate for the purchase of the relevant currency, which is effective on the date when the relevant court's decision on the bankruptcy is rendered in accordance with Turkish law. Such exchange rate may be less favorable to you than the rate of exchange prevailing at the relevant time.

We are a Turkish joint stock company. The rights of our shareholders under Turkish law may be different from the rights of shareholders under the laws of U.S. jurisdictions.

We are a Turkish joint stock company. Our corporate affairs are governed by our Articles of Association and by the TCC. The rights of shareholders and the responsibilities of members of our board of directors may be different from the rights of shareholders and responsibilities of directors in companies governed by the laws of U.S. jurisdictions. See Item 16G. “*Corporate Governance.*” The rights of our shareholders and the fiduciary responsibilities of our directors under Turkish law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, Türkiye has a less exhaustive body of securities laws than the United States. In addition, some U.S. states, such as the State of Delaware, have more fulsome and judicially interpreted bodies of corporate law than Türkiye. For example, we are not aware of any reported class actions having been brought in Turkish courts. Such actions are ordinarily available in respect of United States corporations in United States courts. As a result, the holders of our ADSs could face different considerations in and have more difficulty protecting their interests in actions against our management, directors or controlling shareholder than would shareholders of a corporation incorporated in a jurisdiction in the United States, and our ability to protect our own interests may be limited if we are harmed in a manner that would otherwise give rise to jurisdiction in a United States federal or state court.

We grant share based compensation to our management and employees, which may cause your interest in the Company to be diluted and our employees’ interests to become excessively tied to the trading price of our ADSs.

From time to time, we have and may in the future grant share-based compensation to our management and employees. We may introduce new share option plans for our senior management and employees in order to increase their efficiency, align their interests with the interests of our shareholders and retain executives who commit to long-term earnings and short-term performance. If our shareholders or board of directors approve the issuance of new share option plans, you may be diluted in the event that the exercise price under such share option plan is lower than the trading price of our ordinary shares. In addition, new share option plans may cause the interests of our management to become excessively tied to the trading price of our ordinary shares, which may have an adverse impact on our business and financial condition.

On April 24, 2023, the board of directors adopted revisions to our Incentive Plan (as defined under Item 6.B. “*Directors, Senior Management and Employees—Compensation—Incentive Plan*”), which were subsequently approved at the Company’s general assembly, pursuant to which grants may be made to a larger pool of Plan Participants (as defined under Item 6.B. “*Directors, Senior Management and Employees—Compensation—Incentive Plan*”). Certain Plan Participants have in the past been granted and will in the future be granted awards of restricted stock units and performance stock units. In the near term, some Plan Participants will be delivered ordinary shares following the vesting of restricted stock unit and performance stock unit awards that were conditional on meeting specified conditions. For more information about our Incentive Plan, see Item 6.B. “*Directors, Senior Management and Employees—Compensation—Incentive Plan.*” and Note 26 audited consolidated financial statements included elsewhere in this annual report.

We may not maintain our listing on Nasdaq which could limit investors’ ability to make transactions in our ADSs and subject us to additional trading restrictions.

Our ADSs are listed on Nasdaq. We cannot assure you that our ADSs will continue to be listed on Nasdaq in the future. Listings are not mandated by law, and we may decide to delist our ADSs from Nasdaq at any time for cost-saving, strategic or other reasons, whether in connection with a “take-private” transaction, merger, squeeze out, tender offer or otherwise. Alternatively, even if we wish to remain listed, we may not be able to. In order to continue listing our ADSs on Nasdaq, we must maintain certain financial, distribution and share price levels, including that our ADSs cannot have a bid price of less than US\$1.00. Due to share price fluctuations and other considerations, we have not always been able to meet this requirement. For example in 2023, the trading price of our ADSs ranged from US\$0.61 to US\$1.89 per ADS. On July 22, 2022, on November 3, 2022, and on March 22, 2023, we received written notices from the Listing Qualifications Department of Nasdaq indicating that the bid price for our ADSs had closed below the minimum bid price requirement of US\$1.00 per share under the Nasdaq Listing Rules (the “**Listing Rules**”) for 30 consecutive trading days. Pursuant to Listing Rule 5810(c)(3)(A), we had 180 calendar days from the date of the relevant notice, or January 18, 2023, May 2, 2023, and September 18, 2023, respectively, to regain compliance (by achieving the minimum bid requirement for 10 consecutive trading days), during which time the ADSs would continue to trade on the Nasdaq Global Select Market. While we regained compliance with the minimum bid requirement on August 17, 2022, January 31, 2023, and April 6, 2023, respectively, and our share price has not dropped below the threshold since then, we may in the future experience further drops in share prices, which could again result in non-compliance with Nasdaq requirements.

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If Nasdaq delists our ADSs from trading on its exchange and we are not able to list our ADSs on another national securities exchange, we expect our ADSs could be quoted on an over-the-counter market. However, if we were to be delisted from the Nasdaq, we could face significant material adverse consequences, including:

- investors disposing of our ADSs;
- a limited availability of market quotations for our ADSs;
- reduced liquidity for our ADSs;
- reduced availability of information concerning the trading prices and volume of our ADSs;
- fewer broker-dealers willing to execute trades in our ADSs;
- a determination that our ADSs represent a “penny stock” which will require brokers trading in our ADSs adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our ADSs;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional ADSs or obtain additional financing in the future.

We can provide no assurance that any action taken by us to restore compliance with listing requirements would be sufficient to maintain our listing or allow our ADSs to become listed again, stabilize the market price or improve the liquidity of our ADSs, prevent our ADSs from dropping below the Nasdaq minimum bid price requirement or prevent future non-compliance with Nasdaq’s listing requirements.

If we were no longer listed on Nasdaq, our ADSs may no longer qualify as “covered securities” for the purposes of Section 18(b) of the Securities Act and Rule 146 thereunder. As such, our ADSs would be subject to regulations in each state in which we may offer our securities which would add additional complexity, time and expense to ensure compliance with the applicable state’s securities laws with respect to ADRs being purchased or sold in that state, which may have a material adverse effect on our business, financial condition and/or results of operations. An active, liquid trading market for our ADSs may not be maintained.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Corporate Information

We were incorporated in İstanbul, Türkiye as a joint stock company on April 11, 2000, under the Turkish Commercial Code as D-MARKET Elektronik Hizmetler ve Ticaret A.Ş. and we operate primarily under our “Hepsiburada” brand name.

In July 2021, we completed our initial public offering and listed our ADSs on the Nasdaq Global Select Market under the symbol “HEPS.”

Our registered office is located at Kuştepe Mahallesi Mecidiyeköy Yolu Cadde No: 12 Tower: 2 Floor: 2 Şişli İstanbul, Türkiye. Our telephone number is +90 212 304 20 00. Our corporate website address is <https://www.hepsiburada.com>. The information contained on, or that can be accessed through, our website is not a part of, and shall not be incorporated by reference into, this annual report. The SEC maintains a website at www.sec.gov that contains in electronic form, reports and other information that we have filed electronically with the SEC. Our agent for service of process in the United States for U.S. federal security law purposes is Cogency Global Inc. located at 122 East 42nd Street, 18th Floor, New York, NY 10168, and the telephone number at this address is +1 800-221-0102.

Company History and Brand Development

In 2000, Hanzade Vasfiye Doğan Boyner founded our company as a 1P-based e-commerce platform. We grew rapidly by adding new categories of products between 2000 and 2010.

In 2000, we became the first e-commerce platform in Türkiye to collect customers' reviews, which enabled us to pursue a more customer-oriented approach. Although our story began with a focus on the sale of electronic devices, starting in 2010, we increased our offerings of non-electronic products (still through our 1P-based Direct Sales model). We started widening the range of products we offer by not only introducing new categories such as home textile, cosmetics and gardening, but also by increasing product range in non-electronic categories such as fast moving consumer goods (FMCG), fashion and home and garden. See Item 4.B. “—*Business Overview—Our Business.*” In the same year, we introduced the first “one click shopping” feature in Türkiye by becoming the first on-site audited and Payment Card Industry Data Security Standard (PCI DSS) certified firm in the Turkish e-commerce market.

At Hepsiburada, we have always followed new trends closely. We identified at an early stage the migration of Internet usage and e-commerce consumption to mobile platforms. In 2011, we launched a mobile application for Hepsiburada for iOS and Android platforms, which were among the first mobile applications in the Turkish e-commerce market.

In 2015, we launched our 3P-based Marketplace and established our fulfillment center in Gebze, Kocaeli, which became the main logistics hub of our operations as well as the first dedicated e-commerce fulfillment center operating 24/7 in Türkiye. Our Gebze fulfillment center has significantly expanded since 2015 to a total area of approximately 85 thousand square meters. Following the launch of our Marketplace, we reached more than 4,000 Active Merchants in 2016. In order to maintain and improve the quality of our services and infrastructure, we established our first licensed technology research and development center, which became operational in 2017.

In 2017, we also launched Hepsijet, our own delivery service, after noticing the need to provide efficient, fast and reliable delivery services to our customers. From the outset, Hepsijet was established as a dedicated delivery service for e-commerce customers, which was one of the market firsts in Türkiye. With the launch of Hepsijet, we began providing last-mile delivery services (inclusive of scheduled same day and next day delivery). In the same year, Hepsiburada took leading steps in the Turkish e-commerce market to establish Türkiye's first scalable customer financing services followed in 2018 by merchant and supplier financing services provided by an e-commerce platform. Along with these initiatives, in order to strengthen the place of women in business, Hepsiburada initiated the Women Entrepreneurs Program, through which we offer our experience and technology infrastructure to the service of women entrepreneurs by collaborating with non-governmental organizations to strengthen the standing of women in business.

In 2018, we achieved in-house product search capability on our online platform. In the same year, to further our vision of expanding the e-commerce market, we launched our “click & collect” services enabling our customers to collect purchases from the collection points located throughout Türkiye, which was rebranded to “HepsiMat” in 2020.

We launched Hepsiburada Market (formerly known as HepsijetExpress), a water delivery and flower delivery business, and Hepsiglobal (only for inbound sales, *i.e.*, from other countries into Türkiye) in 2020. The operations of Hepsiburada Market were discontinued in October 2024. In 2020, we also launched Hepsilojistik while expanding our logistics infrastructure with five new fulfillment centers in the provinces of Ankara, İzmir, Adana, Diyarbakır and Erzurum. In 2020, we also became the first shipment and sourcing partner of Apple products in Türkiye, which enables us to directly source Apple products and sell them online to our customers. This strategic partnership was followed by agreements with other leading global and local brands, suppliers and banks.

In 2021, we acquired the requisite travel agency license to launch Hepsiburada Seyahat (formerly known as Hepsifly) and began our efforts to leverage our online platform for enhanced advertisement capabilities by launching Hepsiad. The operations of Hepsiburada Seyahat were paused in March 2024 pending a further strategic review. In June 2021, we launched Hepsipay Cüzdanım (Hepsipay Wallet), an embedded digital wallet product on the Hepsiburada platform and also completed expansion of Hepsijet services across the 81 cities in Türkiye. Furthermore, Hepsijet rolled-out its two-man cargo handling service called Hepsijet XL, in 13 cities. As of December 31, 2024, we had 10 fulfillment centers.

On July 1, 2021, we became the first-ever Nasdaq-listed Turkish company.

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In December 2021, we signed a Share Purchase Agreement to acquire Doruk Finansman, a consumer finance company in Türkiye, to enable us to offer our customers diversified consumer financing solutions matching their needs, enhancing our value proposition by providing financial flexibility. The acquisition closed in February 2022 for a total transaction value of TRY 20 million in nominal terms. In January 2023, the company name of Doruk Finansman was changed to Hepsifinans (original trade name “Hepsi Finansman A.Ş.”). In January 2024, we granted our first consumer finance loan through Hepsifinans.

In February 2022, we launched the first end-to-end digital “Buy-Now-Pay-Later” solution for e-commerce in the Turkish market embedded within Hepsipay Wallet. Additionally, in February 2022, Hepsijet XL completed expansion to all 81 cities in Türkiye.

In April 2022, we became a member of the United Nations Global Compact. By becoming a signatory, Hepsiburada has committed to adopting UNGC principles which outline the basic responsibilities of the global business community to the issues of human rights, labor rights, the environment and anti-corruption, and to aligning the company’s strategy and operations with these principles.

In July 2022, we marked a first-in-the-market by introducing Türkiye’s first new generation smart physical store, Hepsiburada Smart Store. In Hepsiburada Smart Store, all shopping-related transactions were carried out using artificial intelligence, image processing and digital weight sensor technologies for an easy and convenient shopping experience. In 2024, our Hepsiburada Smart Store project was discontinued while management focuses on other projects.

In July 2022, we also launched our paid subscription service, Hepsiburada Premium, replacing our earlier loyalty club. Hepsiburada Premium subscribers have access to a range of benefits.

In March 2023, we initiated a two-year program to support the development of e-commerce capabilities of merchants and women entrepreneurs based in the southeastern region of Türkiye affected by the earthquakes which occurred on February 6, 2023.

As of the date of this annual report, the principal market in which we operate is Türkiye and for the years ended December 31, 2024, 2023 and 2022, respectively, almost all of our revenue was generated from our e-commerce operations performed in Türkiye.

On July 28, 2023, Hepsiburada established a wholly owned subsidiary in the Netherlands under the trade name Hepsiburada Global B.V. The aggregate issued share capital of Hepsiburada Global B.V. is €1 million, of which €100,000 was paid in on October 26, 2023.

On March 29, 2024, Hepsiburada established a wholly owned subsidiary in Türkiye under the trade name Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş. The aggregate issued and fully paid-in share capital of Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş. is TRY 10.05 million.

Change of Control

On October 17, 2024, our then-controlling shareholder, being Hanzade Vasfiye Doğan Boyner, our Founder, and Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan (collectively, the “**Selling Shareholders**”), entered into a stock purchase agreement (the “**Stock Purchase Agreement**”) with Joint Stock Company Kaspi.kz (“**Kaspi**”), a joint stock company incorporated under the laws of Kazakhstan, for all outstanding Class A shares and Class B shares of the Company held by the Selling Shareholders, corresponding to 65.41% of our share capital (the “**Change of Control**”). The Change of Control was subject to regulatory approvals of the Turkish Competition Board, the Banking Regulation and Supervision Agency, the Information Technologies and Communications Authority and the Central Bank of the Republic of Türkiye and was completed on January 29, 2025 (“**Closing**”), on which date Kaspi became our new controlling shareholder. Following the Change of Control, in accordance with former Article 7/A of the Articles of Association, all outstanding Class A shares automatically converted into Class B shares. See Item 7.A. “*Major Shareholders and Related Party Transactions—Major Shareholders.*”

The aggregate consideration payable by Kaspi in connection with the Stock Purchase Agreement was approximately \$1,127 million, payable in two tranches: a cash consideration of \$600.0 million, which was paid at Closing, and a deferred cash consideration of \$526.9 million to be paid to the Selling Shareholders no later than six months following the Closing. As collateral to secure Kaspi's obligation to pay the deferred cash consideration, at Closing Kaspi pledged 65,199,658 ordinary shares of the Company, representing 20% of the total issued and outstanding equity interests in the Company, in favor of the Selling Shareholders. All rights related to the pledged shares (including the right to attend and vote at our General Assembly Meetings of Shareholders) will be exercisable by Kaspi until the occurrence of an Event of Default (as defined in the share pledge). If an Event of Default occurs, meaning that Kaspi fails to pay the deferred cash consideration within the specified period, all rights with respect to the pledged shares will become exercisable by the Selling Shareholders, which may result in a further change to the control structure of the Company. During the term of the share pledge, Kaspi cannot dispose of the pledged shares, which must continue to represent 20% of the total outstanding capital of the Company. See Item 7.A. "*Major Shareholders and Related Party Transactions—Major Shareholders.*"

On January 31, 2025, the Extraordinary General Assembly Meeting of the Shareholders determined the composition of our new board of directors. The new board of directors includes Messrs. Mikheil Lomtadze, Kaspi's co-founder, and Tengiz Mosidze, Yuri Didenko, Pavel Mironov, Sandro Berdzenishvili, who are members of Kaspi's management team, as well as Messrs. Erman Kalkandelen, Tayfun Bayazit, Ahmet Fadil Ashaboğlu and Stefan Gross-Selbeck, who were already serving as independent members of our board of directors during the prior term. See Item 6.A "*Directors, Senior Management and Employees—Directors and Senior Management.*" The Extraordinary General Assembly Meeting of the Shareholders also approved certain amendments to our Articles of Association to reflect the termination of the dual class structure as a consequence of the Change of Control. See Item 10.B "*Additional Information—Memorandum and Articles of Association*" and Item 14 "*Material Modifications to the Rights of Security Holders and Use of Proceeds.*"

Capital Expenditures

Please refer to Item 5.B. "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Material Cash Requirements—Capital Expenditures*" for a description of our capital expenditures. See Item 4.B. "*Information on the Company—Business Overview—Our Strategy*" and Item 5. "*Operating and Financial Review and Prospects—Key Factors Affecting Our Financial Condition and Results of Operations—Our Ability to Leverage our Growing Scale*" for principal projects recently developed, in progress and anticipated. See Item 5.B. "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Anticipated Sources of Funds*" for our methods of financing.

B. Business Overview

We believe we are one of the leading commerce platforms in Türkiye and as of December 31, 2024, we served approximately 12.2 million Active Customers with approximately 100.2 thousand Active Merchants. As of December 31, 2024, we had over 297.5 million SKUs, including variants (color, size, *etc.*) across 33 different product categories offered through a hybrid model combining a first-party Direct Sales model (1P model) and a third-party Marketplace model (3P model). We believe we offer a compelling value proposition, both for our customers and our merchants, including via our customer loyalty program, Hepsiburada Premium, our last-mile delivery and fulfillment services and diverse payment and affordability solutions.

Founded in 2000, Hepsiburada has been one of the early pioneers of digitalization of commerce in Türkiye and has become a household brand in the country. Our brand, which corresponds to "Everything is Here," is synonymous with a seamless online shopping experience and benefits from very strong brand awareness, with Hepsiburada scoring 100% for aided brand awareness according to a FutureBright Research Brand Health Report in 2024 commissioned by Hepsiburada. Additionally, our brand had a market leading net promoter score ("NPS") of 74 for the year ended December 31, 2024, according to the market research conducted by FutureBright on our behalf.

Our aim is for customers of Hepsiburada to come to the platform and be able to shop a wide range of products online with the option to use in-house as well as third party lending solutions along with payment alternatives at check-out including Hepsipay Wallet.

We have nearly 25 years of e-commerce experience in Türkiye, and our local know-how allows us to better tackle the needs of our community of customers, merchants and suppliers across the country. Our leadership team's commitment to our vision, mission and culture is one of our main differentiators and is the foundation on which our ecosystem continues to build in order to accelerate digitalization of Turkish commerce. We have grown together with our merchants located across the entire country and have contributed to the local economy and employment. Furthermore, Hepsiburada is one of the few female founded technology companies globally, and we have been actively promoting and empowering women entrepreneurship in Türkiye.

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Since the launch of our Marketplace in 2015, Hepsiburada has become a trustworthy partner for merchants in Türkiye by providing services to 12.2 million Active Customers (as of December 31, 2024) and comprehensive end-to-end solutions to empower merchants to thrive digitally. In 2024, our 3P-based Marketplace model accounted for approximately 70% of our GMV. We offer our merchants a seamless set of end-to-end e-commerce solutions which include our last-mile delivery services including oversized products delivery under **HepsiJet**, our fulfillment options under **HepsiLojistik**, affordability solutions for our consumers under **Hepsipay** and our advertising solutions under **HepsiAd**.

We believe powerful network effects are created by our leading brand, hybrid commerce model rooted in a unified 1P- and 3P-based catalogue, and strong customer and merchant value propositions. Our expanding selection of products and services, as well as price competitiveness, has allowed us to attract an Active Customer base of 12.2 million in 2024 (compared to 11.9 million in 2023 and 12.2 million in 2022) and increase the frequency of orders on our platform to 10.8 in 2024, up from 9.5 in 2023 and 6.6 in 2022, which in turn draws more merchants and further enhances our customer value proposition. In addition, our proprietary data and insights collected over nearly 25 years enable us to understand the needs of our customers and merchants and help us develop new services, and continuously innovate and strengthen our value proposition, reinforcing the network effects.

Our large, fast and scalable logistics network has been critical to our success and we have continuously focused on improving our logistics capabilities and offerings. We have a robust operational footprint enabling fast delivery and merchant integration. As of December 2024, we operate:

- a nationwide infrastructure including 10 fulfillment centers in strategic locations that encompass a total area of more than 171 thousand square meters;
- one of the largest logistics companies in Türkiye, HepsiJet, operating in 81 cities with 249 cross-docks; and
- a pick-up & drop-off (PUDO) network through HepsiMat, with 8,061 parcel lockers and pick-up points in partnership with gas stations, distributor networks of other retailers and service points of other delivery companies.

We are a technology-driven company and have invested heavily in developing our own highly scalable proprietary technology to support the large and rapidly growing order volumes generated on our platform. Our in-house developed IT infrastructure is central to our ability to execute our business strategy and provide a seamless experience for our merchants and customers.

Our revenues increased by 11.1% to TRY 57.0 billion in the year ended December 31, 2024, from TRY 51.3 billion in the year ended December 31, 2023, and our total GMV increased by 12.1% to TRY 188.6 billion in the year ended December 31, 2024, from TRY 168.3 billion in the year ended December 31, 2023, fueled by increased order frequency and a pool of Active Customers of 12.2 million as of December 31, 2024, with a 2.0% growth rate from 2023 to 2024. For the year ended December 31, 2024, we had a net loss of TRY 1,604.9 million compared to net income of TRY 109.1 million for the year ended December 31, 2023. We had net cash provided by operating activities of TRY 5,697.7 million, TRY 7,246.5 million and TRY 1,020.5 million for fiscal years 2024, 2023 and 2022, respectively, while Free Cash Flow for the same periods was TRY 3,701.9 million, TRY 5,591.7 million and negative TRY 989.6 million.

Industry Overview

The Turkish e-commerce market has developed over the last twenty-five years through the adoption of online sales channels by traditional brick-and-mortar merchants, the establishment of new local e-commerce businesses, and the entry of global e-commerce companies via organic growth or acquisitions. According to the announcement made in February 2025 by the Turkish Ministry of Trade through the Electronic Commerce Information System (ETBİS), regarding the thresholds defined in the E-commerce Law, the e-commerce sector in Türkiye grew by 62.3% in 2024. ETBİS has not yet provided further details on the underlying factors behind the growth in 2024. The growth rate was derived based on the percentage change in e-commerce merchandising thresholds as regulated in the E-commerce Law No. 6563. In 2024, the e-commerce sector in Türkiye reached a total value of TRY 3,010 billion. In 2023, the sector recorded a volume of TRY 1,855 billion, of which 53% corresponded to retail e-commerce.

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The strong historical and projected growth of the e-commerce sector in Türkiye is underpinned by: (1) a nationwide internet infrastructure with 88.8% internet penetration among the population between the ages of 16 and 74 in 2024, according to Turkstat, (2) high credit and debit card usage with 151% credit card penetration and 226% debit card penetration in 2024 according to BKM (where penetration is calculated by dividing the number of credit and debit cards, respectively, by the population of Türkiye) (3) well-established logistics infrastructure with high quality highways, railway networks, airports and seaports enabling nationwide delivery of orders, (4) an increase in the penetration rate of home internet access to 96.4% in 2024 from 95.5% in 2023, and (5) an increase in individuals purchasing or ordering goods or services for private use online to 51.7% in 2024 from 49.5% in 2023, according to Information and Communication Technologies Authority, ICTA.

Hepsiburada was among the first e-commerce businesses in Türkiye, starting operations in 2000. Since then, in the Company's estimate, Hepsiburada has grown to become one of the leading players in the market, while its competitors either adopted alternative business models, were acquired or shut down their operations. For example, Gittigidiyor was launched in 2001, was subsequently acquired by eBay in 2011 and was shut down in 2022.

Hepsiburada's main e-commerce competitors in Türkiye include Trendyol, Amazon, N11 and more recently, Temu. Trendyol was founded in 2010, initially as an online fashion web-store, but after Alibaba acquired a majority stake in the company in 2018, it has increasingly focused on expanding its product offering across a broader set of categories, including regular marketplace categories as well as food and grocery deliveries via quick commerce. Amazon entered the Turkish market in 2018 and remains focused on implementing its global model. N11 (initially owned by SK Group) has operated a competing marketplace business model since its launch in 2012. In 2022, Getir, a Türkiye-based quick delivery player, became a shareholder of N11 and subsequently became the sole owner in 2023 until the ownership of N11 was transferred to another technology company in late 2024. In 2024, Temu, a global e-commerce platform operated by PDD Holdings, entered the Turkish market. There are also several small-sized marketplaces such as Pasaj (of Turkcell), Pazarama (of İşbank) and İdefix (of Turkuvaz Media Group) serving the Turkish e-commerce retail market. The majority of the Turkish retail market, however, remains offline, which means that we continue to compete with offline retailers and omni-channel retailers for business.

The competitive landscape in the financial services sector in Türkiye is fragmented. Different companies are specialized in payments services, consumer financing, digital banking etc. While banks in the market are strategic partners for both Hepsiburada and Hepsipay, they also are competitors to Hepsipay and Hepsifinans with different capacities. Hepsipay's direct competitors include (i) wallet solutions of banks and payment service providers such as Masterpass, GarantiPay, WorldPay, Jüzdán, (ii) wallet solutions of telecommunications operators such as Paycell, Vodafone Pay and TT Ödeme, (iii) solutions-by-payment companies such as İyzico, Papara and Param, and (iv) direct payments with credit cards or debit cards. The financial services sector also includes more specialized consumer finance companies in the market focusing on auto loans, so Hepsifinans primarily competes with banks in the financial services sector. However, there are emerging competitors such as Kredim that focus purely on point of sale lending other than auto loans.

Our Strategy

At Hepsiburada, our vision is to lead the digitalization of commerce and our mission is to be the reliable, innovative, sincere companion in people's daily lives whereby each member of our community feels 'I'm so happy to have Hepsiburada'.

To achieve this, since 2024, we have pursued a strategic plan built on the following four key priorities: a) nurturing loyalty, b) capitalizing on our clear differentiation of superior delivery services, c) capitalizing on our clear differentiation through affordability and lending solutions d) offering payment, lending and last-mile delivery services to third parties. The discussion below elaborates on each of these priorities.

Nurturing loyalty

Our priority is to nurture customer loyalty within our core commerce operations. Central to this priority is our loyalty program, Hepsiburada Premium, given the higher frequency use of its members. Launched in July 2022, the program offers a wide range of benefits including free delivery, cashback, and free access to an on-demand streaming service in exchange for a fixed monthly fee. See "*—Customers—Hepsiburada Premium.*" Hepsiburada Premium members tend to shop more often on our platform. In the fourth quarter of 2024, Hepsiburada Premium monthly order frequency was 1.3 times the frequency those customers had generated before joining the program. Our aim is to provide an exceptional customer experience on our platform that will keep our customers coming back.

Capitalizing on our clear differentiation of superior delivery services

We are focused on leveraging our sustainable differentiators within our core commerce operations to remain ahead of the competition. One of these differentiators is our last-mile delivery services through Hepsijet. Having our own last-mile delivery company enable us to provide our customers fast and reliable delivery across our extensive network of 81 cities, and with 3,911 carriers. One of our targets is to continue building on Hepsijet's integral role in our logistics ecosystem and excel in providing fast delivery and outstanding customer experience throughout 2025.

Capitalizing on our clear differentiation through affordability and lending solutions

Another differentiator for us is our ability to offer a range of payment services and affordability solutions such as payment with multiple credit cards, installment payments, shopping loans, consumer loans and buy-now-pay-later services with Hepsipay. We believe these options provide our customers greater flexibility and convenience. As of December 31, 2024, we were the only e-commerce player in Türkiye with a payment services license and we were the first in the market to launch a "Buy-Now-Pay-Later" solution. In 2025, we aim to solidify our position as an e-commerce player providing a wide range of payment and lending solutions.

Offering payment, lending and last-mile services to third parties

We offer our payment services, lending solutions, and last-mile delivery services to other retailers. This priority is based on the potential for us to leverage the assets of Hepsipay and Hepsijet and increase their revenue contribution to our group. Externalizing these services has facilitated and may continue to facilitate economies of scale and improved operational efficiency, as well as establishing market share in new businesses and advancing the digitalization of commerce in Türkiye. Through Hepsipay and Hepsifinans, our aim is to be able to serve the overall e-commerce industry in Türkiye and equip retailers with convenient payment methods and attractive affordability solutions, thereby creating incremental sales for them. After launch in July 2023, Hepsipay's one-click check-out (Pay with Hepsipay) offering has been successfully integrated into the online check out of several Turkish retailers. Through this offering, Hepsipay has gained a share of these retailers' online sales by enabling payment with cards stored on Hepsipay wallet. We believe that the envisaged growth in one-click check-out integrations will become instrumental in Hepsipay's off-platform expansion. Through Hepsijet, we aim to serve the overall e-commerce industry in Türkiye with high quality last-mile delivery services and a two-man handling delivery service for oversized products.

Overall, we believe that executing on these priorities will facilitate further sustainable growth drive margin improvement, and lead us into operational profitability. And as we execute, we intend to remain flexible enough to take any action required in response to macroeconomic volatility or change in market conditions.

Our Business

We operate on a hybrid business model which combines 3P and 1P models. Our core business, sales of products on our online platform, is primarily run on the "3P" or "third-party" model marketplace (the "**Marketplace**") that we launched in late 2015 (see "*Marketplace*"). Alongside the Marketplace, we list and sell products on our platform where "Hepsiburada" is the seller, also known as "1P" or "first party" model, where suppliers (vendors) directly sell products to us on a wholesale basis, and we then store and sell such products to customers ("**Direct Sales**") (see "*Direct Sales*"). For the year ended December 31, 2024, we generated TRY 188.6 billion GMV of which 3P accounted for approximately 69.8%. For the year ended December 31, 2024, we generated a total of TRY 57.0 billion in revenue, up from TRY 51.3 billion and TRY 38.2 billion for the years ended December 31, 2023 and 2022, respectively. Of our total revenues for the year ended December 31, 2024, TRY 38.6 billion (67.6% of total revenue) were derived from Direct Sales, TRY 7.3 billion (12.7% of total revenue) from Marketplace sales, TRY 7.9 billion (13.8% of total revenue) from delivery services and TRY 3.4 billion (5.9% of total revenue) from other services, compared to TRY 38.0 billion and TRY 29.9 billion from Direct Sales, TRY 6.5 billion and TRY 4.0 billion from Marketplace sales, TRY 5.2 billion and TRY 3.5 billion from delivery services and TRY 1.6 billion and TRY 0.7 billion from other services, in the years ended December 31, 2023 and 2022, respectively.

We believe we are one of the leading commerce platforms in Türkiye, with 100% aided brand awareness in 2024 (source: *FutureBright Research Brand Health Report*). Through our website and shopping app, as of December 31, 2024, we served approximately 12.2 million Active Customers with approximately 100.2 thousand Active Merchants. As of December 31, 2024, we offered a wide selection of over 297.5 million SKUs across 33 different product categories, combining 1P and 3P models. This is all enabled by our logistics network, which is one of the largest, fastest and most reliable in Türkiye supported by in-house last-mile delivery capabilities and a platform built on proprietary technology.

Marketplace

Overview

Our Marketplace enables us to connect users seeking to buy products with merchants offering a wide assortment of products. In our Marketplace, merchants who register on our online platform set up their own stores, list and sell their products. As of December 31, 2024, we had approximately 100.2 thousand Active Merchants operating in our Marketplace. As of December 31, 2024, 2023 and 2022, our Marketplace GMV represented approximately 69.8%, 66.9% and 66.7% of our total GMV, respectively.

In our Marketplace operations, merchants remain the owners of the products that they list on our platform and are responsible for pricing and managing their inventory and sales and other activities. This model allows us to dedicate our resources to enrich our platform, enhance customer experience, increase customer lifecycle through customer relationship management activities and improve our logistics infrastructure capacity towards providing fulfillment and delivery services to a larger number of merchants and managing our Direct Sales business, for which we maintain inventory and manage the geographical reach and customer experience for key product categories.

Merchants

We classify legal entities setting up their own stores, listing their products and selling through our marketplace platform as merchants, and further classify them as Active Merchants as described above. As of December 31, 2024, 2023 and 2022 we had approximately 100.2 thousand, 101.5 thousand and 99.7 thousand Active Merchants, respectively. As of December 31, 2024, of our approximately 100.2 thousand Active Merchants, approximately 98.3 thousand were small and medium enterprises (“SMEs”) and the remaining approximately 1.9 thousand Active Merchants we consider to be key account merchants. Key account merchants are those that enable us to provide products from top brands at high volumes and quality, while SMEs provide us with product assortment and variety.

Under our merchant agreements, we collect payment from customers on behalf of our merchants, which is then payable by us to our merchants after deducting relevant commissions, fees and other charges in 2024. See Item 5.B. “*Operating and Financial Review and Prospects—Liquidity and Capital Resources.*” Merchants may also elect to finance the amount payable by using our supplier and merchant financing services to receive payment in a shorter timeframe. See “—*Supplier and Merchant Financing.*”

Legal entities seeking to set up a storefront in our Marketplace are required to follow a registration process that can be completed directly on our online platform (see “—*Merchant Portal and Application*”) with their official legal documents. Becoming a merchant on our Marketplace is designed to be as straightforward as possible, without compromising our security, or our standard terms and conditions typically applicable to our merchants regulated under the E-Commerce Law as well as know your customer procedures regulated under the Regulation on Measures Regarding Prevention on Laundering Proceeds of Crimes and Financing of Terrorism. Once the merchant’s application process is complete and approved, it can immediately start listing its products on our platform. Our typical engagements with merchants, subject to our standard terms and conditions (which can be negotiated by both parties to the engagement), are for indefinite periods. There is no obligation for a merchant to actually offer and sell products using our platform. Our typical agreements include customary representations and warranties from our merchants. From time to time in the ordinary course of our operations, we may negotiate deviations from, or we may enter into addendums to, our standard agreements with merchants that expand on or amend our standard terms and conditions. In the event that Hepsiburada amends the terms and conditions of the agreement unilaterally, merchants must be notified 15 days prior to the effective date of the amendment, unless the amendments are made in favor of the merchants, in which case the 15-day period does not apply. However, if the unilateral amendment requires any technical development or comprises any increase in commission rates and service fees, imposes any penal sanction or causes limitations on, suspension of or cessation of the intermediary service and has any negative impact on the merchant’s rights, the merchants must be notified 30 days prior to the effective date of such amendment.

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We may unilaterally suspend a merchant’s account under certain circumstances explicitly stated under the agreement, including when the merchant’s service quality (based on customer feedback and delivery performance) has fallen to a level stipulated under the agreement that warrants suspension, the merchant is in default in respect of its payments to us, or its product listings are found to be misleading or inaccurate. We detect misleading or inaccurate listings through our periodic reviews or receipt of complaints from our customers or trademark/brand owners, as well as through review requests from official authorities. We also examine and evaluate any claims that a merchant is engaged in unlawful or illegal activity or has posted unlawful or illegal content. If it appears that there has been a violation of law or our terms of services we stop the sale and remove the unlawful content or goods and services from our platform. We also have the right to immediately terminate our agreement with any merchant without giving any notice in case of violation of any relevant legislation, including infringements of third-party intellectual property rights and the sale of counterfeit products.

In our Marketplace, each merchant is individually rated, based on an algorithm combining customer feedback, timely dispatch of products sold, and fulfillment of the merchant’s obligations towards us. Each merchant’s ratings are displayed publicly along with the products they list. In addition, the merchant’s individual store can be viewed and all products listed by such merchant can be separately viewed by our users and customers, along with the complete tradename, Turkish central commercial registration system (MERSİS) number and the city where their headquarters are located.

We have taken steps to support women entrepreneurs in our Marketplace since 2017, and followed separate procedures, our Technology Empowerment for Women Entrepreneurs program, for legal entities with 51% or more ownership held by women to incentivize and promote participation and success. These incentives include, among others, (i) free online trainings, (ii) free studio shoots for marketing materials, and (iii) discounted rates and digital advertisement support on our platform. Since the launch of our Technology Empowerment for Women Entrepreneurs program, we have reached over 61 thousand woman entrepreneurs from all across Türkiye (as of December 31, 2024) enabling more than 23 thousand entities within the program to make sales through our platform. As of December 31, 2024, more than 60 million products had been listed on our platform within this program. Our Technology Empowerment for Women Entrepreneurs program was awarded two national awards (Social Good and Corporate Communications and Sustainability) in 2024. Our “Women Entrepreneurs Breaking Financial Difficulties Project,” which was launched in August 2021 and aims to facilitate easier access to funding alternatives for women entrepreneurs in collaboration with eight major banks in Türkiye, had helped arrange funding totaling around TRY 354 million as of the end of 2024.

We also support our merchants that are non-governmental organizations (NGOs) with benefits including free shipping and a fixed commission of 1% plus VAT indefinitely. As of December 31, 2024, we supported 102 of these NGOs.

Following the earthquake disaster of February 2023, we mobilized our resources to various aid efforts, delivering urgent relief supplies to the victims. On March 6, 2023, we announced the launch of a two-year “Trade and Technology Empowerment for the Earthquake Region” program in order to support welfare in the earthquake region. With the program we pledged to support around ten thousand SMEs and merchants and over five thousand women entrepreneurs and women’s cooperatives, while assisting the region’s e-commerce and logistics capacity, shifting employment-enhancing services and activities to the region, and providing educational and social support to children and families. The program aimed to boost regional GMV generation to TRY 10 billion in total over its duration. The program ended in March 2025 after the expiration of its two-year term. Since the program launch, the total number of active merchants operating in the earthquake region reached approximately 10,400, with approximately 6,500 new businesses selling their products online through Hepsiburada. Active sellers in the earthquake region sold a total of 13.5 million products through 9.1 million orders, generating a trade volume exceeding TRY 9.6 billion (slightly below the TRY 10 billion target). Furthermore, approximately 5,000 SMEs and tradespeople received training at the E-Commerce Specialization Centers in Adana, Hatay, and Kahramanmaraş. We continue to support the earthquake region with our technology, logistics, and sales and marketing power to contribute to the local economy.

In addition to our online platform, Marketplace merchants benefit from our “integrated ecosystem,” which provides the merchants with a wide range of end-to-end solutions, namely,

- (i) seamless last-mile delivery (*i.e.*, HepsiJet), see “—Strategic Assets—HepsiJet”;
- (ii) fulfillment solutions (*i.e.*, HepsiLojistik), see “—Business Overview—Order Fulfillment”;
- (iii) supplier and merchant financing options, see “—Supplier and Merchant Financing”; and
- (iv) advanced targeting and onsite advertisement solutions (*i.e.*, HepsiAd), see “—Business Overview—Advertising Solutions Through HepsiAd.”

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In addition, merchants in our Marketplace have access to our “Merchant Portal,” which offers automated campaign management, a merchant support center, business intelligence and support, proprietary merchant store management, and online courses features as well as our merchant-specific application, Hepsiburada My Business Partner. See “—Business Overview— Marketplace—Merchant Portal and Application” below.

Merchant Portal and Application

Our merchant portal is an interface through which our merchants control their listings and pricings, manage orders and sales, manage campaigns, track receivables, and benefit from online training courses on how to use our platform and increase their e-commerce sales (through our merchant training portal, Hepsiburada İş Ortağım Akademi). Our merchant portal is designed to provide our merchants with a fast and efficient tool to manage their operations on our Marketplace to ensure an improved merchant experience and promote a highly engaged merchant base.

We also have a merchant-specific application called Hepsiburada My Business Partner. With this application, we have enhanced our interaction with our merchants while enabling them to operate more efficiently. Through Hepsiburada My Business Partner, our merchants can view their transaction summary, handle inventory management, participate in our campaigns, respond to customer questions, review their financial summary, connect to customer services and access our training portal.

Both the portal and the application feature a dedicated “Advertisement Management” tab, allowing merchants to independently manage their advertising campaigns. This tool provides access to various advertising products designed to boost product visibility and traffic. Merchants have full control over advertising solutions, enabling them to set budgets, determine bids, and select promotional content.

Direct Sales

We began our operations with 1P model Direct Sales in 2000. As of December 31, 2024, 2023 and 2022, Direct Sales represented 30.2%, 33.1% and 33.3% of our total GMV, respectively.

For our Direct Sales business, we purchase, and usually hold, inventory for a selection of products in our fulfillment centers or suppliers’ warehouses to be sold directly to customers. We have dedicated sales teams that identify and track demand for products in each product category on our platform. As our platform offers a competitive market for products, the same products may be sold by us on a Direct Sales basis and by our merchants on the Marketplace at the same time on a single catalogue (Buy Box) basis. Our single catalogue operates on an impartial basis and it ranks both Hepsiburada (as a merchant) and third-party merchants using the same criteria.

We source products in bulk and aim to leverage our bargaining power as a leading and trustworthy e-commerce platform to obtain competitive prices. We purchase inventory for our Direct Sales with one of three general types of payment terms: purchase basis, consignment basis or “sell and pay” (*i.e.*, similar to the consignment basis but with payment due within 15 to 90 days after the inventory is sold) basis. Generally, we pay for inventory purchased on a purchase basis within a period of time after the inventory arrives at our fulfillment centers. We pay for inventory purchased on a consignment basis or “sell and pay” basis only after the products have been sold on our platform. The acquisition of inventory on a consignment or “sell and pay” basis allows us to use the proceeds of the sale of products to pay for the inventory of the products. Having a mix of the purchase basis, consignment basis and “sell and pay” basis for acquiring inventory gives us additional financial headroom for better cash management. In our online platform, Hepsiburada appears as the merchant for products sold via Direct Sales.

We generally engage cargo companies in Türkiye to provide long-haul transportation of products between our 10 fulfillment centers and our 21 sorting (transfer) hubs on an annual basis, which is renewable for further periods. Like all products sold through our Marketplace, products sold through Direct Sales are fulfilled at our fulfillment centers or suppliers’ warehouses and channeled to the relevant sorting hubs. From our fulfillment centers, parcels are delivered to customers through our various last-mile delivery channels (*i.e.*, Hepsijet and other cargo firms).

Direct Sales Pricing Strategy

We aim to provide our customers with a strong value proposition by offering products at competitive prices on our platform. We track available pricing information to level our prices for products sold through Direct Sales, against the most competitive prices offered for the same or similar products that can be found in the wider Turkish e-commerce market. We also leverage our direct business relationship with our suppliers to ensure our competitive pricing.

Suppliers

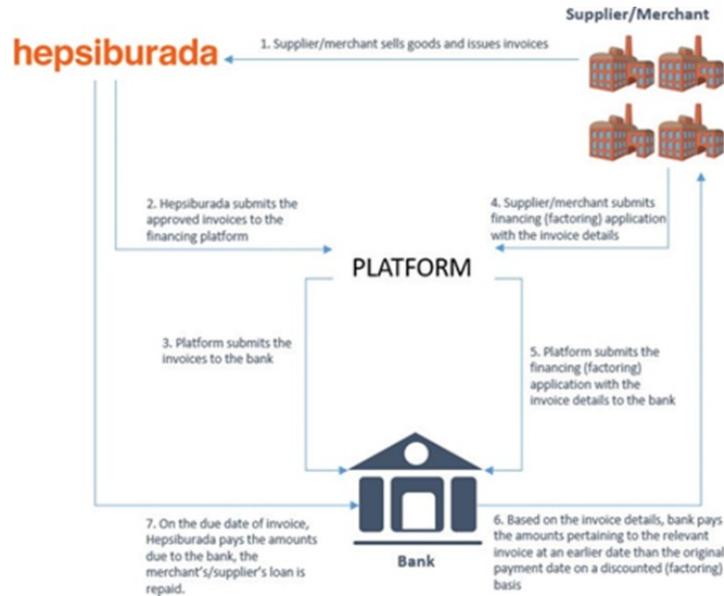
In our Direct Sales business, we benefit from long-lasting relationships (*i.e.*, more than three years of business relationship with approximately 20% of our suppliers as of December 31, 2024) that we have built with a wide range of our suppliers, who are either owners or distributors of global and local brands. We source directly from owners or licensees of these brands. These relationships enable us to offer a differentiated selection of products, including exclusive products. We make strategic procurements based on seasonality and competition through our dedicated teams and machine learning based procurement models. In addition, we enjoy direct procurement from key brands such as Apple, Casper, Oppo, Tefal, Rowenta, Eczacıbaşı, Spigen, Delta, Huawei Türkiye, Phillips, Vestel, Puma, Adidas, Mango and SharkNinja, both for new launches and existing products, enabling us to offer high-demand products through our Direct Sales simultaneously with the original equipment manufacturers as well as the ability to partner to offer value-added services, such as trade-in options for Apple and Samsung products, among others, delivery by appointment for Vestel products and chat support from live agents from several well-known brands, including Garnier, Apple and Xiaomi.

In our Direct Sales business, we aim to maintain a cash generating and profitable inventory of products and use machine learning forecasting tools to ensure efficient demand planning.

Supplier and Merchant Financing

We facilitate financing to our merchants (in the case of Marketplace) and suppliers (in the case of Direct Sales) enabling them to optimize their cash flow management. Through our supplier and merchant financing service, merchants and suppliers can collect their receivables on a discounted basis (*i.e.*, reduced to account for commission and interest relating to the service) at a date earlier than their original collection date. To enable this, the suppliers and merchants use our service to access and collect funds equivalent to their receivables (with a discount subtracted), either from us, in which case we coordinate with our partner banks to borrow short-term financing, or directly from one of our partner banks under outstanding lines of credit. Concurrently, our platform submits the respective suppliers' or merchants' invoices, or information regarding the respective balances on our accounts, to the relevant bank as evidence of receivables. Until the due dates of the supplier/merchant receivables, we either incur a short-term borrowing liability or a trade payable, depending on whether we borrow funds on the supplier's or merchant's behalf or such supplier or merchant borrows directly from one of our partner banks, respectively. We then repay the principal amount pertaining to the short-term financing on their original collection date. We generate commission income from merchant and supplier financing transactions. Such commission is embedded in the interest rate that is charged by the bank to the relevant suppliers and/or the merchants. We receive our commission based on the amount of the loan from the banks once the loan is drawn by our suppliers or merchants. The program does not impose any financial risk on the Company's financial statements. We may choose from time to time to extend or to reduce the volume of this program in parallel with related regulations (see Item 10.D. "*Additional Information—Exchange Controls*") and/or depending on our net working capital requirements or our future plans.

The phases of merchant financing are illustrated in the graphics below.



Product Assortment

We offer a wide assortment of products on our platform and intend to continue expanding our catalog to strengthen our position as a one-stop shop for all of our customers' shopping needs. We organize the listings in our Marketplace in what we believe is an intuitive and easy-to-use directory that facilitates browsing and viewing of listings.

For our Direct Sales, our commercial team decides on the content of the Direct Sales inventory based on certain strategic and financial criteria including profitability, ease of procurement, competitiveness, seasonality, consumer demand as well as operational capability.

As of December 31, 2024, there were over 297.5 million SKUs across 33 different product categories grouped under seven major domains on our platform. We categorize our GMV by domains. As of the date of this annual report, listings on our platform cover the following selection domains:

- **Appliances:** This domain includes consumer electronics (TV), major domestic appliances (MDA) and small domestic appliances (SDA).
- **Mobile:** This domain includes mobile phones and, as of 2024, tablets, wearable technology and consumer electronics (non-TV).
- **Fashion and Lifestyle:** This domain includes apparel, shoes and bags, outdoor wear, sports equipment, watches, accessories, sunglasses, perfumery, gold and jewelry.
- **Home and Garden:** This domain includes home textile, furniture, kitchenware, home improvement products and, as of 2024, automobile accessories and parts.
- **Technology:** This domain includes computers, cameras and, as of 2024, (non-TV) gaming consoles. Until 2024, automobile accessories and parts were included in this category.

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- **Supermarket:** This domain includes fast moving consumer goods (FMCG), health and beauty, pet shop, cosmetics, mother and baby products and, as of 2024, food & beverage. Starting from 2023 and up until its closure, this category also included Hepsiburada Market. See “—Hepsiburada Market.”
- **Books and Hobbies:** This domain includes books, toys, stationery, mobile devices accessories, games, musical instruments, digital products such as sweepstakes and gamified lotteries, and more. Until 2024, gaming consoles, wearable technology and consumer electronics were included in this category.

The following table sets forth our GMV breakdown by product domain for the year ended December 31, 2024:

	GMV (TRY billion)	% to total
Appliances	43.2	22.9 %
Mobile	39.1	20.7 %
Fashion and Lifestyle	26.0	13.8 %
Home and Garden	25.7	13.6 %
Technology	23.1	12.3 %
Supermarket	20.9	11.1 %
Books and Hobbies	9.2	4.9 %
HepsiGlobal and Hepsiburada Seyahat	1.5	0.8 %
Total	188.6	100.0 %

Hepsiburada Market

Hepsiburada Market was an app-in-app initiative and on-demand delivery service focusing on delivering everyday needs for our customers with slotted delivery models. We took the strategic decision to end our Hepsiburada Market initiative in October 2024. Starting from 2023 and up until its closure, we monitored sales in Hepsiburada Market under the Supermarket domain.

Customers

We define all persons accessing our online platform (either through our website or mobile application) as users. Users are able to view all the content of our online platform and buy products without the need to register. If users choose to register, we define such registered users as members. We classify users (either registered or unregistered) who purchased an item on our Marketplace or through Direct Sales within the 12-month period preceding the relevant date, as Active Customers.

As of December 31, 2024, 2023 and 2022, we had approximately 12.2 million, 11.9 million and 12.2 million Active Customers for each respective period.

For the year ended December 31, 2024, we had an NPS, an index ranging from (-100) to 100 that measures the willingness of customers to recommend a company's products or services to others, of 74 (according to the results of the market research conducted by FutureBright, a local research company, on behalf of Hepsiburada). Our NPS score was the highest in the Turkish e-commerce space, evidencing strong customer satisfaction on our platform.

Hepsiburada Premium

Hepsiburada Premium is a subscription-based loyalty program launched on July 1, 2022. Hepsiburada Premium replaced our previous loyalty program “Loyalty Club” which had been in place since August 2020. All memberships in Loyalty Club were canceled in line with the Loyalty Club's rules in October 2022 and the program was dissolved. An annual membership option was introduced on November 10, 2023. As of December 31, 2024, we had 3.7 million Hepsiburada Premium members.

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Hepsiburada Premium members have access to a range of benefits including but not limited to free delivery, free same-day and next-day delivery, 3% cashback (with a ceiling of TRY 25 per order) and subscription to a paid-TV channel called BluTV for a monthly subscription fee TRY 49.90 as of the date of this annual report. BluTV, which was fully acquired by Warner Bros. Discovery in December 2023, features an ever-expanding collection of Turkish content and a broad range of the best international series and shows from Warner Bros. Discovery. In July 2024, we partnered with Warner Bros. Discovery to extend the offering of a BluTV subscription as a privilege for Hepsiburada Premium members.

We value this program for its higher engagement and order frequency generated among its members. Our data in the fourth quarter of 2024 indicated that Premium customers' monthly order frequency was 1.3 times the frequency they generated before joining the program.

In January 2024, we launched a Hepsiburada Premium co-branded credit card with one of the leading banks of Türkiye, Yapı Kredi Bank, which offers its users attractive benefits.

One-to-One Marketing Automation

We developed an in-house "growth-engine" in order to establish one-to-one interactions with our customers through real-time data and personalized messages. This marketing engine is fully integrated in all of the Company's communication channels, allowing customers to receive the most suitable offers according to their propensities with an always-on approach.

Customer Payment Methods

Customers can pay for their purchases on our platform through the Hepsipay payment gateway with their Hepsipay e-money account, with loyalty points accumulated in their Hepsipay Wallet, with their Hepsipay prepaid card, with their credit card (either stored in their wallet or via an instant new card entry), with loyalty points accumulated under their affiliated credit card program, with their debit card (either stored in their wallet or via an instant new card entry), with the buy-now-pay-later option, with an instant shopping loan through banks and Hepsifinans, in addition to having the option to pay by wire-money-transfer, instant money-transfer (enabling transfers through the interfaces of selected banks), or digital wallets of selected banks. Furthermore, customers are able to pay via multiple credit cards in case their credit limits are insufficient to place an order with a single credit card.

Customers have four different methods to make their purchases in installments; installments through their credit cards (which can be with or without interest depending on the basket size and number of installments), buy-now-pay-later, instant shopping loans and general purpose loans. From time to time, we offer a "buy now start paying in 2 or 3 months" feature as an additional payment deferral option for credit cards (supported by most of our partner banks). Instant shopping loans at point of sale and general purpose loans through Hepsipay are provided through integrations with several leading banks. Customers also have the option to spend their general purpose loans outside of the Hepsiburada platform by applying the loans to top up their e-wallets and using the balance on their Hepsipay prepaid card. Depending on the payment method, and the campaign period in the year, the customer might bear the cost of a payment deferral or might be provided an interest free deferral option.

In order to provide instant shopping loans at point of sale, we act as the intermediary between leading Turkish banks that we have agreements with and the customers. Using this facility, customers instantly apply for shopping loans on our payment screen and once the bank approves lending, an amount equal to the purchase price of the relevant product is transferred to our accounts and our customers' orders are placed. In 2024, this method was available for baskets between TRY 500 and TRY 150,000 until June 2024 (thereafter increased to baskets between TRY 3,000 and TRY 500,000) and up to a maturity of 36 months (lower in some categories where regulations limit the number of installments). Minimum and maximum limits vary depending on the bank. We receive a commission based on the amount of the loan from the banks once the loan is drawn by our customers.

Buy-now-pay-later is the first offering by Hepsiburada as a deferred payment facility in the Turkish e-commerce market. Hepsiburada promotes this offering under the "Hepsiburada Limit" brand. Once the customer applies for his/her Hepsiburada dedicated BNPL limit, the limit is calculated by using the scorecards that leverage both the retail shopping behavior of the customer at Hepsiburada, as well as the financial credit history of the customer at the Credit Bureau (KKB). The credit scorecards and policies are developed by our credit intelligence team in our financial services group, and are continuously enhanced as we collect new data from BNPL borrowers. We have also developed a partnership with one of the leading financial services groups in the market to leverage its customer credit behavior and credit scorecard development know-how. Customers can select to pay in up to 12 installments (lower in some categories where regulations limit the number of installments). Installments are automatically collected from the selected credit or debit card of the customer. We diligently manage credit risk in our BNPL while remaining focused on growth optimization.

Platform

Our online platform can be accessed via our website and our mobile applications providing our users constant real time access to our unified catalogue and tools at any time and in any place. All of our access channels offer the same listings ensuring a consistent offering and user experience.

Our users can browse and search within our catalogue and retrieve specific listings without having to register for an account. We aim to offer our users a simple and precise searching and browsing experience. Our users are able to access a product's details by (i) browsing from the content categories menu placed on top of the main page or the opening screen in mobile applications and then refining the search with further filtering options, (ii) conducting text searches in the header menu, (iii) conducting detailed searches within each category, (iv) scanning the specific barcode of the product through our mobile application, (v) taking and/or uploading a picture of the product through our mobile application, and (vi) using a speech-to-text feature to search products on our mobile app.

For the years ended December 31, 2024, 2023 and 2022, we received 91%, 91% and 89%, respectively, of total user traffic through mobile access channels (mobile application and mobile website) with the remainder through the desktop website.

We have teams of IT engineers (developers, testers and architects), designers, data analysts and product managers who are dedicated to enhancing the shopping experience. Our data science and machine learning teams embedded across product function teams analyze the data to identify trends in shopping patterns to tailor the shopping experience on our platform and make more relevant product recommendations. This, in turn, facilitates enhanced shopping experiences on our platform.

Website

Our online platform is designed to be accessed through web browsers on desktops, feature phones (phones with basic internet capabilities), smartphones and tablet computers, to provide a smooth user experience, with listings grouped in clear content categories and subcategories.

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Below is a screenshot illustrating our website experience as of April 7, 2025 at www.hepsiburada.com.

The screenshot shows the Hepsiburada website homepage. At the top, there is a navigation bar with the Hepsiburada logo, a search bar, and user account options. Below the navigation bar is a category menu with icons for Elektronik, Moda, Ev Yaşam, Oto, Anne/Bebek, Spor, Kozmetik, Süpermarket, and Kitap/Müzik. A row of promotional banners follows, including 'ÇEYİZ ALIŞVERİŞİ', 'DÖRT DÖRTLÜK FIRSATLAR', and 'BAHAR FIRSATLARI'. Two large featured banners are present: 'Nisana Özel Oyuncaklarda %70'E VARAN İNDİRLİMLER' and 'HER GÜN YENİLENEN ELEKTRONİK FIRSATLAR'. Below these is a 'Popüler ürünlerden seçtik' section displaying six product cards with images, titles, and ratings.

Mobile Channels

In 2011, along with our custom mobile website, we launched our iOS application and Android application. We released our first in-house developed mobile applications in 2014, and since then our internal mobile application teams have developed and released all application versions in both iOS and Android platforms. We have enjoyed significant growth in our mobile traffic over the past several years.

In 2024, 91% of all sessions originated from mobile channels (*i.e.*, mobile application and mobile website). For the years ended December 2024, 2023 and 2022, our mobile applications were downloaded 17.1 million, 23.3 million and 32.8 million times, respectively.

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Below is a screenshot from Hepsiburada's main page on our iOS application:



On January 17, 2025, Hepsiburada announced a strategic collaboration with Vodafone Türkiye aimed at enhancing customer experience in the e-commerce and telecommunication sectors. The collaboration integrates the new “Hepsiburada for Vodafone Users” platform into the Vodafone Yanımda app, which has over 16 million users. We manage the end-to-end e-commerce operations on this new platform, providing easy access to our entire selection. Customers shopping on this platform benefit from rewards, including free data, special discounts, and promotions. The collaboration also provides additional benefits to new Vodafone Red members, including a complimentary one-year membership to Hepsiburada Premium.

Pricing

In our Direct Sales business, we charge to our customers the purchase value of the goods, which we define as “sales of goods” revenues. In addition, we charge our Direct Sales customers for delivery services, which we define as “charges for delivery services.”

In our Marketplace, we do not charge merchants for setting up an online storefront on our Marketplace, but receive a Marketplace commission and transaction fee if the merchants’ sales are successful and depending on the type of service we provide. In addition, we charge our Marketplace customers for delivery services, which we also define as “charges for delivery services.”

The delivery fee charged to a customer depends on the delivery method, product volume and transaction amount. As of December 31, 2024, delivery fees were waived for all orders for Hepsiburada Premium members. See “—*Hepsiburada Premium.*”

We also generate revenues from other services including advertisement and fulfillment services and define them as “other services revenues.” Specifically, for services provided under the Hepsilojistik model, we also charge merchants fees related to the storage and handling of products.

See Item 5. “*Operating and Financial Review and Prospects—Components of Our Results of Operations—Revenues.*”

Order Fulfillment

The fulfillment process includes accepting goods, picking and storing products, consolidating them into batches and packing them into parcels for delivery as well as return operations. We operate on the basis of three fulfillment models, namely,

- (i) fulfilled-by-merchant (“**FBM**”) model, where merchants perform fulfillment by their own means (only applicable to our 3P-based Marketplace operations);
- (ii) fulfilled-by-Hepsiburada (the “**HepsiLojistik model**”), where we, in case of 1P-based Direct Sales, or merchants, in case of 3P-based Marketplace operations, perform fulfillment through Hepsilojistik, using our logistics infrastructure; and
- (iii) drop-shipping (the “**Drop-shipping model**”), where we accept customer orders in our 1P-based Direct Sales and transfer orders to our suppliers, who in turn perform fulfillment by their own means (only applicable to 1P-based Direct Sales operations).

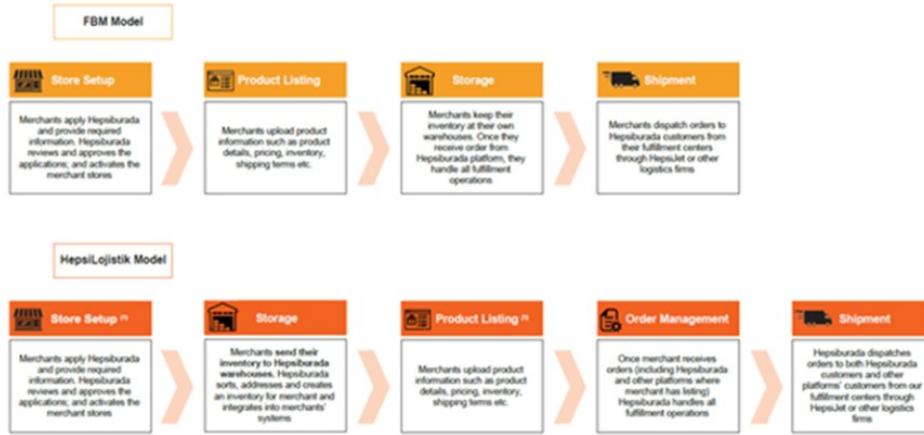
Accordingly, our Marketplace operations use either the Hepsilojistik model or FBM model and our Direct Sales operations use either the Hepsilojistik model or Drop-shipping model.

In our Marketplace operations, our FBM and Hepsilojistik models provide our merchants with the flexibility to choose a fulfillment and delivery method that best suits their business. With our FBM model, a merchant’s products are listed on our Marketplace but are stored and fulfilled at the merchant’s own warehouse facilities. Upon purchase, the parcel is transferred to the appropriate delivery channel, and either we carry out the “last-mile” delivery of the parcel to the customer or the merchant procures logistics services through third-party cargo companies.

We launched the Hepsilojistik model in late 2020. Through the Hepsilojistik model, we provide fulfillment services on behalf of merchants through our fulfillment and logistics infrastructure, using all our fulfillment centers across Türkiye which provide 24/7 fulfillment operations capability. As of December 31, 2024, we provide fulfillment services to 151 companies.

We believe fulfillment-as-a-service is a strong proposition to our merchants. Our Hepsilojistik model is typically preferred by merchants who do not have their own storage facilities or who are seeking a higher service level at competitive prices or do not want to fulfill orders by themselves. With our Hepsilojistik model, merchants deliver their products to one or more of our fulfillment centers to be stored and, after a customer orders a merchant’s product, we manage the packaging of the product into a parcel and the delivery of the parcel to the customer through either Hepsijet or other cargo companies. In our Hepsilojistik model, merchants are not under an obligation to commit a certain amount of inventory to us and customers are able to purchase through our platform or from the merchants’ own websites or other online platforms where merchants have stores. In addition, merchants making sales through other e-commerce platforms are able to fulfill such orders through our Hepsilojistik services. We only charge the merchants for the fulfillment services that we provided. Our Hepsilojistik model provides merchants with the ability to fulfill orders in a faster, more reliable and cost-efficient manner and with increased quality standardization.

The phases of the FBM model and Hepsilojistik model are illustrated in the graphics below.



1. In case merchant has store on our platform

Both in our FBM model and Hepsilojistik model (excluding third parties using Hepsilojistik for their operations on other e-commerce platforms), throughout the entire order fulfillment process, from the moment the customer's order is confirmed on our platform to the time the parcel arrives at its destination, our customer support team manages customer requests and inquiries relating to their orders, along with aftersales services.

Delivery

We offer our customers a comprehensive selection of delivery options, including:

- (i) standard delivery by (a) our last-mile services (through Hepsijet) see “—Strategic Assets—Hepsijet,” which is generally within two calendar days (and on the next-day/same-day in metropolitan areas), or (b) through other cargo companies (merchants typically choose which cargo company they would like work with);
- (ii) same day/next day scheduled delivery through Hepsijet, where our customers (except for Hepsiburada Premium members) pay additional delivery fees (in the case of FBM, the merchant must be a member to our Hepsijet services); and
- (iii) collection from our offline network of pick-up and drop-off (PUDO) points for customers (through Hepsimat), see “—Strategic Assets—Hepsijet.”

Through Hepsijet, we offer our customers the ability to live-track their parcels prior to delivery, postpone delivery and change delivery address while the shipment is en route. We also offer scheduled return pickup services from the customer's address across the country at no additional fee (subject to certain exceptions) by Hepsijet, a convenience service for our customers to facilitate returns.

We also offer two-man cargo handling service through Hepsijet, which we refer to as Hepsijet XL, addressing the need for high quality and reliable service in that segment. Since 2023, Hepsijet provides this service in all 81 cities in Türkiye. Hepsijet also offers scheduled return pick-up for such oversized products. Hepsijet's two-man cargo handling service is highly appreciated by customers, evidenced by an approximately 99% customer satisfaction score in 2024 according to our internal reporting.

For the years ended December 31, 2024, 2023 and 2022, we, as Hepsiburada, delivered approximately 107 million, 91 million and 81 million packages, respectively. This represented a year-to-year increase of 17% from 2023 to 2024 and 13% from 2022 to 2023.

Marketing

We have dedicated marketing teams that cover our advertising and marketing needs across all product categories and channels. Our marketing is designed to explicitly address brand marketing, customer value management, performance marketing, commercial marketing and influencer marketing functions across teams. Accordingly, our key marketing functions include the following:

- (i) **Brand marketing:** Our brand marketing capabilities include our efforts across marketing communications, in-house creative production and an agency network.
- (ii) **Customer value management:** We aim to maximize the lifetime value of each customer by offering them one-to-one solutions through a personalized and contextual approach. Our customer value management team develops advanced journeys (e.g., welcome, cross-sell, churn management, reactivation), which are supported by a one-to-one marketing automation ecosystem across channels. We have a dedicated Hepsiburada Premium team offering a differentiated service to premium subscribers in all touchpoints.
- (iii) **Performance marketing:** Our performance marketing team leverages paid digital media to stimulate growth based on an integrated marketing-tech ecosystem. They utilize mobile, search, social and other digital channels in an integrated approach to attract relevant customers in a targeted way. For this purpose, we designed a holistic data system, which enables tracking and improvement capabilities, supported with customized attribution models.
- (iv) **Commercial marketing:** Our commercial marketing capabilities are deeply integrated into daily sales operations and include campaign management, trade marketing and influencer marketing efforts. Our sales team comprises individual units each dedicated to specific product categories and operate on tailored incentive programs based on key performance indicators driving growth.
- (v) **Influencer marketing:** We work with more than 10 thousand influencers under a revenue share model where our influencers generate commission income based on our sales generated through them. We also make use of a “social commerce” model. Any platform members can share products from our platform with their community and earn cash points when others make purchases through their link. These cash points can be redeemed on our platform to pay for items in lieu of cash. In the year ended December 31, 2024, there were over 2.5 million such sharings.

We allocate a majority of our marketing budget to online marketing channels. For the year ended December 31, 2024, approximately 77% of our marketing budget was allocated to online marketing channels (e.g., website advertisements) compared to 76% in 2023 and 77% in 2022, the remainder being allocated to offline marketing channels (e.g., billboards).

See “—Customers—Customer Payment Methods” for installment payment options advertised and offered to our customers.

Advertising Solutions Through HepsAd

We offer advertisement services and technologies to merchants and suppliers through banners, video ads, search monetization and first party data targeting options placed on our main page and certain high-traffic sub-sections of our online platform and application. We also have an Adtech solution which we partnered with Google to create using Google’s Ad infrastructure. This solution uses Hepsiburada’s first party cookie data to create collaborative campaigns with brands to maximize their efficiency and the effectiveness of their acquisition of new customers. HepsAd operates as an integrated function of our core business and, through our merchant portal.

Over the past two years, we have improved the performance of our product ads, expanding merchants’ ads inventory on search and display monetization, as well as providing a reporting dashboard analytics and insights offering to merchants. In 2024, we continued monetizing our advertisement services by increasing the adoption of HepsAd’s solutions by our merchants. During the year ended December 31, 2024, around 35 thousand merchants used our advertising solutions.

Seasonality

For a discussion of the impact of seasonality on our business see Item 5. “*Operating and Financial Review and Prospects—Key Factors Affecting Our Financial Condition and Results of Operations—Seasonality.*”

Strategic Assets

In addition to our core business comprising the Marketplace and Direct Sales, we offer end-to-end solutions to our customers and merchants. We regard HepsiJet and Hepsipay as “strategic assets” and consider HepsiGlobal as a “complementary business” within our operations.

HepsiJet

See “—Logistics Infrastructure — Last-mile Delivery.”

Hepsipay

Hepsipay is the flagship company of our financial services operations, which also include Hepsi Finansal, Hepsifinans in addition to Hepsipay.

Hepsipay acquired its license as an e-money and payment services provider in Türkiye on February 20, 2016, and Hepsiburada became the first e-commerce platform with a subsidiary holding such license to provide a wide range of services both to Hepsiburada and other merchants (according to the Central Bank’s list of such providers as well as the licensing conditions of these providers).

We launched Hepsipay Wallet in June 2021 as an embedded wallet that enables payments on our platform. Hepsipay Wallet offers customers innovative payment solutions and services such as one-click check-out, multi-credit card payment, store credit, prepaid card, charge to mobile phone billing, secure payments and money transfers to other wallet customers. Consumers also can receive cashback from purchases on our platform when promotional campaigns are run as well as through our Hepsiburada Premium program. Since its debut, Hepsipay Wallet has continued its rapid penetration within our platform, recording 17.9 million Hepsipay Wallet customers (representing those users who have opened their wallet account by giving the required consent to Hepsipay) as of December 31, 2024.

In 2022, the Hepsipay Wallet was redesigned and relaunched with new features, enriching the shopping experience with improved customer verification and e-wallet capabilities. In addition to the existing ability to transfer money from credit or debit cards, Hepsipay users are able to top up their e-wallets by making money transfers from their bank accounts. Additionally, during 2022, Hepsipay has progressed towards becoming a payment gateway by consolidating payment options within the Hepsiburada platform. As an extension of this strategy, we announced a joint investment in one of the leading payment gateway service providers in Türkiye, Craftgate Technology (“**Craftgate**”) on August 23, 2023. Craftgate helps e-commerce companies easily integrate and manage the virtual point of sale of all banks and e-money institutions from a single platform.

Since the first quarter of 2022, we offer the first end-to-end digital “Buy-Now-Pay-Later” solution for e-commerce in the Turkish market which provides customers the opportunity to complete their purchase and submit payment a month later or in up to 12 monthly installments. BNPL purchase limits are defined based on the financial history of consumers based on their record at the Credit Bureau of Türkiye and shopping behavior at Hepsiburada. As of December 31, 2024, our BNPL solution had been used by over 561 thousand customers with approximately 3.3 million orders processed through our non-card affordability solutions (including BNPL, shopping loans and consumer finance loans). In December 2022 and 2023, in connection with our BNPL solution, we were awarded the Golden PSM (“**Payment Systems Magazine**”) award in the “Innovative Customer Interaction and Experience” category by Payment Systems Magazine, a highly regarded Turkish publication.

In January 2024, we launched our consumer finance offering through Hepsifinans, in addition to those offered by leading banks already available through our platform. With our own consumer finance company, we believe we leverage the shopping behavior of Hepsiburada customers in our credit decisions, provide a seamless, custom-made user experience to our customers, while extending loans with more favorable payments terms compared to BNPL.

As part of our plans to externalize our services, in May 2023, Hepsipay launched the Hepsipay prepaid card available through the Hepsipay Wallet, targeting also physical retail points in Türkiye. As of December 31, 2024, approximately 2.0 million Hepsipay prepaid cards had been issued through the Hepsiburada mobile app. The Hepsipay prepaid card is linked to a QR payment feature allowing customers to use it at any off-line retailer that accepts QR payments in addition to any online retailer. On October 10, 2023, we announced that Hepsiburada had entered into a five-year agreement with Visa, a world leader in digital payments, to ensure that Hepsiburada’s digital prepaid cards are accepted worldwide for both online and physical purchases. With this partnership, Hepsipay prepaid cards bear the Visa logo and are accepted at any point of sale outside the Hepsiburada platform.

Further, in July 2023, we launched Hepsipay's one-click check-out (Pay with Hepsipay) service offering integration with key account merchants. As of December 31, 2024, the one-click check-out solution was integrated into the online check out system of 140 key account retailers in Türkiye. Through this offering, Hepsipay has gained a share of these retailers' online sales by enabling payment with cards stored on Hepsipay Wallet. By delivering on our plans, we aim to become a leading Fintech player in the Turkish financial services sector.

Complementary Businesses

HepsiGlobal

HepsiGlobal was launched in 2020 and designed as an international platform to enable cross-border sales operations. It is based on the Hepsiburada marketplace model. In 2021, during HepsiGlobal's initial year, we focused on reinforcing the inbound arm of the HepsiGlobal offering, where customers in Türkiye are able to access international merchandise offered by a large merchant base located outside of Türkiye through a platform in the Turkish language, operating in Turkish Lira and integrated with logistics partners for faster delivery.

Hepsiburada Global B.V. was incorporated in 2023 in the Netherlands with the goal of facilitating our integration with European payment solutions and marketplaces. Hepsiburada Global Elektronik Hizmetler was established as a subsidiary in Türkiye on March 29, 2024 with the goal of facilitating our global expansion activities and cross-border e-commerce operations.

With the increased number of international merchants actively selling on Hepsiburada, we aim to grow this business by enabling merchants in Türkiye to make sales outside the country. In 2023, we initiated a strategic testing phase for our business model in the Azerbaijani market. In early 2024, we tested a similar model in Ukraine, which we terminated later in the year as a strategic commercial decision. In October 2024, we entered into a commercial partnership with Jumia Technologies AG, which remains in its preparatory phase as of the date of this annual report. We are currently collaborating with other marketplaces in the Middle East and in Eastern Europe through integrations and consignment models. We may seek further expansion through integrations into other marketplaces in upcoming years.

Our revenues from sales outside Türkiye were not material for the year ended December 31, 2024.

Hepsiburada Seyahat

Until the end of March 2024, Hepsiburada's complementary business, Hepsiburada Seyahat, conducted airline and bus ticketing operations under a travel agency license granted in February 2021. Hepsiburada Seyahat offered airline tickets of major local and global airlines, with competitive prices. The contribution of the Hepsiburada Seyahat business to the Company's GMV was not material for the years ended December 31, 2023 or 2024.

We paused the operations of Hepsiburada Seyahat with effect from the close of business on March 31, 2024 pending a further strategic review.

Logistics Infrastructure

Fulfillment Center Network

Our logistics infrastructure comprises a network of 10 fulfillment centers across Türkiye, including our Gebze fulfillment center which is one of the largest dedicated e-commerce operation centers in the region. Our fulfillment centers, including regional warehouses, encompass a total area of around 171 thousand square meters. As of December 31, 2024, we have 21 transfer centers which are central to our infrastructure.

Our logistics infrastructure serves both our Marketplace and Direct Sales functions. By means of our HepsiLojistik model, we enabled merchants to benefit from our nationwide logistics infrastructure. For merchants selecting the HepsiLojistik model, we provide storage and fulfillment services at our fulfillment centers. The fulfillment process involves the acceptance, storage, picking, consolidation and packaging of ordered products into parcels at our fulfillment centers. With our HepsiLojistik model, merchants deliver their products to one or more of our fulfillment centers to be stored and after a customer orders a merchant's product, we manage the fulfillment of the product into a parcel.

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In 2024, our fulfillment centers enabled us to dispatch 2.26 times the volume of products at peak times (calculated as the ratio of products handled on Legendary Friday (which takes place in November) to the average daily number of products handled in 2024). Our fulfillment centers and the ability to quickly setup new temporary fulfillment centers for short periods enabled us to store more than 8.4 million items at peak times, as of November 2024, with storage at peak times of 1.6 times more than the usual number of items, based on peak volumes in November 2024 compared to the 2024 on average.

For additional information on our fulfillment center network see Item 4.D. “—*Property, Plant and Equipment*” below.

Last-mile Delivery

To complement our logistics infrastructure responsible for delivery and fulfillment, we also provide last-mile delivery services, which is the delivery of the products to their final destination from our fulfillment centers (for Direct Sales and Marketplace operations run on a Hepsilojistik model basis) or from our merchants’ warehouses (for Marketplace operations run on a FBM basis). We also serve external third parties (*i.e.*, parties that are not our merchants or our customers) as a last-mile delivery service (which represented approximately 34.6% of the total volume handled by Hepsijet in 2024).

Our last-mile delivery service is based on an asset-light business model where we do not incur substantial capital expenditure but instead benefit from our cross-docks (parcel transfer centers) throughout Türkiye and a crowd-sourced model where we subcontract carriers who use their own vehicles for this service. Hepsijet also subcontracts independent contractors to operate its business on a crowd-sourced basis. While Hepsijet does not employ such persons, it enables creation of new jobs for families and individuals who wish to join our operations, indirectly supporting the Turkish economy.

As of December 31, 2024, Hepsijet operated in all 81 cities in Türkiye with 249 cross-docks. During 2024, Hepsijet continued its focus on increasing its Marketplace penetration and its average delivery time. For the year ended December 31, 2024, Hepsijet’s average penetration in Marketplace reached 66% from 61% in 2023. Furthermore, average delivery times for the years ended December 31, 2024, 2023 and 2022, were 1.7, 1.7 and 1.7 days respectively, as compared to the average delivery time of 2.3 days for 2024 among third-party last mile delivery services providers delivering orders sold on Hepsiburada platform.

For the same period, Hepsijet delivered approximately 81% of its orders from Direct Sales by the next day during 2024. Our 3,911 carriers (*i.e.*, motorcycle and truck carriers) as of December 31, 2024 are independent contractors and we also subcontract additional carriers as necessary through several delivery services providers.

Through Hepsijet, we provide a return pick-up service at the customers’ addresses by appointment across the country at no additional fee (subject to certain exceptions). Hepsijet also enables us to offer same-day and next-day delivery by appointment services for an extra delivery fee. In August 2022, we registered a new patent for Hepsijet’s multi-vehicle route optimization technology. This solution creates a model according to the priority of the shipments and distance matrix between the delivery and receiving points of the orders. The system also allows adding special time parameters to the route time in exceptional cases, allowing manual intervention when necessary, and viewing the created route plan via mobile and web applications.

Hepsijet also provides a two-man cargo handling service, which we refer to as “Hepsijet XL”, in all 81 cities in Türkiye since February 2022. Hepsijet offers scheduled return pick-up also for such oversized products. Overall, Hepsijet XL delivered nearly 68% of parcels in our Marketplace and Direct Sales operations in 2024.

PUDO Points (HepsiMat)

As part of our delivery services, we have a network of customer collection points (referred to as PUDO points in this annual report or Hepsimat) from which our customers are able to pick-up their purchases or at some of them, drop off their returns. As of December 31, 2024, we had 8,061 Hepsimat points located in all 81 cities in Türkiye. Our Hepsimat points are generally located in parcel drop off service points of other delivery companies, distributor networks of other retailers, and gas stations. Some of these collection points are marked with a Hepsimat sign, and all are available as long as such points are open for business.

Technology

Organization and Culture

Our business has been driven by technology and data since its inception and we aim to leverage data and technology to provide the best experience to our users. Our engineering and technology teams focus on security, availability, scalability and performance of our technology infrastructure while preparing new product features across our website and mobile applications. Our technology department is essential to our ability to implement our strategy and maintain our position in the Turkish e-commerce market.

We have dedicated and aligned our technology teams across core product functions and features of our online platform, such as product catalogue, search, order management system, shipping, one - click payment, and fulfillment center management system. Our technology team is a data - driven and cross - functional team comprising developers, testers, product managers working as a single team to maintain an “agile” technology culture with product mindset at the core of our business.

As part of our technology organization, we design functions by operation with a “fast delivery cycle” and “minimal viable product” mindset, meaning that we optimize our technology infrastructure with continuous improvements supported by data and user experience tests (*i.e.*, A/B tests, also called split tests, which involve comparing two versions of a webpage or app to determine which one performs better).

As of December 31, 2024, we had 1,032 employees dedicated to technology operations (857 of which are part of the “Hepsiburada technology” team and the remaining are part of the “Hepsiburada operations” team which partly comprises the Hepsijet technology team). In addition, as of the same date, we had 65 product function teams dedicated to a particular technology product. Our technology operations are directly supported by our four state-registered research and development centers in strong cooperation with leading Turkish universities. This, coupled with the attractiveness of our tech stack diversity, position us as one of main destinations for top engineering and product talent.

Technology Infrastructure

We rely on two separate and synchronized data centers located in Istanbul and Kocaeli, Türkiye which help ensure operational continuity. We own and operate the server hardware, network, storage devices and backup systems in both data centers. We employ redundancy architectures, outage procedures and data protection practices on all our technology systems which enabled us to reach over 99.9% availability in 2024, 2023 and 2022. As part of our technology infrastructure, we established an incident management team that monitors, documents and addresses all incidents and alerts across the online platform on a 24/7 basis. In order to maintain capacity management flexibility, we have established access to cloud systems allowing us to utilize cloud services whenever extra capacity is needed. Within the last five years, we upgraded our technology infrastructure through our in-house product function teams to ensure high customer experience on our platform. For example, we replaced the search and navigation system with an in-house system, implemented a new recommendation engine, replaced our central order management system and improved customer checkout systems.

In connection with the operation of our data centers and backup systems we work directly with the two major internet service providers of Türkiye. We receive data center service from Superonline İletişim Hizmetleri A.Ş. (“**Turkcell Superonline**”) and Türk Telekomünikasyon A.Ş. (“**Türk Telekom**”), who together provide over 80% of Türkiye’s internet services. If services were to be disrupted with one of these two providers, we would rely on the other to continue our operations. We entered into a framework agreement with Turkcell Superonline dated May 24, 2021, under which we may from time to time contract for services, such as for necessary infrastructure and devices. We entered into a server hosting service agreement with Türk Telekom dated June 19, 2017, with an indefinite term that we may terminate at any time upon written notice to Türk Telekom. On January 1, 2023, we signed an additional agreement with Türk Telekom and TTNET A.Ş. regarding the provision of server hosting and data center access services.

Product

Our technology teams develop almost all key functions and features of our online platform with in-house capabilities. From time to time, such teams use selected third-party tools and technologies such as SAP (system application and products in data processing).

We design and build products with an emphasis on security, scalability and ability to provide uninterrupted services. We also develop new capabilities based on machine learning and in-house data algorithms with search, recommendation and demand forecasting features. We adopted various open source technologies and have invested in quality assurance, test automation, micro-services, micro-front end architecture, software development and delivery lifecycle improvements. To ensure quality of service, we perform extensive monitoring ranging from application-level metrics to operating system and hardware- level metrics subsequent to new product releases and bug fixes.

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Our technology infrastructure’s ability to scale quickly and efficiently has been tested and showed strong performance in peak seasons such as Legendary Friday and unexpected demand shifts such as the COVID-19 pandemic, and provides sufficient scalability for us to direct fulfillment operations among our fulfillment centers in case of a disruption.

Cybersecurity

For a description of our cybersecurity risk management, strategy and governance, see Item 16K. “*Cybersecurity.*”

Intellectual Property

Our intellectual property, including trademarks, is an important component of our business. We protect our intellectual property rights by relying on a combination of Turkish intellectual property laws and regulations in addition to contractual restrictions that protect our rights in our brands, technology, products and services. We enter into confidentiality and invention assignment agreements with our employees, and require other third parties with whom we do business to maintain the confidentiality of our proprietary information. In addition, we require all customers and merchants with access to our online platform to accept our terms and conditions, which contain specific provisions in connection with protection of intellectual property, and confidentiality. We seek to control access to, and distribution of, our proprietary information in a commercially reasonable manner.

We rely on our trademark to protect our brand name and logo, which is used on our online platform, internal and external communications, corporate identity and invoices. Our “hepsiburada” and “hepsiburada.com”, as well as our “hepsiglobal”, “hepsijet”, “hepsipay”, “hepsifinans”, “hepsifinansman”, “hepsiexpress/hepsiburada market”, “hepsimat”, “hepsiad”, “hepsilojistik”, “hepsiburada iřortagım” and “hepsifly/hepsiburada seyahat” brands and logos are protected as registered trademarks with the Turkish Patent and Trademark Office (“**TPTO**”) under various classes and forms, and we own the “hepsiburada.com”, “hepsipay.com.tr”, “hepsipay.com”, “hepsifinansman.com”, “hepsifinans.com”, “hepsijet.com.tr”, “hepsijet.com”, “hepsiad.com”, “hepsilojistik.net”, “hepsiburadaisortagim.com”, “hepsiburadaseyahat.com”, “hepsiexpress.com.tr”, “hepsiexpress.com”, “hepsifly.com.tr”, “hepsifly.com”, “hepsiglobal.com” and “hepsiglobal.com.tr” domain names.

To protect our intellectual property rights, we register trademarks that have adjacent orthography or are related to our business operations. As of December 31, 2024, we had 545 registered trademarks with the TPTO (excluding our subsidiaries’ trademarks). In addition, our “Hepsiburada.com” trademark is registered with the TPTO as a well-known trademark providing us with enhanced protection in other business activity classes in Türkiye. If we detect any breach of our intellectual property rights by third parties, in particular breaches related to our trademark, we actively seek to take appropriate protective measures.

Along with our existing trademarks and pending trademark filings, certain components of our website and mobile applications, including the design, codes, website and mobile application contents, images, software integrations and interfaces are under copyright protection under Turkish copyright regulations. As of December 31, 2024, we held three patents in Türkiye as D-Market and two patents as Hepsijet. As of the same date, we also had eight pending patent applications as D-Market as well as eight pending patent applications as Hepsijet.

Regulatory Overview

Various aspects of our business are subject to Turkish laws and regulations, including the following:

- (i) The Law on Protection of Personal Data (Law No. 6698) published in the Official Gazette dated April 7, 2016, and numbered 29677 (the “**Law on Protection of Personal Data**”) is applicable to all of our online services that involve the retrieval of personal data from our users. We are required to retrieve, process, store, and destroy personal data in accordance with the relevant provisions of the Law on Protection of Personal Data. For additional information on the impact on our business of the Law on Protection of Personal Data, and of similar laws in other jurisdictions, see Item 3.D. “*Key Information—Risk Factors—Risks Relating to our Business and Industry—Unauthorized disclosure of sensitive or confidential customer information or our failure, or the perception by our users that we failed, to comply with privacy laws or properly address privacy concerns could harm our business and reputation with customers, merchants and suppliers.*” An amendment adopted on March 12, 2024, changed the provisions regarding data transfers abroad (abolishing the option to rely solely on explicit consent, subject to some exceptions) and processing of sensitive personal data. All data controllers had to comply with the changes as of June 1, 2024, except with respect to the amendment regarding transfers of personal data abroad, which came into effect on September 1, 2024. Regarding the transfer of personal data abroad, the Personal Data Protection Board (the “**PDP Board**”) was granted the authority to issue adequacy decisions for sectors or international organizations. Additionally, data transfers were made possible through binding corporate rules or standard contracts depending on the situation. The notification period for standard contracts to the Authority was set at five business days, with administrative fines introduced for non-compliance. The same amendment also includes changes regarding sensitive personal data. The new amendments provide several legal grounds for processing sensitive personal data in addition to obtaining explicit consent.
- (ii) The Law on Protection of Consumers (Law No. 6502) published in the Official Gazette dated November 28, 2013, and numbered 28835 (the “**Law on Protection of Consumers**”) is applicable to all of our online services to the extent our users qualify as consumers under Turkish law. We are required to protect our users’ rights in accordance with the relevant provisions of the Law on Protection of Consumers, which regulates consumer rights (which were expanded with the amendments to the Law on Protection of Consumers that were published in the Official Gazette dated April 1, 2022), from delivery of products or services, to the establishment of contractual agreements. Pursuant to the Law on Protection of Consumers, consumer disputes can be raised at a consumer arbitral tribunal, at a provincial consumer arbitral tribunal or at a consumer court, depending on the amount at issue in the dispute.
- (iii) The Regulation of Broadcasts via Internet and Combating Crimes Committed by Means of Such Publications (Law No. 5651) published in the Official Gazette dated May 4, 2007, and numbered 26530 (the “**Law on Internet Crimes**”) is applicable to all of our online services. As a “hosting services provider” as well as “content provider” for our Direct Sales under the Law on Internet Crimes, we are required to comply with the relevant provisions in relation to illegal content that might be posted on our online platform and notification requirements envisaged under the Law on Internet Crimes and its secondary legislation. The Information and Communication Technologies Authority of Türkiye (“**ICTA**”) oversees implementation of the Law on Internet Crimes.
- (iv) the Law on Regulation of E-Commerce (Law No. 6563) published in the Official Gazette dated November 5, 2014, and numbered 29166 (the “**E-Commerce Law**”) which is applicable to all of our online services to the extent we provide commercial services to our users through our online platform. We are classified as an “electronic commerce intermediary service provider” and “electronic commerce service provider” according to the E-Commerce Law, subjecting us to various obligations, including in relation to notifications, commercial communications, and other e-communications envisaged under the E-Commerce Law.

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On July 1, 2022, the Turkish Parliament approved an amendment to the E-Commerce Law with the aim of preventing unfair competition, a harmful competitive environment and monopolistic commercial practices in the Turkish e-commerce market. The amendments were announced in the Official Gazette on July 7, 2022. The E-Commerce Law was further amended on October 30, 2024. The Regulation on Electronic Commerce Intermediary Service Providers and Electronic Commerce Service Providers (“**E-Commerce Regulation**”) was announced in the Official Gazette numbered 32058 on December 29, 2022. The E-Commerce Regulation has replaced the Regulation on Service Providers and Intermediary Service Providers in E-Commerce published in the Official Gazette dated August 26, 2015, and numbered 29457. The E-Commerce Regulation was further amended on March 8, 2025. We are required to comply with various provisions under the E-Commerce Law and E-Commerce Regulation and may face administrative fines which varies based on the nature of the non-compliance. See Item 3.D. “*Key Information—Risk Factors—Risks Relating to Türkiye—Internet and e-commerce regulation in Türkiye is recent, has undergone changes since its inception and is subject to further development.*”

The provisions of the amendments of both the E-Commerce Law and the E-Commerce Regulation, which may apply to us acting as an electronic commerce intermediary service provider, include but are not limited to the following:

- In the E-Commerce Law, electronic commerce intermediary service providers are classified according to their net transaction volumes referring to the sum of the values of final invoices or invoice substitute documents (excluding cancellations and returns) that must be issued for the contracts made and orders placed in a certain period through the electronic commerce marketplaces where electronic commerce intermediary service provider provides intermediary services, or, for electronic commerce service providers, its own electronic commerce environments that do not qualify as electronic commerce marketplaces. Hepsiburada’s Net Transaction Volume in 2024 was below the TRY 160,426.1 million threshold.
- For all electronic commerce intermediary service providers:
 - a requirement to provide certain information regarding electronic commerce service providers and transaction methods on the marketplace’s homepage, to verify this information and to ensure that this information is up to date, with certain exceptions;
 - a prohibition against unfair commercial practices in electronic commerce. In addition, Article 11(6) of the E-Commerce Regulation lists additional practices which would only constitute unfair commercial practices for large and very large-scale electronic commerce intermediary service providers (as defined in the E-Commerce Regulation);
 - a ban on the sale of goods which bear the trademark of itself (electronic commerce intermediary service provider) or the persons with whom it has economic integrity;
 - an administrative fine and a ban on marketing and promotion activities in online search engines by using the registered trademarks constituting the main element of the domain name of an electronic commerce service provider, without its consent; and
 - a requirement to include mandatory elements of intermediation contracts concluded between electronic commerce intermediary service providers and electronic commerce service providers. The E-Commerce Regulation, which was most recently amended effective March 8, 2025, provides for additional mandatory elements for the intermediation contracts of medium, large and very large-scale electronic commerce intermediary service providers (as defined in the E-Commerce Regulation). In the future, in case of further amendments to these provisions or the emergence of certain common practices in the market as a result of application of these provisions or due to the decisions of judicial or regulatory authorities regarding these regulations or their interpretation, we may need to adjust our operations.
- Furthermore, a new obligation was introduced for electronic commerce intermediary service providers operating in Türkiye whose Net Transaction Volume is over TRY 53,475.4 million in a calendar year and the number of transactions (excluding cancellations and returns) is over one hundred thousand, to obtain and annually renew an e-commerce license upon payment of a license fee.

The effective license fee will be calculated based on a graduated rate of a company's Net Transaction Volume derived from within Türkiye for the prior calendar year such that the effective license fee applied would be the sum of progressively higher proportions of the electronic commerce intermediary service provider's Net Transaction Volume exceeding the thresholds specified in the E-Commerce Law. For example, where the Net Transaction Volume is between TRY 53,475.4 million and TRY 106,950.7 million, the license fee is calculated as the three per ten thousand of the amount exceeding TRY 53,475.4 million. In case Net Transaction Volume is between TRY 106,950.7 million and TRY 160,426.1 million, the license fee is the sum of the above amount, plus five per thousand of the part exceeding TRY 106,950.7 million.

Article 9 of the Law On Amendments To The Law On Consumer Protection And Certain Other Laws published on October 30, 2024 stipulates that certain specified sales and expenditures may be deducted from the Net Transaction Volume used as the basis for calculating license fees, up to multiples of such amounts decreasing annually from four times in 2024 to three times in 2025 and to two times from 2026 onwards.

To benefit from this provision, the Net Transaction Volume of the electronic commerce intermediary service providers must not exceed 20% of the electronic commerce volume calculated by the Turkish Ministry of Trade using data from the Electronic Commerce Information System (ETBIS).

This provision went into effect on January 1, 2025. We paid a license fee in the amount of TRY 180.0 million on March 27, 2025.

- For electronic commerce intermediary service providers whose Net Transaction Volume in a calendar year is above TRY 53,475.4 million: (in addition to the restrictions above) a prohibition on providing accessibility between their own electronic commerce environments and promoting each other in these environments, restrictions on data usage and sharing, an obligation to notify share transfers and an obligation to submit an independent audit report and a regulatory compliance report to the Turkish Ministry of Trade.
- For electronic commerce intermediary service providers whose Net Transaction Volume in a calendar year is above TRY 160,426.1 million and the number of transactions excluding cancellations and returns is above one hundred thousand: (in addition to the restrictions above) limits on the total amount of advertising and marketing expenditures and customer discounts.
- For electronic commerce intermediary service providers whose Net Transaction Volume in a calendar year is above TRY 320,852.2 million and the number of transactions excluding cancellations and returns is above one hundred thousand: (in addition to the restrictions above) restrictions from engaging in certain business operations, such as payments and financial services. The restrictions also limit specified listing (announcement) activities within its platform and the provision of last-mile delivery (postal and transport) services to third parties.

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We are not subject to all of the above-listed obligations, as the E-Commerce Law and the E-Commerce Regulation provide for different obligations depending on the annual Net Transaction Volume and number of transactions pertaining to electronic commerce intermediary service providers and electronic commerce service providers. The monetary thresholds in Additional Article 2, Additional Article 3 and Additional Article 4 of the E-Commerce Law (including the monetary thresholds for annual Net Transaction Volumes) were increased by half with the Presidential Decree No. 6829 dated February 22, 2023, and again by the Turkish Ministry of Trade on February 28, 2024 and most recently by the Turkish Ministry of Trade on February 26, 2025. Depending on our annual Net Transaction Volume and number of transactions, the scope of our obligations under the E-Commerce Law and the E-Commerce Regulation may be subject to change. Current thresholds are listed as below:

Article	Subject	2025 Threshold
Additional Article 2(2)	Data usage and sharing, Accessibility between e-commerce environments, Share transfer notifications, Independent audit report, Regulatory compliance report (electronic commerce intermediary service providers)	TRY 53,475.4 million
Additional Article 2(3)	Advertisement Budget, Discount Budget, Prohibition of restriction on the commercial relations, advertisement through alternative channels for the electronic commerce service provider (electronic commerce intermediary service providers)	TRY 160,426.1 million
Additional Article 2(4)	Payment Services, Postal and Transport Services, Listing and Announcement Services (electronic commerce intermediary service providers)	TRY 320,852.2 million
Additional Article 4(1)	Minimum net transaction volume for e-commerce license obligation	TRY 53,475.4 million
Additional Article 4(3)(a)	Net transaction volume to which a marginal rate of 0.03% will be applied for the calculation of e-commerce license fee	TRY 53,475.4 million – TRY 106,950.7 million
Additional Article 4(3)(b)	In addition to the above amount, net transaction volume to which a marginal rate of 0.5% will be applied for the amount exceeding the above threshold for the calculation of e-commerce license fee	TRY 106,950.7 million – TRY 160,426.1 million
Additional Article 4(3)(c)	In addition to the above amounts, net transaction volume to which a marginal rate of 1% will be applied for the amount exceeding the above thresholds for the calculation of e-commerce license fee	TRY 160,426.1 million – TRY 213,901.5 million
Additional Article 4(3)(c)	In addition to the above amounts, net transaction volume to which a marginal rate of 5% will be applied for the amount exceeding the above thresholds for the calculation of e-commerce license fee	TRY 213,901.5 million – TRY 267,376.8 million
Additional Article 4(3)(d)	In addition to the above amounts, net transaction volume to which a marginal rate of 10% will be applied for the amount exceeding the above thresholds for the calculation of e-commerce license fee	TRY 267,376.8 million – TRY 294,114.5 million

Article	Subject	2025 Threshold
Additional Article 4(3)(e)	In addition to the above amounts, net transaction volume to which a marginal rate of 15% will be applied for the amount exceeding the above thresholds for the calculation of e-commerce license fee	TRY 294,114.5 million – TRY 320,852.2 million
Additional Article 4(3)(f)	In addition to the above amounts, net transaction volume to which a marginal rate of 20% will be applied for the amount exceeding the above thresholds for the calculation of e-commerce license fee	TRY 320,852.2 million – TRY 347,589.9 million
Additional Article 4(3)(g)	In addition to the above amounts, net transaction volume over which a marginal rate of 25% will be applied for the amount exceeding the above thresholds for the calculation of e-commerce license fee	TRY 347,589.9 million

Acting as an electronic commerce service provider through Direct Sales on our online platform, we are also required to comply with the obligations provided for electronic commerce service providers under the E-Commerce Law and the E-Commerce Regulation. Service provider refers to natural or legal persons engaged in electronic commerce activities; whereas intermediary service provider refers to natural and legal persons that provide an electronic commerce environment for the economic and commercial activities of others. Accordingly, merchants on our online platform qualify as service providers. We are also liable as a “content provider” for the content made available through our Direct Sales under the Law on Internet Crimes. Content provider refers to natural or legal persons who produce, modify and provide all kinds of information or data offered to users over the internet.

According to the Law on Internet Crimes and the E-Commerce Law, we, as a hosting service provider and as intermediary service provider, respectively, have no liability in relation to the content listed by third parties or any illegality related to goods listed or services provided by such third parties on our platform, unless we receive a notification of the unlawful or illegal content and do not take any action (including removing unlawful content). If we receive a complaint from a third-party intellectual property right owner related to an illegal activity and/or content (including intellectual property infringement or sale of counterfeit product), on condition that the third-party intellectual property right owner submits all the mandatory information and documents as detailed in Article 12 of the E-Commerce Regulation, we remove the product/products subject to the complaint within 48 hours, and then we inform the third-party intellectual property right owner and seller of the product with explanations about the seller’s right to object. If the seller objects by submitting the documents and information specified in the E-Commerce Law in full, and it is clearly understood from the information and documents that the seller is right in his/her objection, we re-publish the product for sale within 24 hours and we inform the third-party intellectual property right owner and the seller. We may also unilaterally suspend a merchant’s account or terminate a merchant’s agreement if we receive a claim and detect that such merchant has engaged in unlawful or illegal activity or posted unlawful or illegal content (including by infringing third-party intellectual property rights or selling counterfeit products). See “—Marketplace—Merchants,” Item 3.D. “Key Information—Risk Factors—Legal and Regulatory Risks—We may be impacted by fraudulent or unlawful activities of merchants, which could have a material adverse effect on our reputation and business and may result in civil or criminal liability” and Item 3.D. “Key Information—Risk Factors—Risks Relating to Our Business and Industry—We operate platforms that include third parties over whose actions we have only partial control.” See also Item 3.D. “Key Information—Risk Factors—Risks Relating to Türkiye—Internet and e-commerce regulation in Türkiye is recent, has undergone changes since its inception and is subject to further development.”

(v) The Regulation Amending the Regulation on Measures to Prevent Laundering of Proceeds of Crime and Financing of Terrorism (Decree No: 9305), the Regulation Amending the Regulation on the Compliance Program Regarding Obligations to Prevent Laundering of Proceeds of Crime and Financing of Terrorism, and the Communiqué Amending the General Communiqué of the Financial Crimes Investigation Board (Serial No: 5) (Serial No: 26), published by MASAK in the Official Gazette dated December 25, 2024, include provisions regarding electronic commerce intermediary service providers.

Following these amendments, medium, large, or very large-scale electronic commerce intermediary service providers carrying out transactions with electronic commerce service providers have become subject to Law No. 5549 on Prevention of Laundering Proceeds of Crime and its secondary regulations, without any transaction limit. As a result, electronic commerce intermediary service providers are required to verify the identity of electronic commerce service providers in accordance with the provisions set forth in this legislation. Furthermore, the Company is required to appoint a compliance officer. Failure to comply with these regulations may result in an administrative fines of TRY 226,671 for each unverified electronic commerce service provider and approximately TRY 3.8 million in case of non-appointment of a compliance officer. The Company appointed a Compliance Officer and Deputy Compliance Officer on January 24, 2025. We have initiated an internal program to ensure that the identity verification processes for our existing electronic commerce service providers, as well as newly acquired clients, are conducted in full compliance with the relevant regulatory requirements.

(vi) The Regulation on Commercial Communication and Commercial Electronic Communications published in the Official Gazette dated July 15, 2015, and numbered 29417 (the “**Regulation on Commercial Communication**”) is applicable to all our online services. We are subject to various obligations in relation to notifications, commercial communications, complaints, and e-mails under the Regulation on Commercial Communication.

(vii) The Regulation on Distance Contracts published in the Official Gazette dated November 27, 2014, and numbered 29188 (the “**Regulation on Distance Contracts**”) is applicable to our operations to the extent we execute distance contracts with our users (that are defined as consumers under Turkish law) while we are providing services. We are required to comply with various obligations under the Regulation on Distance Contracts. With the Regulation on the Amendment of the Distance Sales Contracts’ Regulation published in the Official Gazette on August 23, 2022, that entered into force on October 1, 2022, obligations of intermediary service providers have been extended, in particular with respect to provision of information to consumers and authorities. In addition, *inter alia*, the following amendments were made to be effective as of January 1, 2026 (originally stated as of January 1, 2024, with an initial extension to January 1, 2025).

- In case the consumer exercises the right of withdrawal, return costs can be charged to the consumer provided that it is included in the distance sales contract, except in cases where consumers return defective products as defined in the Regulation on Distance Contracts.
- The exceptions to exercise the right of withdrawal are expanded and it is stated that the consumer cannot exercise his/her withdrawal right for the following products purchased and/or contracts executed:
 - Movables and drones that are required to be registered with the Traffic Registry,
 - Mobile phones, smart watches, tablets and computers,
 - Contracts concluded by public auction in the form of a live auction, and
 - Products of which the installation and configuration are fulfilled by the seller or authorized technical service in accordance with the user manuals.

The Turkish Ministry of Trade is the competent authority for imposing fines on service providers and intermediary service providers under the E-Commerce Law, Regulation on Commercial Communication, E-Commerce Regulation and the Regulation on Distance Contracts.

(viii) With the amendment made to the Income Tax Law No. 193 in accordance with the “Law on Amendments to Tax Laws and Certain Laws and the Decree Law No. 375” published on August 2, 2024, as of January 1, 2025, the Company is obliged to deduct withholding tax on behalf of merchants selling through our platforms, as an offset to the income taxes payable by such merchants, due to the Company’s role as an intermediary service provider, as defined in the E-Commerce Law. In this regard, on December 22, 2024, a Presidential Decision numbered 9284 was published in the Official Gazette which set the rate of withholding tax payable by such merchants at 1%, commencing on January 1, 2025.

In addition,

- (a) Hepsijet carries out its activities under the licenses issued by the Turkish Information Technologies Authority and the Ministry of Transportation, and is under the regulatory oversight of such governmental authorities;
- (b) Hepsipay carries out its activities under the license issued by the Turkish Banking Regulation and Supervision Agency, and is under the regulatory oversight of Central Bank, which published the Payment Services Regulation and the Payment Services Communiqué in December 2021. The Payment Services Regulation and the Payment Services Communiqué required Hepsipay to comply with certain minimum levels of collateral, equity and diligence by September 30, 2023 (following a number of extensions to the original deadline). Moreover, on October 7, 2023, the Central Bank introduced certain amendments to the Payment Services Regulation within key areas, including, among others, digital wallets, payment service providers, e-money issuers, card-based payment instruments, the scope of Central Bank permissions for share transfers, and the protection of payment funds. Notably, the amendments impose new requirements on payment service providers such as Hepsiburada to obtain certain licenses and authorizations for their activities, including an operating license for providers offering digital wallet services and an authorization for digital wallet service providers involved in transferring funds to issue electronic money. These new statutory permits were initially due to be obtained from the Central Bank by October 7, 2024 and the Central Bank has extended the deadline until April 7, 2025. Hepsipay obtained the necessary licence permits for its digital wallet services on January 10, 2025.

Further, on January 27, 2024, the Official Gazette published the Communiqué on the Redetermination of Minimum Equity Amounts for Payment and Electronic Money Institutions, revising the minimum equity amounts for payment and electronic money institutions set forth in the Payment Services Regulation. Payment and electronic money institutions were mandated to adhere to the updated minimum equity requirements by June 30, 2024, when the communiqué came into effect. Following this date, Hepsipay inadvertently had a 54-day period in which its capital level was below the minimum regulatory thresholds of TRY 55 million. Hepsipay raised its capital to above the minimum regulatory threshold as soon as information regarding this breach was discovered, but in line with regulatory requirements, the infringement was reported to the Central Bank. Although Hepsipay has never intentionally had insufficient capital and its shareholder increased such capital to comply with regulations at the first instance such requirement was apparent, this may still result in a fine. The Central Bank may in its discretion impose an administrative fine on Hepsipay ranging from TRY 209,984 to TRY 4,724,676 for the year 2024 for this infringement. Except as set forth above, Hepsipay believes it has complied with its obligations under the communiqué as of the date of this annual report.

Within the scope of the Communiqué on the Management and Supervision of IT Systems of Payment Institutions and Electronic Money Institutions, regular independent audit required to be performed every two years. As a result of the independent audit conducted during April 2024, the Central Bank notified the Company that it had identified seven instances of non-compliance by the Company with the Communiqué on the Management and Supervision of IT Systems of Payment Institutions and Electronic Money Institutions, relating to asset management, outsource management and software change management processes. The Central Bank requested that the Company provide a written response, including an action plan to remedy the identified instances of non-compliance within one month. The Central Bank may in its discretion impose administrative fines on the Company ranging from TRY 209,984 to TRY 4,724,676 for the year 2024 for each breach. If an administrative fine is imposed by the Central Bank, the Company has a right to appeal the imposition of such fine to the Turkish Criminal Court of Peace. See Item 3.D. *“Key Information—Risk Factors—Legal and Regulatory Risks—We are subject to laws and government regulations applicable to payment services and consumer finance businesses, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business.”*

- (c) Prior to its discontinuance in March 2024, Hepsiburada Seyahat carried out its activities under the license issued by the Turkish Ministry of Culture and Tourism and was under the regulatory oversight of such governmental authority;
- (d) Hepsiglobal is subject to consumer protection regulations as well as relevant customs regulations:
 - for inbound and outbound operations in Türkiye, Turkish customs regulations are applied, including August 2024 amendments that reduced the value limit, from €150 to €30, for simplified processing of imported consumer goods sent to individuals by mail or express courier and raised the applicable Single and Fixed Duty for such goods, from 20% to 30% for goods imported from the EU and from 30% to 60% for goods imported from non-EU countries, as a result of which we have downsized our Hepsiglobal operations, and

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- for operations in other markets (including the Azerbaijani market) applicable customs and VAT regulations of the relevant country will be applicable;
- (e) Hepsifinans carries out its activities under the permission by the Turkish Banking Regulation and Supervision Agency, and is under the regulatory oversight of such governmental authorities.

Accordingly, Hepsipay, Hepsifinans, Hepsijet, Hepsiglobal and Hepsiburada Seyahat are under an obligation to comply with the regulations issued by the abovementioned authorities as well as the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions No: 6493 (Hepsipay), Highway Transportation Law No. 4925 and Law on Postal Services No: 6475 (Hepsijet), and Law on Travel Agencies and the Association of Travel Agencies No: 1618 (Hepsiburada Seyahat) and Law On Financial Leasing, Factoring, Financing and Saving Financing Companies No: 6361- (Hepsifinans). Hepsiburada, Hepsipay, Hepsifinans and Hepsijet are also subject to the Turkish Financial Crimes Investigation Board (MASAK) rules and regulations.

Failure to comply with regulations may result in the limitation, suspension or termination of services and/or the imposition of civil and criminal penalties, including fines. In addition, as we conduct our business operations through a hosting provider certificate (yer sağlayıcılığı faaliyet belgesi) issued by the ICTA which grants us the right to provide content and services in our online platform, failure to comply with the applicable provisions may result in the suspension of our internet access services upon a decision of ICTA.

See also Item 3.D. “*Key Information—Risk Factors—Legal and Regulatory Risks—We are subject to extensive laws and government regulations across our business, and changes to these laws or any actual or perceived failure by us to comply with such laws and regulations could materially and adversely affect our business.*”

C. Organizational Structure

We are a joint stock company incorporated under the laws of Türkiye. Since January 29, 2025, we are controlled by Kaspi, which owns 65.41% of our share capital.

Our operating subsidiaries include D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş. (“**D-Ödeme**”), D Fast Dağıtım Hizmetleri ve Lojistik A.Ş. (“**D-Fast**”), Hepsi Finansal Danışmanlık A.Ş. (“**Hepsi Finansal**”), Hepsiburada Global B.V. and Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş., all of which are wholly owned by us. With the exception of Hepsiburada Global B.V. which is incorporated in the Netherlands, all of our subsidiaries are incorporated in Türkiye. Upon completion of the acquisition of 100% of the equity of Hepsi Finansman A.Ş. (“**Hepsifinans**”) by Hepsi Finansal on February 28, 2022, Hepsifinans became our indirect wholly-owned subsidiary.

D-Ödeme

D-Ödeme was founded on June 4, 2015, and operates as a payment services provider offering payment gateway and e-money services, mainly to e-commerce companies, insurance brokers and tourism companies. D-Ödeme obtained its operational licence from the BRSA on February 20, 2016. D-Ödeme commenced its first payment service transaction on June 15, 2016. We have developed our payment tool, Hepsipay, through D-Ödeme.

D-Fast

D-Fast was founded on February 26, 2016, and operates as a cargo and logistic firm which provides last mile delivery services to the customers of Hepsiburada and other companies. D-Fast is the operating company for our last-mile delivery service business, Hepsijet.

Hepsi Finansal

Hepsi Finansal was incorporated on December 1, 2021, and is the parent company of Hepsifinans, which was acquired in February 2022.

Hepsifinans

Hepsifinans (formerly known as Doruk Finansman) was founded on April 24, 2006, and obtained its operational license from the BRSA in 2008. Following the Company's acquisition of Doruk Finansman in February 2022, the company name was changed to Hepsifinans in January 2023. Hepsifinans operates as a consumer financing company in Türkiye.

On December 16, 2021, Hepsiburada, through Hepsi Finansal, entered into a Share Sale and Purchase Agreement with the holders of 100% of the equity interest in Hepsifinans (formerly known as Doruk Finansman): Doğan Şirketler Grubu Holding A.Ş. ("**Doğan Holding**"), the holder of 97% equity interest in Hepsifinans, Doğan Dış Ticaret ve Müessesillik A.Ş. and Doğan family individuals (collectively, the "**Sellers**"), to acquire a 100% stake in Hepsifinans, for a total transaction value of TRY 20 million in nominal terms (equivalent to US\$1.3 million as of December 16, 2021) (the "**Transaction Value**"). After obtaining regulatory approval, the transaction closed on February 28, 2022 (the "**Closing Date**"). At closing, we paid the Sellers an aggregate of TRY 5 million in cash on a pro rata basis and we agreed to pay Doğan Holding approximately TRY 15 million (the "**Conditional Amount**"), subject to certain conditions. TRY 10 million of the Conditional Amount was paid to Doğan Holding in 2022 and TRY 6.4 million of the Conditional Amount was paid in 2023. The specific amounts were subject to the collection of receivables identified in the financial statements of Hepsifinans as of the Closing Date. The Conditional Amount was settled in full. The Sellers were then all related parties and the transaction, including the Share Sale and Purchase Agreement, was approved by the Company's Audit Committee and the Corporate Governance Committee, as well as the board of directors.

Hepsiburada Global B.V.

Hepsiburada Global B.V. was incorporated on July 28, 2023, in the Netherlands with an aggregate issued share capital of €1 million, with the goal of facilitating Hepsiburada's integration with European payment solutions and marketplaces.

Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş.

On March 29, 2024, Hepsiburada established a wholly owned subsidiary in Türkiye under the trade name Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş. ("Hepsiburada Global Elektronik Hizmetler") The aggregate issued share capital of Hepsiburada Global Elektronik Hizmetler is TRY 10.05 million which was paid in full as of January 2025. Hepsiburada Global Elektronik Hizmetler was incorporated to facilitate our global expansion activities and cross-border e-commerce operations.

D. Property, Plant and Equipment

Our principal office is located at Kuştepe Mah. Mecidiyeköy Yolu Cad. Kule 2 Kat:2 No:12 34387 Şişli/ İstanbul and is leased. In 2022, we leased a three floor office space at Meclis Mah, Boğazici Cad, Seheriyeli Sk, No:1, Karsan Plaza Sancaktepe/Istanbul under a sub-lease agreement dated October 1, 2022, with D-Fast for a four-year term. This location is our second R&D center, to which we have relocated the majority of our technology team.

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We lease and operate a network of fulfillment centers across Türkiye with a total footprint of approximately 171 thousand square meters. Our fulfillment centers located in Gebze/Kocaeli, Adana, Tuzla, Ankara, Diyarbakır and İzmir are leased from third parties. In Gebze/Kocaeli, Ankara and İzmir, we operate two fulfillment centers, whereas we have one fulfillment center in the other locations. The following table provides an overview of our fulfillment centers:

	Approximate size of total area as of December 31, 2024 (in square meters)
Gebze/Kocaeli	85,045
İzmir	15,400
Adana	12,644
Tuzla	12,000
Ankara	11,500
Gebze/Kocaeli	10,000
İzmir	9,874
Ankara	7,630
Diyarbakır	4,900
Erzurum	2,500
Total	171,493

We operate the Gebze/Kocaeli's approximately 85 thousand square meters of fulfillment center space under a lease agreement dated April 2014 (as amended in September 2015, February 2022 and August 2022) with Megeye Lojistik Anonim Şirketi for a ten-year extendable term from May 2015. A new Additional Protocol was signed by the parties on January 17, 2025, with effect from January 1, 2025, to extend the agreement under a new rental fee, and the lessor agreed to waive the related lawsuit for the judicial redetermination of the rent which was pending before the Civil Court of Istanbul.

We operate Adana's approximately 12.6 thousand square meters of fulfillment center space under a lease agreement dated August 31, 2020 (as amended in April 2022), with Emrenes Orman Ürünleri Sanayi ve Ticaret Ltd. Şti for a five-year term, which we may terminate at any time with 60 days' notice (although we agreed to operate the warehouse as lessee for a minimum five-year term) and is automatically renewed for successive one-year terms.

We operate Tuzla's approximately 12 thousand square meters of fulfillment center space under a lease agreement dated October 2021 with an individual landlord for a three-year term, which is automatically renewed for successive one-year periods unless we terminate at the end of two years with 90 days' notice (although we agreed to operate the warehouse as lessee for a minimum three-year term).

We operate Ankara's approximately 11.5 thousand square meters of fulfillment center space under a lease agreement dated August 10, 2020 (effective as of September 1, 2020), with A. Vedat Yakupoğlu Gayrimenkul Yatırımcılığı for a five-year term, which is automatically renewed for successive additional one-year terms and which we can terminate unilaterally with three months' written notice. Additionally, we operate Ankara's approximately 7.6 thousand square meters of fulfillment warehouse under a lease agreement dated March 1, 2023, with Doğruer Uluslararası Nakliye ve Dış Ticaret A.Ş. for a five-year term which is automatically renewed for successive additional one-year terms and which we can terminate unilaterally with three months' written notice.

We operate Diyarbakır's approximately 4.9 thousand square meters of fulfillment center space under a lease agreement dated August 18, 2020, with a two-year term, which is automatically renewed for successive one-year terms unless we terminate with one-month notice.

We operated Erzurum's approximately 2.6 thousand square meters of fulfillment center space under a lease agreement dated August 7, 2020, with four individual landlords (acting collectively) for a one-year term, which was automatically renewed for successive one-year periods with rent increased with inflation. We terminated this lease agreement with a termination protocol dated January 13, 2023. We now operate Erzurum's approximately 2.5 thousand square meters of fulfillment center space under a lease agreement dated March 1, 2023, with D-Fast for an eight-year term which we can terminate unilaterally with fifteen days' prior written notice.

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Additionally, we subleased Bursa's approximately 540 square meters of office space / warehouse on June 11, 2023 from D-Fast for a one-year term which is used as a warehouse on an as-needed basis. Parties may terminate the agreement with 15-days' prior written notice.

We operate Adana's approximately 85 square meters of specialized center branch under a lease agreement dated July 8, 2023, with Adana Ticaret Odası for one-year term, which can be renewed for an additional one-year term at our request.

In 2024, we decided to terminate the lease agreement with Üstünkarlı Makine A.Ş. dated August 28, 2020, under which we operated a fulfillment center space of approximately 15.4 thousand square meters in İzmir. Following the termination, we entered into a new lease agreement with Üstünkarlı Makine A.Ş., dated June 1, 2024, to rent the same fulfillment center space under newly agreed terms. Additionally, we operate approximately 9.8 thousand square meters of fulfillment center space in İzmir pursuant to a lease agreement dated September 1, 2024, with two individual landlords (acting collectively). This agreement provides for a three-year lease term, which we may terminate without penalty at any time with 30 days' prior written notice.

In November 2024, we terminated the lease agreement dated September 18, 2023, with Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. under which we operated a fulfillment warehouse of approximately 10 thousand square meters in Gebze based on the Company's commercial decision.

We own the warehouse equipment used in our leased fulfillment centers, such as mezzanines, sorting machines and conveyor lines. We also own the computer equipment and hardware that we use in our warehouses, used to automate fulfillment and sorting processes, as well as the computer equipment and hardware in our call centers and offices.

As of December 31, 2024, we also had 267 owned and 405 leased vehicles, used for operational purposes and provided as benefits to a number of our employees.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of this annual report. Actual results and the timing of certain events could differ materially from those contained in any forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements" for more information.

The discussion below relates to our consolidated financial condition and results of operations for the years ended December 31, 2024, 2023 and 2022, and year-to-year comparisons between 2024 and 2023 as well as 2023 and 2022.

Overview

We believe we are one of the leading commerce platforms in Türkiye and as of December 31, 2024, we had approximately 12.2 million Active Customers and approximately 100.2 thousand Active Merchants. We believe that we offer a compelling value proposition, both for our consumers and for our merchants, exemplified by services such as our loyalty program, our last-mile delivery services and our diverse payment and affordability solutions.

Since the launch of our Marketplace in 2015, Hepsiburada has become a trustworthy partner for merchants in Türkiye by providing comprehensive end-to-end solutions that empower merchants to thrive in the digital marketplace. In 2024, our 3P-based Marketplace model accounted for approximately 70% of our GMV, compared to 67% in 2023 and 67% in 2022, following the successful transformation of Hepsiburada from a 1P-based Direct Sales only business to its current hybrid 1P- and 3P-based model.

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We believe powerful network effects are created by our leading brand, hybrid commerce model with a unified 1P- and 3P-based catalogue, and strong customer and merchant value propositions. Our expanding selection of products and services, as well as our attractive loyalty program, have allowed us to attract an Active Customer base of 12.2 million as of December 31, 2024, compared to 11.9 million as of December 31, 2023, and 12.2 million as of December 31, 2022, and to increase the frequency of orders on our platform to 10.8 in 2024 from 9.5 in 2023 and 6.6 in 2022, which in turn draws more merchants and further enhances our customer value proposition. In addition, our proprietary data and insights collected over more than 20 years enable us to understand the needs of our customers and merchants and help us develop new services, expand into new verticals, and continuously innovate and strengthen our value proposition reinforcing the network effect.

Our large, fast and scalable logistics network has been critical to our success and we have been continuously focusing on improving our logistics capabilities and offerings. We have a robust operational footprint enabling fast delivery and merchant integration. As of December 31, 2024, we operated:

- a nationwide infrastructure including 10 fulfillment centers in strategic locations that encompass a total area of around 171 thousand square meters;
- one of the leading logistics companies in Türkiye, Hepsijet, operating in 81 cities with 249 cross-docks; and
- a pick-up & drop-off (PUDO) network through Hepsimat, with 6,046 parcel lockers and pick-up points in partnership with gas stations, distributor networks of other retailers and other delivery companies.

We are a technology-driven company and have invested heavily in developing our own highly scalable proprietary technology to support the large order volumes generated on our platform. Our in-house developed IT infrastructure is central to our ability to execute our business strategy and provide a seamless experience for our merchants and customers with our single mobile app that connects our offerings and services.

Our revenues increased by 11.1% to TRY 57.0 billion in the year ended December 31, 2024, from TRY 51.3 billion in 2023 (TRY 38.2 billion in 2022). Our total GMV increased by 12.1% to TRY 188.6 billion in the year ended December 31, 2024, from TRY 168.3 billion in 2023 (TRY 128.3 billion in 2022). Excluding digital products, our total GMV increased by 12.3% in 2024. The 12.3% GMV increase (excluding digital products) was fueled by a 8.1% increase in the number of orders (excluding digital products) and a 3.9% increase in average order value (excluding digital products) due to a faster-than-inflation rise in average selling prices and to the higher share of large-ticket items in non-electronics in 2024 compared to 2023.

For the year ended December 31, 2024, we had a net loss of TRY 1,604.9 million compared to a net income of TRY 109.1 million for the year ended December 31, 2023. The TRY 1,714.0 million negative change was mainly due to a TRY 2,963.1 million increase in net financial expenses (net of financial income), which was partially offset by a TRY 1,063.7 million reduction in operating losses and a TRY 185.5 million increase in monetary gains. For the year ended December 31, 2023, our net income increased by TRY 7,025.8 million to TRY 109.1 million from a net loss of TRY 6,916.7 million for the year ended December 31, 2022. The increase in net income was mainly due to a TRY 6,335.0 million reduction in operating losses during the same period. The increase in net income was also contributed to by a TRY 1,854.4 million increase in monetary gains. We had net cash provided by operating activities of TRY 5,697.7 million, TRY 7,246.5 million and TRY 1,020.5 million and Free Cash Flow of TRY 3,701.9 million, TRY 5,591.7 million and negative TRY 989.6 million, in each case for the years ended December 31, 2024, 2023 and 2022, respectively.

Key Factors Affecting Our Financial Condition and Results of Operations

General

Our performance and results of operations have been, and we believe will continue to be, affected by a number of key factors, including but not limited to the following:

- the market landscape in Türkiye, including macroeconomics, demographics and competition;
- inflation and hyperinflation;

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- the regulatory environment in e-commerce;
- retention and engagement of our customers while growing the customer base;
- number of merchants and the product assortment offered on our platform;
- efficiency of our logistics infrastructure;
- our ability to leverage our growing scale;
- seasonality; and
- exchange rate volatility.

The earthquakes in Türkiye in 2023 and COVID-19 in 2022 were also among the factors that impacted our financials mainly in those years.

Market landscape in Türkiye including macroeconomics, demographics and competition

Türkiye is a member of the OECD and G20, with US\$1,322 billion GDP and US\$15,463 GDP per capita at current prices in 2024, according to TurkStat. In 2024, the Turkish economy grew by 3.2% according to the Turkish Statistical Institute (“**TurkStat**”), bringing its real GDP CAGR to 3.6% between 2011 and 2024. Türkiye’s real GDP is projected to grow at a rate of 2.6% in 2025 and 3.2% in 2026 with economic activity strengthening in the second half of 2024 as monetary tightening ends and consumption starts to recover, according to the IMF World Economic Outlook report dated January 2025.

Two devastating earthquakes on February 6, 2023 impacted primarily 11 provinces accounting for 16.4% of Türkiye’s population and 9.4% of its economy. In a report published in March 2023, the Presidency of Strategy and Budget of the Presidency of the Republic of Türkiye estimated the total impact of the earthquakes on the Turkish economy to be US\$103.6 billion, whereas, in January 2024, the Minister of Treasury and Finance stated that the expenses related to the earthquakes amounted to approximately TRY 950 billion (US\$ 30 billion) (representing to 3.7% of the GDP of Türkiye in 2023).

According to TurkStat, Türkiye’s population reached 85.7 million as of December 31, 2024, with a CAGR of 1.1% from 2011 to 2024. Türkiye benefits from attractive demographics, with 43.5% of the population being under the age of 30 according to TurkStat data, a working age (between ages of 15 and 64) population of 68.4%, and an urban population share (living in provinces and districts) of 93.4% based on TurkStat data as of December 31, 2024.

Türkiye has faced elevated inflation in double digits during each of the last five years, although inflation declined considerably in 2024 as compared to 2023. The annual consumer price index (CPI) increased by 14.6%, 36.1%, 64.3%, 64.8% and 44.4% in 2020, 2021, 2022, 2023 and 2024, respectively, as published by TurkStat. See “—*Inflation and Hyperinflation.*” Following the general elections in May 2023, the new leadership of the Central Bank of the Republic of Türkiye (“**CBRT**”) embarked on a policy of monetary tightening by raising the key interest rate from 8.5% to 15% in June 2023, marking the first increase in more than two years. The CBRT continued to raise interest rates in the remainder of 2023. In March 2024, the CBRT raised its key interest rate from 45% to 50%, citing the stickiness in services inflation, inflation expectations, geopolitical risks, and food prices. In December 2024, the CBRT cut the key interest rate from 50% to 47.5%. In January and March 2025, the CBRT made further cuts from 47.5% to 45% and from 45% to 42.5%, respectively as a result of improvements in inflation expectations and pricing behavior. The CBRT expects inflation to continue this declining trend and for rates to reach as low as 24% in 2025, assuming its tight monetary policy stance is maintained. The high interest rate environment in Türkiye has had and will continue to have a negative impact on consumer demand by increasing borrowing costs and encouraging saving over spending, which we expect to lead to a reduction in discretionary spending and in overall economic activity.

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The consumer confidence index (seasonal and calendar adjusted) in Türkiye increased by 3.9 points from 77.4 in December 2023 to 81.3 in December 2024 and remained at levels around 81.0 and 82.1 during January 2025 and February 2025. The consumer confidence index calculated from the survey results is evaluated within the range of 0-200 and indicates a pessimistic outlook when it is below 100. As consumer confidence is an important factor affecting consumer willingness to spend in the next 12 months, this pessimistic outlook indicates that we may face lower than anticipated consumer demand, particularly for non-essential products, mainly due to further pressure in purchasing power of our customers. See Item 3.D. *“Key Information—Risk Factors—Risks Relating to Our Business and Industry—We have incurred significant losses in the past and are likely to continue to incur losses as we continue to invest in order to grow, and we may not achieve operational profitability going forward,”* Item 3.D. *“Key Information—Risk Factors—Risks Relating to Türkiye—Türkiye’s economy has been undergoing a significant transformation and remains subject to ongoing structural and macroeconomic risks”* and *“—Inflation and Hyperinflation.”*

Based on the announcement on February 26, 2025, published by the Turkish Ministry of Trade through the Electronic Commerce Information System, ETBİS, regarding thresholds defined in the E-commerce Law, we understand that the e-commerce sector in Türkiye grew by 62.29% in 2024, compared to 119.67% in 2023. ETBİS has not yet provided further details on the underlying factors behind the growth in 2024. The growth rate was derived based on the percentage change in e-commerce merchandising thresholds as regulated in the E-commerce Law No. 6563. In 2024, the e-commerce sector in Türkiye reached a total value of TRY 3,010 billion. In 2023, the sector recorded a volume of TRY 1,855 billion, of which 53% corresponded to retail e-commerce.

Hepsiburada has been in operation in Türkiye’s e-commerce market since 2000. Hepsiburada has grown to become one of the market leaders in the space, while its competitors either adopted alternative business models, were acquired or shut down their operations. For example, Gittigidiyor was launched in 2001, was subsequently acquired by eBay in 2011 and was shut down in 2022. Hepsiburada’s main e-commerce competitors in Türkiye include Trendyol, Amazon and N11. Trendyol was founded in 2010, initially as an online fashion web-store, but after Alibaba acquired a majority stake in the company in 2018, it has increasingly focused on expanding its product offering across a broader set of categories, including regular marketplace categories as well as food and grocery deliveries via quick commerce. In August 2021, Trendyol completed a round of fundraising activity. Amazon entered the Turkish market in 2018, and remains focused on implementing its global model. N11 (initially owned by SK Group) has operated a competing marketplace business model since its launch in 2012. In 2022, Getir, a Türkiye-based quick delivery player, became a shareholder of N11 and subsequently became the sole owner in 2023 until a different technology company acquired N11 in late 2024. In 2024, Temu, a global e-commerce platform operated by PDD Holdings, entered the Turkish market. The Turkish e-commerce retail market also features several small-sized marketplaces, including Pasaj (of Turkcell), Pazarama (of İşbank) and İdefix (of Turkuvaz Media Group). The majority of the Turkish retail market, however, remains offline, which means that we continue to compete with offline retailers and omni-channel retailers for business.

Competition in the financial services sector in Türkiye is fragmented. Different companies are specialized in payments services, consumer financing, digital banking, etc. While banks are strategic partners in the financial services sector for both Hepsiburada and Hepsipay, they also are competitors to Hepsipay and Hepsifinans in other capacities. Hepsipay’s direct competitors include (i) wallet solutions of banks and payment service providers such as Masterpass, GarantiPay, WorldPay, and Jüzdán, (ii) telecommunications operators such as Paycell, Vodafone Pay and TT Ödeme, (iii) solutions-by-payment companies such as İyzico, Papara and Param, and (iv) direct payments with credit cards or debit cards. The financial services sector also includes more specialized consumer finance companies focusing on car loans, but Hepsifinans primarily competes with banks in the financial services sector. However, there are emerging competitors such as Kredim that focus purely on point of sale lending other than auto loans.

Our results of operations, in particular our sales of goods revenue and services revenue, as well as our profitability and our GMV, are dependent on the growth in GDP and GDP per capita growth in Türkiye in addition to the growth in the Turkish retail market, e-commerce market penetration and the dynamics of the competitive environment. Elevated inflation and a hyperinflationary operating environment may adversely impact private consumption due to rising living costs. The compound effects of an increasingly orthodox monetary policy from the Turkish government in response to inflation and other factors have curtailed and are expected to continue to curtail consumer demand, which has had and is expected to have an adverse effect on our order growth. This, in turn, may ultimately result in negative real GMV growth. See Item 3.D. *“Key Information—Risk Factors—Risks Relating to Türkiye—Türkiye’s economy has been undergoing a significant transformation and remains subject to ongoing structural and macroeconomic risks.”*

Inflation and Hyperinflation

The annual consumer price index (CPI) in Türkiye over the past five years has ranged from 14.6% to 64.8%. The CPI increased by 14.6%, 36.1%, 64.3%, 64.8% and 44.4% in 2020, 2021, 2022, 2023 and 2024 respectively, as published by TurkStat. The inflation indicators were still high during the first months of 2025, and annual CPI inflation was announced as 38.1% in March 2025. Inflation is expected to decline in 2025 with the year-end inflation forecast being around 24%, according to the most recent inflation report issued by the CBRT in February 7, 2025.

Pursuant to IAS 29, the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. IAS 29 does not establish an absolute rate when hyperinflation is deemed to arise and IASB does not identify specific hyperinflationary jurisdictions. However, IAS 29 provides a series of non-exclusive guidelines that assist companies in exercising their judgment as to when restatement of financial statements becomes necessary. These guidelines consist of (i) analyzing the behavior of the population regarding preservation of wealth in non-monetary assets or in relatively stable foreign currency, prices being quoted in terms of a relatively stable currency, interest rates and wages being linked to a price index, and the loss of the currency's purchasing power, and (ii) as a quantitative characteristic, verifying if the three-year cumulative inflation rate approaches or exceeds 100%. In March 2022, the IPTF, which monitors countries experiencing high inflation, categorized Türkiye as a country with projected 36 months' cumulative inflation rate greater than 100%. Therefore, Turkish companies reporting under IFRS, including us, are required to apply IAS 29 to their financial statements for periods ending on and after June 30, 2022. Under IAS 29, financial statements of an entity that reports in the currency of a hyperinflationary economy should be expressed in terms of the measuring unit current at the end of the reporting period and the amounts for the corresponding periods should also be stated in terms of the measuring unit current at the end of the reporting period. Non-monetary items which are not already expressed in terms of the measuring unit current valid at the end of the reporting period and components of owners' equity in the statement of financial position, and all items in the statement of profit or loss and other comprehensive income would be restated by applying a general price index. In addition, gains or losses arising from net monetary position would be included in net income under a separate line item.

Inflation has an impact on the costs of inventories, which we generally aim to pass on to customers by increasing sales prices accordingly. However, if such costs cannot be passed on to customers through increased product prices due to competitive pressures or otherwise, this may have a negative impact on our margins. These factors negatively affected our margins in 2023-2024 and may continue to negatively affect our margins in 2025. Separately, as the seller, we determine product prices for our Direct Sales operations. On our Marketplace, our merchants determine their price levels. Should they prefer, for any reason, to not pass through inflation to customers in their prices, our GMV growth may be slower than the level of inflation. Furthermore, inflationary pressures have and may continue to lead to a deterioration in the purchasing power of our customers. In 2023 and 2024, pressure on the purchasing power of customers mainly resulted in a tendency among customers for product substitution with more affordable alternatives (*i.e.*, towards lower-priced brands, regardless of whether for sales of essentials or non-essentials). Our platform offers a wide range of products with over 297.5 million SKUs as of December 31, 2024. We believe our large selection remains an advantage in our customers' search for more affordable product alternatives.

In a high inflationary environment, liquidity becomes much more important for our suppliers and merchants. From time to time, we have and may continue to commit to shorter payment terms to continue securing favorable procurement prices. Furthermore, our merchants may ask us for early payments for cash flow reasons. Accordingly, these may result in an unfavorable decrease in our negative net working capital position.

Our general business practice is to reflect the impact of inflation in our payroll and outsource staff expenses. A substantial portion of our other operating expenses are sensitive to the prevailing inflation although we negotiate and fix some of our unit costs, such as consultancy expenses and insurance policies. Shipping expenses used to be fixed at the beginning of each fiscal year, but given the significant increase in oil prices, an additional inflation adjustment on shipping prices (along with an adjustment on salaries) were applied in July 2023. Elevated inflation beyond what we or our business partners envisage at the beginning of the year may result in additional unit cost increases for such expenses. Our profitability remains sensitive to inflation trends throughout the year.

Regulatory Environment in E-Commerce

In 2022, significant amendments were made to the E-Commerce Law, and the E-Commerce Regulation was adopted and amended, which introduced new obligations for electronic commerce intermediary service providers and electronic commerce service providers, such as Hepsiburada, with the aim of preventing unfair competition, a harmful competitive environment and monopolistic commercial practices in the Turkish e-commerce market. We are required to comply with certain obligations set forth in the E-Commerce Law and the E-Commerce Regulation and may face administrative fines in case of any violations. See Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview.*”

The E-Commerce Law and the E-Commerce Regulation provide for different obligations depending on the annual Net Transaction Volume and number of transactions pertaining to electronic commerce intermediary service providers and electronic commerce service providers. Depending on our annual Net Transaction Volume and number of transactions, the scope of our obligations under the E-Commerce Law and the E-Commerce Regulation may be subject to change, which may materially affect our business. Hepsiburada’s Net Transaction Volume in 2024 was below the TRY 160,426.1 million threshold.

The provisions of the amendments to the E-Commerce Law and the E-Commerce Regulation introduced in 2022 and further amended that are most likely to be directly relevant to the Company include the following:

- limits on the total amount of advertising and marketing expenditures and customer discounts with the goal to prevent e-commerce platforms from gaining an asymmetric market share through excessive discounts and excessive marketing by using disproportionate economic power. We have not yet become subject to any restrictions with respect to advertisement and discount budgets, because we have remained below the applicable threshold since inception (TRY 160,426.1 million in 2025). If our Net Transaction Volume exceeds the threshold and we become subject to advertisement and discount budget restrictions in the upcoming years, we may have to limit our advertisement and discount expenditures, which could directly or indirectly have an adverse impact on our business.
- restrictions on engaging in certain business operations, such as payments and financial services. The restrictions also limit specified listing activities within a platform and the provision of last-mile delivery services to third parties. Similarly to the above, we have not yet become subject to restrictions concerning the provision of payments and financial services and last-mile delivery services to third parties as the restrictions apply only to companies whose Net Transaction Volume, as of 2025, exceeds TRY 320,852.2 million. It is expected that the applicable threshold will be adjusted every year, and our Net Transaction Volume will need to be assessed on an annual basis.
- a ban on the sale of private label products for all e-commerce companies on their own platforms. We have continued our private label business in the fashion category outside of Türkiye as part of our Hepsiglobal operations, which are not quantitatively material to the Company. We are also selling our private label products through a separate website for the brand and on another marketplace in Türkiye.
- a prohibition on unfair commercial practices in electronic commerce. Examples of unfair commercial practices under the E-Commerce Law include failing to make payment to the seller within the time specified in the E-Commerce Law, forcing the seller to sell goods or services with special offers, failing to determine the conditions of the commercial relationship with the seller through an intermediation contract and/or making unilateral amendments to such contract to the detriment of the seller, charging a fee from the seller when no service is provided or the type of service provided and the amount/rate of the service fee is not specified in the intermediation contract and, suspending or terminating the service provided to the seller in the absence of any objective criteria in the intermediation contract. In addition, Article 11(6) of the E-Commerce Regulation lists additional practices which would only constitute unfair commercial practices for large and very large-scale electronic commerce intermediary service providers (as defined in the E-Commerce Regulation). The E-Commerce Regulation was further amended to include additional unfair commercial practices, effective March 8, 2025. In the future, in case of amendments to these provisions or emergence of certain common practices in the market as a result of application of these provisions or due to the decisions of judicial or regulatory authorities regarding these regulations or their interpretation, we may need to adjust our operations.

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- a requirement to include mandatory elements of intermediation contracts concluded between electronic commerce intermediary service providers and electronic commerce service providers. The E-Commerce Regulation, as most recently amended effective March 8, 2025, provides for additional mandatory elements for the intermediation contracts of medium, large and very large-scale electronic commerce intermediary service providers (as defined in the E-Commerce Regulation).
- a new obligation for electronic commerce intermediary service providers operating in Türkiye whose Net Transaction Volume is over TRY 53,475.4 million in a calendar year and the number of transactions (excluding cancellations and returns) is over one hundred thousand, to obtain and annually renew an e-commerce license upon payment of a license fee. The effective license fee will be calculated based on a graduated rate of a company's Net Transaction Volume derived from within Türkiye for the prior calendar year such that the effective license fee applied would be the sum of progressively higher proportions of the electronic commerce intermediary service provider's Net Transaction Volume exceeding the thresholds specified in the E-Commerce Law. For example, where the Net Transaction Volume is between TRY 53,475.4 million and TRY 106,950.7 million, the license fee is calculated as the three per ten thousand of the amount exceeding TRY 53,475.4 million. In case Net Transaction Volume is between TRY 106,950.7 million and TRY 160,426.1 million, the license fee is the sum of the above amount, plus five per thousand of the part exceeding TRY 106,950.7 million. This provision went into effect on January 1, 2025.

Article 9 of the Law On Amendments To The Law On Consumer Protection And Certain Other Laws published on October 30, 2024 dated Official Gazette stipulates that sales made abroad through electronic commerce marketplaces by electronic commerce intermediary service providers and electronic commerce service providers with which they have economic unit, as well as investment expenditures made with an incentive certificate obtained from the Ministry of Industry and Technology, shall be deducted from the net transaction volume used as the basis for calculating license fees, up to twice the amount of such expenditures. Article 10 of the Law On Amendments To The Law On Consumer Protection And Certain Other Laws provides that this multiplier will be applied as four times for 2024 and three times for 2025. To benefit from this provision, the net transaction volume of the electronic commerce intermediary service providers must not exceed 20% of the electronic commerce volume calculated by the Turkish Ministry of Trade using data from the Electronic Commerce Information System (ETBIS), which represents the total net transaction volumes of the electronic commerce intermediary service providers and electronic commerce service providers covered by the E-Commerce Law. In determining whether this limit has been exceeded, any excess below fifteen percent shall not be considered.

This provision went into effect on January 1, 2025. We paid a license fee in the amount of TRY 180.0 million on March 27, 2025.

The amendments to the E-Commerce Regulation introduced in the regulation published in the Official Gazette on March 8, 2025, generally amend the provisions regarding (i) the scope of information and verification obligations, (ii) unfair commercial practices for electronic commerce intermediary service providers, (iii) data processing obligations, (iv) exceptions to the total amount of advertising and discount budgets limits, (v) mandatory elements of the intermediation contracts, (vi) independent audit and regulatory compliance reporting deadlines, and (vii) sales abroad that will be deducted while calculating the license fee.

See Item 3.D. *“Key Information—Risk Factors—Risks Relating to Türkiye—Internet and e-commerce regulation in Türkiye is recent, has undergone changes since its inception and is subject to further development.”*

Growth, Retention and Engagement of our Customers

Our ability to generate revenues and profits mainly depends on increasing order frequency and customer loyalty as well as expanding our Active Customer base, which, in turn, depend on our success in improving the customer experience through the provision of fast and reliable last-mile delivery services, a wide selection of lending solutions and improvements to the user journey on our platform. We believe our Hepsiburada brand, hybrid commerce model with a unified 1P and 3P catalogue, and strong customer and merchant value propositions create powerful network effects. As of December 31, 2024, we had 12.2 million Active Customers compared to 11.9 million as of December 31, 2023, and 12.2 million as of December 31, 2022. The loss of customers during the February earthquakes had a negative impact on our total Active Customer base for 2023. During 2023 and 2024, we have also prioritized order frequency growth from our existing customer base rather than customer acquisition given our profitability prioritization. For the year ended December 31, 2024, we had a frequency of orders of 10.8 compared to 9.5 for the year ended December 31, 2023 and 6.6 for the year ended December 31, 2022. Demand for digital products continued to fuel the rise in order frequency. Order frequency (excluding digital products orders) was 6.7 in 2024 compared to 6.3 in 2023, corresponding to 6.0% growth. Our increasing selection of products and services, price competitiveness (particularly during campaign periods), attractive loyalty program and wide range of lending solutions are other factors that contribute to maintaining our Active Customer base and increasing the frequency of orders on our platform, which in turn draws more merchants and further enhances our customer value proposition. As of December 31, 2024, there were over 297.5 million SKUs on our platform (compared to 230.4 million SKUs as of December 31, 2023, and 230.6 million SKUs as of December 31, 2022) across 33 different product categories, including appliances, books & hobbies, fashion & lifestyle, home & garden, supermarket, mobile and technology products.

Some of the main drivers of our GMV growth have been the increase in the number of orders and the average order value. As a result of increased customer loyalty and a wider selection of products, we observed a 16.2% increase in number of orders on our platform to 131.4 million in 2024, from 113.0 million in 2023 and 80.4 million in 2022. Strong customer demand for our digital products contributed to the 16.2% rise in number of orders. Excluding the orders of digital products, number of orders would have been 81.2 million in 2024, compared to 75.1 million in 2023, corresponding to 8.1% growth. Meanwhile, the average order value (excluding digital products) grew by 3.9% in 2024, compared to 2023. The increase in average order value growth (excluding digital products) is attributable mainly to a faster-than-inflation rise in average selling prices and to the higher share of large-ticket items in non-electronics in 2024 compared to 2023.

In 2024, we were focused on scaling our subscription-based loyalty program, Hepsiburada Premium, to increase customer retention and order frequency of our customers. As of December 31, 2024, we had 3.7 million Hepsiburada Premium members who benefited mainly from free delivery, cashback subject to certain conditions, and free access to an on-demand streaming service, among other things. Hepsiburada Premium members tend to shop more often.

Moreover, we aim to leverage our deep understanding of our customers' preferences, which we have developed over nearly 25 years of operation, and our advanced in-house lifecycle management engines powered by artificial intelligence and deep-learning technologies, to drive higher engagement and retention of customers and frequency of transactions on our platform. Adopting new technologies, upgrading our online platform and maintaining and improving our technology infrastructure require significant investments of time and resources, including adding new hardware, updating software and training new engineering personnel, which can result in increased capital expenditure and operational expenses. On the other hand, these initiatives also enable us to retain and grow our customer base and in turn increase order frequency.

Our results of operations, in particular our sales of goods revenue and services revenue, as well as our profitability and our GMV are dependent on our ability to engage with and retain our customer base. We also aim to grow our customer base with a focus on increasing customer retention and order frequency.

Number of Merchants and the Product Assortment Offered on Our Platform

We believe we are an attractive digital platform for merchants to access consumers across Türkiye. We had approximately 12.2 million Active Customers as of December 31, 2024. Within our Marketplace operations, we believe we have one of the largest merchant bases in Türkiye, with approximately 100.2 thousand Active Merchants as of December 31, 2024. As of the years ended December 31, 2024, 2023 and 2022, our Marketplace, which is based on a 3P model of merchants selling on our platform, represented approximately 68.9%, 66.9% and 66.7% of our total GMV, respectively.

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As of December 31, 2024, of our approximately 100.2 thousand Active Merchants, approximately 98.3 thousand were SMEs and the remaining approximately 1.9 thousand were key account merchants. Key account merchants enable us to provide products from top brands, high volumes and quality while SMEs provide us with product assortment and variety. In order to ensure high quality standards, we have strict policies that allow us to monitor merchants' end-to-end operations and performance on our platform.

From 2022 to 2024, our Active Merchant base grew at a CAGR of approximately 1.2%. The growth in our Active Merchant base enabled us to increase our product selection with competitive pricing. In our Marketplace, we offer a wide assortment of products and intend to continue expanding our catalog to strengthen our position as a one-stop shop for all of our customers' shopping needs. We organize the listings in our platform in what we believe is an intuitive and easy-to-use directory that facilitates the browsing and viewing of listings. As of December 31, 2024, there were over 297.5 million SKUs on our platform (compared to 230.4 million SKUs in 2023) across 33 different product categories.

We have our toolsets and solutions for our merchants, including Hepsiburada My Business Partner. Through Hepsiburada My Business Partner, our merchants can view their transaction summary, handle inventory management, respond to any customer questions, review their financial summary and connect to customer services, as well as our training portal on this platform (Hepsiburada İşortağım Akademi).

We are continuously upgrading our technology to provide improved performance, increased scale and better integration among our core businesses and end-to-end solutions to our merchants. Such solutions mainly include fulfillment services, last-mile delivery services, payment solutions and advertisement solutions (see Item 4.B. "*Information on the Company—Business Overview—Strategic Assets*"). In addition, we facilitate financing to our merchants (in the case of Marketplace) and suppliers (in the case of Direct Sales), enabling them to optimize their cash flow management. Through our supplier and merchant financing service, merchants and suppliers can collect their receivables on a discounted basis (*i.e.*, reduced to account for commission and interest relating to the service) at a date earlier than their original collection date. See Item 4.B. "*Information on the Company—Business Overview—Supplier and Merchant Financing.*"

Efficiency of our Logistics Infrastructure

We offer an end-to-end ecosystem with full in-house capabilities across fulfillment, logistics and last mile delivery in Türkiye.

Our logistics infrastructure comprises a network of 10 fulfillment centers across Türkiye, including our Gebze fulfillment center which is one of the largest dedicated e-commerce operation centers in the region in terms of square meters. Our fulfillment centers, including regional warehouses, encompass a total area of approximately 171 thousand square meters.

We provide last-mile delivery services through HepsiJet. Launched in 2016, HepsiJet provided last-mile delivery logistics across 81 cities in Türkiye as of December 31, 2024, through our fulfillment centers, 21 transfer hubs, and 249 cross-docks. Since 2021, HepsiJet also offers two-man cargo handling for oversized products under the brand HepsiJet XL. As of December 31, 2024, HepsiJet services were available with 3,911 carriers (carriers increased by 27% from December 31, 2023 to December 31, 2024). Our carriers (*i.e.*, motorcycle and truck carriers) are independent third parties (*i.e.*, we subcontract carriers who use their own vehicles for this service rather than using our employees or vehicles) and we also subcontract additional carriers as necessary through several delivery services providers. We also have a pick-up & drop-off (PUDO) network of 8,061 parcel lockers and pick-up points in partnership with gas stations, distributor networks of other retailers and service points of other delivery companies, complementing our logistics services.

In 2024, HepsiJet delivered 72% of total Direct Sales and Marketplace parcels. Around 81% of Direct Sales delivered by HepsiJet arrived the next day (calculated from acceptance of parcel by HepsiJet to delivery). HepsiJet's average delivery times for the years ended December 31, 2024 and 2023 were 1.7 days and 1.7 days, respectively, as compared to the average delivery time of 2.3 days for 2024 among third-party last mile delivery services providers.

We believe that our logistics infrastructure is an important pillar of our success and enables us to improve the customer experience. Our return pickup services from a customer's address at their preferred time across the country at no additional fee (subject to certain exceptions) through HepsiJet is a convenient service for our customers, contributing to their overall purchasing experience on our platform. We further enhance this infrastructure advantage by applying technology to increase operational and cost efficiency, with examples such as AI-driven route optimization capabilities for HepsiJet drivers and advanced fulfillment center automation.

Our operating expenses are, in part, dependent on our shipping and packaging expenses, which are correlated with a number of factors, including volume of orders and levels of utilization of our fulfillment centers. Additionally, availability and efficiency of our Hepsijet services are amongst the key factors affecting our ability for last-mile delivery services. We also believe that further expansion of our Hepsijet last-mile services “on-platform”, as well as for third parties (“off-platform”, with over 2,800 off-platform clients at the end of 2024), will give us an ability to provide delivery services in a more cost-effective manner, resulting in higher revenues, decreased operational expenses and therefore increased profits.

Our Ability to Leverage our Growing Scale

Our ability to retain our position in the Turkish e-commerce market is dependent on our ability to retain, grow and expand our core e-commerce business, as well as on our ability to expand our services, particularly affordability solutions (*i.e.*, lending) and last-mile delivery services to third parties.

In our Marketplace and Direct Sales operations, we believe our ability to retain our leading position based on aided brand awareness of 100% in 2024 (*FutureBright Research Brand Health Report*) and our wide selection of product offerings (over 297.5 million SKUs across 33 different product categories in 2024) has driven our results of operations, in particular our revenues, our profitability and our GMV. To enable this, we have dedicated marketing teams that cover our advertising and marketing needs across all product categories and channels. Our marketing organization is designed to explicitly address brand marketing, customer value management, performance marketing, commercial marketing and influencer marketing functions across teams. In addition, as our business has been driven by technology and data since its inception, we aim to leverage data and technology to provide the best experience to our users. For this purpose, our engineering and technology teams focus on security, availability, scalability and performance of our technology infrastructure while preparing new product features across our website and mobile applications. Our technology department is essential to our ability to implement our strategy and maintain our position in the Turkish e-commerce market.

In addition, we expanded our commerce platform during 2022, 2023 and 2024, and developed an ecosystem of services. The ecosystem we have been building includes Hepsipay, Hepsijet, Hepsilojistik, Hepsiad and Hepsiglobal as of the date of this annual report. We have taken advantage of the natural synergies that exist between our services to increase adoption amongst our customer and merchant base. We believe a greater utilization of our resources will drive further improvements in our unit economics. During 2024, we worked on building and enhancing our Hepsiad solutions, which include display advertising, sponsored brands and products as well as pop-up and push notifications. These solutions were used by around 35 thousand merchants in 2024. One of our focus areas for 2025 is to increase the number of merchants utilizing Hepsiad’s solutions.

Launched in 2016, Hepsijet provides last-mile delivery logistics across 81 cities in Türkiye through our 10 fulfillment centers, 21 transfer hubs, 249 cross-docks encompassing an total area of approximately 148 thousand square-meters as December 31, 2024. In 2021, Hepsijet expanded its service offering to include two-man cargo handling under the brand Hepsijet XL. We aim to continue to differentiate our customer experience with our nationwide logistics network. Additionally, Hepsijet serves other retailers in Türkiye as part of our strategic priorities. The share of external customer volume in Hepsijet’s operations increased to 34.6% in 2024, from 24.9% in 2023.

In June 2021, we launched Hepsipay Wallet, which enables instant return and cancellation credit and cashback. It is designed to be a “companion wallet” to mobilize, spend, transfer and save money in a flexible manner across online and offline channels. In 2021, we acquired Hepsifinans, which holds a consumer financing license. Since the first quarter of 2022, we offer the first end-to-end digital “Buy-Now-Pay-Later” solution for e-commerce in the Turkish market which provides customers the opportunity to complete their purchase and submit payment a month later or in up to 12 monthly installments. As of December 31, 2024, our BNPL solution had been used by over 561 thousand customers with approximately 3.3 million orders processed through our non-card affordability solutions (including BNPL, shopping loans and consumer finance loans). In May 2023, we launched a Hepsipay prepaid card, which enables customers to spend their Hepsipay Wallet balance in offline retailers via QR payments and in online stores. Around one million Hepsipay prepaid cards had been issued through the Hepsiburada mobile app as of December 31, 2024. In July 2023, Hepsipay launched its one-click checkout offering “Pay with Hepsipay.” As of December 31, 2024, Pay with Hepsipay was integrated into the online checkout of 140 retailers. Through this offering, Hepsipay has gained a share of these retailers’ online sales by enabling payment with cards stored on the Hepsipay Wallet. During 2023, we worked on our capabilities to offer our customers consumer financing solutions, in addition to those offered by leading banks already available through our platform. In early 2024, we launched our consumer finance operations.

Given their levels of maturity, growth rates, and scale, in the long term we believe these investments will enhance our market position and positively impact our total revenue, Gross Contribution and Free Cash Flow. For the year ended December 31, 2025, we anticipate that Hepsijet will account for approximately 12% of total capital expenditure (compared to approximately 11% in 2024) and Hepsipay will account for approximately 22% of total capital expenditure (compared to approximately 21% in 2024). For further discussion on our total capital expenditure in 2024, see “—Material Cash Requirements—Capital Expenditures.” Several factors, including demand, the competitive landscape and internal capabilities, may impact our decision to ultimately reconsider, change, or delay our original plans related to these assets. For a discussion of risks related to our strategic assets and complementary businesses, including risks related to future costs, please see Item 3.D. “Key Information—Risk Factors—Risks Relating to Our Business and Industry—We have incurred significant losses in the past and are likely to continue to incur losses as we continue to invest in order to grow, and we may not achieve operational profitability going forward.”

Seasonality

Our business is affected by seasonality, which historically has resulted in higher sales volumes during the fourth quarter of the year compared to the other quarters, and we expect this to continue. Higher sales during the fourth quarter of the year are mainly attributable to the increased demand for products during the peak New Year season in December, as well as sales during the month of November, which we refer to as “Legendary November.” As a result of peak seasonal sales, as of December 31 of each year, our cash flows provided by our operations typically reach an elevated level. This operating cycle results in a corresponding increase in accounts payable, combined with a decrease in inventories, as of December 31st. Our accounts payable balance generally declines during the first month of each year, resulting in a corresponding decline in cash flows provided by our operations. Additionally, we typically experience decreased frequency and traffic on our platform during the summer vacation months. See “—Liquidity and Capital Resources.”

Exchange Rate Volatility

We are exposed to foreign exchange rate risks mainly between Turkish Lira and U.S. dollars. Although our income, expenses, assets and liabilities are primarily denominated in Turkish Lira, we also maintain non-Turkish Lira denominated assets and liabilities, primarily in U.S. dollars. As of December 31, 2024, 2023 and 2022, we maintained Turkish Lira equivalent assets in U.S. dollars of TRY 2,963.7 million, TRY 8,857.7 million and TRY 6,804.0 million, respectively, primarily consisting of cash, cash equivalents and financial investments. As of the same periods, we maintained Turkish Lira equivalent liabilities in U.S. dollars of TRY 1,420.2 million, TRY 1,855.8 million and TRY 2,642.4 million, respectively, primarily consisting of trade payables and payables to merchants and due to related parties.

If, as of December 31, 2024, 2023 and 2022, the U.S. dollar had strengthened or weakened by 10% against the Turkish Lira, with all other variables held constant, income/(loss) before income taxes would have been TRY 154.4 million lower/higher, TRY 700.2 million higher/lower and TRY 416.2 million lower/higher, respectively, in each case as a result of foreign exchange losses/gains on the translation of U.S. dollar assets and liabilities. We do not currently undertake any currency hedging to manage our exposure in Türkiye to changes in foreign exchange rates because such hedging strategies are not available on commercially reasonable terms.

In 2024, the U.S. dollar appreciated 38.0% against the Turkish Lira, on average, as compared to 2023. This has resulted in TRY 654.8 million in foreign exchange gains from our U.S. dollar denominated bank deposits (including IPO proceeds) and financial investments. As in the case of inflation, the U.S. dollar appreciation has a negative impact on customers’ disposable income if increases in wages and salaries do not match such decline. Furthermore, U.S. dollar appreciation triggers a rise in oil prices, negatively impacting the costs of delivery service for merchants and in our Direct Sales. In addition, U.S. dollar appreciation triggers a rise in prices of nearly any imported good, particularly consumer electronics almost immediately. While such price increases may suggest a cost benefit in Direct Sales over existing inventory, this may decrease consumption levels should consumers’ purchasing power not stay at the same levels.

At the date of this annual report we held approximately 93% of our cash and cash equivalents in Turkish Lira and the remaining 7% was held in U.S. dollar.

Our financial condition, results of operations and cash flows may fluctuate significantly as a result of a variety of factors, including those described above.

Segments

Our Company is comprised of one reportable segment, namely e-commerce operations. Therefore we do not present any segment information in our audited consolidated financials.

Summary Consolidated Financial and Other Data

The summary consolidated statement of comprehensive income/(loss), consolidated balance sheet and consolidated statement of cash flows as of and for the years ended December 31, 2024, 2023 and 2022 have been derived from our audited consolidated financial statements included elsewhere in this annual report. Our historical results for any prior period are not necessarily indicative of results expected in any future period.

We present our audited consolidated financial statements in Turkish Lira.

The summary consolidated financial and other data set forth below should be read in conjunction with the other sections of this Item 5. “*Operating and Financial Review and Prospects*” and our audited consolidated financial statements and notes thereto included elsewhere in this annual report.

Summary Consolidated Statement of Comprehensive Income/Loss

	Year ended December 31,		
	2024 (audited)	2023 (audited)	2022 (audited)
	(thousand Turkish Lira)		
Revenues	57,046,561	51,338,956	38,228,624
Cost of inventory sold	(35,657,519)	(35,789,583)	(29,921,050)
Shipping and packaging expenses	(6,093,426)	(4,799,044)	(3,796,191)
Payroll and outsource staff expenses	(6,552,654)	(5,059,046)	(4,258,576)
Advertising expenses	(4,292,018)	(3,505,159)	(4,199,545)
Technology expenses	(740,631)	(595,096)	(436,341)
Depreciation and amortization	(2,048,138)	(1,695,200)	(1,219,844)
Other operating income	364,831	691,543	187,115
Other operating expenses	(2,010,047)	(1,634,086)	(1,965,919)
Operating profit/(loss)	16,959	(1,046,715)	(7,381,727)
Financial income	4,017,977	5,110,444	4,552,480
Financial expenses	(7,660,314)	(5,789,668)	(4,068,113)
Monetary gains/(losses)	2,020,471	1,834,992	(19,377)
Income/(Loss) before income taxes	(1,604,907)	109,053	(6,916,737)
Taxation on income	—	—	—
Income/(Loss) for the year	(1,604,907)	109,053	(6,916,737)
Actuarial losses arising on re-measurement of post-employment benefits	(22,071)	(108,441)	(33,266)
Total comprehensive income/(loss) for the year	(1,626,978)	612	(6,950,003)

Summary Consolidated Balance Sheet

	As of December 31,		
	2024	2023	2022
	(audited)	(audited)	(audited)
	(thousand Turkish Lira)		
Current assets	20,854,692	21,114,304	19,931,377
Non-current assets	5,290,226	4,268,373	4,018,610
Total assets	26,144,918	25,382,677	23,949,987
Current liabilities	21,586,026	19,702,056	18,426,920
Non-current liabilities	1,237,412	912,108	663,570
Equity	3,321,480	4,768,513	4,859,496
Total equity and liabilities	26,144,918	25,382,677	23,949,987

Summary Consolidated Statements of Cash Flows

	Year ended December 31,		
	2024	2023	2022
	(audited)	(audited)	(audited)
	(thousand Turkish Lira)		
Cash and cash equivalents at beginning of the year⁽¹⁾	7,939,626	12,512,914	14,899,379
Net cash provided by/ (used in) operating activities	5,697,678	7,246,542	1,020,495
Net cash provided by/ (used in) investing activities	894,707	(2,423,093)	2,607,045
Net cash provided by/ (used in) financing activities	(5,865,937)	(4,807,843)	(3,507,597)
Net increase in cash and cash equivalents	726,448	15,606	119,943
Effects of exchange rate changes on cash and cash equivalents	49,919	251,829	2,320,620
Effects of inflation on cash and cash equivalents	(1,967,204)	(4,840,723)	(4,827,028)
Cash and cash equivalents at end of the year⁽¹⁾	6,748,789	7,939,626	12,512,914

- (1) “Cash and cash equivalents at beginning of the year” and “Cash and cash equivalents at end of the year” in our consolidated statements of cash flows exclude interest accrual. For a detailed discussion and reconciliation to “Cash and cash equivalents” in our consolidated balance sheet, see Note 3 to our audited consolidated financial statements included elsewhere in this annual report.

Key Indicators of Operating and Financial Performance and Non-IFRS Measures

We regularly review a number of metrics, including the following key operating and financial metrics, to evaluate our business, measure our performance, identify trends in our business, prepare financial projections and make strategic decisions. We believe these non-IFRS and operational measures are useful in evaluating our performance, in addition to our financial results prepared in accordance with IFRS. The following measures used by our management to monitor and manage operational risk and financial performance. For information regarding the definitions, calculation and use of the non-IFRS financial measures and KPIs, see “*Presentation of Financial and Other Information — Use of Non-IFRS Financial Measures*” and “*Presentation of Financial and Other Information — Key Operating Performance Indicators*.”

	As of, and for the year ended, December 31,		
	2024	2023	2022
GMV (TRY in billions) ⁽¹⁾	188.6	168.3	128.3
Marketplace GMV (TRY in billions) ⁽²⁾	131.6	112.5	85.6
Share of Marketplace GMV (%) ⁽³⁾	69.8	66.9	66.7
Number of orders (in millions)	131.4	113.0	80.4
Active Customers (in millions)	12.2	11.9	12.2
Gross Contribution (TRY in millions) ^{(4) (5)}	21,389.0	15,549.4	8,307.6
Gross Contribution Margin (%)	11.3	9.2	6.5
EBITDA (TRY in millions) ^{(4) (6)}	2,065.1	648.5	(6,161.9)
EBITDA as a percentage of GMV (%)	1.1	0.4	(4.8)
Free Cash Flow (TRY in millions) ^{(4) (7)}	3,701.9	5,591.7	(989.6)
Net Working Capital (TRY in millions) ^{(4) (8)}	(7,774.5)	(8,527.8)	(10,659.5)

- (1) References to “GMV” are to gross merchandise value, which refers to the total value of orders/products sold through our platform over a given period of time (including VAT without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants.

GMV is the driver of our revenues. From time to time, the relative proportion of sales made through our Direct Sales and Marketplace businesses may change. These variations do not impact our GMV but they do impact our revenues. In our Direct Sales business, we recognize revenues on a gross basis, net of return and cancellation allowances and in our Marketplace business we recognize revenues on a net basis, representing commission fees earned.

Accordingly, we measure the volume of our operations not on the basis of revenues, but rather on the basis of our GMV, which also includes cargo income (related to the products sold over our platform) and returns and cancellations, which are correlated with the volumes of goods sold on our platform.

- (2) References to “Marketplace GMV” are to the total value of orders/products sold through our Marketplace over a given period of time (including VAT without deducting returns and cancellations), including cargo income (shipping fees related to the products sold through our platform) and excluding other service revenues and transaction fees charged to our merchants. For a discussion of GMV and its use, and the significance of measuring sales through our Marketplace as distinct from our Direct Sales, see footnote (1) above.
- (3) References to “Share of Marketplace GMV” are to the portion of GMV sold through our Marketplace represented as a percentage of our total GMV. Share of Marketplace GMV is a metric used to understand the relative size of our Marketplace operations compared to our other operations, such as our Direct Sales. Accordingly, we believe that Share of Marketplace GMV provides useful information to investors in understanding and evaluating our operating results in the same manner as our management and board of directors.
- (4) Gross Contribution, EBITDA, Free Cash Flow and Net Working Capital are supplemental measures of our performance that are not required by or presented in accordance with IFRS. See “*Presentation of Financial and Other Information — Use of Non-IFRS Financial Measures*” and below for a definition of such non-IFRS measures, a discussion of the limitations on their use, and reconciliations of the non-IFRS measures to the most directly comparable IFRS measures.
- (5) References to “Gross Contribution” are to revenues less cost of inventory sold.

Gross contribution is a supplemental non-IFRS financial measure that is not required by, or presented in accordance with, IFRS. We have included gross contribution in this annual report because it is a key measure used by our management and board of directors to evaluate our operational profitability as it reflects direct costs of products sold to our buyers. Accordingly, we believe that Gross Contribution provides useful information to investors in understanding and evaluating our operating results in the same manner as our management and board of directors.

Gross contribution has limitations as a financial measure, including that other companies may calculate gross contribution differently, which reduces its usefulness as a comparative measure and you should not consider it in isolation or as a substitute for profit/(loss) for the period, as a profit measure or other analysis of our results as reported under IFRS.

The following table shows the calculation of Gross Contribution for the periods presented.

	For the year ended December 31,		
	2024	2023	2022
	(audited)		
	(in thousands Turkish Lira)		
Revenues ^(a)	57,046,561	51,338,956	38,228,624
Cost of inventory sold ^(b)	(35,657,519)	(35,789,583)	(29,921,050)
Gross Contribution	21,389,042	15,549,373	8,307,574

(a) See “—Components of Our Results of Operations—Revenues.”

(b) See “—Components of Our Results of Operations—Operating expenses.”

(6) References to “EBITDA” are to profit or loss for the period *plus* taxation on income *less* financial income *plus* financial expenses *plus* depreciation and amortization *plus* monetary gains/(losses).

EBITDA is a supplemental non-IFRS financial measure that is not required by, or presented in accordance with, IFRS. We have included EBITDA in this annual report because it is a key measure used by our management and board of directors to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. In particular, the exclusion of certain expenses and, from the date of applicability of IAS 29, related monetary gains/(losses), in calculating EBITDA facilitates operating performance comparability across reporting periods by removing the effect of non-cash expenses (including monetary gains/(losses)) and non-operating expense/(income). One of the objectives of IAS 29 is to account for the financial gain or loss that arises from holding monetary assets or liabilities during a reporting period (*i.e.*, the monetary gains/(losses)). Therefore, the monetary gains/(losses) are excluded from EBITDA for a proper comparison of the operational performance of the Company. Accordingly, we believe that EBITDA provides useful information to investors in understanding and evaluating our operating results in the same manner as our management and board of directors.

Management uses EBITDA:

- as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis, as it removes the impact of non-cash and non-operating items;
- for planning purposes, including the preparation of our internal annual operating budget and financial projections; and
- to evaluate the performance and effectiveness of our strategic initiatives.

EBITDA has limitations as a financial measure, including that other companies may calculate EBITDA differently, which reduces its usefulness as a comparative measure and you should not consider it in isolation or as a substitute for profit/(loss) for the period as a profit measure or other analysis of our results as reported under IFRS.

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The following table shows the reconciliation of EBITDA to income/(loss) for the years presented.

	Year ended December 31,		
	2024	2023	2022
	(thousand Turkish Lira)		
Income/(Loss) for the year	(1,604,907)	109,053	(6,916,737)
Taxation on income	—	—	—
Financial income	4,017,977	5,110,444	4,552,480
Financial expenses	(7,660,314)	(5,789,668)	(4,068,113)
Depreciation and amortization	(2,048,138)	(1,695,200)	(1,219,844)
Monetary gains/(losses)	2,020,471	1,834,992	(19,377)
EBITDA	2,065,097	648,485	(6,161,883)

- (7) References to “Free Cash Flow” are to net cash provided by operating activities *less* capital expenditures *plus* proceeds from sale of property and equipment.

Free Cash Flow is a supplemental non-IFRS financial measure that is not required by, or presented in accordance with, IFRS. We have included Free Cash Flow in this annual report because it is an important indicator of our liquidity as it measures the amount of cash we generate/(use) and provides additional perspective on whether we have sufficient cash after funding our operations and capital expenditures. Accordingly, we believe that Free Cash Flow provides useful information to investors in understanding and evaluating our operating results in the same manner as our management and board of directors.

Free Cash Flow has limitations as a financial measure, and you should not consider it in isolation or as substitutes for net cash used in operating activities as a measure of our liquidity or other analysis of our results as reported under IFRS. There are limitations to using non-IFRS financial measures, including that other companies may calculate Free Cash Flow differently. Because of these limitations, you should consider Free Cash Flow alongside other financial performance measures, including net cash used in operating activities, capital expenditures and our other IFRS results.

The following table shows the reconciliation of Free Cash Flow to net cash provided by/ (used in) operating activities for the periods presented.

	Year ended December 31,		
	2024	2023	2022
	(thousand Turkish Lira)		
Net cash provided by/ (used in) operating activities	5,697,678	7,246,542	1,020,495
Capital expenditures ^(a)	(2,010,546)	(1,665,725)	(2,011,315)
Proceeds from the sale of property and equipment	14,788	10,913	1,186
Free Cash Flow	3,701,920	5,591,730	(989,634)

- (a) See Item 5.B. “—Liquidity and Capital Resources—Material Cash Requirements—Capital Expenditures.”

- (8) References to “Net Working Capital” are to current assets (excluding cash and cash equivalents and financial investments) *minus* current liabilities (excluding current bank borrowings and current lease liabilities). Net Working Capital is presented as of December 31, 2024, 2023 and 2022.

Net Working Capital is a supplemental non-IFRS financial measure that is not required by, or presented in accordance with, IFRS. We have included Net Working Capital in this annual report because it is used to measure the short-term liquidity of a business, and can also be used to obtain a general impression of the ability of company management to utilize assets in an efficient manner. Net Working Capital is critical since it is used to keep our business operating smoothly and meet all our financial obligations in the short term. Accordingly, we believe that Net Working Capital provides useful information to investors in understanding and evaluating how we manage our short-term liabilities.

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Net Working Capital has limitations as a financial measure, and you should not consider it in isolation as a measure of our liquidity or other analysis of our results as reported under IFRS. There are limitations to using non-IFRS financial measures, including that other companies calculate Net Working Capital differently. Because of these limitations, you should consider Net Working Capital alongside other financial performance measures, including current assets, current liabilities and our other IFRS results.

See Item 5.B. “—*Liquidity and Capital Resources—Current Sources of Liquidity and Capital Resources—Net Working Capital*” for a reconciliation of Net Working Capital to current assets and current liabilities.

Components of Our Results of Operations

Revenues

Our revenues consist of:

- (i) sales of goods revenue generated under our 1P-model Direct Sales operations;
- (ii) Marketplace revenues (generated under our 3P-model) comprising (a) Marketplace commission, (b) transaction fees and (c) other contractual charges to merchants;
- (iii) delivery services revenue generated under 3P-model Marketplace, as well as delivery services provided to third parties outside of our online platform; and
- (iv) other service revenue generated from our advertising services, fulfillment services and subscription services, interest revenues from consumer financing activities and other commissions.

Sales of goods

We generate revenue from sales of goods in our 1P-model Direct Sales operations, for which we purchase goods from our suppliers and sell them to our customers. In our Direct Sales business, we act as a principal and initially recognize revenue from the sales of goods on a gross basis at the time of delivery of the goods to our customers. Our customers have a right to return goods within 14 days from delivery and we ultimately recognize our sales of goods revenues net of return and cancellation allowances. We estimate future returns for the sales and we recognize a liability for the expected returns, as necessary.

Marketplace revenues

Our Marketplace revenues consist of (a) Marketplace commission, (b) transaction fees and (c) other contractual charges to the merchants where:

- (a) *Marketplace commission* represents commission fees charged to merchants for selling their goods on our Marketplace, where upon sale of the goods, we charge our merchants a fixed rate commission based on the transaction value. We recognize Marketplace commission, net of returns and discounts, at the completion of the order delivery.
- (b) *Transaction fees* are charged to our merchants for each order received by them through our platform. Such fees are recognized as revenue at the time the order is placed; and
- (c) *Other contractual charges* represent the charges to the merchants for late deliveries and cancelled orders. Such fees are recognized as revenue at the time the contractual rights are established.

Delivery service revenue

The delivery services are charged to our merchants and customers, in Marketplace operations. Charges for delivery services also include revenue generated from last-mile delivery services to third parties (through our Hepsijet services).

Other service revenue

Other service revenue primarily comprises advertising services revenue, fulfillment revenue, subscription services revenue, interest revenue from consumer financing activities and other commission revenues.

Operating expenses

Our operating expenses comprise (a) cost of inventory sold, (b) shipping and packaging expenses, (c) payroll and outsource staff expenses, (d) advertising expenses, (e) technology expenses, (f) depreciation and amortization, (g) other operating expenses and (h) other operating income, where:

- (a) *Cost of inventory sold* consists of the purchase price of products, including supplier rebates and subsidies, write-downs and losses of inventories in our Direct Sales business. The cost of inventory sold also comprises inbound shipping costs that are already embedded in the purchase price of products;
- (b) *Shipping and packaging expenses* primarily consist of outbound shipping, logistics and packaging costs;
- (c) *Payroll and outsource staff expenses* primarily consist of all payroll and related expenses in addition to costs related to our outsourced personnel; however, payroll expenses for certain employees in the technology team who are responsible for website development are capitalized in our financial statements. Therefore our payroll and outsource staff expenses excludes costs related to such employees;
- (d) *Advertising expenses* primarily consist of advertising costs, including digital and performance marketing efforts through search engines and sites in order to attract customers and merchants to our platform;
- (e) *Technology expenses* primarily consist of costs related to our information technology infrastructure, including the costs associated with maintaining our online platform, data centers and other operational expenses pertaining to our technological infrastructure;
- (f) *Depreciation and amortization* primarily consists of depreciation and amortization costs incurred in relation to our property and equipment, intangible assets and right of use assets;
- (g) *Other operating expenses* consist of expenses related to several legal cases, utilities, consultancy, rent expenses, credit card processing, insurance, withholding tax, vehicle fuel, credit card chargebacks, internet line, irrecoverable value added tax, maintenance expenses, stationary, travel, provision for doubtful receivables and other expenses; and
- (h) *Other operating income* consists of income related to contribution income, partnership income, withholding tax, depository service, brand promotions, services charges, released provisions and other income.

Financial income

Financial income consists of foreign currency exchange gains, interest income, fair value gains on financial assets at fair value and other income.

Financial expenses

Financial expenses consist of commission expenses due to early collection of credit card receivables, foreign currency exchange losses, interest expenses on bank borrowings, interest expenses on purchases, interest expenses on lease liabilities, fair value losses on financial assets at fair value and other expenses.

Monetary gains/(losses)

Monetary gains/(losses) on the net monetary position is derived as the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statements of comprehensive income/(loss) and the adjustment of index-linked assets and liabilities.

Taxation on income

Taxation on income consists of tax calculated at the enacted tax rate, the effect of non-deductible expenses and deferred income tax assets not recognized. We are subject to Turkish corporate income tax, and set aside tax provisions in our financial statements for the estimated charge based on our results for the period. Corporate tax is applicable to the taxable corporate income, which is calculated based on the statutory accounting profit by adding back the non-deductible expenses, and by deducting the tax-exempt earnings, other exempt income and other deductions (e.g., losses in previous periods, investment incentives utilized and specific allowances). The corporate income tax rate in Türkiye was 25% in 2024, 25% in 2023 and 23% in 2022. The Law on Amendments to Tax Laws and Certain Laws and Decree Law No. 375 numbered 7524, published in the Official Gazette No. 32620 on August 2, 2024, introduced a minimum corporate tax rate of 10% to be applied to profits earned in fiscal year 2025 and subsequent tax periods. The purpose of the minimum corporate tax is to ensure that the tax assessed is not less than 10% of corporate income, whenever taxpayers have taxable income before applying relevant exemptions or deductions. We may also be subject to one-off taxes. We were not subject to the one-time earthquake tax for the 2022 accounting period which amounted to a rate of 10% on exemption and deduction amounts applied on income under the applicable laws, among other items. However, any amendments to the tax legislation or subsequent practice of tax authorities may require us to pay an earthquake or other one-off tax in the future, including on a retroactive basis for the prior accounting periods.

A. Operating Results

Results of Operations

Below are our results of operations for the years ended December 31, 2024, 2023 and 2022:

	For the year ended December 31,		
	2024	2023	2022
	(audited)	(audited)	(audited)
	(in thousands Turkish Lira)		
Revenues	57,046,561	51,338,956	38,228,624
Cost of inventory sold	(35,657,519)	(35,789,583)	(29,921,050)
Shipping and packaging expenses	(6,093,426)	(4,799,044)	(3,796,191)
Payroll and outsource staff expenses	(6,552,654)	(5,059,046)	(4,258,576)
Advertising expenses	(4,292,018)	(3,505,159)	(4,199,545)
Technology expenses	(740,631)	(595,096)	(436,341)
Depreciation and amortization	(2,048,138)	(1,695,200)	(1,219,844)
Other operating income	364,831	691,543	187,115
Other operating expenses	(2,010,047)	(1,634,086)	(1,965,919)
Operating profit/(loss)	16,959	(1,046,715)	(7,381,727)
Financial income	4,017,977	5,110,444	4,552,480
Financial expenses	(7,660,314)	(5,789,668)	(4,068,113)
Monetary gains/(losses)	2,020,471	1,834,992	(19,377)
Income/(loss) before income taxes	(1,604,907)	109,053	(6,916,737)
Taxation on income	—	—	—
Income/(loss) for the year	(1,604,907)	109,053	(6,916,737)
Items that will not be reclassified to profit or loss:			
Actuarial losses arising on re-measurement of post-employment benefits	(22,071)	(108,441)	(33,266)
Total comprehensive income/(loss) for the year	(1,626,978)	612	(6,950,003)

Year ended December 31, 2024 compared to year ended December 31, 2023

Revenues

Below are our revenues, broken down by source, for the years ended December 31, 2024 and 2023, and as a percentage of total revenues:

	Year ended December 31,		2023		Change	
	2024	% of Revenues	2023	% of Revenues	Amount	%
(in thousands Turkish Lira, except percentages)						
Sales of goods	38,577,032	67.6	38,048,868	74.1	528,164	1.4
Marketplace revenues	7,251,523	12.7	6,477,412	12.6	774,111	12.0
Delivery services revenue	7,865,726	13.8	5,229,995	10.2	2,635,731	50.4
Other	3,352,280	5.9	1,582,681	3.1	1,769,599	111.8
Revenues	57,046,561	100.0	51,338,956	100.0	5,707,605	11.1

Our revenues increased by TRY 5,707,605 thousand, or 11.1%, to TRY 57,046,561 thousand in the year ended December 31, 2024 from TRY 51,338,956 thousand in the year ended December 31, 2023. This was primarily attributable to a TRY 2,635,731 thousand, or 50.4%, increase in delivery service revenue to TRY 7,865,726 thousand in 2024 compared to TRY 5,229,995 thousand in 2023. Additionally, other service revenue, which mainly consisted of advertising services revenue, Hepsiburada Premium subscription fees, fulfillment services revenue and Hepsifinans interest revenue, grew by TRY 1,769,599 thousand, or 111.8%, to TRY 3,352,280 thousand in 2024 compared to TRY 1,582,681 thousand in 2023.

In 2024, the number of orders increased by 8.1% (excluding digital products) compared to 2023 due to the continued rise in order frequency. Meanwhile, average order value increased by 3.9% (excluding digital products) in 2024 compared to 2023. The increase in average order value growth (excluding digital products) was due to a faster-than-inflation rise in average selling prices and to the higher share of large-ticket items in non-electronics in 2024 compared to 2023.

The increase in the number of orders combined with the increase in average order value (as further detailed above) resulted in 2.9% growth on an annual basis in sales of goods and Marketplace revenues, on an aggregate basis, compared to 2023. The compound effects of an increasingly orthodox monetary policy from the Turkish government in response to inflation and higher annual interest rates in 2024 (as reported by the CBRT, the annual average interest rate increased to 44.9% in 2024 from 18.6% in 2023) curtailed market growth and consumer demand, which had an adverse effect on our revenue growth compared to 2023.

The 12.0% year-on-year growth in Marketplace revenue was higher than the 1.4% year-on-year growth in sales of goods revenue mainly due to the 2.9 percentage point shift in GMV mix towards Marketplace with faster growth in non-electronics in 2024.

The 50.4% increase in delivery service revenue compared to 2023 was mainly due to (i) annual and mid-year rises in unit delivery service charges, (ii) an increase in delivery service revenue from off-platform customers of Hepsijet and (iii) an increase in the number of parcels delivered.

The 111.8% growth in other revenue was mainly driven by 66.7% growth in our advertising services revenues (including our HepsAd services and co-marketing revenues) and 248.4% growth in Hepsiburada Premium subscription revenues compared to 2023. HepsAd services revenue as a percentage of GMV was approximately 0.5% in 2024.

Operating expenses

Below are our operating expenses, broken down by category, for the years ended December 31, 2024 and 2023, and as a percentage of total revenue:

	2024		2023		Change	
		% of Revenues		% of Revenues	Amount	%
	(in thousands Turkish Lira, except percentages)					
Cost of inventory sold	(35,657,519)	62.5	(35,789,583)	69.7	132,064	(0.4)
Shipping and packaging expenses	(6,093,426)	10.7	(4,799,044)	9.3	(1,294,382)	27.0
Payroll and outsource staff expenses	(6,552,654)	11.5	(5,059,046)	9.9	(1,493,608)	29.5
Advertising expenses	(4,292,018)	7.5	(3,505,159)	6.8	(786,859)	22.4
Technology expenses	(740,631)	1.3	(595,096)	1.2	(145,535)	24.5
Depreciation and amortization	(2,048,138)	3.6	(1,695,200)	3.3	(352,938)	20.8
Other operating income	364,831	(0.6)	691,543	(1.3)	(326,712)	(47.2)
Other operating expenses	(2,010,047)	3.5	(1,634,086)	3.2	(375,961)	23.0
Operating expenses	(57,029,602)	100.0	(52,385,671)	102.0	(4,643,931)	8.9

Our operating expenses increased by TRY 4,643,931 thousand, or 8.9%, to TRY 57,029,602 thousand for the year ended December 31, 2024 from TRY 52,385,671 thousand for the year ended December 31, 2023. This increase was mainly due to a 27.0% increase in shipping and packaging expenses, an 29.5% increase in payroll and outsource staff expenses, a 22.4% increase in advertising expenses, a 24.5% increase in technology expenses, a 20.8% increase in depreciation and amortization, a 47.2% decrease in other operating income and a 23.0% increase in other operating expenses. This increase was partially offset by a 0.4% decrease in cost of inventory sold.

The decrease of TRY 132,064 thousand, or 0.4%, in our cost of inventory sold was primarily due to the lower inflation impact on cost of inventory sold (annual inflation for 2024 was 44.4% compared to 64.8% for 2023) and a higher discount impact on cost of inventory sold due to purchases on credit, as a result of increased annual interest rate in Türkiye.

The TRY 1,294,382 thousand, or 27.0%, increase in shipping and packaging expenses was mainly driven by the 8.1% increase in number of orders (excluding digital products) and a rise in delivery fee per unit, outpacing the average inflation in 2024, applied by our delivery partners due to increases in fuel prices and annual minimum wages.

The TRY 1,493,608 thousand, or 29.5%, rise in payroll and outsource staff expenses was mainly due to the annual and mid-year salary rises, along with the fact that the number of average full-time and outsourced employees (excluding those employees who are employed for the development of our website and whose costs are capitalized as per IFRS) increased by 24.1% in 2024 compared to 2023 in line with our plans on talent onboarding for our subsidiaries.

The TRY 786,859 thousand, or 22.4%, increase in advertising expenses was mainly due to continued investment in some of our profitability drivers including growing the sale of non-electronic categories and scaling our strategic business pillar Hepsiburada Premium program. In this regard, we have deepened our customer engagement through better personalized customer journeys and our loyalty program. As an outcome of the new E-Commerce Law (as defined under Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview*”), in the future, the Company may have to limit the total amount of advertising and marketing expenditures and customer discounts if and when the Company exceeds the threshold that triggers advertisement and discount budget restrictions.

The TRY 145,535 thousand, or 24.5%, increase in technology expenses was mainly due to higher cloud expenses in 2024 compared to 2023 and an increase in our headcount, which triggered higher software license fees. The increase was also related to investments in new software solutions to enhance customer experience in line with our efforts to provide a superior customer experience.

The TRY 352,938 thousand, or 20.8%, increase in depreciation and amortization was mainly due to the increase in additions to intangible assets associated with website development costs.

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Other operating income, which mainly includes reversal of provisions, contribution income, bank promotion income and ADS depository service income, decreased by TRY 326,712 thousand, or 47.2%, to TRY 364,831 thousand, in the year ended December 31, 2024 from TRY 691,543 thousand in December 31, 2023. This decrease was largely attributable to recording of the reversal of TRY 208.7 million of the TRY 227.5 million expense provision regarding an investigation initiated by the Competition Board in 2023, and the settlement of the USD 3,975 thousand (equivalent to TRY 175.8 million) contribution amount owed by TurkCommerce B.V. to Hepsiburada under the contribution agreement entered into between the parties in 2023.

Other operating expenses which mainly include provision for license fee, insurance, provision for legal cases, legal expenses, consultancy, withholding tax and other service costs increased by TRY 375,961 thousand, or 23.0%, to TRY 2,010,047 thousand for the year ended December 31, 2024 from TRY 1,634,086 thousand for the year ended December 31, 2023. This increase was mainly due to higher bad debt provision expenses in 2024 relating to BNPL receivables and loan receivables amounting to TRY 413,567 thousand, provision for licence fee amounting to TRY 180,023 thousand and utilities and rent expenses. The increase was partially offset by lower withholding tax payments and credit card processing expenses in 2024 compared to 2023.

Financial income

Our financial income decreased by TRY 1,092,467 thousand, or 21.4%, to TRY 4,017,977 thousand in 2024 compared to TRY 5,110,444 thousand in 2023. This was mainly driven by a TRY 2,829,051 thousand decrease in foreign currency exchange gains from our U.S. dollar denominated bank deposits and financial investments due to lower U.S. dollar/TRY appreciation in 2024. The TRY currency depreciation was by 19.7% in 2024 compared to 57.4% in 2023. The decrease was partially offset by a TRY 1,001,323 thousand increase in interest income on time deposits due to higher annual interest rates (as reported by the CBRT, the annual average interest rate increased to 44.9% in 2024 from 18.6% in 2023) and a TRY 836,012 thousand increase in interest income on credit sales due to higher annual interest rates and higher revenue.

Financial expenses

Our financial expenses increased by TRY 1,870,646 thousand, or 32.3%, to TRY 7,660,314 thousand in 2024 compared to TRY 5,789,668 thousand in 2023, primarily attributable to a TRY 1,816,743 thousand increase in commission expenses due to early collection of credit card receivables as a result of an increase in annual effective interest rates compared to 2024 and a TRY 790,719 thousand increase in interest expenses on purchases due to higher inventory procurement during 2024. The increase was partially offset by a TRY 825,809 thousand decrease in foreign currency exchange losses from our U.S. dollar denominated trade payables and payables to merchants due to lower U.S. dollar/TRY appreciation in 2024.

Monetary gains/(losses)

Our monetary gains/(losses) position increased by TRY 185,479 thousand to TRY 2,020,471 thousand monetary gains in 2024 from TRY 1,834,992 thousand monetary gains in 2023. The increase in monetary gains was mainly due to the change in net monetary position resulting from monetary liabilities (mainly consisting of trade payables and payables to merchants) exceeding monetary assets (mainly consisting of cash and cash equivalents) in 2024.

Net (loss)/income for the year

Our net loss for the year was TRY 1,604,907 thousand in 2024 compared to net income of TRY 109,053 thousand in 2023.

The TRY 1,713,960 thousand negative change was mainly due to the TRY 2,963,113 thousand increase in net financial expenses (net of financial income), which was partially offset by the TRY 1,063,674 thousand reduction in operating losses and the TRY 185,479 thousand increase in monetary gains as described above.

EBITDA

EBITDA increased by TRY 1,416,612 thousand, or 218.4%, to TRY 2,065,097 thousand in the year ended December 31, 2024 from TRY 648,485 thousand in the year ended December 31, 2023, corresponding to 1.1% EBITDA as a percentage of GMV in 2024. This corresponded to a 0.7 percentage point improvement in EBITDA as a percentage of GMV in 2024 compared to 0.4% in 2023. This improvement was driven by a 2.1 percentage point rise in Gross Contribution margin, partially offset by a 0.5 percentage point increase in payroll and outsource staff expenses, a 0.4 percentage point increase in shipping and packaging expenses, a 0.2 percentage point increase in advertising expenses, and a 0.4 percentage point increase in other operating expenses, net, in each case as a percentage of GMV.

Year ended December 31, 2023 compared to year ended December 31, 2022

Revenues

Below are our revenues, broken down by source, for the years ended December 31, 2023 and 2022, and as a percentage of total revenues:

	Year ended December 31,		2022		Change	
	2023	% of Revenues	2022	% of Revenues	Amount	%
	(in thousands Turkish Lira, except percentages)					
Sales of goods	38,048,868	74.1	29,937,693	78.3	8,111,175	27.1
Marketplace revenues	6,477,412	12.6	4,049,654	10.6	2,427,758	59.9
Delivery services revenue	5,229,995	10.2	3,537,742	9.3	1,692,253	47.8
Other	1,582,681	3.1	703,535	1.8	879,146	125.0
Revenues	51,338,956	100.0	38,228,624	100.0	13,110,332	34.3

Our revenues increased by TRY 13,110,332 thousand, or 34.3%, to TRY 51,338,956 thousand in the year ended December 31, 2023 from TRY 38,228,624 thousand in the year ended December 31, 2022. This was primarily attributable to a TRY 8,111,175 thousand, or 27.1%, increase in sales of goods to TRY 38,048,868 thousand in 2023 compared to TRY 29,937,693 thousand in 2022. Marketplace revenues increased by 59.9% to TRY 6,477,412 thousand in 2023 compared to TRY 4,049,654 thousand in 2022. Delivery services revenue increased by 47.8% to TRY 5,229,995 thousand in 2023 compared to TRY 3,537,742 thousand in 2022. Meanwhile, other service revenue, which mainly consisted of advertising services, Hepsiburada Premium subscriptions and Hepsilojistik revenue streams, grew by 125.0% to TRY 1,582,681 thousand in 2023 compared to TRY 703,535 thousand in 2022.

In 2023, the number of orders increased by 13.7% (excluding digital products) compared to 2022 due to the continued rise in order frequency. Meanwhile, average order value increased by 15.2% (excluding digital products) in 2023 compared to the corresponding periods in 2022. The increase in average order value growth (excluding digital products) is attributable mainly to a faster-than-inflation rise in average selling prices and to the higher share of large-ticket items in electronics in 2023.

The increase in the number of orders combined with the increase in average order value (as further detailed above) resulted in 31.0% growth on an annual basis in sales of goods and marketplace revenues, on an aggregate basis, compared to 2022.

The 59.9% year-on-year growth in Marketplace revenue was higher than the 27.1% year-on-year growth in sales of goods revenue mainly due to the optimization of discount campaigns in our Marketplace operations.

The 47.8% increase in delivery service revenue compared to 2022 was mainly due to (i) annual and mid-year rises in unit delivery service charges, (ii) an increase in delivery service revenue from off-platform customers of Hepsijet and (iii) an increase in the number of parcels delivered.

The 125.0% growth in other revenue was mainly driven by 95.3% growth in our advertising services revenues (including our Hepsiad services and co-marketing revenues) and 824.6% growth in Hepsiburada Premium subscription revenues compared to 2022. Hepsiad services revenue as a percentage of GMV was approximately 0.2% in 2023.

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Operating expenses

Below are our operating expenses, broken down by category, for the years ended December 31, 2023 and 2022, and as a percentage of total revenue:

	2023		2022		Change	
	Amount	% of Revenues	Amount	% of Revenues	Amount	%
(in thousands Turkish Lira, except percentages)						
Cost of inventory sold	(35,789,583)	69.7	(29,921,050)	78.3	(5,868,533)	19.6
Shipping and packaging expenses	(4,799,044)	9.3	(3,796,191)	9.9	(1,002,853)	26.4
Payroll and outsource staff expenses	(5,059,046)	9.9	(4,258,576)	11.1	(800,470)	18.8
Advertising expenses	(3,505,159)	6.8	(4,199,545)	11.0	694,386	(16.5)
Technology expenses	(595,096)	1.2	(436,341)	1.1	(158,755)	36.4
Depreciation and amortization	(1,695,200)	3.3	(1,219,844)	3.2	(475,355)	39.0
Other operating income	691,543	(1.3)	187,115	(0.5)	504,428	269.6
Other operating expenses	(1,634,086)	3.2	(1,965,919)	5.1	331,833	(16.9)
Operating expenses	(52,385,670)	102.0	(45,610,351)	119.3	(6,775,319)	14.9

Our operating expenses increased by TRY 6,775,319 thousand, or 14.9%, to TRY 52,385,670 thousand for the year ended December 31, 2023 from TRY 45,610,351 thousand for the year ended December 31, 2022. This increase was mainly due to a 19.6% increase in cost of inventory sold, a 26.4% increase in shipping and packaging expenses, an 18.8% increase in payroll and outsource staff expenses, a 39.0% increase in depreciation and amortization and a 36.4% increase in technology expenses. This increase was partially offset by a 16.5% decrease in advertising expenses, a 269.6% increase in other operating income and a 16.9% decrease in other operating expenses.

The increase of TRY 5,868,353 thousand, or 19.6%, in our cost of inventory sold was primarily due to a TRY 8,111,175 thousand increase in our Direct Sales business. The increase in cost of inventory sold is slower than the increase in sale of goods revenue mainly due to lower inflation impact on cost of inventory sold, shorter inventory turnover days in 2023 compared to 2022 and a higher discount impact on cost of inventory sold due to purchases on credit, as a result of increased annual interest rates in Türkiye.

The TRY 1,002,853 thousand, or 26.4%, increase in shipping and packaging expenses was mainly driven by the 13.7% increase in number of orders (excluding digital products) and a rise in delivery fee per unit, outpacing the average inflation in 2023, applied by our delivery partners due to increases in fuel prices and annual minimum wages.

The TRY 800,470 thousand, or 18.8%, rise in payroll and outsource staff expenses was mainly due to the annual and mid-year salary rises although the number of average personnel (excluding those employees who are employed for the development of our website and whose costs are capitalized as per IFRS) decreased by 18.3% in 2023 compared to 2022. Share-based payment expenses in 2023 (covering a provision for the equity-settled portion of compensation, that includes a vesting condition-based plan and a performance target-based plan) was TRY 153,622 thousand compared to TRY 361,846 thousand in 2022 (covering a provision for the equity-settled portion of compensation, that includes a vesting condition-based plan and a performance target-based plan). This decrease was mainly due to the lower number of shares vested in 2023 and lower share price for the shares that vested in 2023 compared to 2022.

The TRY 694,386 thousand, or 16.5%, decline in advertising expenses was mainly due to continued marketing efficiency efforts. In this regard, we have deepened our customer engagement through better personalized customer journeys and our loyalty program. As an outcome of the new E-Commerce Law (as defined under Item 4.B. “*Information on the Company—Business Overview—Regulatory Overview*”); in the future, the Company may have to limit the total amount of advertising and marketing expenditures and customer discounts if and when the Company exceeds the threshold that triggers advertisement and discount budget restrictions.

The TRY 158,755 thousand, or 36.4%, increase in technology expenses was mainly due to higher cloud expenses in 2023 compared to 2022. Prior to 2023, these costs were for the development phase of cloud-based projects and were recognized as website development costs under capital expenditures. The increase was also related to investments in new software solutions to enhance customer experience in line with our efforts to provide a superior customer experience.

The TRY 475,355 thousand, or 39.0%, increase in depreciation and amortization was mainly due to the increase in additions to the intangible assets associated with website development costs.

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Other operating income, which mainly includes reversal of provisions, contribution income, bank promotion income and ADS depositary service income, increased by TRY 504,428 thousand, or 269.6%, to TRY 691,543 thousand in the year ended December 31, 2023 from TRY 187,115 thousand in December 31, 2022. This increase was largely attributable to the reversal of TRY 208.7 million of the TRY 227.5 million expense provision regarding an investigation initiated by the Competition Board, and the settlement of the USD 3,975 thousand (equivalent to TRY 175.8 million) contribution amount owed by TurkCommerce B.V. to Hepsiburada under the contribution agreement entered into between the parties.

Other operating expenses which mainly include insurance, provision for legal cases, legal expenses, consultancy, withholding tax and other service costs decreased by TRY 331,833 thousand, or 16.9%, to TRY 1,634,086 thousand for the year ended December 31, 2023 from TRY 1,965,919 thousand for the year ended December 31, 2022. This decrease was mainly due to higher legal provision expenses in 2022 relating to the settlement of previously disclosed class action lawsuits amounting to TRY 667,683 thousand (Turkish Lira equivalent of \$13,900 thousand). The decrease was partially offset by higher withholding tax payments and higher consultancy, credit card processing and rent expenses in 2023 compared to 2022.

Financial income

Our financial income increased by TRY 557,964 thousand, or 12.3%, to TRY 5,110,444 thousand in 2023 compared to TRY 4,552,480 thousand in 2022. This was mainly driven by a TRY 249,224 thousand increase in interest income on time deposits due to higher annual interest rates (as reported by the CBRT, annual average interest rates increased by 44% from 2022 to 2023) and a TRY 238,775 thousand increase in interest income on credit sales due to higher annual interest rates and higher revenue. The increase in our financial income was also due to a TRY 221,120 thousand increase in fair value gains on financial investments.

Financial expenses

Our financial expenses increased by TRY 1,721,555 thousand, or 42.3%, to TRY 5,789,668 thousand in 2023 compared to TRY 4,068,113 thousand in 2022, primarily attributable to a TRY 1,077,155 thousand increase in interest expenses on purchases due to higher inventory procurement during 2023 and a TRY 729,655 thousand increase in commission expenses due to early collection of credit card receivables as a result of an increase in annual effective interest rates, each compared to 2022.

Monetary gains/(losses)

Our monetary gains/(losses) position increased by TRY 1,854,369 thousand to TRY 1,834,992 thousand monetary gains in 2023 from a TRY 19,377 thousand monetary losses in 2022. The increase in monetary gains was mainly due to the change in net monetary position resulting from monetary liabilities (mainly consisting of trade payables and payables to merchants) exceeding monetary assets (mainly consisting of cash and cash equivalents) in 2023.

Net income for the year

As a result of the factors discussed above, net income for the year increased by TRY 7,025,790 thousand to TRY 109,053 thousand in 2023 from a net loss of TRY 6,916,737 thousand in 2022.

EBITDA

For the year ended December 31, 2023, EBITDA was TRY 648,485 thousand compared to negative TRY 6,161,883 thousand in 2022, corresponding to 0.4% EBITDA as a percentage of GMV in 2023. This corresponded to a 5.2 percentage point improvement in EBITDA as a percentage of GMV in 2023 compared to negative 4.8% in 2022. This improvement was driven by a 2.7 percentage point rise in Gross Contribution margin, a 1.2 percentage point increase in advertising expenses a 0.3 percentage point increase in payroll and outsource staff expenses, a 0.1 percentage point increase in shipping and packaging expenses and a 0.8 percentage point increase in other operating expenses, net, in each case as a percentage of GMV.

B. Liquidity and Capital Resources

Current Sources of Liquidity and Capital Resources

Our principal sources of liquidity are the revenue generated from our Marketplace and Direct Sales operations, the revenue generated from our additional revenue streams including off-platform delivery service revenue, advertising services revenue through HepsAd, subscription revenue through Hepsiburada Premium, interest revenue through Hepsifinans and fulfillment services revenue; the cash received from IPO proceeds and uncommitted available credit limits from Turkish banking institutions.

As of December 31, 2024, we had cash and cash equivalents of TRY 6,750,179 thousand and financial investments of TRY 2,384,743 thousand, compared to cash and cash equivalents TRY 7,940,833 thousand and financial investments of TRY 2,487,275 thousand as of December 31, 2023. Our cash and cash equivalents consist of cash in hand, bank deposits and highly liquid assets, the original maturity of which is less than three months. Our financial investments are financial assets measured at fair value and financial assets carried at amortized cost and consist of foreign currency based mutual funds and Eurobonds as of December 31, 2024. See Note 3 to our audited consolidated financial statements included elsewhere in this annual report for further details. We held approximately 93% of our cash and cash equivalents in Turkish Lira as of December 31, 2024 while the remaining 7% was held in U.S. dollar. We held approximately 99% of our financial investments in U.S. dollar as of December 31, 2024. The percentage of cash and cash equivalents that is held in Turkish Lira may change from time to time in line with the Group's working capital management policy. In 2021, we received approximately USD 469.3 million in net proceeds from our IPO after deducting underwriting commissions and discounts and the IPO expenses payable by us, of which we had used approximately USD 445.8 million as of December 31, 2024.

We generate negative working capital as a result of our operating model, which we use as the main source of funding for our operations. See Note 22 to our audited consolidated financial statements included elsewhere in this annual report. Additionally, we maintain available lines of credit with various banks that can be used in obtaining cash, letters of guarantee and cash for payments to suppliers.

In order to have access to financing, we maintain credit limits with various Turkish banks. As of December 31, 2024, our total uncommitted credit limits amounted to TRY 5,625,897 thousand, available for cash and non-cash (i.e., letters of credit) utilizations as well as supplier and merchant financing operations. See Item 4.B. "Information on the Company—Business Overview—Supplier and Merchant Financing." As of December 31, 2024 and December 31, 2023, our bank borrowings under these credit limits amounted to TRY 1,682,686 thousand and TRY 268,949 thousand, respectively.

The following table summarizes our borrowings as of December 31, 2024, 2023 and 2022:

	As of December 31,		
	2024	2023	2022
	(in thousands Turkish Lira)		
Short-term bank borrowings	1,682,686	264,894	31,042
Long-term bank borrowings	—	4,055	25,988
Total bank borrowings	1,682,686	268,949	57,030

Our short-term bank borrowings are utilized to fund our consumer financing operations, to facilitate supplier and merchant financing facilities, as well as for a short-term liquidity source if and when required in the ordinary course of our operations. See Item 4.B. "Information on the Company—Business Overview—Supplier and Merchant Financing." As of December 31, 2024, supplier and merchant financing facilities represented TRY 379.8 million of our short-term bank borrowings, securitization facilities represented 881.2 million and the remaining TRY 421.7 million pertained to other short-term bank borrowings utilized as a resource for liquidity.

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Given the seasonality in our operations, historically, we would draw on short-term loans in the first quarter of the year (due to decreased sales after year-end and to provide a source of liquidity) and repay a substantial amount in the second half of the year (as we generate cash through our operations). Due to this cycle, a significant portion of the utilized amounts is not outstanding as of the relevant balance sheet date. In 2022 and 2023, given significant IPO proceeds, we did not draw a significant amount on short-term loans. In 2024, we utilized debt market instruments in order to grow our consumer financing operations. As of December 31, 2024, our short-term borrowings amounted to TRY 1,302.9 million (excluding supplier and merchant financing loans). Of this total, TRY 440.7 million of asset-backed securities (“ABS”), TRY 440.6 million of issued debt securities and TRY 236.9 million of short-term bank borrowings were to fund our consumer finance operations. The remaining balance consisted of TRY 181.9 million of non-interest bearing credit card payables due to purchasing goods and TRY 2.8 million short-term bank borrowings to finance the capex needs of our delivery operations. Of note, during 2023 and 2024, we were subject to restrictions from borrowing Turkish Lira from banks given that our foreign-currency cash assets exceeded the limits set out in the BRSA Decision dated June 24, 2022 (the “BRSA Decision”). The BRSA decision was lifted in February 2025.

In 2024 and in the first quarter of 2025, Hepsiburada participated as originating entity with respect to its BNPL receivables in issuances of asset-backed securities pursuant to the approval granted by the Capital Markets Board of Türkiye (“CMB”) to Pasha Yatırım Bank Hepsiburada Varlık Finansmanı Fonu on March 21, 2024. The approval was granted for up to TRY 2 billion and was valid for one year from the date of approval. Within this scope, we participated in four issuances of ABSs. The first issuance of TRY 150 million with average maturity of 70 days at an annual average interest rate of 42.75% was settled on June 5, 2024. The second issuance of TRY 350 million with average maturity of 84 days at an annual average interest rate of 51.00% was settled on September 27, 2024. The third issuance of TRY 450 million with average maturity of 73 days at an annual average interest rate of 51.00% was settled on December 4, 2024. The fourth (and final) issuance of TRY 500 million with average maturity of 70 days at an annual average interest rate of 42.75% was settled on March 12, 2025. We have used and will continue to use the funds raised through these issues to sustainably grow our BNPL business.

In 2024 and in the first quarter of 2025, we also issued three series of bonds to domestic qualified investors through Hepsifinans to sustainably grow our consumer finance business. On September 11, 2024, the CMB granted approval of Hepsifinans’ issuance of bonds or bills with a total aggregate principal amount of up to TRY 1,050 million in one or more tranches within one year. Hepsifinans completed its first and second bond issuances on October 10, 2024 and on November 6, 2024 of aggregate principal amounts of TRY 250 million and TRY 150 million, respectively. Each of these series of bonds has a six-month maturity and coupon payments due every three months. Each series of bonds accrues interest at a rate of 51.50% per annum. The principal of the bonds will be repaid at maturity. The third issuance on March 4, 2025 was for an aggregate principal amount of TRY 100 million with a six-month maturity at a compounded annual interest rate of 43.00% with a coupon and principal repayment at maturity.

All of our bank borrowings are denominated in Turkish Lira and are utilized under Turkish law governed general credit agreements with standard terms. As of December 31, 2024, the average annual effective interest rate for our bank borrowings was between 48% to 54.1% and the average annual effective interest rate for supplier and merchant financing loans was 58.4% while these rates in 2023 were 20.2% and 57.6%, respectively.

Cash Flows

The following table summarizes our cash flows for the years ended December 31, 2024, 2023 and 2022.

	For the year ended December 31,		
	2024	2023	2022
	(in thousands Turkish Lira)		
Cash and cash equivalents at beginning of the year	7,939,626	12,512,914	14,899,379
Net cash provided by/(used in) operating activities	5,697,678	7,246,542	1,020,495
Net cash provided by/(used in) investing activities	894,707	(2,423,093)	2,607,045
Net cash provided by/(used in) financing activities	(5,865,937)	(4,807,843)	(3,507,597)
Net increase in cash and cash equivalents	726,448	15,606	119,943
Effects of exchange rate changes on cash and cash equivalents	49,919	251,829	2,320,620
Effects of inflation on cash and cash equivalents	(1,967,204)	(4,840,723)	(4,827,028)
Cash and cash equivalents at end of the year	6,748,789	7,939,626	12,512,914

Net cash provided by / (used in) operating activities

Net cash provided by operating activities for 2024 comprised a TRY 1,604,907 thousand net loss (2023: net income of TRY 109,053 thousand), a negative TRY 1,929,461 thousand change in net working capital (2023: negative TRY 2,214,368 thousand) and a TRY 9,232,046 thousand change in other items (comprising non-cash items such as provisions and depreciation expenses, as well as non-operating items such as financial income and expenses, non-operating monetary gains and losses and unrealized foreign exchange differences) (2023: TRY 9,351,857 thousand). Net cash provided by operating activities decreased by TRY 1,548,864 thousand to TRY 5,697,678 thousand in 2024 as compared to TRY 7,246,542 thousand in 2023. This decrease was mainly due to a TRY 3,250,383 thousand decrease in change in other items comprising non-cash items such as provisions and operating monetary gains and losses as well as realized foreign exchange gains, partially offset by a TRY 1,416,612 thousand improvement in EBITDA and a TRY 284,907 thousand increase in change in working capital.

Net cash provided by operating activities for 2023 comprised a TRY 109,053 thousand net income (2022: net loss of TRY 6,916,737 thousand), a negative TRY 2,214,368 thousand change in net working capital (2022: positive TRY 1,197,869 thousand) and a TRY 9,351,857 thousand change in other items (comprising non-cash items such as provisions and depreciation expenses, as well as non-operating items such as financial income and expenses, non-operating monetary gains and losses and unrealized foreign exchange differences) (2022: TRY 6,739,363 thousand). Net cash provided by operating activities rose by TRY 6,226,047 thousand to TRY 7,246,542 thousand in 2023 as compared to negative TRY 1,020,495 thousand in 2022. This increase was mainly due to a strong EBITDA improvement of TRY 6,810 million, partially offset by a (i) TRY 584,321 thousand decrease in change in operating monetary gains/loss, (ii) a TRY 3,412 million decrease in change in net working capital mainly as a result of the seasonality of our 3P operations and (iii) an increase in realized foreign exchange gains and other non-cash items. The decrease in capex in 2023 also contributed positively to the free cash flow performance.

Net cash provided by / (used in) investing activities

In 2024, net cash from investing activities changed by TRY 3,317,800 thousand to an inflow of TRY 894,707 thousand from an outflow of TRY 2,423,093 thousand in 2023. This change was primarily due to a decrease in purchases of financial investments amounting to TRY 894,762 thousand, an increase in sale of financial investments amounting to TRY 1,198,742 thousand and a TRY 1,565,242 thousand increase in interest received on time deposits and credit sales.

In 2023, net cash from investing activities changed by TRY 5,030,138 thousand to an outflow of TRY 2,243,093 thousand from an inflow of TRY 2,607,045 thousand in 2022. This change was primarily due to the increase in purchases of financial investments amounting to TRY 3,584,793 thousand and decrease in sale of financial investments amounting to TRY 2,652,450 thousand.

Net cash provided by / (used in) financing activities

In 2024, net cash used in financing activities increased by TRY 1,058,094 thousand to an outflow of TRY 5,865,937 thousand from an outflow of TRY 4,807,843 thousand in 2023. This increase was primarily due to the increase in interest and commission paid amounting to TRY 2,246,956 thousand. The increase was partially offset by a TRY 1,146,946 thousand net decrease in proceeds from borrowings and repayment of borrowings in 2024.

In 2023, net cash used in financing activities increased by TRY 1,300,246 thousand to an outflow of TRY 4,807,843 thousand from an outflow of TRY 3,507,597 thousand in 2022. This increase was primarily due to the increase in interest and commission paid amounting to TRY 2,082,097 thousand. The increase was partially offset by a TRY 817,299 thousand net decrease in proceeds from borrowings and repayment of borrowings in 2023.

Free Cash Flow

References to Free Cash Flow are to net cash provided by operating activities less capital expenditures plus proceeds from sale of property and equipment. See “—Key Indicators of Operating and Financial Performance and Non-IFRS Measures.”

For the year ended December 31, 2024, our Free Cash Flow decreased to an inflow of TRY 3,701,920 thousand from TRY 5,591,730 thousand in 2023. This decrease was mainly driven by a TRY 1,548,864 thousand decrease in net cash provided by operating activities and a TRY 340,946 thousand increase in tangible and intangible asset acquisitions. See “—Net cash provided by / (used in) operating activities” for further information.

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For the year ended December 31, 2023, our Free Cash Flow changed to an inflow of TRY 5,591,730 thousand from an outflow of TRY 989,634 thousand in 2022. This change was mainly driven by a TRY 6,226,047 thousand increase in net cash provided by operating activities, supported by a TRY 355,317 thousand decrease in tangible and intangible asset acquisitions. See “—*Net cash provided by / (used in) operating activities*” for further information.

Net Working Capital

References to “**Net Working Capital**” are to current assets (excluding cash and cash equivalents and financial investments) *minus* current liabilities (excluding current bank borrowings and current lease liabilities).

The following table shows the reconciliation of Net Working Capital to current assets and current liabilities as of the dates indicated:

	As of December 31,		
	2024	2023	2022
	(in thousands Turkish Lira)		
Current assets	20,854,692	21,114,304	19,931,377
Cash and cash equivalents	(6,750,179)	(7,940,833)	(12,527,681)
Financial investments	(2,384,743)	(2,487,275)	(41,767)
Current liabilities	(21,586,026)	(19,702,057)	(18,426,920)
Bank borrowings, current	1,682,686	264,894	31,042
Lease liabilities, current	409,083	223,171	374,483
Net Working Capital	(7,774,487)	(8,527,796)	(10,659,466)

Net Working Capital is a supplemental non-IFRS financial measure that is not required by, or presented in accordance with, IFRS. See “—*Summary Consolidated Financial and Other Data—Key Indicators of Operating and Financial Performance and Non-IFRS Measures*” and “*Presentation of Financial and Other Information*” for more information.

Net Working Capital was negative TRY 7,774,487 thousand as of December 31, 2024 compared to negative TRY 8,527,796 thousand as of December 31, 2023. The TRY 753,309 thousand change in negative net working capital was mainly driven by a TRY 865,256 thousand increase in trade receivables, a TRY 753,873 thousand increase in loan receivables, a TRY 276,860 increase in inventories, partially offset by a TRY 769,772 thousand decrease in other current assets and a TRY 591,766 thousand increase in other current liabilities. As of December 31, 2024, the increase in loan receivables was mainly due to an increase in our in-house consumer finance loan facility that was launched in January 2024.

Net Working Capital was negative TRY 8,527,796 thousand as of December 31, 2023 compared to negative TRY 10,659,466 thousand as of December 31, 2022. The TRY 2,131,670 thousand change in negative net working capital was mainly driven by a TRY 1,846,343 thousand increase in trade receivables, a TRY 1,470,412 increase in inventories, a TRY 1,246,824 thousand decrease in trade payables and payables to merchants, a TRY 821,756 thousand decrease in provisions partially offset by a TRY 537,522 thousand increase in contract liabilities and merchant advances.

Our trade receivables mainly include trade receivables related to checks received through corporate sales, credit card receivables, receivables from suppliers (receivables under rebate invoices issued to the suppliers where our rebate receivables from a supplier exceed the payables owed to that specific supplier at the reporting date and the net receivable from that specific supplier is classified in trade receivables), BNPL receivables and receivables of HepsiJet from its customers. As of December 31, 2024, our trade receivables amounted to TRY 4,291,762 thousand, compared to TRY 3,426,506 thousand as of December 31, 2023. The increase in our trade receivable balance was mainly due to the increase in BNPL receivables. As of December 31, 2023, our trade receivables amounted to TRY 3,426,506 thousand, compared to TRY 1,580,163 thousand as of December 31, 2022, mainly due to BNPL and corporate sales receivables.

As of December 31, 2024, the number of inventory days was 61 days, up from 58 days as of December 31, 2023. During 2024, we slightly increased our inventory days to achieve a sustainable inventory level for our operations. As of December 31, 2023, the number of inventory days was 58 days, up from 51 days as of December 31, 2022, in line with our ambition for a better inventory level management.

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As of December 31, 2024, the increase in other current liabilities and decrease in other current assets was mainly due to an increase in VAT payables and a decrease in deferred VAT resulting from the Group's improved income.

As of December 31, 2023, our trade payables and payables to merchants amounted to TRY 15,250,729 thousand. Our trade payables and payables to merchants increased by TRY 1,246,824 thousand, compared to December 31, 2022, mainly due to an increase in inventory procurements in the fourth quarter of 2023 compared to the same period of 2022 and increased service payables such as advertising, shipping and other operational expenses. The payable days for our suppliers as of December 31, 2023 was 65 days, down from 70 days as of December 31, 2022, mainly due to a change in the mix of sales towards the suppliers with relatively lower payment days.

As of December 31, 2023, the decrease in provisions was mainly due to the provision relating to the settlement of previously disclosed class action lawsuits which was reversed upon payment of the settlement expense in 2023.

The average trade payable days exceeds the average trade receivable days and due to our high rate of inventory turnover, we maintained a negative net working capital position as of December 31, 2024 and December 31, 2023, respectively.

Material Cash Requirements

As of December 31, 2024, December 31, 2023 and December 31, 2022, our outstanding debt (including trade payables, bank borrowings and lease liabilities) was TRY 17,649.2 million, TRY 15,918.7 million and TRY 14,685.1 million, respectively. Our current investments mainly focus on capital expenditures, which we expect to increase in 2025 in Turkish Lira terms due to the anticipated depreciation of the Turkish Lira, a rise in inflation and the expansion of our strategic assets. See "*Capital Expenditures*" below.

Inflationary price increases impacting the cost of inventories, payroll costs, shipping costs and other operating expenses have put, and are expected to continue to put increasing pressure on our cash requirements. Additionally, the high inflationary environment in Türkiye may result in a further decline in customer demand which may lead to a decrease in our GMV growth rate compared to our plans and accordingly we may consider offering higher customer discounts to stimulate any slowdown in demand which may lead to a lower Gross Contribution. This may also result in higher inventory days, which can adversely impact our negative working capital position. We may also face shorter payment terms to our merchants and suppliers, due to prevailing economic conditions including principally hyperinflation, which may impact the financial condition of our merchants and suppliers. Consequently, we may require additional funding from sources other than our operations for working capital needs. Additionally, we may take strategic decisions to improve customer experience and merchant experience, either of which may result in incremental operational and financial expenses.

Our BNPL product and our consumer financing product trigger additional cash requirements which we have been financing mainly through bank borrowings and securitizations as much as macroeconomic and market conditions allow. In addition, our off-platform payments and affordability solutions require both capital expenditures and marketing investments to be introduced and scaled for our clients and merchants in the market, while we continue enhancing our on-platform affordability solutions.

We may consider inorganic growth opportunities to expand our operations. Such acquisitions may result in additional cash requirements and funding.

Furthermore, from time to time, we are required to provide financial assurance to third parties and in connection with such obligations, we obtain letters of credit for our suppliers. Such off-balance sheet commitments may result in an increase in our financial expenses.

Capital Expenditures

Our capital expenditures primarily relate to the expansion of our business and activities and include, among other things, (i) website development costs, (ii) acquisition of furniture and fixtures (mainly comprising purchased computers, servers and machine equipment investments in the Group's operation center), (iii) costs related to the acquisition of software and rights (licenses), (iv) leasehold improvements, (v) acquisition of motor vehicles and (vi) advances given in relation to purchase of property and equipment.

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The following table summarizes our capital expenditures for the years ended December 31, 2024, 2023 and 2022:

	As of December 31,		
	2024	2023	2022
	(in thousands Turkish Lira)		
Website development costs	1,389,110	1,309,731	1,395,806
Furniture and fixtures	374,731	180,830	353,670
Acquired software and rights	202,389	185,899	158,164
Leasehold improvements	46,329	17,288	32,095
Motor vehicles	2,921	104	91,959
Other	5,977	5,839	13,829
Total capital expenditures⁽¹⁾	2,021,457	1,699,691	2,045,523

(1) For 2024, 2023 and 2022, total capital expenditure reported in our statements of cash flow does not reconcile with the total capital expenditure noted in this table due to the capitalization of personnel bonus provision related to direct employee costs which amounted to TRY 10,911 thousand, TRY 33,965 thousand and TRY 34,209 thousand as of December 31, 2024, 2023 and 2022, respectively.

For the years ended December 31, 2024, 2023 and 2022, our capital expenditures were TRY 2,021,457 thousand, TRY 1,699,691 thousand and TRY 2,045,523 thousand, respectively. Of the TRY 321,766 thousand increase in 2024, TRY 79,379 thousand was due to the increase in website development costs primarily consisting of the costs of employees who are employed for the development of our website and whose costs are capitalized as per IFRS and TRY 193,901 thousand was due to the increase in furniture and fixtures costs. Our capital expenditures related to the development of our strategic assets were mainly for the expansion of Hepsijet and Hepsipay. In 2024 and 2023, capital expenditures for Hepsijet amounted to approximately 11% and 9%, respectively, and the capital expenditures for Hepsipay amounted to approximately 20% and 13% of our total capital expenditures, respectively.

For the year 2025, we expect a continued increase in our capital expenditure in Turkish Lira terms, in line with Company's annual growth, mainly due to (i) our larger technology employee base working on website development and whose costs are capitalized, (ii) roughly 25% of total capital expenditure being in U.S. dollar such as servers, storages, notebooks, PCs and other IT equipment where we expect approximately 30% appreciation of the U.S. dollar against the Turkish Lira by the end of 2025, (iii) expected year-end inflation of around 26%, and (iv) a higher investment in our strategic assets primarily for product development of Hepsipay and technological advancements and automation for Hepsijet. For the year ended December 31, 2025, we anticipate that Hepsipay will account for approximately 22% of total capital expenditure (compared to approximately 20% in 2024) and Hepsijet will account for approximately 12% of total capital expenditure (compared to approximately 11% in 2024).

As at December 31, 2024, outstanding purchase commitments, primarily for the purchase of information technology equipment and other services, amounted to approximately TRY 228,469 thousand, of which TRY 160,666 thousand is payable within less than 12 months and the remaining TRY 67,803 thousand is payable within one to five years.

Anticipated Sources of Funds

As we operate with negative net working capital, we fund our payables through the cash generated from our operations.

We expect that we will maintain our negative net working capital position and we will fund our debt as well as our purchase commitments through our current cash and cash equivalents, cash generated from operations and available funds to the extent available to us under our existing debt facilities.

In the short term, we believe that our current cash, cash equivalents and cash expected to be generated from operations will be sufficient to meet our obligations given our priority on becoming a profitable company. We have developed our strategic priorities, which emphasize differentiating assets (including logistics services and affordability solutions), customer loyalty, offering payment, lending and last-mile services to third parties and overall cost optimization. We believe these strategic priorities will continue to support our path towards operational profitability.

We expect our long-term cash requirements to be driven by capital expenditures and working capital requirements necessary to improve our profitability and business growth. Growth in our financing operations is also expected to increase our funding requirements. Given the dynamic nature of the market we operate in, the volatility in the capital markets, the current status of our business as well as rising inflation and interest rates, we are currently unable to reasonably quantify our expected long-term capital requirements and our ability to fully meet our long-term liquidity needs. Our long-term liquidity needs would be further negatively impacted if the macroeconomic conditions set forth above persist for a sustained period of time. See also Item 3.D. *“Key Information—Risk Factors—Risks Relating to Our Business and Industry—We may need to raise additional funds to finance our future capital needs including investing in growth and technology, which may prevent us from growing our business.”* We believe that our focus on becoming profitable at the operating level will continuously support our long-term cash requirements.

Our ABS program and bank borrowings are our main external funding sources. Within the scope of the TRY 2 billion limit given by the CMB to Pasha Yatırım Bank Hepsiburada Varlık Finansmanı Fonu, we have conducted four successful asset-backed securities issuances totaling TRY 1,450 million between June 2024 and March 2025. The current ABS limit expired on March 21, 2025. We expect the removal of the BRSA restrictions from bank borrowing of Turkish Lira in February 2025 to provide us with additional borrowing flexibility.

Hepsifinans has conducted three bond issuances totaling TRY 500 million in aggregate principal amount, which is within the TRY 1,050 million limit granted by the CMB. Hepsifinans will continue to benefit from the remaining limit of TRY 550 million until it expires on August 1, 2025, and plans to apply to the CMB for a new approval thereafter. Additionally, bank borrowings are another main source of funding and Hepsifinans continues its efforts to increase its bank credit lines.

The current economic environment and market conditions could limit our ability to borrow funds on acceptable terms or at all in the amounts that would be required to supplement cash flows to support our funding needs. Additional debt would result in increased financial expenses.

In addition to pursuing financing opportunities, we continue to focus on improving our overall operating performance and liquidity by assessing and evaluating different strategic options that may be available to us, restructuring plans or options in relation to our strategic assets, renegotiating for more favorable payment terms with our suppliers and monitoring inventory turnover levels closely to ensure an optimum inventory level at any point in time. From time to time, we evaluate our staffing levels in response to changes in our business needs and demand for our products in order to manage costs and improve performance which may result in restructuring of our workforce and associated costs. We cannot, however, assure you that any such options will materialize or be available to us on commercially acceptable terms or at all.

Additionally, while this does not bear directly on our liquidity or operations, we have a technical obligation to comply with local capital adequacy rules. To maintain compliance, we may be required to take one or more remedial corporate actions, such as a capital increase, a capital reduction or accounting set-offs in accordance with applicable tax laws and inflation accounting principles and practices. See Item 3.D. *“Key Information—Risk Factors—Risks Relating to Ownership of our ADSs—We may need to carry out certain corporate actions, such as a capital increase, a capital reduction, accounting set-offs or similar actions or a combination thereof to maintain compliance with local capital adequacy rules, some of which may dilute the value of our outstanding ADSs.”*

Indemnification Agreement

On April 11, 2022, we entered into indemnification agreements with some of our directors and executive committee members that comprised our senior management in 2022, as approved by the general assembly of shareholders on June 24, 2022. Such indemnification agreements represent off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors. For more information on our indemnification agreements, see Item 7.B. *“Major Shareholders and Related Party Transactions—Related Party Transactions—Directors’ and Officers’ Indemnification and Insurance Arrangements,”* and Exhibit 4.7 hereto.

C. Research and Development, Patents and Licenses, etc.

We carry out our research and development activities at our four R&D Centers, located in Istanbul and certified by the Turkish Ministry of Science, Industry, and Technology. In January 2023, Hepsiburada established its second R&D Center while Hepsipay established its first R&D Center in Sancaktepe, Istanbul. HepsiJet continues its research and development activities focusing on smart logistics, operational optimisation and excellence at its R&D Center. We conduct a wide range of projects, including recommendation engines, search engines, customer personalization, payment systems, as well as fraud prevention. In addition, the Hepsipay R&D Center develops projects in areas such as intelligent payment solutions, credit and risk assessment, credit scoring using machine learning methods, AI-powered credit solutions, AI-based financial advisory systems, fraud detection, and gamification.

Along with our existing trademarks and pending trademark filings, certain components of our website and mobile applications, including the design, codes, website and mobile application contents, images, software integrations and interfaces are under copyright protection under Turkish copyright regulations. As of December 31, 2024, we held three patents in Türkiye as D-Market and two patents as HepsiJet. As of the same date, we also had eight pending patent applications as D-Market as well as eight pending patent applications as HepsiJet. In 2024, the Hepsipay R&D Center successfully filed a patent application and aims to submit two new national patent applications in 2025. See Item 4.B. *“Information on the Company—Business Overview—Intellectual Property.”*

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events since December 31, 2024 that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

Not applicable.

For a discussion of our significant accounting estimates and assumptions, see Note 2.2 to our audited consolidated financial statements included elsewhere in this annual report.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

We are managed by our board of directors and by our senior management, pursuant to TCC and our articles of association.

Board of Directors

As of the date of this annual report, our board of directors is composed of nine members. The following table sets forth the name, age, position and expiration of current term for the members of our board of directors as of the date of this annual report. Unless otherwise stated, the business address of all directors is Kuştepe Mahallesi Mecidiyeköy Yolu Cadde No: 12 Tower: 2 Floor: 2 Şişli İstanbul, Türkiye.

Name	Age	Position	Expiry of term
Mikheil Lomtadze	49	Chairman	January 31, 2027
Yuri Didenko	51	Vice Chairman	January 31, 2027
Sandro Berdzenishvili	42	Board Member	January 31, 2027
Pavel Mironov	46	Board Member	January 31, 2027
Tengiz Mosidze	50	Board Member	January 31, 2027
Erman Kalkandelen ⁽¹⁾	43	Board Member	January 31, 2027
Ahmet Fadıl Ashaboğlu	54	Board Member (Independent)	January 31, 2027
Tayfun Bayazıt	68	Board Member (Independent)	January 31, 2027
Stefan Gross-Selbeck	58	Board Member (Independent)	January 31, 2027

(1) Until the Change of Control, Mr. Erman Kalkandelen was the representative of Franklin Templeton Turkey nominated pursuant to the Shareholders' Agreement (as defined herein). Kaspi signed a Deed of Adherence to the Shareholders' Agreement. Accordingly, Franklin Templeton Turkey's right to appoint one board member continues to be in effect. See Item 7.B. "Major Shareholders and Related Party Transactions—Related Party Transactions—Post-IPO Shareholder Agreement—Governance and Management of the Company." Mr. Kalkandelen was re-elected to the board of directors on January 31, 2025 at the Extraordinary General Assembly Meeting of Shareholders, as further described below. His business address is Ferko Signature, Buyukdere Caddesi no: 175 Levent 34398 İstanbul, Türkiye.

The following changes to the Company's board of directors and committees took place during the period from January 1, 2024 to the date of this annual report:

- Effective January 15, 2024, Murat Emirdağ resigned from his position and Ahmet Toksoy was appointed as a member of the board of directors to replace Murat Emirdağ. The appointment of Ahmet Toksoy was approved at the Company's Ordinary General Assembly Meeting of Shareholders held on September 12, 2024.
- On September 12, 2024, the Company's Ordinary General Assembly Meeting of Shareholders appointed Hanzade Vasfiye Doğan Boyner, Erman Kalkandelen, Vuslat Doğan Sabancı, Tolga Babalı, Mehmet Erol Çamur, Ahmet Toksoy and İlker Yöney as members of the board of directors and Tayfun Bayazıt, Ahmet Fadıl Ashaboğlu, Stefan Gross-Selbeck and Hikmet Ersek as independent members of the board of directors, for a term of two years, and increased the total number of board of directors members from nine to eleven.
- On September 21, 2024, the board of directors determined that the Risk Committee would start working as an Early Detection of Risk Committee in accordance with the Turkish Commercial Code, effective as of January 1, 2025. The board of directors further determined the new composition of its Committees as follows:
 - Audit Committee: Tayfun Bayazıt, Ahmet Ashaboğlu and Stefan Gross-Selbeck.
 - Risk Committee: Ahmet Ashaboğlu, Tayfun Bayazıt and Tolga Babalı.
 - Corporate Governance Committee: Hikmet Ersek, Ahmet Ashaboğlu and Tolga Babalı.

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- Effective December 27, 2024, Hikmet Ersek, who was an independent member of the Company's board of directors and a member of the Corporate Governance Committee, resigned from his position. The board of directors decided to appoint Tayfun Bayazit, an independent member of the board of directors, as new member of the Corporate Governance Committee to replace Hikmet Ersek.
- On January 31, 2025, in connection with the completion of the Change of Control, the Extraordinary General Assembly Meeting of Shareholders voted on the election of the new board of directors. The Extraordinary General Assembly Meeting of Shareholders appointed the members and independent members of the board of directors listed in the table above, for a term of two years, and decreased the total number of the board of directors members, from eleven to nine. The board of directors further determined to elect Mikheil Lomtadze as the Chairman of the board of directors and Yuri Didenko as the Vice Chairman of the board of directors.
- On the same day, the board of directors determined the composition of its Committees as follows:
 - Audit Committee: Tayfun Bayazit, Ahmet Ashaboğlu and Stefan Gross-Selbeck.
 - Early Detection of Risk Committee: Tayfun Bayazit, Ahmet Ashaboğlu and Yuri Didenko.
 - Corporate Governance Committee: Tayfun Bayazit, Ahmet Ashaboğlu and Yuri Didenko.

The board of directors has determined that Tayfun Bayazit, Ahmet Ashaboğlu and Stefan Gross-Selbeck meet the independence requirements under Nasdaq Listing Rule 5605(a)(2).

The following is a brief summary of the business experience of our directors and of their board committee memberships.

Mikheil Lomtadze

Committee memberships: None

Mikheil Lomtadze joined our board of directors in January 2025 as Chairman. He is the co-founder of Kaspi and has been with Kaspi since its inception. He currently serves as the Chairman of the Management Board, the Chief Executive Officer and a member of the board of directors of Kaspi. Prior to joining Kaspi in 2007, Mr. Lomtadze was a partner at Baring Vostok Capital Partners. From 1995 to 2000, Mr. Lomtadze founded and developed GCG Audit, a strategy consulting and auditing firm in Georgia, which later became part of the Ernst & Young global network. From 2018 to 2022, Mr. Lomtadze was named as the best CEO in Kazakhstan by members of the Kazakhstan Growth Forum. He was also named as the best CEO in Kazakhstan according to the survey carried out by Forbes and PricewaterhouseCoopers from 2017 to 2022. Mr. Lomtadze received a bachelor's degree from the European School of Management (Georgia) and holds an MBA degree from Harvard Business School (class of 2002). Mr. Lomtadze is currently a member of the Harvard Business School's Middle East & North Africa Advisory Board.

Yuri Didenko

Committee memberships: Early Detection of Risk Committee, Corporate Governance Committee

Yuri Didenko joined our board of directors in January 2025 as Deputy Chairman. Mr. Didenko joined Kaspi as a member of the founding management team in 2007 and currently serves as Vice Chairman of the Management Board, responsible for capital markets and treasury. Mr. Didenko has extensive experience in investment and financial analysis. Prior to joining Kaspi, Mr. Didenko was a director of investments at Baring Vostok Capital Partners. Mr. Didenko graduated from the Kyiv National Economic University with a degree in finance and is a CFA charter holder. Mr. Didenko also graduated from the Harvard Business School GMP program (class of 2015).

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Sandro Berdzenishvili

Committee memberships: None

Sandro Berdzenishvili joined our board of directors in January 2025. Mr. Berdzenishvili is the Head of the Kaspi Pay. Mr. Berdzenishvili joined Kaspi in 2014. Prior to that, he worked as Head of Business Development in Universal Card Corporation (Georgia). Mr. Berdzenishvili received an MBA from the Free University of Tbilisi Business School in 2010 (Georgia). He also graduated from the Harvard Business School GMP program (class of 2024).

Pavel Mironov

Committee memberships: None

Pavel Mironov joined our board of directors in January 2025. Mr. Mironov joined Kaspi as a member of the founding management team in 2008 and currently serves as Deputy Chairman of the Management Board, responsible for Kaspi's daily operations. Mr. Mironov has extensive experience in technology. Prior to joining Kaspi, he worked at Tieto, a European IT and software company, and covered projects in Russia, Georgia, Kazakhstan and other CIS countries. Mr. Mironov graduated from the Moscow Institute of Electronics and Mathematics of the Higher School of Economics with a degree in computer science. Mr. Mironov also graduated from the Harvard Business School GMP program (class of 2015).

Tengiz Mosidze

Committee memberships: None

Tengiz Mosidze joined our board of directors in January 2025. Mr. Mosidze joined Kaspi as a member of the founding management team in 2008 and currently serves as the Deputy Chairman of the Management Board and the Chief Financial Officer. Mr. Mosidze has extensive experience in the area of finance. Prior to joining Kaspi, Mr. Mosidze worked at Ernst & Young as a financial manager for the Caucasus and Central Asia region. Prior to that, Mr. Mosidze was part of the World Bank team responsible for the development of microfinance organizations in Georgia. Mr. Mosidze received a bachelor's degree and a master's degree in finance from the European School of Management (Georgia). Mr. Mosidze also graduated from the Harvard Business School GMP program (class of 2013).

Erman Kalkandelen

Committee memberships: None

Erman Kalkandelen has served as a member of our board of directors since August 2020. Mr. Kalkandelen currently serves as the CEO and Chairman of Franklin Templeton Turkey. 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.

Ahmet Fadıl Ashaboğlu

Committee memberships: Audit Committee, Early Detection of Risk Committee, Corporate Governance Committee

Ahmet Fadıl Ashaboğlu joined our 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 public and private companies including Yapı Kredi Bank, Koç Financial Services, Eczacıbaşı Holding and Sirena Marine.

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

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Tayfun Bayazit

Committee memberships: Audit Committee, Early Detection of Risk Committee, Corporate Governance Committee

Tayfun Bayazit has been a member of our board of directors since July 2021 as an independent board member. Mr. Bayazit started his banking career at Citibank in 1983. He subsequently worked in executive positions within Çukurova Group for 13 consecutive 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 Doğan Holding and an Executive Director of Dışbank. In 2001, he assumed the CEO position at Dışbank. In 2003, he was also appointed Chairman 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. Bayazit 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 four years. Yapı Kredi was the fourth largest high street bank in Türkiye with subsidiaries in the Netherlands, Bahrain and Russia, actively involved in mortgage lending among other individual banking activities with a strong digital focus.

Mr. Bayazit left Yapı Kredi in August 2011 to set up his own firm “Bayazit Consulting Services.” He was then elected as the Country Chairman for MarshMcLennan Group, Türkiye in September 2012 and currently 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 Kalemcilik. He serves on the audit committees of Sabanci Holding and Borusan Boru.

He is a member of TUSIAD (Turkish Industrialists and Businessmen 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. Bayazit 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 our board of directors in January 2023 as an independent board member. He has over twenty years of experience in senior leadership roles including as a CEO and held a number of board memberships. Dr. Gross-Selbeck was a Senior Partner and Managing Director of the Boston Consulting Group until March 2024. Since January 2023 he has been serving as Global Topic Leader Climate Technologies at BCG. He previously served as the Global Managing Partner of BCG Digital Ventures, the corporate venture arm of Boston Consulting Group and as Managing Partner for their European operations. Prior to joining BCG Digital Ventures in 2014, Dr. Gross-Selbeck served as 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 roles 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. He also serves on the board of directors of Woltair s.r.o.

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

Senior Management

Our executive officers are responsible for the management and representation of our Company and were appointed by our board of directors.

The table below lists our senior management team, and sets forth certain information regarding each member of our senior management as of the date of this annual report:

Name ⁽¹⁾	Age	Position
Nilhan Onal	46	Chief Executive Officer (“CEO”)
Mehmet Seçkin Köseoğlu	52	Chief Financial Officer (“CFO”)
Erkin Aydın	50	Chief Executive Officer of Hepsi Finansal (“Hepsi Finansal CEO”)
Esra Beyzadeoğlu	47	Chief Customer Experience and People Officer (“CEPO”)
Hakan Karadoğan ⁽²⁾	53	Chief Executive Officer of Logistics (“Logistics CEO”)
Ender Özgün	43	Chief Commercial Officer (“CCO”)
Alexey Shevenkov	41	Chief Technology Officer (“CTO”)
Güneş Akman Özcan	40	General Counsel and Secretary of the Board of Directors

- (1) The business address for each of our officers is Kuştepe Mahallesi Mecidiyeköy Yolu Cadde No: 12 Tower: 2 Floor: 2 Şişli İstanbul, Türkiye.
- (2) Effective as of March 25, 2024, Mr. Hakan Karadoğan was appointed as the Chief Executive Officer of Logistics to lead Hepsiburada’s overall logistics operations, including warehousing, fulfillment, and last-mile delivery services for both on-platform and off-platform customers. Effective from March 31, 2024, the Company’s Chief Logistics Officer, Mehmethan Yallagöz, stepped down from his role.

The following is a brief summary of the business experience of our executive officers.

Nilhan Onal

Nilhan Gökçetekin (referred to herein as Nilhan Onal) has been the Chief Executive Officer (CEO) of Hepsiburada since January 2023. Prior to Hepsiburada, she held multiple leadership roles in Amazon such as consumer electronics, insurance, shipping, apparel and footwear. During the ten years before she started her career at Amazon, Ms. Onal held important and diverse senior management roles at Procter & Gamble in many categories and geographies, from food and electricals to home care products. Among many recognitions, in 2021, she was also named among the top Turkish executives in Global Turks par excellence conducted by Heidrick and Struggles. Nilhan Onal has been recognized on the 2023 Heroes Women Role Model 100 Executive List presented by INvolve.

Mrs. Onal holds a Pre-Master of Business Administration from Boğaziçi University in Marketing and Finance and holds a degree in Political Science and International Relations from Boğaziçi University. She also completed the “Advanced Management Program” at Harvard Business School.

Mehmet Seçkin Köseoğlu

Mehmet Seçkin Köseoğlu has served as Chief Financial Officer (CFO) since January 2024. From February 2023 to January 2024, he served as Vice President responsible for Strategic Finance at Hepsiburada.

Prior to joining Hepsiburada, he held leadership roles in finance at pharmaceutical and FMCG companies including AMGEN MEA, AMGEN Turkey, Danone and P&G, where he played a key role in driving revenue and profit across diverse international markets covering Middle East, Africa, Eastern Europe & Türkiye. He has a track record of turning around underperforming businesses and increasing enterprise value by cost optimization and organizational transformation.

Mr. Köseoğlu has a Bachelor’s degree in Mechanical Engineering from Istanbul Technical University and holds a Master of Business Administration, with honors, from Koç University.

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Erkin Aydın

Erkin Aydın has served as Chief Executive Officer of Hepsî Finansal since June 2022. Prior to Hepsiburada, Erkin Aydın worked in various positions at QNB Finansbank A.Ş., the Turkish subsidiary of Qatar National Bank (Q.P.S.C.), including leading value-creation initiatives such as founding new businesses, investments in Fintech, and establishing partnership platforms, while heading the Retail Banking, SME Banking and Payments Systems businesses. He began his career in the U.S. with Clark Construction Group, and later joined McKinsey & Company, where he worked with various local and global financial institutions in the fields of strategy, marketing, growth, turnaround management, and M&A in Europe and Türkiye.

Mr. Aydın graduated from the Bosphorus University in Istanbul with a BS degree in Civil Engineering and received his MBA degree from the University of Michigan Graduate School of Business.

Esra Beyzadeođlu

Esra Beyzadeođlu has served as Chief Customer Experience and People Officer (CEPO) since January 2023. She served as a Chief People & Culture Officer between 2021 and 2022. From 2018 to 2021, Ms. Beyzadeođlu was Chief Operating Officer, IT, Digital Banking, CRM and Operations at Alternatifbank. Ms. Beyzadeođlu held a number of executive and management roles at leading banks and consultancy firms, such as Alternatifbank, Akbank, Accenture, Ziraat Technology and Osmanli Bank, including roles leading the digital transformation projects for such companies.

Ms. Beyzadeođlu holds an Executive Master of Business Administration from Sabancı University as well as a Bachelor's degree in Industrial Engineering from Galatasaray University. She also participated in the Leadership Development Program of Koç University.

Hakan Karadođan

Hakan Karadođan has served as Chief Executive Officer of Logistics since March 2024. Prior to joining Hepsiburada, Hakan Karadođan was the General Manager of Amazon Türkiye's Operations during which he, among other things, led the launch of Amazon's Türkiye Operations in 2018. Mr. Karadođan also has 22 years of management experience from General Electric and its predecessors, where he held various management roles in the fields of engineering, manufacturing, supply-chain and business management. During his time at General Electric, he worked in China for six years as Product Line General Manager as well as held the role as Global Leader of Power Transformers Product Line overseeing its twelve factories worldwide.

Mr. Karadođan has a Bachelor's degree in Electrical Engineering from Istanbul Technical University and completed leadership programs at Harvard Business School and INSEAD.

Ender Özgün

Ender Özgün has served as Chief Commercial Officer (CCO) since May 2023. From July 2021 to October 2023, he served as Chief Marketing Officer (CMO). From May 2023 to October 2023, he held the dual roles of CMO and CCO.

Prior to joining Hepsiburada in July 2021, Mr. Özgün worked in various positions at Vodafone Türkiye, most recently as Corporate Sales Director, where his work focused on digital transformation, growth and value management, and segment strategies. He began his business career in 2005 at Procter & Gamble, where he held various managerial roles in the marketing department and focused on brand management, customer understanding, and communications strategy and execution.

Mr. Özgün holds an MBA in Brand Management and Marketing Strategies from Bahçeşehir University in Istanbul and degrees in Industrial Engineering and Civil Engineering from Bosphorus University in Istanbul.

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Alexey Shevenkov

Alexey Shevenkov has served as Chief Technology Officer (CTO) since December 2021. Mr. Shevenkov has significant experience having spent 16 years at Yandex, a leading Russian technology company, most recently as CTO of Yandex.Market, the group's flagship online marketplace. He joined Yandex as a software developer in 2005 and went on to become head of software engineering in 2009, before assuming the role of CTO of Yandex.Market in 2016. He had overseen and participated in the launch of several e-commerce services at Yandex including Yandex.Market, Yandex.Uslugi, Yandex.Delivery, and Beru. Prior to Yandex, Mr. Shevenkov worked at Luxoft as a software developer.

Mr. Shevenkov holds a Master's degree from Bauman Moscow State Technical University.

Güneş Akman Özcan

Güneş Akman Özcan has served as the General Counsel and Secretary of the Board of Directors since January 2024, the Head of Corporate Governance and Securities since July 2022, and Compliance since August 2023. From 2016 to 2019, she served at the Office of the General Counsel of the EBRD, London on project finance in EMEA and CIS countries. From 2009 to 2015, she practiced technology, corporate, M&A and PPP laws, at HBU, a Chambers & Partners Tier 1 attorney partnership in Istanbul. In 2008, she worked for the ICC arbitrator Jean Willems, in Paris.

Ms. Akman Özcan holds an LL.M. from Stanford Law School on Corporate Governance, a Master II on French Corporate and Business Administration Laws from Université d'Angers and a Law degree from University of Galatasaray. She is a Jean Monnet Scholar awarded by the European Commission and an awardee of the Stanford Law School delegate stipend for the World Bank's Law, Justice and Development week in Washington DC. She is admitted to the New York State Bar, the State Bar of California and the Istanbul Bar.

B. Compensation

Cash Compensation

The compensation for each of our executive officers consists of a base salary and a bonus based on performance. Our current board members, with the exception of our independent non-executive board members, do not receive a fee for their service on our board. We compensate each independent director with a fee for their attendance at board meetings and, where applicable, additional fees for their service as a committee member or a committee chairperson. Our board members who also serve under employment or consultancy agreements are compensated in line with their respective agreements. We compensate all of our board members for all expenses incurred by them in relation to their board duties and attendance at all meetings of our board of directors. We have no service contracts with any of our directors providing for benefits upon termination of their board duties. The total amount of compensation paid and benefits in kind provided to our executive officers and members of our board for the year ended December 31, 2024 was TRY 829.6 million (excluding TRY 173.7 million as a share-based payment expense and TRY 6.3 million as a share-based payment provision recognized for performance target-based payments (see "*Incentive Plan*").

Incentive Plan

In connection with our IPO, we adopted a share-based payment plan for our key management personnel as described in more detail below. This plan includes both cash and equity compensation components. The portions related to the cash components were dependent upon the occurrence of a successful IPO, which occurred in July 2021. The Company paid the cash compensation components of the plan in the fourth quarter of 2021 in the amount TRY 621.4 million.

The equity compensation components of the plan are triggered upon meeting certain "vesting" and "performance target" conditions. Settlement related to the vesting condition will be made partially on a pro rata basis in five specified vesting terms in accordance with the service period of the key management personnel considered within this program. As of December 31, 2024, the Company had recorded TRY 179.9 million as a share-based payment expense.

As of December 31, 2024, a TRY 6.3 million share-based payment provision was recognized for the performance target-based payments.

General

On April 24, 2023, the board of directors adopted revisions to our Incentive Plan dated March 24, 2021 (as amended, the “**Incentive Plan**”) for key executives, directors, managers, officers, employees, consultants and board members (“**Plan Participants**”) who contribute to our performance. The revised Incentive Plan was approved by the Company’s general assembly on August 25, 2023. The Incentive Plan originally took effect upon the Company’s listing of its ADSs representing ordinary shares in connection with its IPO. The revisions made to the Incentive Plan consisted of creating two new periods under the vesting schedule, namely, the Fourth Period and the Fifth Period, without changing the eligibility criteria, or affecting any rights of Plan Participants under their respective agreements signed prior to April 24, 2023.

In accordance with the Incentive Plan, Plan Participants may be awarded (i) a cash based award, (ii) restricted stock units or (iii) performance stock units, as individual awards or in combination, to motivate and reward employees, attract and retain talent, and promote the success of the business.

(i) *Cash Based Award*: Plan Participants who contributed to the works relating to the execution of the initial public offering of our ADSs were entitled to cash award at the end of the 3rd month following the date of the IPO.

(ii) *Restricted Stock Units (“RSUs”)*: Plan Participants may be entitled to RSUs to encourage them to work in the Company for the periods specified below after the IPO.

(iii) *Performance Stock Units (“PSUs”)*: Plan Participants may be entitled to PSUs depending on their performance in the relevant period.

Plan administration

Our Incentive Plan is administered by the board of directors. Our board of directors consults with our corporate governance committee (which undertakes duties relating to remunerations) to receive their recommendations on the distribution of the awards under the Incentive Plan. The board of directors has unilateral authority to change, suspend and terminate the Incentive Plan partially or in whole, including but not limited to compensating Plan Participants in cash or by any other means legally available instead of delivery of ADSs.

Eligibility

We may grant awards to key executives and employees (including our subsidiaries’), consisting of c-level executives, directors, managers, officers, employees, consultants and board members of our Company and its subsidiaries to be determined by the board of directors.

Reserved Pool

As of the date of this annual report, the board of directors has reserved up to a maximum amount of 6,500,000 (after tax and deductions) of our ordinary shares (which may be represented by ADSs), constituting the total of RSUs and PSUs described above, to be used within the scope of the Incentive Plan. This constitutes approximately 2.0% of our share capital as of the date of this annual report.

Vesting schedule

RSUs and PSUs will vest in the periods as specified below, following the end of 18 months after the date of the IPO:

- *First Period*: In the eighteenth (18th) month following the date of the IPO, up to 3,250,000 ordinary shares may be delivered;

This First Period of the Incentive Plan ended on January 31, 2023. Accordingly, the board of directors has determined in its decision dated April 24, 2023 that after tax and deductions, a total of 1,350,000 ordinary shares (which may be represented by ADSs) will have been used under the First Period, in the form of RSUs for 14 Plan Participants and PSUs for 12 Plan Participants.

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The board of directors resolved with its decision dated April 24, 2023 that the vested rights and benefits that have accrued under Incentive Plan agreements that were individually signed prior to the date of the board of directors' resolution will not be negatively affected by the amendments made to the Incentive Plan.

- *Second Period:* In the twelfth (12th) month following the end of the First Period, up to 1,750,000 ordinary shares may be delivered;

This Second Period of the Incentive Plan ended on January 31, 2024. Accordingly, the board of directors has determined that, after tax and deductions:

- 806,957 ordinary shares of the Company (which may be represented by ADSs) have vested in favor of 18 Plan Participants who became entitled, as defined under their individual contracts, to receive RSUs; and
- 93,168 ordinary shares of the Company (which may be represented by ADSs) have vested in favor of 11 Plan Participants who have been determined as having successfully met the year-end targets for the purposes of the calculation of the PSUs.

In accordance with the foregoing, with respect to the Second Period, the board of directors determined on April 19, 2024 that, after tax and deductions, a total of 900,125 ordinary shares (which may be represented by ADSs) vested in favor of the relevant Plan Participants on January 31, 2024 and will have been used under the Second Period.

The remaining 849,875 ordinary shares (which may be represented by ADSs) after tax and deductions, which have not been used in the Second Period, have been allocated to the Third Period, by resolution of the board of directors dated April 19, 2024, as set out further below.

- *Third Period:* In the twelfth (12th) month following the end of the Second Period, up to 2,349,875 ordinary shares may be delivered;

This Third Period of the Incentive Plan ended on January 31, 2025. Accordingly, the board of directors has determined that, after tax and deductions:

- 1,388,738 ordinary shares of the Company (which may be represented by ADSs) have vested in favor of 53 Plan Participants who became entitled, as defined under their individual contracts, to receive RSUs; and
- 66,977 ordinary shares of the Company (which may be represented by ADSs) have vested in favor of 8 Plan Participants who have been determined as having successfully met the year-end targets for the purposes of the calculation of the PSUs.

In accordance with the foregoing, with respect to the Third Period, the board of directors determined on January 24, 2025 that, after tax and deductions, a total of 1,455,716 ordinary shares (which may be represented by ADSs) vested in favor of the relevant Plan Participants on January 31, 2025 and will have been used under the Third Period.

The remaining 849,159 ordinary shares (which may be represented by ADSs) after tax and deductions, which have not been used in the Third Period, have been allocated to the Fourth Period, by resolution of the board of directors dated January 24, 2025, as set out further below.

We expect to deliver these ordinary shares (which may be represented by ADSs) to the recipients once the shares are issued or acquired by the Company.

- *Fourth Period:* In the twelfth (12th) month following the end of the Third Period, up to 1,849,159 ordinary shares may be delivered; and
- *Fifth Period:* In the twelfth (12th) month following the end of the Fourth Period, up to 900,000 ordinary shares may be delivered.

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If fewer shares are issued or allocated for a specific period as a result of changes in the number of the Plan Participants, duration of employment of such Plan Participants and the actual performance recorded for a given period, the remaining shares allocated for a specific period can be used in the following period(s).

Terms of Awards

General

Any payment under the Incentive Plan (*i.e.*, all of the cash based awards, RSUs and the PSUs) is contingent upon the successful completion of the IPO and on the Plan Participant's continuing employment with the Company on the date of payment.

The vesting dates and terms of the Incentive Plan for each beneficiary are separately defined in their individual employee agreements. For employees who became Plan Participants after July 3, 2024, awards are subject to certain conditions, including achieving high performance standards and remaining with the Company until March 31, 2026.

Cash Based Awards

No other specific terms of awards are specified for cash based awards.

RSUs

The RSU award is conditioned on the Plan Participant actually working for the Company on the date of payment specified above. At the discretion of the plan administrator, eligible Plan Participants whose employment will cease, other than those terminated for cause, may continue to receive RSUs until the date of the termination of employment.

PSUs

The PSU award is conditioned on the Plan Participant actually working for the Company on the date of payment specified above and that he or she performs the KPIs as determined by the board of directors in these periods.

All payments under the Incentive Plan are subject to tax withholdings and deductions.

Transfer Restrictions

All rights relating to vesting and cash awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge except in certain situations.

Amendment, Suspension and Termination

The board of directors, which is the plan administrator, has unilateral authority to change, suspend and terminate the Incentive Plan conditions, including but not limited to compensating Plan Participants in cash or by any other means legally available instead of delivery of ADSs. The Incentive Plan will automatically expire on the tenth anniversary of the date of the IPO. Our board of directors and shareholders may terminate the Incentive Plan at any time, in whole or in part.

Prior Incentive Plans

We had not implemented any incentive plan for employees prior to March 2021. We had only signed agreements with certain executives in the prior periods, including an exit bonus for the sale of the Company, but did not make any payments thereunder since the conditions were not met. With the establishment of the Incentive Plan in March 2021, all of these prior agreements were terminated.

Termination Benefits

Under Turkish labor law, we are required to pay termination benefits to each employee, including executives, (i) who has completed one year of service and whose employment is terminated by the employer without due cause or by the employee with due cause, (ii) whose employment is terminated due to marriage within one year of such marriage (female employees only), or (iii) who is called up for military service, dies or retires upon meeting applicable retirement conditions. The conditions for an employee to be entitled to a pension from the Social Security Institution or other pension fund differ based on the date on which the employee was first registered as an employee with the Social Security Institution. For further information, see Note 13 to our audited consolidated financial statements included elsewhere in this annual report.

C. Board Practices

For dates of expiration of the current term of office of our directors and the period during which the person has served in that office, see “—*Directors and Senior Management—Board of Directors*” above.

For details of our arrangements with directors providing for their board service see “—*Compensation*” above.

Committees of the Board of Directors

Our board of directors has established an audit committee, an early detection of risk committee and a corporate governance committee to support it in its decision-making process and has adopted a written charter for each of the committees. Each committee’s members and functions are described below.

Audit Committee

As of the date of this annual report, the Audit Committee consists of three board members: Ahmet Fadıl Ashaboğlu, Dr. Stefan Gross-Selbeck and Tayfun Bayazit.

The Audit Committee assists our board of directors in its responsibility for oversight of (i) the integrity of our financial statements, (ii) the statutory auditors’ qualification and independence, (iii) the performance of the independent audit firm and our internal audit function, and (iv) our compliance with legal and regulatory requirements and environmental and social responsibilities. The Audit Committee is entitled to review information on any point it wishes to verify, and is authorized to acquire such information from any of our employees. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent audit firm. It establishes procedures for confidential complaints regarding questionable accounting or auditing matters. It is also authorized to obtain independent advice, including legal advice, with respect to an inquiry into any matter under its responsibility. It is entitled to call on the resources that will be needed for this task. It is entitled to receive reports directly from the independent audit firm, including reports with recommendations on how to improve our control processes.

The Audit Committee holds meetings at least once every quarter. The Audit Committee’s members are appointed by the Board from among the independent directors. Nasdaq Rule 5605(c)(2) requires that the Audit Committee is comprised of at least three independent directors. Our board of directors has determined that Ahmet Fadıl Ashaboğlu, Tayfun Bayazit and Dr. Stefan Gross-Selbeck satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act. The current members of our Audit Committee meet the requirements for financial literacy under the applicable rules and regulations of the Exchange Act and Nasdaq. Moreover, our board has determined that Ahmet Fadıl Ashaboğlu, Tayfun Bayazit and Dr. Stefan Gross-Selbeck are Audit Committee financial experts as defined under the applicable rules of the SEC and have the requisite financial sophistication as defined under the applicable rules and regulations of Nasdaq. The Audit Committee operates under a written charter that satisfies the applicable standards of the SEC and Nasdaq. You are able to view our Audit Committee Charter on the corporate governance section of our investor relations website.

Early Detection of Risk Committee

On September 26, 2024, our board of directors determined that our risk committee would start working as an Early Detection of Risk Committee in accordance with the Turkish Commercial Code effective as of the beginning of the calendar year 2025. In this enhanced capacity, the Early Detection of Risk Committee is expected to convene six times per year (instead of four) and to report to our board of directors every two months. The Early Detection of Risk Committee consists of a minimum of two board members, a majority of which are required to be independent directors. The members of the Early Detection of Risk Committee are elected from among the members of our board of directors or persons, not necessarily a member of the board of directors, but possessing the required skills for this position. Our Early Detection of Risk Committee currently consists of three members: Ahmet Fadil Ashaboğlu, Tayfun Bayazit and Yuri Didenko. Our board of directors has determined that Ahmet Fadil Ashaboğlu and Tayfun Bayazit are independent. Our early detection of risk committee conducts a review of the Company's risk management policies at least once a year.

Corporate Governance Committee

The Corporate Governance Committee consists of two or more board members, and the majority of the Corporate Governance Committee is required to be composed of independent directors. The members of the Corporate Governance Committee are elected from among the members of our board of directors or persons, not necessarily members of the board of directors, but possessing the required skills for this position. Our Corporate Governance Committee currently consists of three members: Ahmet Fadil Ashaboğlu, Tayfun Bayazit and Yuri Didenko. Our board of directors has determined that Ahmet Fadil Ashaboğlu and Tayfun Bayazit are independent. Our Corporate Governance Committee is responsible for periodically reviewing the application of corporate governance principles by our board of directors and making recommendations to the board on corporate governance matters. Our Corporate Governance Committee also carries out the functions of a compensation committee, advising the board on compensation policies for the board and executives.

Code of Conduct

Our board of directors updated our Code of Conduct applicable to our employees, directors and officers on February 6, 2023. A current copy of the Code of Conduct is posted on our investor relations website.

Duties of Directors

Pursuant to our articles of association and the TCC, our board of directors is responsible for supervising our management and establishes the principles of our strategy, organization, accounting and financial control. Under Turkish law, members of the board of directors can be natural persons or legal entities and are not required to own shares to serve on the board of directors. For a legal entity to serve as a member of the board of directors, it must appoint a natural person to exercise the director's rights and duties on behalf of the legal entity.

Under Turkish law, members of the board directors cannot attend negotiations or vote on matters in which such members of the board of directors themselves, their spouses or their relatives (up to and including third degree) have an interest or if their attendance would otherwise be contrary to objective principles of good faith. According to the TCC, members of the board of directors cannot enter into commercial relationships with us or engage in any competing activities on behalf of themselves or others, unless permitted by the general assembly. Our directors have a duty of loyalty to act honestly in good faith for a proper purpose and with a view to our best interests. Our directors also have a duty to exercise the skills they effectively possess and to exercise such care and diligence that a reasonably prudent person would in comparable circumstances.

In fulfilling their duty of care to us, our directors must ensure compliance with our articles of association.

Corporate Governance Differences

Nasdaq allows a foreign private issuer, such as the Company, to follow its home country practices in lieu of certain Nasdaq corporate governance standards. Similarly, as a controlled company, we are exempt from certain of the Nasdaq corporate governance standards. We rely on a number of these exemptions, including, but not limited to, our use of our corporate governance committee in lieu of a standing compensation committee and that we follow home country practice in lieu of the requirements of Nasdaq Rule 5605(e) regarding independent director oversight of director nominations. For additional information about the home country practices we follow in lieu of Nasdaq corporate governance standards, see Item 3.D. “Key Information—Risk Factors—Risks Relating to Ownership of the ADSs—As a “controlled company” within the meaning of the Nasdaq rules and a foreign private issuer, we qualify for and do rely on exemptions from certain of the Nasdaq corporate governance standards, including the requirement that a majority of our board of directors consist of independent directors. Our reliance on such exemptions may afford less protection to holders of our ADSs” and Item 16.G. “Corporate Governance.”

D. Employees

As of December 31, 2024, we had 3,743 employees and 7,174 outsourced FTEs supporting our business. We had a month-end average of approximately 72 temporary employees supporting our business during the year 2024, ranging from no temporary employees at the end of the early months of 2024 to 143 at the end of November 2024, during our peak season.

The following table sets forth information on the number of employees by department as of the dates indicated, excluding the outsourced personnel:

	As at December 31,		
	2024	2023	2022
D-Market	2,271	2,191	2,811
Technology ⁽¹⁾	764	644	776
Category Management ⁽²⁾	390	441	584
Call Center	369	381	567
Operations ⁽³⁾	241	190	280
Marketing	141	132	185
Finance ⁽⁴⁾	93	92	98
HepsiGlobal ⁽⁵⁾	88	90	92
Hepsiburada Market ⁽⁶⁾	0	57	86
Other ⁽⁷⁾	185	164	143
D-Fast⁽⁵⁾	1,097	832	871
D-Ödeme and Hepsifinans⁽⁵⁾	375	190	152
Total	3,743	3,213 ⁽⁸⁾	3,834

(1) As of April 2024, our Search Engine Optimization team was classified under Technology. Prior to April 2024, this team was classified under Marketing. As of July 2024, our Fraud team was classified under Technology. Prior to July 2024, this team was classified under Finance.

(2) In 2023, our HepsAd team and Private Label team were classified under Other. Prior to 2023, these teams were classified under Category Management. As of May 2024, our Catalog team was classified under Technology. Prior to May 2024, this team was classified under Category Management. As of May 2024, our Merchant Contractor and Onboarding team was classified under the Call Center. Prior to May 2024, this team was classified under Category Management.

(3) Includes employees in logistics warehouse operations. As of May 1, 2024, our Merchant Operations team was classified under Operations department. Prior to May 1, 2024, this team was classified under Category Management.

(4) In 2024, our Finance team was shown as a separate line. Prior to 2024, this team was classified under Other. Prior years have been adjusted accordingly.

(5) Includes specifically assigned technology personnel.

(6) As of October, 2024, the operations of Hepsiburada Market were discontinued.

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- (7) Includes departments not otherwise mentioned in the table. In 2023, according to the revised organization structure: (i) our HepsiAd team was classified under Other, which was previously under Category Management (ii) our Corporate Communications team was classified under Other, which was previously under Marketing and (iii) our Private Label team was classified under Other, which was previously under Category Management.
- (8) In early 2023, we conducted targeted efforts to manage personnel costs. As of March 31, 2023, following implementation thereof, our number of employees was 3,429.

In our IFRS financial statements, we capitalize the cost of some of our employees on our technology team who are working on the development of our website.

Our people and culture strategy has three main pillars: (a) fostering a productive-efficient-agile organization for happy people, (b) growing a talented organization for future-oriented work and (c) designing a people-oriented digital and analytics experience.

We believe that our future success depends on our ability to identify, hire, train and retain qualified personnel. Our people and culture strategy has the objectives of attraction, retention and social responsibility and sustainability. In pursuit of these objectives, we implement people and culture strategic programs such as our Hepsinstitute Lifetime Learning Organisation (digital learning management systems), our HepsiUp system, which assists in setting strategic targets for performance management, and our HepsiFUN, where our employees can socialize and have fun together outside of work. This allows cross-functional teams and remote workers to come together in person around their common interests.

The main pillars of Hepsiburada's culture and core values are as follows: Our Customers, Innovation through Entrepreneurship and Social Consciousness. The way we work and our competencies include Ownership and Accountability, Entrepreneurial Mindset, Meticulous Execution & Dedication, Continuously Develop, Organizational Alignment, Shared Goals & Mechanism, Agility and Resilience, Acting with Data Through Analytical Thinking.

We believe that a constantly developing workforce that supports the innovative and entrepreneurial spirit with training solutions appropriate to our corporate strategy and needs is indispensable for our business operations.

The development of our employees' corporate, personal, professional and managerial skills is supported by training programs such as an orientation program, leadership academy, competency training, a personal and professional development catalogue, and specific functional technical training within the scope of the annual training plan. In 2024, we provided a total of approximately 127,878 hours of training to our employees, representing an average of 35 training hours per person. 4,241 of these hours related to executives participating in a leadership academy program. In the same period, 79% of our training was carried out through internal resources.

We encourage high employee performance by offering bonuses and providing other incentives generally based on their contributions to our business operations.

Continuing a practice developed during the COVID-19 pandemic, Hepsiburada offers a hybrid working model. Since 2022, employees with a manager title and above work at the office four days a week while other employees work from home, coming into the office only as their jobs require.

We prioritize the well-being and motivation of our employees and support them through our internal platforms such as HepsiSEN and HepsiFUN.

HepsiSEN is a platform designed to support the mental and physical well-being of our colleagues, which we believe form the foundation of employee welfare. Through HepsiSEN, employees have free access to a variety of services, including expert trainers, psychologists, nutritionists, and more. In 2024, we prioritized the development of HepsiSEN by forming sports and wellness communities (such as yoga, pilates, football, basketball, and volleyball) and establishing new collaborations. Additionally, we launched sports clubs, a book club, and a drama group.

HepsiFUN is a platform designed to help Hepsiburada employees maintain a work-life balance while boosting team motivation through various activities. It aims to provide employees with a chance to enjoy their free time outside of working hours and enhance social interaction by bringing together employees from different departments in order to foster a sense of community across our organization. The platform offers a wide range of activities, including workshops, city and out-of-town trips, theater performances, concerts, breakfast events, and more, bringing employees together for shared experiences outside of work.

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With our HepsigÖNÜLDEN program, we actively engage in social solidarity efforts alongside our employees, supporting various charitable organizations.

We believe that we maintain a good working relationship with our employees, and we have not experienced any significant labor disputes. Our employees are not represented by any labor unions. For risks relating to employees of certain subcontractors being classified as our employees see Item 3.D. *“Key Information—Risk Factors—Risks Relating to Our Business and Industry—Our business would be adversely affected if last mile delivery service carriers were classified as employees instead of independent contractors and we may incur significant additional expenses if the employees of subcontractors carrying out delivery services are considered our employees.”*

E. Share Ownership

See Item 7.A. *“Major Shareholders and Related Party Transactions—Major Shareholders”* for information about the share ownership of directors and officers.

See Item 6.B. *“Directors, Senior Management and Employees—Compensation”* for information about the compensation of our directors and officers and incentive plans.

F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information relating to the beneficial ownership of ordinary shares as at the date of this report for:

- each person, or group of affiliated persons, known by us to beneficially own 5% or more of our outstanding ordinary shares;
- each of our executive officers and members of our board of directors individually; and
- all of our executive officers and members of our board of directors as a group.

For further information regarding material transactions between us and principal shareholders, see *“—Related Party Transactions.”*

The number of ordinary shares beneficially owned by each entity, person, executive officer or board member is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power, or the right to receive the economic benefit of ownership, as well as any shares that the individual has the right to acquire within 60 days through the exercise of any option, warrant or other right. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power and the right to receive the economic benefit of ownership with respect to all ordinary shares held by that person. Holders of our ordinary shares, which is the class of shares that is represented by ADSs that are publicly traded and listed, are entitled to one vote per share.

The percentage of shares beneficially owned is computed on the basis of 321,382,906 ordinary shares outstanding as at the date of this report. Ordinary shares that a person has the right to acquire within 60 days are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all executive officers and board members as a group.

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To our knowledge, there are no U.S. record holders of our shares as at the date of this report. As at the date of this report, 65,251,000 of our ordinary shares were held by The Bank of New York Mellon, acting through its office located in the United Kingdom, as custodian for the depositary. There is no complete record of all ADS holders, nor of U.S. ADS holders, and therefore it is not possible to give an accurate breakdown of geographical distribution of such holders by country of residence. While we have been informed by The Bank of New York Mellon, as depositary, that there are no registered holders of ADSs with a U.S. address as at the date of this report, all of our ADSs are held by brokers or other nominees and, as a result, the number of ADS holders of record is not representative of the number of beneficial holders or of the residence of such beneficial holders.

Unless otherwise indicated below, the address for each beneficial owner listed below is Kuştepe Mahallesi Mecidiyeköy Yolu Cadde No: 12 Tower: 2 Floor: 2 Şişli İstanbul, Türkiye.

We are a controlled company and Kaspi controls 66.4% of our total voting power (excluding treasury shares). TurkCommerce B.V. directly holds shares representing 13.3% of our total voting power (excluding treasury shares). For additional information, please refer to the table below.

Name of Shareholder	Number of Shares Beneficially Owned		% of Total Voting Power (excluding treasury shares)	
	(actual)*	(deemed)*	(actual)*	(deemed)*
Executive Officers and Board Members				
Mikheil Lomtadze	—	—	—	—
Yuri Didenko	—	—	—	—
Sandro Berdzenishvili	—	—	—	—
Pavel Mironov	—	—	—	—
Tengiz Mosidze	—	—	—	—
Erman Kalkandelen ⁽⁵⁾	—	—	—	—
Ahmet Fadil Ashaboğlu	—	—	—	—
Tayfun Bayazit	—	—	—	—
Stefan Gross-Selbeck	—	—	—	—
Nilhan Onal†	**	—	**	—
Mehmet Seçkin Köseoğlu	—	—	—	—
Erkin Aydın	**	—	**	—
Esra Beyzadeoğlu†	**	—	**	—
Hakan Karadoğan†	**	—	**	—
Ender Özgün†	**	—	**	—
Alexey Shevenkov†	**	—	**	—
Güneş Özcan Akman	—	—	—	—
All executive officers and board members as a group (persons)	**	—	**	—
Other Principal Shareholders				
Joint Stock Company Kaspi.kz	213,246,220 ⁽¹⁾	213,246,220 ⁽¹⁾	66.35 ⁽⁴⁾	66.35 ⁽⁴⁾
TurkCommerce B.V. ⁽⁵⁾	42,885,686 ⁽²⁾	256,131,906 ⁽³⁾	13.34 ⁽⁴⁾	79.7 ⁽³⁾⁽⁴⁾

* The “actual” column represents shares over which the holder has voting or dispositive power; the “deemed” column also includes deemed beneficial ownership reflective solely of the provisions of the Shareholders’ Agreement discussed in footnote (3) below.

** Beneficial ownership of less than one percent of the class.

† Consists entirely of an entitlement to ordinary shares that have vested under the Incentive Plan. See Item 6.B. “*Directors, Senior Management and Employees—Compensation—Incentive Plan.*”

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- (1) Information derived from a Schedule 13D filed by Kaspi on February 5, 2025. Includes (a) 148,046,562 ordinary shares purchased by Kaspi under the Stock Purchase Agreement that are not subject to a share pledge, and (b) 65,199,658 ordinary shares purchased under the Stock Purchase Agreement that are subject to a share pledge to secure Kaspi's obligation to pay the deferred cash consideration to the Selling Shareholders. The share pledge provides that (i) Kaspi has the power to vote the pledged shares until the occurrence of an Event of Default (as defined in the share pledge), (ii) upon the occurrence of an Event of Default, the right to vote the pledged shares will transfer to the pledgees (*i.e.*, the Selling Shareholders) and Kaspi will no longer have the right to vote such shares, and (iii) Kaspi cannot dispose of the pledged shares for the term of the share pledge. At the date of this annual report, Kaspi has sole voting power over all its shares (pledged and not). It also has sole dispositive power over the 148,046,562 shares that are not pledged, but not over the 65,199,658 shares that are subject to the pledge. See Item 4.A. "*Information on the Company—History and Development of the Company—Change of Control.*"
- (2) Information derived from a Schedule 13G/A filed by TurkCommerce B.V. ("**TurkCommerce**") on February 8, 2024. Includes 42,885,686 ordinary shares directly held by TurkCommerce. TurkCommerce is beneficially owned and controlled by Templeton Turkey Fund GP Ltd. and is managed pursuant to a limited partnership agreement among Templeton Turkey Fund GP Ltd. and Templeton Asset Management Ltd., along with their limited partners. Each of the foregoing entities, as a result, and by virtue of the relationships described above, may be deemed to beneficially own the shares owned by TurkCommerce. Each of Templeton Turkey Fund GP Ltd. and Templeton Asset Management Ltd. disclaims beneficial ownership of the shares held by TurkCommerce, except to the extent, if any, of its pecuniary interest therein.
- (3) The Schedule 13G/A filed by TurkCommerce on February 8, 2024, also included the following shares held at such date by Hanzade Vasfiye Doğan Boyner: (A) 29,864,015 Class B ordinary shares and (B) Class B ordinary shares underlying 40,000,000 privileged Class A shares. Pursuant to a shareholders' agreement entered into in June 2021 by, among others, Hanzade Vasfiye Doğan Boyner (the "**Class A Shareholder**") and TurkCommerce (the "**Shareholders' Agreement**"), the parties thereto agreed to certain voting arrangements in favor of a director nominee of TurkCommerce. Following the completion of the Change of Control, on January 29, 2025, the Shareholders' Agreement remains valid. Kaspi signed a Deed of Adherence with TurkCommerce to become party to the Shareholders' Agreement and assume the benefits and obligations applicable to the Class A Shareholder under the Shareholders' Agreement. The Shareholders' Agreement remains unchanged in all other respects. As a result of the voting arrangement under the Shareholders' Agreement, TurkCommerce could be deemed to be a member of a "group" under Section 13(d) of the Exchange Act, with voting power, *solely* for purposes of electing a director nominee, over the ordinary shares of the Company owned by the "Class A Shareholder" under the Shareholders' Agreement. Before the Change of Control, this corresponded to 69,864,015 Class B ordinary shares owned by Hanzade Vasfiye Doğan Boyner; since the Change of Control, this corresponds to 213,246,220 ordinary shares owned by Kaspi.
- (4) The amount of total voting power for both Kaspi and TurkCommerce is calculated based on the total number of ordinary shares outstanding, excluding treasury shares.
- (5) The principal business address of TurkCommerce is Amstelveenseweg 760, 1081JK Amsterdam. The principal business address of Templeton Türkiye Fund GP Ltd. and Templeton Türkiye Fund, L.P. is Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The principal business address of Templeton Asset Management Ltd. is 7 Temasek Boulevard, Suntec Tower One, #38-01, Singapore 038987. The principal business address of Erman Kalkandelen is Ferko Signature Büyükdere Caddesi No: 175, Levent 34398 Istanbul, Türkiye.

The following changes in the percentage ownership held by shareholders have occurred in the past three years:

- Pursuant to information derived from a Schedule 13G filed by TurkCommerce on February 14, 2022, Erman Kalkandelen was deemed to own 40,000,000 Class A shares and 77,365,085 Class B ordinary shares solely by virtue of his position as a director of the entities controlling TurkCommerce. Pursuant to information derived from a Schedule 13G/A filed on April 4, 2023, Erman Kalkandelen was no longer deemed to own any Class A shares or Class B ordinary shares as he was no longer identified as a director of the entities controlling TurkCommerce.
- On September 28, 2023, the Company announced that it had entered into a contribution agreement with TurkCommerce, pursuant to which the Company agreed to purchase 4,615,384 Class B ordinary shares from TurkCommerce. The purchase transaction was completed on October 18, 2023, and the change in the share ownership was reported in a Schedule 13G/A filed by TurkCommerce on February 8, 2024. See Item 7.B. "*Major Shareholders and Related Party Transactions—Related Party Transactions—Transaction with Major Shareholder.*" The repurchased shares are held in treasury.

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- On October 17, 2024, Hanzade Vasfiye Doğan Boyner, our Founder, and Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan signed a Stock Purchase Agreement with Joint Stock Company Kaspi.kz (“**Kaspi**”) to sell all their Class A and Class B shares representing 65.41% of the total share capital of Hepsiburada (including treasury shares) (the “**Change of Control**”). Hepsiburada was not a party to the Stock Purchase Agreement. The table below shows the number of shares then owned by the Selling Shareholders:

Selling Shareholder	Class A Shares	Class B Shares
Hanzade Vasfiye Doğan Boyner	40,000,000	29,864,015
Vuslat Doğan Sabancı	—	48,539,180
Yaşar Begümhan Doğan Faralyalı	—	58,539,170
Arzuhan Doğan Yalçındağ	—	44,271,070
Işıl Doğan	—	2,032,185

- On January 29, 2025, the Change of Control was completed. As a result, Kaspi became the new controlling shareholder of the Company, owning 65.41% of the total share capital of the Company (including treasury shares), while the Selling Shareholders ceased to be shareholders of the Company.
- Following the Change of Control, all Class A shares automatically converted into ordinary shares. Thereafter on January 31, 2025, the Extraordinary General Assembly Meeting of Shareholders approved changes to the Articles of Association reflecting the termination of the dual class share structure. See Item 14. “*Material Modifications to the Rights of Security Holders and Use of Proceeds —Termination of Dual Class Structure.*”

The Company is directly controlled by Kaspi, which owns 65.41% of the total share capital of Hepsiburada (including treasury shares) and 66.35% of the total voting power (which excludes treasury shares). Kaspi is a joint stock company incorporated under the laws of Kazakhstan.

To our knowledge, there are no arrangements the operation of which may at a subsequent date result in a change of control, except that according to the share pledge agreement between Kaspi and the Selling Shareholders, if Kaspi defaults on its obligation to pay the deferred cash compensation to the Selling Shareholders, the Selling Shareholders will be entitled to enforce the share pledge and sell all or part of the pledged shares, which represent, and must continue to represent for the term of the share pledge, 20% of the total outstanding capital of the Company. The sale of all of the pledged shares would bring Kaspi’s shareholding down to 45.41% of the total share capital of Hepsiburada (including treasury shares), below majority, and would therefore change the control structure of the Company. To our knowledge, there is no agreement or arrangement between the shareholders other than the Shareholders’ Agreement.

B. Related Party Transactions

The following is a description of related party transactions since January 1, 2024, to which we were party with any of our members of our board or executive officers and the holders of more than 5% of our ordinary shares.

Transactions with Founder and Members of the Doğan Family

Our Founder and the member of her family were related parties of the Company until the Change of Control and related board changes were completed in January 2025. Between January 1, 2024 and January 31, 2025, we were parties to various transactions with companies whose shareholders include (among others) our Founder, Vuslat Doğan Sabancı, a then-member of our board, and Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan, each of whom were our shareholders until January 29, 2025 (see “—*Major Shareholders*”). These individuals are relatives and members of the Doğan family (collectively, the “Doğan family”). Members of the Doğan family are also the majority shareholders of Doğan Holding and related companies in the Doğan Group.

Other than as disclosed herein, these transactions consisted of sales and purchases of goods and services from entities controlled by the members of the Doğan family in the ordinary course of our business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2024, we recognized no provision for expected credit losses relating to amounts owed by related parties.

In total, we engaged in sales to companies controlled by members of the Doğan family of TRY 46.3 million for the year ended December 31, 2024, and purchases from companies controlled by members of the Doğan family of TRY 482.0 million for the year ended December 31, 2024. As of December 31, 2024, TRY 14.6 million was due from related entities controlled by members of the Doğan family and TRY 12.9 million was due to related entities controlled by members of the Doğan family. Specifically, we have purchased goods and services at market prices from Doğan Dış Ticaret ve Müessesilik A.Ş., an entity controlled by members of the Doğan family, primarily inventory and importation services in relation to our Direct Sales, in the amount of TRY 394.6 million for the year ended December 31, 2024. We leased the real estate and office space for our corporate headquarters (on an annual basis with monthly rental payments) and purchased office-related services from D Gayrimenkul Yatırımları ve Ticaret A.Ş., (“**D Gayrimenkul Yatırımları**”) an entity controlled by members of the Doğan family for TRY 51.8 million for the year ended December 31, 2024 under an additional protocol to the lease agreement dated December 24, 2014 entered into with D Gayrimenkul Yatırımları on June 14, 2019 (as amended in June 2019 and August 2019). We have purchased goods at market prices from Doğan Yayınları Yayıncılık ve Yapımcılık Ticaret A.Ş., an entity controlled by members of the Doğan family, in relation to our Direct Sales, in the amount of TRY 24.1 million for the year ended December 31, 2024. We have sold goods at market prices to D Elektronik Şans Oyunları ve Yayıncılık A.Ş., an entity controlled by members of the Doğan family, in the amount of TRY 16.2 million for the year ended December 31, 2024. On November 11, 2020 we also entered into a financing agreement with Doruk Faktoring A.Ş., a Turkish financial institution controlled by members of the Doğan family, in connection with our supplier and merchant financing services to establish a line of credit of up to TRY 1.0 million which was not drawn as of December 31, 2024 (see Item 4.B. “*Information on the Company—Business Overview—Supplier and Merchant Financing*” and Item 5.B. “*Operating and Financial Review and Prospects—Liquidity and Capital Resources*”). Other transactions with entities controlled by members of the Doğan family have included sales of goods and services in our Direct Sales and through our Marketplace, fulfillment services and gift checks, and other purchases of inventory for our Direct Sales, vehicle lease services, advertising services and internet data services.

For a discussion of the acquisition of Hepsifinans by Hepsi Finansal from Doğan Holding, please see disclosure under Item 4.C. “*Information on the Company—Organizational Structure—Hepsifinans*” in this annual report.

For additional information on our transactions with related parties, including tables setting forth the related parties with which we have entered into service and product sales transactions, see Note 21 to our audited consolidated financial statements included elsewhere in this annual report. The related party transactions not specifically discussed in this section, represent transactions immaterial in amount.

Transactions with Board Members

The Company signed employment agreements with two then-members of our board of directors, Mr. Murat Emirdağ and Mr. Tolga Babalı, for provision of services as senior officers of the Company effective January 2023. Under the terms of the employment agreements, Mr. Murat Emirdağ and Mr. Tolga Babalı acted as senior officers of the Company and received benefits such as monthly compensation, performance and other bonuses, and social security benefits. Mr. Murat Emirdağ transitioned to an advisory role on May 1, 2023, under a consultancy agreement with the Company that was in effect until January 31, 2025. As of January 31, 2025, Mr. Tolga Babalı is no longer a board member of the Company, and his consultancy agreement has been terminated. Mr. Tolga Babalı remains on the board of directors of certain subsidiaries of the Company.

Transaction with Major Shareholder

In September 2021 and October 2021, holders of our ADSs filed two class actions in the state and federal courts of the State of New York, respectively, against the Company, TurkCommerce and other defendants. The complaints alleged that the Company’s registration statement contained untrue statements of material facts or omitted facts necessary to make the statements made therein not misleading in violation of Sections 11, 12 and 15 of the Securities Act. After negotiations, on March 22, 2023, the parties entered into a settlement agreement with no admission of liability, under which Hepsiburada paid \$13.9 million to resolve both actions in their entirety. The settlement became final following the approval and entry of judgment by the respective federal and state courts in the State of New York.

In this context, on December 5, 2022, the Company and TurkCommerce entered into a binding term sheet according to which TurkCommerce agreed to contribute \$3,975,000 towards the settlement of the two class actions. Subsequently, on September 28, 2023, the Company signed a contribution agreement with TurkCommerce pursuant to which the Company agreed to purchase 4,615,384 Class B ordinary shares of the Company from TurkCommerce against payment of \$5,732,306.93 (the “**Share Purchase Price**”), corresponding to a purchase price per share of \$1.242 (the “**Transaction**”). The Share Purchase Price was paid by the Company by way of a combination of (i) offsetting the \$3,975,000 settlement contribution amount owed by TurkCommerce and (ii) a \$1,757,306.93 (TRY 69,335 thousand) cash payment on the date of completion of the Transaction. The Transaction was completed on October 18, 2023. The ordinary shares purchased in the Transaction are expected to be delivered to plan participants under the Company’s Revised Incentive Plan.

Directors’ and Officers’ Indemnification and Insurance Arrangements

Our board of directors determined on October 12, 2021 that all the losses that may arise due to the responsibilities of the board members and the executive committee members arising from their duties, will be indemnified primarily by us to the fullest extent permissible by law and the indemnification agreement(s) to be entered into by and between us and each board member and each executive committee member. With effect from April 11, 2022, we have entered into indemnification agreements with some of our directors and executive committee members that comprised our senior management since 2022 as approved by the general assembly of shareholders on June 24, 2022. These indemnification agreements require us to indemnify our directors and officers to the fullest extent permitted by New York law for losses that may arise due to their responsibilities serving us. We did not record any payments to indemnify our directors in 2024.

In addition to the indemnification agreements, since August 23, 2021, we maintain directors’ and officers’ liability insurance that insures our directors and executive committee members, subject to certain caps and excess thresholds, against the cost of defense, settlement or payment of a judgment that may need to be paid by those directors and officers in some circumstances. Our directors’ and officers’ liability insurance is provided by Ray Sigorta A.Ş, an insurance company based in Türkiye, and the official insurance policy is held on file at the offices of Marsh Türkiye, whereas reinsurance protection is provided by A-rated reinsurers. The directors’ and officers’ liability insurance policy renewals were approved by the general assembly meetings of shareholders on August 25, 2023 and September 12, 2024. In addition to customary coverage, due to the Change of Control, a run-off extended coverage was purchased as required pursuant to the terms of the policy relating to corporate takeovers. The policy has been renewed for the year 2025 and is valid until January 28, 2026.

Insofar as indemnification of liabilities arising under the Securities Act may be permitted to executive officers and board members or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Post-IPO Shareholder Agreement

In June 2021, our Founder, as holder of our Class A shares (the “**Class A Shareholder**”), Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ, Işıl Doğan and TurkCommerce B.V. entered into a Shareholders’ Agreement (the “**Shareholders’ Agreement**”). The Shareholders’ Agreement came into effect upon the consummation of the IPO. In connection with the IPO in July 2021, TurkCommerce B.V. sold 23,581,000 Class B ordinary shares. With respect to Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan, the Shareholders’ Agreement terminated within five business days following the IPO of the Company.

Adherence of Kaspi to the Shareholders’ Agreement

Following the Change of Control, our Founder is no longer a shareholder of our Company or a party to the Shareholders’ Agreement. In connection thereto, the new controlling shareholder, Kaspi, signed a Deed of Adherence to become party to the Shareholders’ Agreement and assume the benefits and obligations applicable to the “Class A Shareholder” under the Shareholders’ Agreement, effective as of January 29, 2025. For a description of the Change of Control see Item 4.A. “*Information on the Company—History and Development of the Company—Company History and Brand Development—Change of Control.*” The Shareholders’ Agreement has remained unchanged in all other respects.

Capital Increases and Restrictions on Share Transfers

Pursuant to the Shareholders' Agreement, the parties agreed to exercise their statutory preemptive rights to subscribe to additional share issues such that no shares will be issued to the following restricted transferees (the "**Restricted Transferees**"): (i) a person all or substantially all of whose operations primarily comprise e-commerce platform activity in a Turkish market (a "**Restricted Competitor**"), or (ii) any non-reputable person (which included, among others, a person who had existing links to organized crime, had a non-transparent ownership structure, or had involvement in corruption, bribery, tax evasion or other fraudulent practices).

Under the Shareholders' Agreement, TurkCommerce B.V. is prohibited from transferring its ordinary shares (formerly referred to as "Class B" shares) to any Restricted Transferee. In addition, in case of the sale of the ordinary shares formerly referred to as "Class A" shares, the Class A Shareholder is required to give a notice of such sale to TurkCommerce B.V. Our Founder provided such notice of sale to TurkCommerce B.V. as part of the closing mechanics of the Change of Control.

Governance and Management of the Company

The Shareholders' Agreement provides that as long as TurkCommerce B.V. owns at least 7.5% of our issued share capital and otherwise is in compliance with the restrictions on the share transfers and non-compete obligation thereunder (see "*Capital Increases and Restrictions on Share Transfers*") the Class A Shareholder will vote in favor of one director nominee designated by TurkCommerce B.V. (the "**TurkCommerce Director**"). As long as TurkCommerce B.V. has a right to designate one director, the following decisions will not be taken unless approved affirmatively by the TurkCommerce Director:

- acquisition of any interest of the share capital of any related party; and
- approval, amendment or termination of any internal policies and procedures in respect of anti-bribery and corruption, or that are inconsistent with business principles and environmental and social management system of TurkCommerce B.V. as described in the Shareholders' Agreement.

In addition, until TurkCommerce B.V. receives US\$400 million in the IPO or any subsequent sale, the Class A Shareholder will procure that each of the decisions listed below will be taken if affirmatively approved by the TurkCommerce Director:

- incurring financial indebtedness or off-balance sheet liabilities exceeding 15% of the Company's revenues for the preceding year or creating any interest, pledge or security in relation thereto;
- disposing of any interest in any entity or create any interest, pledge or security over the same provided that (i) the enterprise value of any such entity is equal to or exceeding 15% of the Company's revenues for the preceding year, or (ii) the equity value of any such entity is equal to or exceeding 15% of the Company's revenues for the preceding year;
- issuance of any new and amendment or cancellation of current management incentive plan or other employee benefit scheme, or granting any management stock option; and
- delegating powers to board committees and setting the quorum for such committees.

Other

Under the Shareholders' Agreement, TurkCommerce B.V. covenants that, as long as it has a right to designate one director, TurkCommerce B.V. or any subsidiary of the Templeton Türkiye Fund GP Ltd will not be engaged with or interested economically or otherwise in a Restricted Competitor. If Templeton Türkiye Fund GP Ltd acts in breach of the non-compete obligation, it will automatically lose all its rights under the Shareholders' Agreement, including the right to designate the TurkCommerce Director.

Unless terminated earlier in accordance with its terms, the Shareholders' Agreement states that it will terminate, among other events, (i) when TurkCommerce B.V.'s Hepsiburada ownership falls below 7.5% or when Templeton Türkiye Fund GP Ltd ceases to exercise more than 50% of the voting power at the board meetings of TurkCommerce B.V.; (ii) on January 1, 2026; (iii) in relation to any party when that party no longer holds any shares in our share capital; (iv) in case of breach by Templeton Türkiye Fund GP Ltd. and its subsidiaries of the restrictions on share transfers and/or non-compete covenant, upon the Class A Shareholder's written demand, subject to certain remedy procedures provided in the Shareholders' Agreement; or (v) upon mutual written agreement between the Parties.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements

See Item 18. "Financial Statements."

Legal Proceedings

We are not currently involved in any material litigation or regulatory actions that we believe would have a material adverse effect on our financial condition or results of operation, nor are we aware of any such material litigation or regulatory actions threatened against us. From time to time, we are subject to legal proceedings, investigations and claims incidental to the conduct of our business. For further discussion, see Note 12 to our audited consolidated financial statements included elsewhere in this annual report. For additional information on the TCA's investigation into our alleged violations of Turkish Competition Law, and investigations initiated by the Personal Data Protection Authority; see also Item 3.D. "Key Information—Risk Factors—Legal and Regulatory Risks—We have in the past been, and may again in the future be, subject to administrative fines imposed by the Turkish Competition Authority, and our reputation may be harmed if we do not comply with Turkish competition laws and regulations or any applicable binding commitments imposed by the Turkish Competition Authority on the Company," "Key Information—Risk Factors—Legal and Regulatory Risks—We have been and in the future may be involved in litigation, some of which could be material" and "Key Information—Risk Factors—Legal and Regulatory Risks—We have in the past been, and may again in the future be, subject to administrative fines imposed by the Personal Data Protection Authority, and our reputation may be harmed if we do not comply with Turkish Personal Data Protection Law No. 6698."

Dividend Policy

We have never declared or paid cash dividends on our ordinary shares. We intend to retain all available funds and any future earnings to fund the development and expansion of our business.

The timing and amount of any future dividend payments will depend on our existing and future financial condition, results of operations, liquidity needs and other matters that we may consider relevant from time to time, including, without limitation, capital expenditures, our financial performance and equity market conditions.

To the extent we declare cash dividends in the future, we will pay those dividends solely in Turkish Lira. Except as otherwise described under the heading "Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, As Amended—American Depositary Shares" in Exhibit 2.1 to this annual report, cash dividends paid to the depositary in a currency other than U.S. dollars will be converted into U.S. dollars by the depositary and paid to holders of ADSs net of applicable fees and charges of, and expenses incurred by, the depositary and net of taxes withheld. As the value of the Turkish Lira fluctuates continuously, a holder of our ADSs will be exposed to currency fluctuations generally and particularly between the date on which a dividend is declared and the date on which dividends are paid.

For a description of the legal and regulatory framework and the provisions of our articles of association related to the declaration and payment of dividends, see "Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, As Amended—Articles of Association—Dividends" in Exhibit 2.1 to this annual report.

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Under current Turkish regulations, any dividends or other repatriations that are deemed and treated as dividends for Turkish taxation purposes in respect of any of our ordinary shares will be subject to withholding taxes. The local withholding tax rate may be reduced pursuant to tax treaty provisions.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND THE LISTING

A. Offer and Listing Details

ADSS representing our ordinary shares are listed on the Nasdaq. See Item 9.C. “—*Markets.*”

B. Plan of Distribution

Not applicable.

C. Markets

The ADSS, each representing one ordinary share, have been listed on the Nasdaq since July 1, 2021 under the symbol “HEPS.” Prior to that date, there was no public trading market for ADSS.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

A copy of our Articles of Association is filed as Exhibit 1.1 to this annual report.

The information called for by this Item 10.B of Form 20-F is provided in Exhibit 2.1 to this annual report and is incorporated by reference herein. For a description of matters related to our board of directors, see Item 6.C. “*Directors, Senior Management and Employees—Board Practices—Duties of Directors.*”

C. Material Contracts

Share Purchase Agreement to acquire Hepsifinans (formerly Doruk Finansman A.Ş.)

Please see Item 4.A. “*Information on the Company—History and Development of the Company—Company History and Brand Development*” and Item 4.C. “*Information on the Company—Organizational Structure—Hepsifinans.*”

Contribution Agreement with TurkComerce

Please see Item 7.B. “*Major Shareholders and Related Party Transactions—Related Party Transactions—Transaction with Major Shareholder.*”

Except as described above and otherwise disclosed in this annual report (including the Exhibits), we are not currently, nor have we been for the past two years, a party to any material contract, other than those entered into in the ordinary course of business.

D. Exchange Controls

Banks in Türkiye set their own foreign exchange rates independently of those announced by the Central Bank. Pursuant to Decree No.32 on the Protection of the Value of Turkish Currency, the government eased and ultimately abolished restrictions on Turkish Lira exchanges for current account and non-resident capital account transactions to facilitate exchange of the proceeds of transactions in Turkish securities by foreign investors. These legislative changes enabled Turkish citizens to purchase securities on foreign exchanges as well as residents and non-residents to buy and transfer foreign currency abroad without ministerial approval.

Turkish citizens are permitted to buy unlimited amounts of foreign currency from banks and to hold foreign currency in commercial banks. Banks are obliged to inform authorities to be determined by the Ministry of Treasury and Finance about Turkish Lira transfers abroad, excluding payments for exports, imports and invisible transactions that are above the equivalent of USD 50,000, within a 30-day period starting from the date of transfer. Any amendment to recent exchange controls provisions may affect our results of operations.

The Capital Movements Circular and the Decree No. 32 were amended with effect as of May 2, 2018, introducing new restrictions on Turkish corporates’ utilization of foreign currency loans from Türkiye and outside of Türkiye. While the current regime continues to maintain the existing prohibition on Turkish individuals utilizing foreign exchange loans and foreign exchange indexed loans, it introduces a strict prohibition on Turkish non-bank corporates (Corporate Borrower) from utilizing foreign currency indexed loans and also brings in new restrictions on corporate borrowers to utilize foreign currency loans (F/X Loan Restriction).

Accordingly, a corporate borrower shall be permitted to utilize foreign currency loans if it generates foreign currency-denominated revenue, which is defined as “the revenue derived from export, transit trade, sales and deliveries considered as export and foreign currency generating activities (F/X Revenue Exemption)” in the relevant legislation. In the following cases, generating foreign currency income is not required: (i) the purpose of the loan is to finance an activity that is exempt from the F/X Loan Restriction (Activity Exemption); (ii) the unpaid outstanding balance of its total foreign currency loans and/or foreign currency indexed loans (Loan Balance) is more than USD 15 million or (iii) the F/X loan to be utilized by a corporate borrower falls within the scope of the exemptions determined by the Ministry of Treasury and Finance (as specified in the Capital Movement Circular). In addition, if the legal entity qualifies as a public institution, bank or factoring, financial leasing and financing company that is resident in Türkiye, the foreign currency income requirement does not apply.

As far as the F/X Revenue Exemption is concerned, (i) if the loan balance of a corporate borrower is below USD 15 million, the sum of (i) the foreign currency loan to be utilized; and (ii) the existing loan balance must not be more than the combined value of its foreign currency revenues as stated in its last three years’ financials. Otherwise, the exceeding portion of the foreign currency loan must either be cancelled or converted into Turkish Lira.

In the case of corporate borrowers, the Activity Exemption must relate to an activity in the context of (i) a domestic tender with an international element awarded to such corporate borrower; (ii) defense industry projects approved by the Undersecretariat of Defence Industry; (iii) public private partnership projects; (iv) an export, transit trade, sales and related deliveries subject to the relevant corporate borrower certifying the scope of its relevant activity and its potential sources of foreign currency revenues or (v) an investment incentive certificate. Note that in order for a corporate borrower to benefit from the Activity Exemption summarized in item (iv), it must not have any foreign currency revenue within the last three financial years (which otherwise would be subject to the F/X Revenue Exemption) and the maximum amount of foreign currency loan such Corporate Borrower can utilize is limited to the amount stated in its certified sources of foreign revenue.

E. Taxation

The following summary contains a description of the material Türkiye and U.S. federal income tax consequences of the acquisition, ownership and disposition of ADSs, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase ADSs. The summary is based upon the tax laws of Türkiye and regulations thereunder and on the tax laws of the United States and regulations thereunder as of the date hereof, which are subject to change.

Material Türkiye Tax Considerations

Tax Status of Shareholders

Under Turkish income tax laws, there are two types of tax status in determination of income tax liabilities of taxpayers. “Residents” are subject to Turkish income taxation on their worldwide income as taxpayers with full liability. “Non-Residents”, who are considered taxpayers with limited liability, are subject to Turkish income taxation on their taxable income sourced from Türkiye, if applicable.

Real persons are considered Residents in Türkiye, if (i) they are domiciled in Türkiye in accordance with the Turkish Civil Code or (ii) excluding temporary departures, they stay in Türkiye for more than six months in a calendar year. If neither of the given two conditions is satisfied, real persons are considered Non-Residents for Turkish tax purposes.

Legal entities are treated as Residents in Türkiye if they are incorporated in Türkiye under relevant Turkish laws or if their effective places of management are in Türkiye despite the fact that they are incorporated outside of Türkiye. If neither of the given two conditions is satisfied, legal entities are considered Non-Residents for Turkish tax purposes.

Dividend income is considered “Turkish source income” if the capital is invested in Türkiye. As for capital gains, they are treated as Turkish source income if the transaction leading to the gains is concluded in Türkiye, the payment for consideration is made in Türkiye or the payment is accounted for in Türkiye even if the payment is made outside of Türkiye. The term “accounted for” means that a payment is made in Türkiye, or if the payment is made abroad, it is recorded in the books in Türkiye or is made from the profits of the payer or the person on whose behalf the payment is made in Türkiye.

Distributions on the Shares

Dividends distributed by Turkish resident companies are subject to an income withholding tax of 15.0% if they are paid to Resident or Non-Resident individuals, either in cash terms or on account, or to Non-Resident entities which do not hold such shares through a fixed place of business or a permanent representative which constitutes a permanent establishment in Türkiye (the “Permanent Establishment”). Under Turkish income tax laws, if the dividend is not distributed in cash but converted to share capital, obtaining the bonus shares issued to such effect is not subject to withholding tax.

If a double taxation treaty is in effect between Türkiye and the country where the recipient or beneficial owner of the dividend is resident for fiscal purposes, and if that treaty provides a reduced rate lower than the local rate, then a treaty-reduced withholding tax rate set forth in the double taxation treaty may apply under certain conditions.

In order to benefit from lower tax rates applicable under the double tax treaties, the tax residency certificate of the recipient or beneficial owner approved and signed by the competent authorities should be provided to the company making the dividend distribution. The tax residency certificate will be valid until the fourth month of the following year and should be renewed every year for non-resident individuals and every three years for non-resident entities.

Within the framework of the taxation regime, withholding tax is the final tax for dividend income earned from Türkiye by Non-Residents. Non-Residents without any Permanent Establishment in Türkiye are not required to file an annual or special tax return for their Türkiye-sourced dividends that are taxed through withholding at the level of the company making the distribution.

Dividend income distributed by a Resident company and received by Resident entities and Non-Resident entities with a Permanent Establishment in Türkiye is not subject to withholding tax and is also exempted from corporate income tax at the level of the recipient in Türkiye. Non-Resident entities holding shares through their Permanent Establishments in Türkiye will be required to apply a branch profits repatriation withholding tax at a rate of 15.0% upon remittance of such profits to their headquarters unless a lower tax rate in the relevant tax treaty is available for such income repatriation.

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Resident individuals are required to file an annual tax return for their dividend income. One half of the gross amount of dividends derived by Resident individuals from Resident companies is exempt from income tax. If the remaining amount exceeds the monetary threshold (TRY 230,000 for 2024) together with other income subject to declaration, this remaining amount should be declared in the annual tax return. Withholding tax charged on the gross amount of such dividend will be credited against income tax calculated on the tax return. If the dividend is distributed as bonus shares, acquisition of such bonus is not subject to declaration.

Tax Treaty with the United States

A generally applicable tax treaty for the prevention of double taxation of income between Türkiye and the United States (the “**Türkiye-U.S. Treaty**”) applies to all types of income.

Under Article 10 of the Türkiye-U.S. Treaty, withholding tax on dividends paid to a company resident in the United States which beneficially owns at least 10.0% of the voting stock of a Turkish company paying the dividend is limited to 15.0% of gross dividends paid. In all other cases, the withholding tax rate is limited to 20.0% of the gross dividend paid. However, as there is no reduced rate under the Türkiye-U.S. Treaty, the local withholding tax rate will be applicable. See “— *Distributions on the Shares.*”

Material U.S. Federal Income Tax Considerations for U.S. Holders

The following is a description of the material U.S. federal income tax consequences to U.S. Holders (as defined below) of owning and disposing of ADSS.

This summary applies only to U.S. Holders that hold ADSS as capital assets within the meaning of Section 1221 of the Code (as defined below) and have the U.S. dollar as their functional currency.

This discussion is based on the tax laws of the United States as in effect on the date of this annual report, including the Internal Revenue Code of 1986, as amended (the “**Code**”), and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this annual report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, and any such change could apply retroactively and could affect the U.S. federal income tax consequences described below. The statements in this annual report are not binding on the U.S. Internal Revenue Service (the “**IRS**”) or any court, and thus we can provide no assurances that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below.

Furthermore, this summary does not address any estate or gift tax consequences, any state, local or non-U.S. tax consequences or any other tax consequences other than U.S. federal income tax consequences.

The following discussion does not describe all of the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

- banks and certain other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;
- broker-dealers;
- traders that elect to mark to market;
- tax-exempt entities or governmental organizations;
- individual retirement accounts or other tax-deferred accounts;

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- persons liable for alternative minimum tax or the Medicare contribution tax on net investment income;
- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding ADSs as part of a straddle, hedging or other risk reduction strategy, constructive sale, conversion or integrated transaction or investment;
- persons that actually or constructively own 10% or more of our stock by vote or value;
- persons subject to special tax accounting rules as a result of gross income with respect to the ADSs being taken into account in an applicable financial statement;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- persons who acquired ADSs pursuant to the exercise of any employee share option or otherwise as compensation; and
- partnerships (or entities or arrangements treated as partnerships for U.S. federal income tax purposes) or other pass-through entities and persons holding ADSs through partnerships or other pass-through entities.

As used herein, the term “U.S. Holder” means a beneficial owner of ADSs that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds ADSs generally will depend on such partner’s status, the activities of the partnership and certain determinations made at the partner level. Partnerships that hold our ADSs and U.S. Holders that are partners in such partnership should consult their tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of ADSs.

Exchange of ADSs for Ordinary Shares

Generally, holders of ADSs should be treated for U.S. federal income tax purposes as holding the ordinary shares represented by the ADSs and the following discussion assumes that such treatment will be respected. If so, no gain or loss will be recognized upon an exchange of ordinary shares for ADSs or an exchange of ADSs for ordinary shares.

Dividends and Other Distributions on ADSs

As described in Item 8.A. “*Financial Information—Dividend Policy*,” we do not currently anticipate paying any cash dividends on our ordinary shares. If we make distributions of cash or property on our ordinary shares, subject to the passive foreign investment company rules discussed below, the gross amount of distributions made by us with respect to ADSs (including the amount of any non-U.S. taxes withheld therefrom, if any) generally will be includible as dividend income in a U.S. Holder’s gross income in the year actually or constructively received by the depositary, to the extent such distributions are paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts, if any, not treated as dividend income will constitute a return of capital and will first be applied to reduce a U.S. Holder’s tax basis in its ADSs, but not below zero, and then any excess will be treated as capital gain realized on a sale or other disposition of the ADSs. Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions to be reported as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends received by non-corporate U.S. Holders may be “qualified dividend income,” which is taxed at the lower applicable long-term capital gains rate, provided that (1) either the ADSs are readily tradable on an established securities market in the United States or we are eligible for the benefits of the income tax treaty between the United States and Türkiye, (2) we are not a passive foreign investment company (as discussed below) for either the taxable year in which the dividend was paid or the immediately preceding taxable year and (3) certain other requirements are met. In this regard, the ADSs will generally be considered to be readily tradable on an established securities market in the United States if they are listed on The Nasdaq Global Select Market. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to ADSs.

Because the shares are not themselves listed on a U.S. exchange, dividends received with respect to shares that are not represented by ADSs may not be treated as qualified dividends. U.S. Holders should consult their own tax advisors regarding the potential availability of the reduced dividend tax rate in respect of shares.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received by the depositary, regardless of whether the payment is in fact converted into U.S. dollars at that time. If dividends received in foreign currency are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income.

Dividends on ADSs generally will constitute foreign source income for foreign tax credit limitation purposes. Subject to certain complex conditions and limitations, foreign taxes withheld at the rate applicable to the U.S. Holder on any distributions on ADSs, if any, may be eligible for credit against a U.S. Holder’s federal income tax liability. If a refund of the tax withheld is available under the laws of the applicable foreign jurisdiction or income tax treaty, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder’s U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income). The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to ADSs will generally constitute “passive category income.” The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances and the possibility of claiming an itemized deduction (in lieu of the foreign tax credit) for any foreign taxes paid or withheld.

Sale or Other Taxable Disposition of ADSs

Subject to the passive foreign investment company rules discussed below, upon a sale or other taxable disposition of ADSs, a U.S. Holder will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder’s adjusted tax basis in such ADSs (generally the cost of such ADSs to the U.S. Holder). Any such gain or loss generally will be treated as long-term capital gain or loss if the U.S. Holder’s holding period in the ADSs exceeds one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations. Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of ADSs generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes.

Passive Foreign Investment Company Rules

We will be classified as a passive foreign investment company (a “PFIC”) for any taxable year if either: (a) at least 75% of our gross income is “passive income” for purposes of the PFIC rules or (b) at least 50% of the value of our assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For these purposes, passive income includes interest, dividends and other investment income, with certain exceptions. For these purposes, cash and other assets readily convertible into cash generally are considered passive assets, and the company’s goodwill and other unbooked intangibles are generally taken into account. The PFIC rules also contain a look-through rule whereby the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Under the PFIC rules, if we were considered a PFIC at any time that a U.S. Holder holds ADSs, we would continue to be treated as a PFIC with respect to such investment unless (i) we cease to be a PFIC and (ii) the U.S. Holder has made a “deemed sale” election under the PFIC rules.

Based on the anticipated market price of the ADSs and the current and anticipated composition of the income, assets and operations of us and our subsidiaries, we do not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. This is a factual determination, however, that depends on, among other things, the composition of the income and assets, and the market value of the assets, of us and our subsidiaries from time to time, and thus the determination can only be made annually after the close of each taxable year. Because the market value of the assets for the purposes of the asset test will generally be determined by reference to the aggregate value of our outstanding ADSs, our PFIC status will depend in large part on the market price of our ADSs, which may fluctuate significantly. Therefore there can be no assurances that we will not be classified as a PFIC for the current taxable year or for any future taxable year.

If we are considered a PFIC at any time that a U.S. Holder holds ADSs, any gain recognized by the U.S. Holder on a sale or other disposition of the ADSs, as well as the amount of any “excess distribution” (defined below) received by the U.S. Holder, would be allocated ratably over the U.S. Holder’s holding period for the ADSs. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For the purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on ADSs exceeds 125% of the average of the annual distributions on the ADSs received during the preceding three years or the U.S. Holder’s holding period, whichever is shorter.

If we are treated as a PFIC with respect to a U.S. Holder for any taxable year, the U.S. Holder will be deemed to own equity in any of the foreign corporations in which we directly or indirectly own equity that are also PFICs (“lower-tier PFICs”). In such case, a U.S. Holder may also be subject to the adverse tax consequences described above with respect to any gain or “excess distribution” realized or deemed realized in respect of a lower-tier PFIC.

A U.S. Holder may, in certain circumstances, avoid certain of the tax consequences generally applicable to holders of stock in a PFIC by electing to mark the ADSs to market, provided the ADSs are “marketable stock.” As a result of such an election, in any taxable year that we are a PFIC, a U.S. Holder would generally be required to report gain or loss to the extent of the difference between the fair market value of the ADSs at the end of the taxable year and such U.S. Holder’s tax basis in such ADSs at that time. Any gain under this computation, and any gain on an actual disposition of the ADSs in a taxable year in which we are a PFIC, would be treated as ordinary income. Any loss under this computation, and any loss on an actual disposition of the ADSs in a taxable year in which we are a PFIC, would be treated as ordinary loss to the extent of the cumulative net mark-to-market gain previously included. Any remaining loss from marking the ADSs to market will not be allowed, and any remaining loss from an actual disposition of the ADSs generally would be capital loss. A U.S. Holder’s tax basis in the ADSs would be adjusted annually for any gain or loss recognized under the mark-to-market election. There can be no assurances that the ADSs will be marketable stock for these purposes. In addition, an election for mark-to-market treatment would likely not be available with respect to any lower-tier PFICs. A mark-to-market election is made on a shareholder- by-shareholder basis, applies to all of the ADSs held or subsequently acquired by an electing U.S. Holder and can only be revoked with consent of the IRS (except to the extent the ADSs no longer constitute “marketable stock”).

We do not intend to supply U.S. Holders with the information needed to make a qualified electing fund election with respect to the ADSs if we were a PFIC.

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If we are considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. Failure to comply with such information reporting requirements may result in significant penalties and may suspend the running of the statute of limitations. U.S. Holders should consult their tax advisor about the potential application of the PFIC rules to an investment in ADSs.

Information Reporting and Backup Withholding

Dividend payments with respect to ADSs and proceeds from the sale, exchange or redemption of ADSs may be subject to information reporting to the IRS and U.S. backup withholding. A U.S. Holder may be eligible for an exemption from backup withholding if the U.S. Holder furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the ADSs) with an aggregate value in excess of \$50,000 on the last day of the taxable year or \$75,000 at any time during the taxable year are required to report information relating to such assets, subject to certain exceptions (including an exception for ADSs held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this and any other information reporting requirement on their acquisition, ownership and disposition of the ADSs.

The discussion above is a general summary. It does not cover all tax matters that may be important to you. You should consult your own tax advisor about the tax consequences of an investment in ADSs under the investor's own circumstances.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year, which is December 31. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. Documents concerning the Company that are referred to in this annual report may also be inspected on our website at <https://investors.hepsiburada.com/>. The reference to our website is an inactive textual reference only, and information contained therein or connected thereto is not incorporated into this annual report. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

We intend to furnish our Board of Directors' Annual Report provided to security holders in electronic format as an exhibit to a current report on Form 6-K.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of risks in the ordinary course of our business, including, but not limited to, foreign currency risk, credit risk, liquidity risk and funding risk. We regularly assess each of these risks to minimize any adverse effects on our business as a result of those factors. When it comes to capital management, our goals are to protect our ability to sustain operations in order to provide returns to shareholders and benefits to other stakeholders, as well as to maintain an appropriate capital structure to lower capital costs. We are able to adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt in order to maintain or adjust the capital structure.

For a detailed discussion and sensitivity analyses of our exposure to these risks, see Note 22 to our audited consolidated financial statements included elsewhere in this annual report.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

The Bank of New York Mellon, as depositary, registers and delivers American Depositary Shares, also referred to as ADSs. Each ADS represents one ordinary share (or a right to receive one ordinary share) deposited with The Bank of New York Mellon, acting through an office located in the United Kingdom, as custodian, for the depositary. Each ADS also represents any other securities, cash or other property that may be held by the depositary. The deposited shares together with any other securities, cash or other property held by the depositary are referred to as the deposited securities. The depositary's office at which the ADSs are administered and its principal executive office are located at 240 Greenwich Street, New York, New York 10286.

Fees Payable by Our ADS Holders

<i>Persons depositing or withdrawing ordinary shares or ADS holders must pay:</i>	<i>For:</i>
\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Issuance of ADSs, including issuances resulting from a distribution of ordinary shares or rights or other property Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
\$.05 (or less) per ADS	Any cash distribution to ADS holders
A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and the ordinary shares had been deposited for issuance of ADSs	Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depository to ADS holders
\$.05 (or less) per ADS per calendar year	Depository services
Registration or transfer fees	Transfer and registration of shares on our share register to or from the name of the depository or its agent when you deposit or withdraw shares
Expenses of the depository	Cable (including SWIFT) and facsimile transmissions (when expressly provided in the deposit agreement) Converting foreign currency to U.S. dollars
Taxes and other governmental charges the depository or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the depository or its agents for servicing the deposited securities	As necessary

The depository collects its fees for delivery and surrender of ADSs directly from investors depositing ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depository collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depository may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depository may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depository may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depository or share revenue from the fees collected from ADS holders. For further information on payments made by the depository to the Company under the ADS program, see Note 14 to our audited consolidated financial statements included elsewhere in this annual report.

In performing its duties under the deposit agreement, the depository may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depository and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates, or the custodian or we may convert currency and pay U.S. dollars to the depositary. Where the depositary converts currency itself or through any of its affiliates, the depositary acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained by it or its affiliate in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligation to act without negligence or bad faith. The methodology used to determine exchange rates used in currency conversions made by the depositary is available upon request. Where the custodian converts currency, the custodian has no obligation to obtain the most favorable rate that could be obtained at the time or to ensure that the method by which that rate will be determined will be the most favorable to ADS holders, and the depositary makes no representation that the rate is the most favorable rate and will not be liable for any direct or indirect losses associated with the rate. In certain instances, the depositary may receive dividends or other distributions from us in U.S. dollars that represent the proceeds of a conversion of foreign currency or translation from foreign currency at a rate that was obtained or determined by us and, in such cases, the depositary will not engage in, or be responsible for, any foreign currency transactions and neither it nor we make any representation that the rate obtained or determined by us is the most favorable rate and neither it nor we will be liable for any direct or indirect losses associated with the rate.

Payment of Taxes

Holders will be responsible for any taxes or other governmental charges payable on their ADSs or on the deposited securities represented by any of such ADSs. The depositary may refuse to register any transfer of their ADSs or allow holders to withdraw the deposited securities represented by their ADSs until those taxes or other charges are paid. It may apply payments owed to such holder or sell deposited securities represented by such holder's ADSs to pay any taxes owed and such holder will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

Limitations on Obligations and Liability

Limits on Our Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith, and the depositary will not be a fiduciary or have any fiduciary duty to holders of ADSs;
- are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its ability to prevent or counteract with reasonable care or effort from performing our or its obligations under the deposit agreement;
- are not liable if we or it exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person;
- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- the depositary has no duty to make any determination or provide any information as to our tax status, or any liability for any tax consequences that may be incurred by ADS holders as a result of owning or holding ADSs or be liable for the inability or failure of an ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

See also Item 3.D. "*Key Information—Risk Factors*" and Item 10.E. "*Additional Information—Taxation*" as regards dividend distributions. A full description of the ADSs is provided in Exhibit 2.1 to this annual report.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Termination of Dual Class Structure

Following the Change of Control, on January 31, 2025, the Extraordinary General Assembly Meeting of Shareholders approved amendments to the Articles of Association to reflect the termination of the dual class structure in accordance with former Article 7/A of the Articles of Association. As a result, all privileges previously attributed to Class A shares have terminated, and any references to Class A or Class B shares in the Articles of Association have been removed. Effective as of March 4, 2025, the share capital of the Company is represented by 321,382,906 ordinary shares. Each ordinary share grants one vote to its holder. For more information, see the amended Articles of Association and the Description of Securities provided in Exhibit 1.1 and Exhibit 2.1 to this annual report, respectively.

Use of Proceeds

During the period from June 30, 2021, the effective date of the Registration Statement, to December 31, 2024, we used approximately USD 445.8 million of the USD 469.3 million total proceeds received from our IPO for general corporate purposes, including working capital, operating expenses, capital expenditures such as investments in the expansion of our strategic assets and complementary businesses. As of the date of this annual report, we have now used all of the proceeds received from our IPO for such purposes. There have been no material changes in the use of proceeds as disclosed in the Registration Statement.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (“**Exchange Act**”)) that are designed to ensure that information required to be disclosed in the Company’s reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as a result of the material weaknesses in our internal control over financial reporting described below, our disclosure controls and procedures were not effective as of December 31, 2024.

B. Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, the issuer’s principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the International Accounting Standards Board (“**IASB**”). Our internal control over financial reporting generally includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

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Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria for effective control over financial reporting described in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the “**COSO Framework**”). Based on this evaluation, management has concluded that, as of December 31, 2024, the Company’s internal control over financial reporting was not effective because of the material weaknesses described below.

As part of management’s assessment of its internal control over financial reporting for the fiscal year ended December 31, 2023, we identified material weaknesses in our internal control over financial reporting related to:

- i. the design and operating effectiveness of ITGCs for information systems with respect to certain IT applications and IT databases that are relevant to the preparation of our consolidated financial statements; and
- ii. deficiencies in the control environment, information and communication, monitoring and control activities components of the COSO Framework that constitute material weaknesses, either individually or in the aggregate.

As part of management’s assessment of its internal control over financial reporting for the fiscal year ended December 31, 2024, our management concluded that these material weaknesses have not yet been remediated as of December 31, 2024.

The material weakness identified in (i) above relates to access to programs and data, program changes and segregation of duties with respect to certain IT applications and IT databases.

The material weaknesses identified in (ii) above relate to the control environment, information and communication, monitoring and control activities components.

Control Environment. The deficiencies in the control environment component relate to the Company’s failure to prioritize maintaining adequate internal controls over financial reporting which meant that we were not capable of designing and implementing all necessary internal controls.

Information and Communication. The deficiencies in the information and communication component relate to failures in designing adequate controls over IT dependencies and certain inputs provided by organizations that support our platform operations.

Monitoring. The deficiencies in the monitoring component relate to lack of performance of operational tests and test documentation due to existing design deficiencies.

Control Activities. The deficiencies in the control activities component relate to failures in designing adequate entity-level and transaction-level controls, providing evidence of control performance, providing appropriate segregation of duties, and ensuring a level of precision that is sufficient for identifying all potentially material errors.

The effectiveness of any system of internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting can only provide reasonable, not absolute, assurances. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot provide assurance that such improvements will be sufficient to provide us with effective internal control over financial reporting.

The material weaknesses described above did not result in material adjustments, or restatements, of our audited consolidated financial statements or disclosures for any prior period previously reported by us. Notwithstanding the existence of these material weaknesses, we believe that the consolidated financial statements in this annual report fairly present, in all material respects, our financial position, results of operations and cash flows as of the dates, and for the periods, presented, in conformity with IFRS.

Management's Remediation Activities

Under the supervision of management and the oversight of our Audit Committee, in the year ended December 31, 2024, we undertook the remedial actions described in our 2023 annual report to address our control deficiencies and the underlying causes of the material weaknesses. These actions continue, and include:

- continuing to enhance controls over IT application access rights management, as well as over information systems at the database level;
- continuing to strengthen control procedures for managing changes in our information systems, particularly with respect to IT applications;
- continuing to build our internal IT audit team as well as our Sarbanes-Oxley audit team to ensure that the appropriate level of knowledge and experience is available to continue to improve our documentation of process flows and monitoring and remediation of control deficiencies;
- continuing to engage external advisors, as needed, with specialized expertise to assist with all elements of our internal control over financial reporting program, including ITGC;
- continuing to design and implement a comprehensive set of controls to improve our internal control over financial reporting system; and
- continuing to deploy an annual testing plan that includes monitoring the operation of internal controls and timely remediation of control deficiencies, with the Internal Audit team assisting in the ongoing oversight of control activities.

Under the supervision of management and the oversight of our Audit Committee, we are also in the process of taking the following additional remedial actions to address our control deficiencies and the underlying causes of the material weaknesses, including:

- designing and implementing an ongoing, Group-wide Sarbanes-Oxley awareness training program to reinforce our internal control environment;
- evaluating segregation of duties within key processes and controls to determine and remediate potential risks, including with respect to the design and implementation of appropriate internal controls;
- identifying financially critical data transfers across key IT systems, and establishing procedures—as well as designing and operating internal controls—to maintain data integrity;
- continuing to design and implement appropriate controls to address risks arising from service organizations; and
- developing and refining IT processes that promote compliance and security with respect to IT applications.

Until these remedial actions have been completed and the required internal controls have been fully implemented and operated for a sufficient period of time to be able to conclude that material weaknesses described above have been successfully remediated, our internal control over financial reporting will remain ineffective. Additionally, as management continues to evaluate our internal control over financial reporting, we may decide to take additional measures to address control deficiencies or determine to modify certain of the remediation measures identified.

Our independent registered public accounting firm, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (“**PwC**”), has issued an attestation report on our internal control over financial reporting as of December 31, 2024.

C. Attestation Report of the Registered Public Accounting Firm

The attestation report of PwC is included with our consolidated financial statements included elsewhere in this annual report, and is incorporated herein by reference.

D. Changes in Internal Control over Financial Reporting

Except as disclosed above, there were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board has determined that Tayfun Bayazit, Ahmet Fadıl Ashaboğlu and Dr. Stefan Gross-Selbeck are audit committee financial experts as defined under the applicable rules of the SEC and have the requisite financial sophistication such as the financial literacy and the financial expertise as defined under the applicable rules and regulations of Nasdaq. Our board has also determined that Tayfun Bayazit, Ahmet Fadıl Ashaboğlu and Dr. Stefan Gross-Selbeck satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act and the Nasdaq listing rules. The biographies of the members of our board of directors are disclosed in Item 6.A. “*Directors, Senior Management and Employees—Directors and Senior Management—Board of Directors.*”

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Conduct that applies to all our employees, officers and directors. The Code of Conduct covers a broad range of matters including the handling of conflicts of interest, compliance issues and other corporate policies such as equal opportunity and non-discrimination standards. The full text of the Code of Conduct is available on our website at <https://investors.hepsiburada.com>. No waiver is granted by the board of directors in favor of any employee with respect to any breach of ethical duties arising under the Code of Conduct in 2024.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table represents aggregate fees by categories specified below in connection with certain professional services rendered by our independent registered public accounting firm, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (“**PwC**”), for the fiscal years ended December 31, 2024 and 2023, and by Guney Bagimsiz Denetim Ve Serbest Muhasebeci Mali Musavirlik A.S. (“**EY**”), the Company’s previous auditor, for the period beginning on January 1, 2023 and ended on the date of their dismissal, on August 25, 2023.

(in TRY millions)	For the year ended December 31,	
	2024	2023
Audit Fees ⁽¹⁾	102.1	73.2
Audit-related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total Fees	102.1	73.2

(1) Audit Fees for the years ended December 31, 2024 and 2023 were related to professional services provided for the audit of our consolidated financial statements included in our Annual Reports on Form 20-F or services normally provided in connection with statutory engagements for those fiscal years. The 2024 and 2023 audit fees also comprise the audit fee of our predecessor independent public accounting firm, EY, amounting to TRY 2.4 million and TRY 7.7 million, respectively.

The Company’s audit committee approves all auditing services and permitted non-audit services performed for the Company by its independent auditor in advance of an engagement. All auditing services and permitted non-audit services to be performed for the Company by its independent auditor must be approved by the Chair of the audit committee in advance to ensure that such engagements do not impair the independence of our independent registered public accounting firm. All audit fees were approved by the Audit Committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Matters related to corporate governance in Türkiye are regulated by the Turkish Commercial Code, or the “TCC”. We are not listed on Borsa Istanbul or any stock exchange market other than Nasdaq.

Accordingly, we are not a publicly held company for purposes of the Turkish Capital Markets Laws and Regulations unless and until the number of shareholders holding our shares amounts to 500 or more or a public offering of our shares is made in Türkiye.

We have chosen to voluntarily adopt, by amending our articles of association and by adopting necessary resolutions of the board of directors, some of the principles to which publicly held companies are subject under Turkish Capital Markets Laws and Regulations, namely the requirements that:

- At least one-third of the members of the board of directors be independent in accordance with the requirements of Turkish Capital Markets Laws and Regulations (we have three independent directors as of the date of this annual report); and
- The board of directors establish an Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee for the effective functioning of the board of directors in terms of best practice, even though the Company is not required to comply with the TCMB’s Communiqué numbered II / 17.1 on Corporate Governance Principles, which was published in the Official Gazette dated January 3, 2014 (“TCMB Corporate Governance Principles”).

However, unless and until such time as we attain publicly held company status under Turkish Capital Markets Laws and Regulations, we will not be subject to the general provisions thereof, including the TCMB Corporate Governance Principles.

The following summarizes the main rules under the Turkish Capital Markets Laws and Regulations:

- The percentage of independent members of the board of directors cannot be less than one-third of the total number of the members of the board of directors. In calculating the percentage of independent members on a board, a fraction would be rounded up to the nearest integer. The number of the independent board members on the board cannot be less than two. The term of office of independent members of the board of directors is up to three years and they can be nominated again and re-elected. However, among other criteria, an individual who has served on the board of a company for more than six years within the last ten years, cannot be appointed as an independent member of the board.
- The following committees of the board of directors shall be established by listed companies:
 - Audit Committee;
 - Corporate Governance Committee;
 - Nomination Committee;
 - Remuneration Committee; and
 - Early Detection of Risk Committee.

However, in cases where a separate nomination committee and remuneration committee cannot be established due to the structure of the board of directors, the corporate governance committee shall perform the duties of such committees.

- Each committee should consist of at least two members. It is mandatory that both (in the case of committees with two members) or the majority of the members (in the case of committees with three or more members) of the committees be non-executive board members, provided that all of the members of the Audit Committee must be independent members. Expert people who are not board members may be elected as committee members except for the Audit Committee which must consist only of board members. The chief executive officer/general manager cannot hold a position on the committees. Terms of reference, working principles and members of the committees shall be determined and disclosed to the public by the board of directors.
- Mandatory rules relating to enhanced shareholder information:
 - There are enhanced requirements as to the contents of the general assembly notice.

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- A written remuneration policy for board members and senior management must be prepared. This policy must be posted on the company’s website and submitted at the ordinary general assembly as a separate agenda item for the shareholders’ information. Dividends, share options or payment plans based on the company’s performance cannot be used in the remuneration of independent board members. Remuneration of independent board members must protect their level of independence.
- There are rules relating to distribution of dividends, disclosure of shareholdings, mandatory tender offer, material transactions and related party transactions or guarantees to third parties, that:
 - require any person acquiring “management control” of the Company within the meaning of Turkish Capital Markets Laws and Regulations to make a mandatory tender offer to the shareholders as of the date of the disclosure/announcement of the acquisition of such shares or voting rights;
 - require any person whose shares or total voting rights directly or indirectly, solely or jointly with others, reach, exceed or fall below 5%, 10%, 15%, 20%, 25%, 33%, 50%, 67% and 95% of our ordinary shares or total voting rights to notify the public;
 - require the disclosure of any inside information and any changes in such information that has previously been disclosed to the public;
 - provide for approval by the general assembly of shareholders of any “material transactions” within the meaning of the Turkish Capital Markets Laws and Regulations;
 - require approval of material related party transactions and granting guarantees, pledges, mortgages and sureties in favor of other third parties for the purpose of ordinary commercial activities of the Company by a majority of independent directors;
 - require disclosure by the directors, senior management and their related parties with respect to their transactions regarding the shares exceeding TRY 12,000,000 within a calendar year;
 - impose a “short-swing” profits rule on transactions in our ordinary shares by directors or senior management occurring within a six-month period;
 - require approval by the general assembly of shareholders of certain transactions with related parties which exceed certain thresholds if the decision to enter into such transaction is not approved by a majority of the independent directors;
 - require the adoption of specified policies and procedures governing the distribution of dividends;
 - require a provision in the company’s articles of association regulating donations, and general assembly approval regarding the limit of the donations if not specified in the articles of association;
 - require approval by the Ministry of Trade and the Capital Markets Board for an amendment to the company’s articles of association; and
 - permit the squeeze-out of minority shareholders by any shareholder who holds more than 98% of all voting rights related to our outstanding ordinary shares.

These provisions would apply to us from such time as (i) the number of shareholders holding our ordinary shares equals or exceeds 500 or (ii) we make a public offering of our shares in Türkiye.

As a foreign private issuer and a controlled company whose ADSs are listed on Nasdaq, we have the option to follow certain Turkish corporate governance practices rather than those of Nasdaq, except to the extent that such laws would be contrary to U.S. securities laws and provided that we disclose the practices we are not following and describe the home country practices we are following in lieu thereof.

We rely on these exemptions with respect to the following Nasdaq requirements:

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- we do not comply with the requirement under Nasdaq Listing Rule 5605(b)(1) that a majority of the members of our board of directors be independent (we follow the requirement under the Turkish Capital Markets Laws and Regulations as described above);
- we do not comply with the requirement under Nasdaq Listing Rule 5605(b)(2) to have regularly scheduled meetings at which only independent directors attend and will follow home country practice that permits us not to hold regular executive sessions where only independent directors are present;
- we do not comply with the requirement under Nasdaq Listing Rule 5605(d) to have a compensation committee composed entirely of independent directors, with a written charter that covers certain minimum duties, subject to certain exceptional and limited circumstances (our Corporate Governance Committee carries out the functions of a compensation committee, and consists of a majority of independent directors);
- we do not comply with the requirement under Nasdaq Listing Rule 5605(e) that director nominees be selected or recommended by either (i) a nominations committee comprised solely of independent directors with a written charter or (ii) independent directors constituting a majority of the board's independent directors in a vote in which only independent directors participate pursuant to a process adopted in a board resolution. We follow home country practice which permits us to appoint directors by resolution at the general assembly of shareholders as set forth in our Articles of Association and the TCC;
- we do not comply with the requirement under Nasdaq Listing Rule 5620(b) that a company solicit proxies for all shareholder meetings and will follow home country practice that permits us not to solicit proxies;
- we do not comply with the requirement under Nasdaq Listing Rule 5620(c) that an issuer provide in its bylaws for a generally applicable quorum, and that such quorum may not be less than one third of the outstanding voting stock (under Turkish law one-fourth of the outstanding voting stock of a company is adequate for a meeting of the shareholders, except in specific circumstances where Turkish law requires a higher quorum);
- we do not comply with the requirement under Nasdaq Listing Rule 5630 that the audit committee or another independent body of the board of directors review and oversee all related party transactions (Turkish law only requires approval by a majority of independent directors for material related party transactions and such rule would only apply to us from such time as the number of shareholders holding our ordinary shares amounts to 500 or more); and
- we do not comply with the requirements under Nasdaq Listing Rule 5635 relating to matters requiring shareholder approval (Turkish law and our Articles of Association generally permit us, with approval of our board of directors and without shareholder approval, to take the actions set out in Nasdaq Listing Rule 5635).

Except as stated above, we intend to comply with the rules generally applicable to U.S. domestic companies listed on Nasdaq. We may in the future decide to use other exemptions with respect to some or all of the other Nasdaq listing requirements. Accordingly, holders of our ADSs may not be afforded the same protection as provided under Nasdaq corporate governance rules to the extent Turkish law does not provide similar protections. For more information, see Item 3.D. *“Key Information—Risk Factors—Risks Relating to Ownership of Our ADSs—As a “controlled company” within the meaning of the Nasdaq rules and a foreign private issuer, we qualify for and do rely on exemptions from certain of the Nasdaq corporate governance standards, including the requirement that a majority of our board of directors consist of independent directors. Our reliance on such exemptions may afford less protection to holders of our ADSs.”*

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted an Insider Trading Policy, which, among other things, governs the purchase, sale and other dispositions of our securities by our directors, executive officers and employees. A copy of our of Insider Trading Policy is filed as Exhibit 11.1 to this annual report.

ITEM 16K. CYBERSECURITY

Risk management and strategy

Our business heavily relies on digital platforms, including websites, mobile applications and various information systems. Safeguarding these digital assets against cybersecurity threats is paramount. Our methods for evaluating and addressing cybersecurity risks include (i) adhering to recognized standards like PCI DSS (Payment Card Industry Data Security Standard) and ISO 27001 (Information Security Management System) to enhance our security posture; (ii) conducting internal and external evaluations, such as penetration testing, to uncover vulnerabilities, and continuously monitoring potential cybersecurity threats, both within our organization and across the industry; (iii) employing measures like email filtering and access control to fortify system defenses, and providing training to staff and contractors to enhance cybersecurity awareness on a regular basis; (iv) implementing structured protocols for cybersecurity incident response that promote prompt detection and resolution, and crafting and regularly reviewing internal policies to adapt to evolving cybersecurity threats; and (v) monitoring compliance with relevant data protection regulations and frameworks, including establishing comprehensive policies governing the handling of data shared with third-party service providers.

Additionally, we maintain oversight of cybersecurity risks associated with our engagement of third-party service providers, with controlled access and other processes in place to manage these risks effectively. Although we rely on our internal teams to manage our cybersecurity processes, we also collaborate with external experts, including assessors and consultants, to support various aspects of our cybersecurity initiatives, including vulnerability analysis, cyber intelligence monitoring, external penetration testing and advanced log management. We also engage third party specialists to test our compliance with applicable regulations on a periodic basis. Our cybersecurity processes are integrated into our broader risk management framework, which is managed by our Internal Control team reporting to the CFO and Information Security and Compliance team reporting to the CTO, ensuring alignment with our overall strategic objectives.

Despite the processes outlined here, we may experience cybersecurity incidents from time to time. For example, during February 2024, a threat actor used compromised merchant login details to access an immaterial number of merchant accounts on our merchant portal and, in July 2024, our systems were impacted for a brief period of time by a software update from CrowdStrike that caused issues with the operations of computer systems running on Windows software. For more information on these cybersecurity incidents and for a broader description of how risks from cybersecurity threats could materially affect us, including our business strategy, results of operations or financial condition, see Item 3. D. “*Key Information—Risk Factors—Risks Relating to Our Business and Industry—A cybersecurity incident, including undetected software errors and hacking, may cause material delays or interruptions in our information systems and may reduce the use of our services and damage our brand reputation, which may hinder our ability to conduct our business effectively or result in lost revenues or other costs, including in connection with increasing compliance requirements.*” and “*—Unauthorized disclosure of sensitive or confidential customer information or our failure, or the perception by our users that we failed, to comply with privacy laws or properly address privacy concerns could harm our business and reputation with customers, merchants and suppliers*” which are incorporated by reference into this Item 16K.

Governance

Management plays a critical role in assessing and managing Hepsiburada's material risks from cybersecurity threats. The Information Security and Compliance team, which is tasked with evaluating and addressing these risks, is led by our Head of Platform, Security and Operations, and reports to the CTO, both of whom have significant experience and expertise in the cybersecurity, IT and risk management domains. The CTO spent 16 years at Yandex, a leading Russian technology company, most recently as CTO of Yandex.Market, the group's flagship online marketplace. He joined Yandex as a software developer in 2005 and went on to become head of software engineering in 2009, before assuming the role of CTO in 2016.

Monthly reports detailing the monitoring, prevention, detection, mitigation and remediation of cybersecurity incidents are generated by the Information Security and Compliance team. These reports are then shared with C-level executives, providing them with insights into the current cybersecurity landscape and informing strategic decision-making.

In addition to the monthly reports, the Information Security and Compliance team engages in ongoing communication with relevant teams, such as IT, to ensure a proactive approach to cybersecurity. Reports and updates from this team regarding cybersecurity matters are presented by our CTO and Head of Platform, Security and Operations and by our Internal Control team, to the Early Detection of Risk Committee of our Board of Directors, ensuring governance oversight and alignment with strategic objectives.

Should Hepsiburada become the subject of a material cybersecurity incident, a reporting mechanism exists to escalate the matter up the management chain to the board level, so that prompt and effective response measures can be implemented, including coordination with C-level executives who oversee disclosure matters, including to regulatory authorities as needed.

PART III

ITEM 17. FINANCIAL STATEMENTS

We provide financial statements pursuant to Item 18. “*Financial Statements.*”

ITEM 18. FINANCIAL STATEMENTS

The audited consolidated financial statements as required under this Item 18 are attached hereto starting on page F-1 of this annual report. The audit reports of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., an independent registered public accounting firm, and of EY Guney Bagimsiz Denetim Ve Serbest Muhasebeci Mali Musavirlik A.S, an independent registered public accounting firm, are included herein preceding the audited consolidated financial statements.

ITEM 19. EXHIBITS

The following documents are filed as part of this annual report:

Exhibit No.	Description	Form	File No.	Exhibit No.	Filing Date	Filed/ Furnished Herewith
1.1	Articles of Association of the Registrant					*
2.1	Description of Securities					*
2.2	Form of Deposit Agreement among the Registrant, The Bank of New York Mellon as depositary and the holders and beneficial owners from time to time of the American Depositary Shares issued thereunder	F-1/A	333-256654	4.1	June 17, 2021	
2.3	Form of American Depositary Receipt	424B3	333-257160		March 19, 2025	
2.4	Form of Shareholder’s Agreement, between Hanzade Vasfiye Doğan Boyner, Vuslat Doğan Sabancı Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ, Işıl Doğan and TurkCommerce B.V.	F-1/A	333-256654	4.3	June 17, 2021	
2.5†	Deed of Adherence between Hanzade Vasfiye Doğan Boyner, TurkCommerce B.V., and Joint Stock Company Kaspi.kv, dated January 29, 2025					*
4.1†	English translation of the server hosting service agreement between Türk Telekomünikasyon A.Ş. and the Registrant, dated June 19, 2017	F-1	333-256654	10.9	May 28, 2021	
4.2†	English translation of Additional Agreement between Türk Telekomünikasyon A.Ş., TTNET A.Ş. and the Registrant regarding the provision of server hosting and data center access services, dated January 1, 2023	20-F	001-40553	4.2	May 1, 2023	
4.3	English translation of the financing agreement between Doruk Faktoring A.Ş. and the Registrant, dated November 11, 2020	F-1	333-256654	10.8	May 28, 2021	

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4.4	Revised Incentive Plan dated April 24, 2023	20-F	001-40553	4.4	May 1, 2023	
4.5†	English translation of the framework agreement for various hosting-related services between Superonline İletişim Hizmetleri A.Ş. and the Registrant, dated May 24, 2021	F-1	333-256654	10.10	May 28, 2021	
4.6†	English translation of Share Purchase Agreement concerning the sale of shares of Doruk Finansman A.Ş. between the Sellers named therein and Hepsi Finansal Danışmanlık A.Ş. dated December 16, 2021	20-F	001-40553	4.17	May 2, 2022	
4.7	Form of Director and Executive Committee Member Indemnification Agreement	20-F	001-40553	4.16	May 2, 2022	
4.8†	English translation of the Lease Agreement between Üstünkarlı Makine Anonim Şirketi, as lessor and the Registrant, as lessee, dated June 1, 2024					*
4.9†	English translation of the Lease Agreement between İbrahim Akkuş and Gohan Akkuş, as lessors and the Registrant, as lessee, dated September 1, 2024					*
4.10†	English translation of the Lease Agreement between Megeye Lojistik Anonim Şirketi, as lessor and the Registrant, as lessee, dated April 2014	F-1	333-256654	10.1	May 28, 2021	
4.11	English translation of Additional Protocol to the Lease Agreement between Megeye Lojistik Anonim Şirketi, as lessor and the Registrant, as lessee, dated September 1, 2015	F-1	333-256654	10.15	May 28, 2021	
4.12	English translation of Additional Protocol to the Lease Agreement between Megeye Lojistik Anonim Şirketi, as lessor and the Registrant, as lessee, dated February 1, 2022	20-F	001-40553	4.18	May 2, 2022	
4.13†	English translation of Additional Protocol to the Lease Agreement between Megeye Lojistik Anonim Şirketi, as lessor and the Registrant, as lessee, dated August 15, 2022	20-F	001-40553	4.11	May 1, 2023	
4.14†	English translation of Additional Protocol to the Lease Agreement between Megeye Lojistik Anonim Şirketi, as lessor and the Registrant, as lessee, dated January 17, 2025					*
4.15†	English translation of the Lease Agreement between Ortadoğu Otomotiv Ticaret A.Ş., as lessor and the Registrant, as lessee, dated December 24, 2014	F-1	333-256654	10.7	May 28, 2021	

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4.16†	English translation of the Additional Protocol to the Lease Agreement between D Gayrimenkul Yatırımları, as lessor and the Registrant, as lessee, dated June 14, 2019	F-1	333-256654	10.12	May 28, 2021
4.17	English translation of the Additional Protocol to the Lease Agreement between D Gayrimenkul Yatırımları, as lessor and the Registrant, as lessee, dated June 15, 2019	F-1	333-256654	10.13	May 28, 2021
4.18	English translation of the Additional Protocol to the Lease Agreement between D Gayrimenkul Yatırımları, as lessor and the Registrant, as lessee, dated August 21, 2019	F-1	333-256654	10.14	May 28, 2021
4.19†	English translation of the Lease Agreement between A. Vedat Yakupoğlu Gayrimenkul Yatırımcılığı, as lessor and the Registrant, as lessee, dated August 10, 2020	F-1	333-256654	10.2	May 28, 2021
4.20†	English translation of the Lease Agreement between AZC Hazır Beton İhtiyaç Maddeleri Tekstil Maddeleri Tekstil Turizm Petrol Ürünleri Pazarlama Sanayi ve Ticaret Ltd. Şti., as lessor and the Registrant, as lessee, dated August 18, 2020	F-1	333-256654	10.4	May 28, 2021
4.21†	English translation of the Lease Agreement between Emrenes Orman Ürünleri Sanayi ve Ticaret Ltd. Şti., as lessor and the Registrant, as lessee, dated August 31, 2020	F-1	333-256654	10.5	May 28, 2021
4.22	English translation of Additional Protocol to the Lease Agreement between Emrenes Orman Ürünleri San. ve Tic. Ltd. Şti., as lessor and the Registrant, as lessee, dated April 6, 2022	20-F	001-40553	4.20	May 2, 2022
4.23†	English translation of the Lease Agreement between Mahmud Reşid Çizmeçi, acting as agent on behalf of Rabia Çizmeçi, as lessor and the Registrant, as lessee, dated October 1, 2021	20-F	001-40553	4.19	May 2, 2022
4.24†	English translation of Sub-Lease Agreement between D Fast Dağıtım Hizmetleri ve Lojistik A.Ş., as lessor and the Registrant, as lessee, dated October 1, 2022	20-F	001-40553	4.22	May 1, 2023
4.25†	English translation of Sub-Lease Agreement between D Fast Dağıtım Hizmetleri ve Lojistik A.Ş., as lessor and the Registrant, as lessee, dated March 1, 2023	20-F	001-40553	4.23	May 1, 2023

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4.26†	English translation of Lease Agreement between Doğruer Uluslararası Nakliye ve Dış Ticaret A.Ş., as lessor and the Registrant, as lessee, dated March 1, 2023	20-F	001-40553	4.24	May 1, 2023	
4.27†	English translation of Lease Agreement between Adana Ticaret Odası, as lessor and the Registrant, as lessee, dated July 8, 2023	20-F	001-40553	4.25	April 30, 2024	
4.28†	English translation of Lease Agreement between D Fast Dağıtım Hizmetleri ve Lojistik A.Ş., as lessor and the Registrant, as lessee, dated June 11, 2023	20-F	001-40553	4.26	April 30, 2024	
8.1	List of subsidiaries of the Registrant	20-F		8.1	April 30, 2024	
11.1	Insider Trading Policy					*
12.1	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
12.2	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
13.1	Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
13.2	Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
97.1	D-Market Elektronik Hizmetler Ve Ticaret A.Ş. Incentive Compensation Recovery Policy	20-F		97.1	April 30, 2024	
101.INS	Inline XBRL Instance Document-the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document					*
101.SCH	Inline XBRL Taxonomy Extension Schema					*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase					*
104	Cover page interactive data (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.

** Furnished herewith.

† Portions of this exhibit have been omitted because they are both (i) not material and (ii) the Registrant customarily and actually treats such information as private or confidential.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

D-MARKET ELECTRONIC SERVICES & TRADING

By: /s/ Nilhan Gökçetekin

Name: Nilhan Gökçetekin

Title: Chief Executive Officer

Date: April 30, 2025

By: /s/ Mehmet Seçkin Köseoğlu

Name: Mehmet Seçkin Köseoğlu

Title: Chief Financial Officer

Date: April 30, 2025

**D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.
AND ITS SUBSIDIARIES**

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi and its subsidiaries (the “Company”) as of December 31, 2024 and December 31, 2023, and the related consolidated statements of comprehensive income/(loss), changes in equity and cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO because material weaknesses in internal control over financial reporting existed as of that date related to (i) the design and operating effectiveness of information technology general controls (“ITGCs”) for information systems with respect to certain IT applications and IT databases that are relevant to the preparation of the Company’s consolidated financial statements; and (ii) deficiencies in the control environment, information and communication, monitoring and control activities components of the COSO that constitute material weaknesses, either individually or in the aggregate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15.B. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2024 consolidated financial statements, and our opinion regarding the effectiveness of the Company’s internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management’s report referred to above. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition

As described in Note 2.7, Note 16 and Note 22 to the consolidated financial statements, the Company's revenue was TRY57,046,561 thousand for the year ended December 31, 2024, of which TRY45,828,555 thousand relates to sales of goods and marketplace revenues. The Group recognizes revenue from sales of goods and marketplace net of return and discounts. The Group derives revenue from the sales of goods and marketplace revenues at a point in time, at the completion of the order delivery. A substantial portion of these revenues was generated from transactions made via credit cards.

The principal consideration for our determination that performing procedures relating to sales of goods and marketplace revenues is a critical audit matter is a high degree of auditor effort in performing procedures was required because of material weaknesses identified by management.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included (i) evaluating the Company's accounting policies related to customer and merchant contracts; (ii) confirming with financial institutions the total amount of credit card transactions that occurred during the year; (iii) understanding the reconciliation between cash collected through credit card transactions and respective revenues recognized and testing significant reconciling items; and (iv) testing of a selected sample of revenue transactions by inspecting source documents, such as customer or merchant contracts and invoices.

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

/s/ Mehmet Cenk Uslu

Mehmet Cenk Uslu
Partner
Istanbul, Türkiye
April 30, 2025

We have served as the Company's auditor since 2023.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of D-Market Elektronik Hizmetler ve Ticaret A.Ş.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of comprehensive loss, shareholders' equity and cash flows of D-Market Elektronik Hizmetler ve Ticaret A.Ş. and its subsidiaries (the "Company") for the year ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of the Company's operations and its cash flows for the year ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ GUNEY BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALI MUSAVIRLIK A.S.

We served as the Company's auditor from 2020 to 2022.

Istanbul, Türkiye

May 1, 2023, except for the effects of the hyperinflationary adjustments on the 2022 consolidated financial statements, as discussed in Note 2.1, as to which the date is April 30, 2025

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in the terms of purchasing power of the TRY at 31 December 2024, as described in note 2.1 unless otherwise indicated.)

	Notes	2024	2023
ASSETS			
Current assets:			
Cash and cash equivalents	3	6,750,179	7,940,833
Restricted cash		135,271	241,563
Financial investments	4	2,384,743	2,487,275
Trade and loan receivables	6	5,045,635	3,426,506
Due from related parties	21	14,559	13,257
Inventories	7	6,001,460	5,724,600
Contract assets	8	44,732	32,385
Other current assets	14	478,113	1,247,885
Total current assets		20,854,692	21,114,304
Non-current assets:			
Property and equipment	9	831,413	725,854
Intangible assets	10	3,059,048	2,676,184
Right of use assets	11	1,299,765	816,496
Trade and loan receivables	6	87,595	1,154
Other non-current assets	14	12,405	48,685
Total non-current assets		5,290,226	4,268,373
Total assets		26,144,918	25,382,677

These consolidated financial statements have been approved by Board of Directors on 30 April 2025. The General Assembly has the right to amend these consolidated financial statements.

Accompanying notes are an integral part of these consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in the terms of purchasing power of the TRY at 31 December 2024, as described in note 2.1 unless otherwise indicated.)

	Notes	2024	2023
LIABILITIES AND EQUITY			
Current liabilities:			
Bank borrowings	5	1,682,686	264,894
Lease liabilities	11, 24	409,083	223,171
Wallet deposits		177,607	272,027
Trade payables and payables to merchants	6	14,973,751	15,250,729
Due to related parties	21	12,941	6,697
Provisions	12	217,057	117,998
Employee benefit obligations	13	522,124	417,846
Contract liabilities and merchant advances	8	1,906,945	2,056,628
Other current liabilities	14	1,683,832	1,092,066
Total current liabilities		21,586,026	19,702,056
Non-current liabilities:			
Bank borrowings	5	—	4,055
Lease liabilities	11, 24	583,686	175,882
Employee benefit obligations	13	153,780	150,563
Other non-current liabilities	14	499,946	581,608
Total non-current liabilities		1,237,412	912,108
Equity:			
Share capital	15	719,960	719,960
Treasury shares	15	(245,217)	(245,217)
Other capital reserves	13	1,100,704	920,759
Share premium	15	20,910,909	20,910,909
Accumulated deficit		(19,164,876)	(17,537,898)
Total equity		3,321,480	4,768,513
Total equity and liabilities		26,144,918	25,382,677

Accompanying notes are an integral part of these consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
FOR THE YEARS ENDED 31 DECEMBER 2024, 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in the terms of purchasing power of the TRY at 31 December 2024, as described in note 2.1 unless otherwise indicated.)

	Notes	1 January – 31 December 2024	1 January – 31 December 2023	1 January – 31 December 2022
Revenues	16	57,046,561	51,338,956	38,228,624
Operating expenses				
Cost of inventory sold		(35,657,519)	(35,789,583)	(29,921,050)
Shipping and packaging expenses		(6,093,426)	(4,799,044)	(3,796,191)
Payroll and outsource staff expenses		(6,552,654)	(5,059,046)	(4,258,576)
Advertising expenses		(4,292,018)	(3,505,159)	(4,199,545)
Technology expenses		(740,631)	(595,096)	(436,341)
Depreciation and amortization	9, 10, 11	(2,048,138)	(1,695,200)	(1,219,844)
Other operating income	17	364,831	691,543	187,115
Other operating expenses	17	(2,010,047)	(1,634,086)	(1,965,919)
Operating profit/(loss)		16,959	(1,046,715)	(7,381,727)
Financial income	18	4,017,977	5,110,444	4,552,480
Financial expenses	19	(7,660,314)	(5,789,668)	(4,068,113)
Monetary gains/ (losses)		2,020,471	1,834,992	(19,377)
Income/(loss) before income taxes		(1,604,907)	109,053	(6,916,737)
Taxation on income	20	—	—	—
Income/(loss) for the year		(1,604,907)	109,053	(6,916,737)
Basic and diluted income/(loss) per share (TRY per share)	25	(4.9)	0.3	(21.2)
Other comprehensive loss: Items that will not be reclassified to profit or loss in subsequent period:				
Actuarial losses arising on remeasurement of post-employment benefits	13	(22,071)	(108,441)	(33,266)
Total comprehensive income/(loss) for the year		(1,626,978)	612	(6,950,003)

Accompanying notes are an integral part of these consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2024, 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in the terms of purchasing power of the TRY at 31 December 2024, as described in note 2.1 unless otherwise indicated.)

	Share capital	Treasury shares	Other capital reserves	Share premiums	Accumulated deficit	Total equity
Balance at 1 January 2024	719,960	(245,217)	920,759	20,910,909	(17,537,898)	4,768,513
Net loss for the year	—	—	—	—	(1,604,907)	(1,604,907)
Other comprehensive loss for the year	—	—	—	—	(22,071)	(22,071)
Share-based payments (Note 13)	—	—	179,945	—	—	179,945
Balance at 31 December 2024	719,960	(245,217)	1,100,704	20,910,909	(19,164,876)	3,321,480
Balance at 1 January 2023	719,960	—	767,137	20,910,909	(17,538,510)	4,859,496
Net income for the year	—	—	—	—	109,053	109,053
Other comprehensive loss for the year	—	—	—	—	(108,441)	(108,441)
Share-based payments (Note 13)	—	—	153,622	—	—	153,622
Acquisition of treasury shares (Note 15)	—	(245,217)	—	—	—	(245,217)
Balance at 31 December 2023	719,960	(245,217)	920,759	20,910,909	(17,537,898)	4,768,513
Balance at 1 January 2022	719,960	—	405,291	20,910,909	(10,588,507)	11,447,653
Net loss for the year	—	—	—	—	(6,916,737)	(6,916,737)
Other comprehensive loss for the year	—	—	—	—	(33,266)	(33,266)
Share-based payments (Note 13)	—	—	361,846	—	—	361,846
Balance at 31 December 2022	719,960	—	767,137	20,910,909	(17,538,510)	4,859,496

Accompanying notes are an integral part of these consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2024, 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in the terms of purchasing power of the TRY at 31 December 2024, as described in note 2.1 unless otherwise indicated.)

	Note	2024	2023	2022
Income/(loss) before income taxes		(1,604,907)	109,053	(6,916,737)
Adjustments to reconcile income/(loss) before income taxes to cash flows from operating activities:		9,232,046	9,351,857	6,739,363
Interest and commission expenses	19	7,319,535	4,625,821	2,716,324
Depreciation and amortization	9, 10, 11	2,048,138	1,695,200	1,219,844
Interest income on time deposits	18	(1,729,070)	(727,747)	(478,523)
Interest income on credit sales	18	(1,373,524)	(537,512)	(298,737)
Interest income on financial investments	18	(1,676)	(1,709)	—
Provision for unused vacation liability	13	41,712	113,671	58,190
Provision for personnel bonus	13	448,108	338,100	303,747
Provision for settlement of legal proceedings	12	—	—	667,683
Provision for Competition Authority investigation	12	—	(182,768)	(13,796)
Provision for Turkish Capital Markets Board fee	12	—	34,691	56,488
Provision for legal cases	12	18,211	26,860	32,214
Provision for license fee	12	180,023	—	—
Provision for doubtful receivables	6	258,535	70,812	46,321
Provision for loan receivables	6	160,138	—	—
Provision for impairment of trade goods, net	7	(17,610)	50,290	(25,144)
Provision for post-employment benefits	13	69,756	83,226	9,616
Share-based payment expense	13	179,945	153,622	361,846
Fair value (gains)/losses of financial investments	4, 19	(127,621)	(342,921)	108,258
Contribution income for settlement		—	(175,882)	—
Net foreign exchange differences		(515,346)	(412,612)	(3,388,338)
Monetary losses on non-operating activities		2,530,500	4,968,065	5,769,777
Monetary gains on provisions		(257,708)	(427,350)	(406,407)
Changes in net working capital				
Change in trade payables and payables to merchants		(226,349)	1,507,389	(1,872,343)
Change in inventories		(354,311)	(1,695,855)	2,613,464
Change in trade and loan receivables		(2,058,653)	(2,091,589)	(678,481)
Change in contract liabilities and merchant advances		(149,683)	419,829	662,330
Change in contract assets		(12,347)	4,128	(7,785)
Change in other liabilities		415,684	422,874	306,649
Change in other assets and receivables		825,903	106,786	492,319
Change in due from related parties		(1,302)	(9,171)	4,450
Change in due to related parties		6,244	(12,407)	(60,465)
Post-employment benefits paid	13	(35,363)	(29,923)	(11,676)
Payments for concluded litigation	12	(69,354)	(569,984)	(65,963)
Payments for personnel bonus	13	(272,718)	(253,671)	(177,964)
Payments for unused vacation liabilities	13	(8,861)	(16,222)	(6,666)
Collections of doubtful receivables	6	11,650	3,448	—
Net cash provided by operating activities		5,697,678	7,246,542	1,020,495
Investing activities:				
Purchases of property and equipment and intangible assets	9, 10	(2,010,546)	(1,665,725)	(2,011,315)
Proceeds from sale of property and equipment		14,788	10,913	1,186
Purchases of financial investments	4	(6,428,347)	(7,323,109)	(3,738,316)
Proceeds from sale of financial investment	4	6,147,437	4,948,695	7,601,145
Cash outflows due to acquisition of subsidiary		—	—	(10,942)
Interest received on time deposits		1,728,887	741,307	466,550
Interest received on credit sales		1,442,488	864,826	298,737
Net cash provided by/ (used in) investing activities		894,707	(2,423,093)	2,607,045
Financing activities:				
Proceeds from borrowings	24	5,223,438	833,554	2,247,402
Repayment of borrowings	24	(3,791,221)	(548,283)	(2,779,430)
Interest and commission paid		(6,826,806)	(4,579,850)	(2,497,753)
Lease payments	24	(471,348)	(443,929)	(477,816)
Acquisition of treasury shares	15	—	(69,335)	—
Net cash used in financing activities		(5,865,937)	(4,807,843)	(3,507,597)
Net increase in cash and cash equivalents		726,448	15,606	119,943
Cash and cash equivalents at beginning of the year		7,939,626	12,512,914	14,899,379
Effects of exchange rate changes on cash and cash equivalents		49,919	251,829	2,320,620
Effects of inflation on cash and cash equivalents		(1,967,204)	(4,840,723)	(4,827,028)
Cash and cash equivalents at end of the year	3	6,748,789	7,939,626	12,512,914

Accompanying notes are an integral part of these consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2024, 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira (“TRY”) in the terms of purchasing power of the TRY at 31 December 2024, as described in note 2.1 unless otherwise indicated.)

NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS

D-Market Elektronik Hizmetler ve Ticaret A.Ş. (“D-Market” or “Hepsiburada” or together with its subsidiaries the “Group”) was established in April 2000. D-Market currently operates as a retail website (www.hepsiburada.com) offering its retail customers a wide selection of merchandise including electronics and non-electronics (including books, sports, toys, kids and baby products, cosmetics, furniture, etc.). As of 31 December 2024, the ultimate shareholders of D-Market are the members of Doğan Family and TurkCommerce B.V. (Note 15).

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. The offering included 41,670,000 ADSs offered by the Company and 23,581,000 ADSs offered by a selling shareholder, which included 8,511,000 ADSs sold by the selling 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 symbol “HEPS” on July 1, 2021.

On 17 October 2024, the Group’s then-controlling shareholder, being Hanzade Vasfiye Doğan Boyner, our Founder, and Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan (collectively, the “Selling Shareholders”), entered into a stock purchase agreement (the “Stock Purchase Agreement”) with Joint Stock Company Kaspi.kz (“Kaspi”), a joint stock company incorporated under the laws of Kazakhstan, for all outstanding Class A shares and Class B shares of the Company held by the Selling Shareholders, corresponding to 65.41% of the Group’s share capital (the “Change of Control”). The Change of Control was subject to regulatory approvals of the Turkish Competition Board, the Banking Regulation and Supervision Agency, the Information Technologies and Communications Authority and the Central Bank of the Republic of Türkiye and was completed on January 29, 2025, on which date Kaspi became our new controlling shareholder. Following the Change of Control, in accordance with former Article 7/A of the Articles of Association, all outstanding Class A shares automatically converted into Class B shares.

As of 31 December 2024, the Group has 3,743 employees (2023: 3,213). The address of the registered office is as follows:

Kuştepe Mahallesi, Mecidiyeköy Yolu Caddesi No:
12 Tower 2 Floor 2
Şişli, İstanbul — Türkiye

Subsidiaries

The Subsidiaries included in these consolidated financial statements are as follows:

- D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş. (“D-Ödeme” or “Hepsipay”)
- D Fast Dağıtım Hizmetleri ve Lojistik A.Ş. (“D-Fast” or “Hepsijet”)
- Hepsi Finansal Danışmanlık A.Ş. (“Hepsi Finansal”)
- Hepsi Finansman A.Ş. (“Hepsi Finansman”) (former trade name “Doruk Finansman A.Ş.”)
- Hepsiburada Global B.V. (“Hepsiburada Global”)
- Hepsiburada Global Elektronik Hizmetler Ticaret ve Pazarlama A.Ş. (“Hepsiburada Global A.Ş.”)

D-Ödeme was founded on 4 June 2015 and operates as a payment services provider offering payment gateway and e-money services. D-Ödeme obtained its operational licence from Banking Regulation and Supervision Agency of Türkiye (“BRSA”) on 20 February 2016. D-Ödeme commenced its first payment service transaction on 15 June 2016. D-Ödeme launched Hepsipay Cüzdanım (Wallet) in June 2021, an embedded digital wallet product on Hepsiburada platform.

D-Fast was founded on 26 February 2016 and operates as a cargo and logistic firm which provides last mile delivery services to the customers of Hepsiburada and other companies.

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NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries (Continued)

Hepsi Finansal was founded on 1 December 2021. Hepsi Finansal aims to operate as a holding company for the fintech operations of the Group and to provide financial solutions to the customers of Hepsiburada. Hepsi Finansal is the parent company of the Hepsi Finansman A.Ş. which was acquired in February 2022.

Hepsi Finansman was acquired by the Group on 28 February 2022 and the Group aims to offer its customers consumer financing solutions through Hepsi Finansman. Hepsi Finansman was founded on 24 April 2006 and obtained its operational license from the BRSA in 2008. Hepsi Finansman operates as a consumer financing company in Türkiye.

Hepsiburada Global was founded on 28 July 2023 in the Netherlands. Hepsiburada Global aims to facilitate Hepsiburada’s integration with European payment solutions and marketplaces.

Hepsiburada Global A.Ş. was founded on 29 March 2024 in Türkiye. Hepsiburada Global A.Ş. aims to facilitate to manage Hepsiburada’s cross border e-commerce operations.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Hepsiburada and its subsidiaries maintain their books of account in Turkish Lira (“TRY”) based on the Turkish Commercial Code (“TCC”), Turkish tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance of Türkiye. These consolidated financial statements are based on the statutory records, which are maintained under the historical cost convention except for the financial investments which are measured at fair value, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.2.

Financial reporting in hyperinflationary economy

Since the beginning of 2021, inflation in Türkiye has increased significantly. With the cumulative effect of increasing inflation in recent three years, it has become necessary for entities operating in Türkiye to apply International Accounting Standards (“IAS”) 29 – Financial Reporting in Hyperinflationary Economies starting from 30 June 2022. One of the important indicators for the application of IAS 29 is a three-year compound inflation rate approaching or exceeding 100%. Three-year cumulative increase in Consumer Price Index (CPI) as of June 2022 has been 136% in Türkiye according to inflation data published by Statistical Institute of Türkiye on 4 July 2022.

Adjustments have been made in accordance with the terms of IAS 29 “Financial Reporting in Hyperinflationary Economies” regarding the changes in the general purchasing power of the Turkish Lira as of 31 December 2024. The terms of IAS 29 require that financial statements prepared in the currency in the economy with hyperinflation should be expressed in terms of the measuring unit current at the end of the reporting period and the amounts for the corresponding previous periods should also be stated in terms of the measuring unit current at the end of the reporting period.

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

2.1 Basis of preparation (Continued)

Financial reporting in hyperinflationary economy (Continued)

For the application of IAS 29, the Group used the conversion coefficient derived from the CPI in Türkiye published by the Statistical Institute of Türkiye. The indices and coefficients used to prepare the consolidated financial statements are as follows:

<u>Date</u>	<u>Index</u>	<u>Adjustment Coefficient</u>	<u>Three years compound inflation rates</u>
31 December 2024	2684.55	1.000	291 %
31 December 2023	1859.38	1.444	268 %
31 December 2022	1128.45	2.379	156 %

The following is a summary of the main procedures for the above mentioned adjustments:

To perform the required restatement of financial statements under IAS 29, assets and liabilities are separated into those that are monetary and non-monetary, with non-monetary items further divided into those measured on either a current or historical basis.

Non-monetary items that are carried at amounts current at the end of the reporting period, such as net realisable value and fair value, are not restated. All other non-monetary assets and liabilities are restated.

Monetary assets and liabilities are not adjusted as they are presented in the current purchasing power at the end of the reporting period.

Non-monetary assets and liabilities are restated in terms of the current measuring unit at the end of the reporting period, by applying the change in the general price index from the transaction date when they arose to the end of the reporting period.

Components of shareholders’ equity, except accumulated deficit, in the consolidated balance sheets are also restated by applying the relevant index from the date the components were contributed or otherwise arose. At the end of the first period and in subsequent periods all components of shareholders’ equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the consolidated statement of comprehensive income/(loss) are expressed in terms of current measuring unit at the end of the reporting period. All amounts restated by applying the change in the general price index from the dates when the items of income and expenses originated and restated on a monthly basis.

The application of IAS 29 results in an adjustment for the income/(loss) of purchasing power of the Turkish Lira recognized in the profit or loss section of the consolidated statements of comprehensive income/(loss). In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary assets, owners’ equity and items in the statements of comprehensive income/(loss) and the adjustment of index linked assets and liabilities.

Corresponding figures for the years ended 31 December 2023 and 31 December 2022 have also been restated so that they are presented in terms of the purchasing power of the Turkish Lira as of 31 December 2024.

In the first reporting period in which hyperinflation exists, the requirements of IAS 29 are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, is restated as the base of all subsequent reporting. Restated accumulated deficit in the statement of financial position at the beginning of the earliest comparative period is derived as balancing figure in the restated statement of financial position.

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

2.1 Basis of preparation (Continued)

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which they operate (the “functional currency”). The consolidated financial statements are presented in thousand Turkish Lira (TRY), which is both the functional and the presentation currency of the Group.

Going concern

The Group incurred operating losses in two prior years. An operating profit at a break - even level of TRY17 million has been achieved during the year 2024, while accumulated deficit as of 31 December 2024 amounted to TRY19,165 million. The Group generated positive operating cash flows amounting to TRY5,698 million in 2024 and its cash and cash equivalents as of 31 December 2024 amounts to TRY6,750 million.

Based on its current business plan, the Group’s cash and cash equivalents will be sufficient to fund its operations for at least twelve months from the issuance date of these consolidated financial statements. Management of the Group believes that it will be in a position to cover its liquidity needs through cash on hand, cash generated from operations, available credit lines or a combination thereof, when necessary.

The consolidated financial statements have been prepared assuming that the Group will continue as a going concern.

2.2 Significant accounting estimates and assumptions

Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amount of asset and liabilities are as follows:

Recognition and measurement of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model and making assumptions about them.

As further disclosed in Note 13, the Group granted an equity settled share-based payment plan where management personnel, other employees and directors are entitled to receive Company’s shares based on the fair value at the date when the grant is made using an appropriate valuation model. Determination of estimated fair value of the Company before it consummated its initial public offering required complex and subjective judgments. The Company’s enterprise value for purposes of recording share-based compensation was estimated using a discounted cash flow (“DCF”) methodology. For the DCF methodology, the net present value has been estimated using an appropriate discount rate.

The estimated number of stock awards that will ultimately vest based on service condition requires judgement, and to the extent actual results or updated estimates differ from current estimates, such amounts will be recorded as a cumulative adjustment in the period estimates are revised.

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

2.2 Significant accounting estimates and assumptions (Continued)

Recognition and estimated useful lives of website development costs

Costs that are directly associated with the development of website and identifiable and unique software products controlled by the Group are recognized as intangible assets as they meet the recognition criteria of IAS 38 and SIC 32 (for further information refer to Note 2.7).

The Group anticipates that its website is capable of generating revenues and satisfy the requirement of future probable economic benefit. The carrying amounts of the Group’s intangible assets are reviewed at each reporting date to determine whether there is an indication of impairment, considering future profit projections.

Website development costs recognized as assets are amortized over their estimated useful lives between 2 and 4 years. However, the actual useful life may be shorter or longer than estimated useful lives, depending on technical innovations and competitor actions. If the useful lives were increased/decreased by one year, the carrying amount would be TRY482,138 thousand higher/TRY623,003 thousand lower as at 31 December 2024 (2023: TRY167,183 thousand higher/TRY277,322 thousand lower).

The useful lives of the website development costs are estimated by management at the time the asset is capitalized and reviewed for appropriateness at each reporting date. The Group defines useful life of its assets in terms of the assets’ expected utility to the Group. This judgment is based on the experience of the Group with similar assets. In determining the useful life of an asset, the Group also follows technical and/or commercial obsolescence arising on changes or improvements from a change in the market. Amortization starts when the asset is ready for use (Note 10).

Recognition and measurement of deferred tax assets

The Group has not recognised any deferred income tax assets (except to the extent they are covered by taxable temporary differences) in regarding to its carry forward tax losses, unused tax incentives and other deductible temporary differences due to macroeconomic challenges giving rise to uncertainties as to the generation of future taxable profits for the realization of such deferred tax assets in the foreseeable future. If actual events differ from the Group’s estimates, or to the extent that these estimates are adjusted in the future, changes in the amount of an unrecognized deferred tax assets could materially impact the Group’s results of operations.

IFRS 16 application and discount rates used for measurement of lease liability

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined or if that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value of the right of use assets in similar economic environment.

The Group determines its incremental borrowing rate with reference to its existing and historical cost of borrowing adjusted for the term and security against such borrowing. In addition, the management assesses the expected length of the leases and this assessment takes into account non-cancellation and extension options. The Group evaluate whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (as a change in business strategy).

Provisions

In determining the provisions, the possibilities of negative outcome and the liabilities that may arise are evaluated by the Company’s legal counsel taking into account expert opinions, if necessary. The Group management determines the amount of the provisions based on its best estimate (Note 12).

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.2 Significant accounting estimates and assumptions (Continued)****Allowance for doubtful receivables**

The Group maintains an allowance for doubtful receivables for estimated losses resulting from the inability of the Group’s customers to make required payments. The Group bases the allowance on the likelihood of recoverability of trade receivables, Buy Now Pay Later (“BNPL”) receivables, loan receivables and credit card receivables; when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of asset and those events have an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. The allowance is periodically reviewed. The allowance charged to expenses is determined in respect of receivable balances, calculated as a specified percentage of the outstanding balance in each aging group, with the percentage of the allowance increasing as the aging of the receivable progresses.

2.3 Basis of consolidation

The consolidation principles used in the preparation of these consolidated financial statements are summarised below:

- a) These consolidated financial statements include the accounts of the parent company, D-Market and its subsidiaries (collectively referred to as the “Group”) on the basis set out in sections (a) to (b) below. The financial statements of the companies included in the consolidation are based on the accounting principles and presentation basis applied by the Group.
- b) Subsidiaries are all companies over which D-Market has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and it has the ability to affect those returns through its power over the investee. Thus, the principle of control sets out the following three elements of control:
 - Power over the investee;
 - Exposure or rights to variable returns from involvement with the investee;
 - The ability to use power over the investee to affect the amount of the investor’s returns.

The proportion of ownership interest represents the effective shareholding of the Group through the shares held by D-Market and indirectly by its subsidiaries.

The table below sets out the subsidiaries included in the scope of consolidation and shows the Group’s ownership interests at 31 December 2024, 2023 and 2022:

Subsidiaries	2024	2023	2022
D-Ödeme	100.00 %	100.00 %	100.00 %
D-Fast	100.00 %	100.00 %	100.00 %
Hepsi Finansal	100.00 %	100.00 %	100.00 %
Hepsi Finansman	100.00 %	100.00 %	100.00 %
Hepsiburada Global	100.00 %	100.00 %	—
Hepsiburada Global A.Ş (*)	100.00 %	—	—

(*) Hepsiburada Global A.Ş. was founded on 29 March 2024, with an aggregate issued share capital of TRY5,050,000 of which total amount was paid in on 29 March 2024. Hepsiburada Global A.Ş. aims to facilitate the management of Hepsiburada’s cross border e-commerce operations.

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

2.3 Basis of consolidation (Continued)

The balance sheet and statement of comprehensive income/(loss) of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by D-Market in its subsidiaries is eliminated against equity. The intercompany transactions and balances between D-Market and its subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by D-Market in its subsidiaries are eliminated from equity and income for the period, respectively. The subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

2.4 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.5 Comparative information

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements.

2.6 Recent accounting pronouncements

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2024 and thereafter. The effects of these amendments and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

i) Standards, amendments and interpretations applicable as of 31 December 2024:

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. This change had no impact on the financial position and performance of the Group.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. This change had no impact on the financial position and performance of the Group.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the International Accounting Standards Board’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis. This change was assessed by the Group and impacts are disclosed in Note 5.

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

2.6 Recent accounting pronouncements (Continued)

ii) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

- **Amendments to IAS 21 – Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Management has assessed that the amendment will have no impact on the consolidated financial statements.
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Management has assessed that these amendments will have no impact on the consolidated financial statements.

- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.

Management has assessed that these amendments will have no impact on the consolidated financial statements.

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

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

2.6 Recent accounting pronouncements (Continued)

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. Management has assessed that the amendment will have no impact on the consolidated financial statements.

2.7 Summary of significant accounting policies

The significant accounting policies followed in the preparation of these consolidated financial statements are summarised below:

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand and time deposits with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted cash and wallet deposits

Restricted cash represents fund deposits received from customers for the Group’s payment solution by digital wallet. These deposits are subject to regulatory restrictions and therefore are not available for use by the Group. These deposits are kept separately from the Group’s cash accounts. A corresponding liability is recorded as wallet deposits in the consolidated balance sheet. These amounts are maintained in the digital wallet until withdrawal is requested or used by the customer. In accordance with the Law on payment and securities settlement systems, payment services and electronic money institutions, number 6493, the Group is liable to compensate for the rights of the fund holders. Considering these facts and circumstances, the Group has recognized restricted cash and the corresponding wallet deposit liability in its consolidated financial statements.

Trade receivables

A trade receivable is the Group’s right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured initially at the transaction price, and subsequently at amortized cost using the effective interest rate method, less provision for impairment.

Loan receivables

Financial assets generated as a result of providing a loan are classified as loan receivables and are carried at amortized cost, less any impairment. All loans are recognised in the consolidated financial statements when the customer is funded by the Group for an e-commerce transaction.

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

2.7 Summary of significant accounting policies (Continued)

Contract assets

When the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, excluding any amounts presented as a receivable. Contract assets are subject to impairment assessment within the scope of expected credit loss calculation.

Contract liabilities and merchant advances

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (i.e., a receivable) before the Group transfers a good or service, the Group presents the respective amount as a contract liability when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services).

Merchant advances consists of advances received from customers for marketplace transactions, which relate to undelivered orders and where the Group acts as an agent. The Group earns a commission for these transactions. The amount of advances payable to a merchant, net of commissions, is credited as a payable to the merchant when delivery is complete.

Financial assets

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date. The Group did not hold any financial assets in the “fair value through other comprehensive income” category as at 31 December 2024.

a) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group’s financial assets carried at amortized cost comprise “trade receivables”, “loan receivables”, “contract assets”, “financial investments”, “restricted cash” and “cash and cash equivalents” in the consolidated balance sheet.

Impairment for trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has further concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period before reporting date and the corresponding credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. While cash and cash equivalents and financial investments carried at amortized cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

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

2.7 Summary of significant accounting policies (Continued)

Impairment for loan and BNPL receivables

The Group has adopted “three stages impairment approach (general model)” defined in IFRS 9 for the recognition of impairment losses on loan and BNPL receivables, carried at amortized cost. General model considers the changes in the credit quality of the financial instruments after the initial recognition. Three levels defined in the general model are as follows:

“Stage 1”, includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses (“ECL”) are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date.

“Stage 2”, includes financial instruments that have had a significant increase in credit risk since initial recognition but those do not have objective evidence of impairment. For these assets, lifetime expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

“Stage 3”, includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognised. Group appropriately classifies its financial instruments considering common risk factors (such as the type of the instrument, credit risk rating, guarantees, time to maturity and sector) to determine whether the credit risk on a financial instrument has increased significantly and to account appropriate amount of credit losses in the consolidated financial statements. The changes in the expected credit losses on these receivables are accounted for under “other operating income/expenses” account of the consolidated statement of income.

Derecognition

A financial asset (or a part of a financial asset or group of similar financial asset) is derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the consolidated financial statements.

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

2.7 Summary of significant accounting policies (Continued)

b) Financial assets carried at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated balance sheet at fair value with net changes in fair value recognised in the consolidated statement of profit or loss. Financial assets at fair value through profit or loss consist of financial investments which are acquired to benefit from short-term price or other fluctuations in the market or which are a part of a portfolio aiming to earn profit in the short-run, irrespective of the reason of acquisition, and kept for trading purposes.

Trade payables and payables to merchants

Trade payables mainly arise from the payables to retail suppliers related to the inventory purchases and services payables. It also includes payables to the marketplace merchants for amounts received by the Group for products delivered by merchants to customers net of commissions, services charges, delivery costs and payables to other service providers. Trade payables and payables to merchants are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Related parties

For the purpose of these consolidated financial statements, shareholders who have control or joint control over the Group, key management personnel and Board members, in each case together with their close family members and the legal entities over which these related parties exercise control and significant influence, subsidiaries and joint ventures are considered and referred to as related parties.

Inventories

Inventories, comprising of trade goods, are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is defined as the initial cost. An entity may purchase inventories on deferred settlement terms. When the arrangement effectively contains a financing element, that element, for example a difference between the purchase price for normal credit terms and the amount paid, is recognised as interest expense over the period of the financing. The cost of inventories is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Provision for inventories is accounted in cost of inventory sold.

Rebates

The Group periodically receives consideration from certain suppliers, representing rebates for sold out products or purchased products from supplier for a specified period. The Group considers those rebates as a reduction to costs of inventory when the amounts are reliably measurable.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is objective evidence that an asset is impaired. If any indication exists, the Group estimates the asset’s recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired. Impairment losses are recognized in statement of comprehensive income/(loss).

The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management’s expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

Subsequent increase in the asset’s recoverable amount due to the reversal of a previously recognized impairment loss cannot be higher than the previous carrying value (net of depreciation and amortization).

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

2.7 Summary of significant accounting policies (Continued)

Property and equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation and are amortized on a straight-line basis. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss of the statement of comprehensive income/(loss) as incurred. The cost includes expenditure that is directly attributable to the acquisition of the items. The assets’ residual values and estimated useful economic lives are reviewed at the end of each reporting period and adjusted prospectively if appropriate. The depreciation periods for property and equipment, which approximate the useful lives of such assets, are as follows:

Furniture and fixtures	5–10 years
Leasehold improvements	2-5 years
Motor vehicles	5 years

An impairment loss is charged to profit and loss for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset’s net selling price and value in use.

Gains or losses on disposals of property and equipment, which is determined by comparing the proceeds with the carrying amount, are included in the related income and expense accounts, as appropriate.

Intangible assets and related amortization

Intangible assets comprise acquired software and rights. Acquired computer software licenses and rights are capitalized on the basis of costs incurred to acquire and bring to use the specific software. Software and rights costs are amortized over their estimated useful lives of 3 to 15 years.

Website development costs

Costs that are directly associated with the development of website and unique software products controlled by the Group are recognized as internally generated intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use or sale;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the development website and software include direct employee costs, an appropriate portion of relevant overhead and service costs incurred as part of the development.

Development costs that do not meet the criteria above are recognized as expense as incurred. Development costs previously recognized as expense are not recognized as an asset in a subsequent period. Development costs recognized as an asset are amortized over their estimated useful lives between 2 and 4 years. Amortization starts when the asset is ready for use (Note 10).

Capitalized development costs, stages of website development and useful lives are assessed in accordance with the requirements of SIC 32 Intangible Assets: Web Site Costs and IAS 38 Intangible Assets.

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

2.7 Summary of significant accounting policies (Continued)

Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as lease separately from non-lease components of the contract.

The Group determines the lease term as the non-cancellable period of lease, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of lease.

The Group as a lessee

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The relative stand-alone price of lease and non-lease components is determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

For determination of the lease term, the Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a change in circumstances that:

- Is within the control of the Group,
- Affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

At the commencement date, the Group recognises a right of use asset and a lease liability under the lease contract.

Short-term lease agreements with a lease term of 12 months or less and agreements determined by the Group as low value have been determined to be within the scope of the practical expedient included in IFRS 16. For these agreements, the lease payments are recognized as an other operating expense in the period in which they are incurred. Such expenses have no significant impact on Group’s consolidated financial statements.

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

2.7 Summary of significant accounting policies (Continued)

Lease liability

Lease liability is initially recognised at the present value of future lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

After initial recognition, the lease liability is measured by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group remeasures the lease liabilities to reflect changes to lease payments by discounting the revised lease payments using a revised discount rate when: (a) there is a change in the lease term as a result of reassessment of the expectation to exercise a renewal option, or not to exercise a termination option as discussed above; or (b) there is a change in the assessment of an option to purchase the underlying asset. The Group determines the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term if that rate can be readily determined, or if not, its incremental borrowing rate at the date of reassessment.

Where: (a) there is a change in the amounts expected to be payable under a residual value guarantee; or (b) there is a change in the future lease payments resulting from a change in an index or a rate used to determine those payments, including changes to reflect changes in market rental rates following a market rent review, the Group remeasures the lease liabilities by discounting the revised lease payments using an unchanged discount rate unless the change in lease payments results from a change in floating interest rates. In such case, the Group uses the revised discount rate that reflects the changes in the interest rate.

The Group recognises the amount of the remeasurement of lease liability as an adjustment to the right of use asset. When the carrying amount of the right of use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

The Group accounts for a lease modification as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets;
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modifications that are not accounted for as a separate lease, the Group, at the effective date of the lease modification; (a) allocates the consideration in the modified contract; (b) determines the lease term of the modified lease; and (c) remeasures the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee’s incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

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

2.7 Summary of significant accounting policies (Continued)

Right of use assets

The right of use asset is initially recognised at cost comprised of:

- The amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date, less any lease incentives received,
- Any initial direct costs incurred by the Group, and
- An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. These costs are recognised as part of the cost of right of use asset when the Group incurs an obligation for these costs. The obligation for these costs is incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Right of use assets are amortized on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization and impairment losses, and adjusted for any re-measurement of lease liabilities. Useful lives are determined over the shorter of its estimated useful life and the lease term. Useful lives of right of use assets are as follows:

	<u>Useful lives</u>
Buildings	2 – 5 years
Furniture and fixtures	4 – 5 years
Software and rights	3 – 15 years
Motor vehicles	3 years

Goodwill

Goodwill arising on acquisition of business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

The cash-generating unit, where the goodwill is allocated, is tested for impairment annually. If there is any indication that the unit is impaired, the impairment test is performed more frequently.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated financial statements. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Business combinations

Business combinations, that is assets acquired and liabilities assumed constitute a business, are accounted in accordance with IFRS 3 “Business Combinations” using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer in exchange for the acquiree.

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

2.7 Summary of significant accounting policies (Continued)

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill, else they are recognized in profit in loss.

Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Acquisition related costs are costs the acquirer incurs to effect a business combination and are accounted as expenses in the periods in which the costs are incurred and the services are received, with the exception of costs to issue debt or equity securities, which shall be recognised in accordance with IAS 32 and IFRS 9.

Deferred income taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial statement purposes. Currently enacted or substantially enacted at period end tax rates are used to determine deferred income taxes.

Deferred income tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences, tax losses and tax incentives are recognized to the extent that it is probable that future taxable profit or taxable temporary differences will be available against which the deductible temporary difference can be utilized. Deferred income tax assets and liabilities are presented net when there is a legally enforceable right to offset current tax receivables against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

Provision for post-employment benefits

Under the Turkish Labour Law, the Group is required to pay post-employment benefits to each employee who has completed one year of service and achieves the retirement age (58 for women and 60 for men), or whose employment is terminated without due cause, or is called up for military service, or dies.

Provision for post-employment benefits represents the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees calculated using the “Projected Unit Credit Method” and based on factors derived using the experience of personnel terminating their services.

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

2.7 Summary of significant accounting policies (Continued)

Provision for post-employment benefits (Continued)

The current service cost which is recognized in the consolidated statement of comprehensive income/(loss), reflects the increase in the defined benefit obligation resulting from employee service in the current year. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in profit or loss of the statement of comprehensive income/(loss).

Provisions, contingent assets and liabilities

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent assets and liabilities

Contingent liabilities are not recognized in the financial statements. They are disclosed only, unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Commitments

A commitment is an enforceable, legally binding agreement to make a payment in the future for the purchase of goods and services. Commitments are not recognized in the financial statements, only disclosed (Note 12).

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer. The Group evaluates whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned as commissions. When the Group obtains control of the goods or services before they are transferred to the customer, the Group is the principal in the transaction. If it is unclear whether the Group obtains control, an assessment is made as to whether the Group is the primary obligor for providing the goods, whether it is subject to inventory risk and if it has discretion in establishing prices to determine whether it controls the goods. When the Group controls the goods before they are transferred to the customer, revenues are recorded on a gross basis (“Retail”). When the Group does not obtain the control of the goods before they are transferred to the customer, revenues are recorded on a net basis (“Marketplace”).

At contract inception, if the Group expects that the period between the transfer of the promised good or service and the payment is one year or less, the Group applies the practical expedient and does not make any adjustment for the effect of a significant financing component on the promised amount of consideration, except interest income from credit card sales with instalments. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as financial income.

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

2.7 Summary of significant accounting policies (Continued)

Revenue recognition (Continued)

The Group launched paid subscription service, Hepsiburada Premium, in July 2022, replacing the Group’s earlier loyalty club, which allows Hepsiburada Premium subscribers to benefit from free deliveries, specific campaigns, discounts, cashbacks and subscription to a paid-TV channel. The Group estimates the unused amount of these incentives (for example cashbacks) that will be redeemed and recognizes a contract liability, as necessary, with the corresponding reduction in revenue.

The Group launched Hepsipay Cüzdanım (Wallet), an embedded digital wallet product in June 2021 and introduced “Hepsipara”, a cashback points program that allows customers to earn and redeem points during purchases with the Wallet on the platform. The unused amount of cashback points provided to the customers are accounted as a contract liability and a revenue deduction.

i. Sales of goods

Sales of goods relate to transactions where the Group acts directly as the seller of goods purchased from the suppliers. In these transactions, the Group acts as the principal. Collections from the customer for the goods sold are made at the time orders are placed. Revenue is recognized when the goods are delivered to the customers. The Group recognizes revenue from sales of goods, net of return and discount.

Variable consideration is common and takes various forms, including returns and discounts. Customers have a right to return goods within 14 days from delivery of the goods. A right of return is contractual. A customer exercising its right to return a good receives a full refund. The Group estimates future returns for its sales and recognizes a refund liability for the expected returns, as necessary. Discounts the Group provides to customers are recognized as a reduction of revenue.

ii. Services revenues

Service revenue includes marketplace commissions, transaction fees, charges for delivery services and other service revenues (mainly includes advertising revenues, fulfilment revenues, subscription services revenue and other commissions).

Marketplace commission

The Group offers a marketplace platform that enables third-party sellers (“merchants”) to sell their products. Marketplace commission represents commission fees charged to merchants for selling their goods through this platform. In the Marketplace sales, the Group does not obtain control of the goods before delivery of the goods to the customer. Upon sale, the Group charges the merchants a fixed-rate commission fee based on the order amount. The Group recognizes revenue for the commission fee at completion of the order delivery. The Group records any commission revenue recognized net of any anticipated returns of commissions that might affect the consideration the Group will retain. The Group may, at times, provide discounts to the Marketplace customers. Any such discounts affect the amount of commission the Group will retain and are thus recognized as a reduction of revenue since they are a discount provided to a customer by the Group and therefore reduce the commission to be received.

Transaction fees

The Group also charges to its merchants a transaction fee for each order received. Such fees are recognized as revenue at the time the order is placed or delivery is completed.

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

2.7 Summary of significant accounting policies (Continued)

Revenue recognition (Continued)

Other contractual charges

The Group charges contractual fees to its merchants mainly for late deliveries and cancellations caused by merchants. Such fees are recognized as revenue at a point in time.

Delivery service revenues

The Group charges to its customers and merchants shipping fees. Such shipping fees are recognized as revenue over time during the delivery period. The Group also provides cargo services to other e-commerce companies through its subsidiary, Hepsijet. Likewise, revenues generated through such cargo services are recognized over time during the delivery of the carried goods to the end customers.

Advertising revenues

The Group provides various advertising services, such as placing banners, sponsored ads, video advertising and other advertising services. As the Group establishes pricing, controls the service and is primarily obliged to deliver these advertising services, revenue is recognized on a gross basis. Revenue is recognized either at a point in time or over the period depending on the nature of the service and is billed mainly on a monthly basis.

Subscription revenues

The Group’s subscription service revenue includes fees associated with Hepsiburada Premium memberships. Hepsiburada Premium membership allows Hepsiburada Premium subscribers to benefit from free deliveries, specific campaigns, discounts, cashbacks and subscription to a paid-TV channel. Subscriptions are paid for at the time and revenue from such arrangements is recognized over the subscription period.

Interest revenues

Revenue from financial services comprises interest income generated from consumer financing activities. Interest income is recognized as it accrues, using the effective interest method. The Group launched consumer finance offering through Hepsi Finansman in January 2024. Hepsifinans started as embedded payment solution providing customers the opportunity to complete their purchase in Hepsiburada checkout. Hepsifinans allows the Group to provide loans for longer maturities (up to 36 months). The Group charges interest to its customers for the loans and recognizes such interest as revenue over the loan term.

Interest income on BNPL receivables

The Group launched end-to-end digital “Buy Now Pay Later” (“BNPL”) deferred payment facility in February 2022 which provides customers the opportunity to complete their purchase and submit payment a month later or in up to twelve monthly instalments (lower in some categories where regulations limit the number of installments). BNPL purchase limits are defined based on the financial history of consumers based on their record at the Credit Bureau of Türkiye and shopping behavior at Hepsiburada. Installments are automatically collected from the selected credit or debit card of the customer. The Group charges interest to its customers for BNPL transactions and recognizes such interest as financial income over time during the installment period.

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

2.7 Summary of significant accounting policies (Continued)

Cost of inventory sold

Cost of inventory sold consists of the purchase price of consumer products, including supplier’s rebates and subsidies, write-downs and losses of inventories.

Borrowings

All bank borrowings including debt securities are initially recognised at cost, being the fair value of the consideration received net of issue cost associated with the borrowing. After initial recognition, bank borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issuance costs and any discount or premium on settlement (Note 5).

Supplier and merchant financing arrangements

The Group carries out supplier and merchant financing arrangements with some of its suppliers and merchants in accordance with the agreements made between the Group, banks and those suppliers and merchants, that enable those suppliers and merchants to collect their receivables earlier than original due dates. When the original liability to a supplier or merchant has been extinguished or substantially modified (e.g., through change in original terms of the contract), the liabilities are classified as bank borrowings. Otherwise, the liabilities remain as trade payables. The Group generates commission income from merchant and supplier financing transactions. Such commission is embedded in the interest rate that is charged by the bank to the relevant suppliers and/or the merchants. The Group receives its commission based on the amount of the loan from the banks once the loan is drawn by our suppliers or merchants. The program does not bear any financial risk on the Group’s financial statements.

Share-based payments

Share-based payment transactions are accounted for in accordance with IFRS 2. The standard encompasses all arrangements where an entity purchases goods and services in exchange for issue of an entity’s equity instruments, or cash payments based on the fair value of the entity’s equity instruments, unless the transaction is clearly for a purpose other than payment for goods and services supplied to the entity receiving them. In accordance with IFRS 2, the Group distinguishes between equity settled and cash settled plans. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost of equity settled plans granted on grant date is allocated on a pro rata basis over the expected vesting period against equity. For equity settled share-based payments, the value of the awards is fixed at the grant date. A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in payroll expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. A description of the existing share-based payment plan is disclosed in Note 13.

Capital increases and dividends

Ordinary shares are classified as equity. Pro-rata increases to existing shareholders are accounted for at par value as approved. Dividends on ordinary shares are recognized in equity in the period in which they are approved by the General Assembly Meeting.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2.7 Summary of significant accounting policies (Continued)****Treasury shares**

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

Foreign currency transactions and balances

Foreign currency transactions during the period have been translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TRY at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the statement of comprehensive income/(loss) in financial income or expense.

Segment reporting of financial information

Operating segments are identified on the same basis as financial information is reported internally to the Group’s chief operating decision maker (“CODM”), the Group’s Board of Directors. The Group management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategic decisions. The Board of Directors evaluates the operational results as a whole as one cash generating unit. No segmental information is presented in these consolidated financial statements, since no segmental financial information is reviewed by the CODM.

NOTE 3 – CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Banks		
- TRY denominated time deposits	1,569,081	457,420
- USD denominated time deposits	418,910	6,301,314
- TRY denominated demand deposits	84,431	1,171,632
- USD denominated demand deposits	16,334	5,664
- Other foreign currency deposits	11,797	4,803
Money market funds	4,649,626	—
	<u>6,750,179</u>	<u>7,940,833</u>

The weighted average interest rates of time deposits denominated in TRY and USD at 31 December 2024 are 48.36% per annum and 0.42% per annum, respectively (2023: 39.79% per annum for TRY, 0.47% per annum for USD). As of 31 December 2024, average maturity of time deposits is 11 days (31 December 2023: 3 days).

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NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

As of 31 December 2024 and 2023, there is no restricted cash.

At 31 December 2024, cash and cash equivalents included interest accrual amounting to TRY1,390 thousand (2023: TRY1,207 thousand); consequently, cash and cash equivalents as reported in the consolidated statement of cash flows amounted to TRY6,748,789 thousand (2023: TRY7,939,626 thousand).

Money market funds consist of mutual funds which include reverse repurchase agreements, government and private sector debt instruments. Money market funds have no maturity.

NOTE 4 – FINANCIAL INVESTMENTS

	<u>2024</u>	<u>2023</u>
Financial assets measured at fair value through profit or loss	2,207,315	2,298,590
- <i>Investment funds (*)</i>	2,207,315	2,298,590
Financial assets carried at amortized cost	177,428	188,685
- <i>Eurobonds (**)</i>	177,428	188,685
	<u>2,384,743</u>	<u>2,487,275</u>

(*) Financial assets measured at fair value through profit or loss consists of mainly foreign currency based mutual funds which include government and private sector debt instruments (2023: Financial assets measured at fair value through profit or loss consists of investment funds which include government and private sector debt instruments).

(**) Financial assets carried at amortized cost consists of eurobonds and the weighted average interest rate of debt instruments denominated in USD at 31 December 2024 are 5.125 %. (2023: denominated in USD, 6.24%). There is a restriction on the financial asset until 5 December 2025 due to the letter of credit given by the financial institution.

The movements of financial assets measured at fair value through profit or loss are as follows:

	<u>2024</u>	<u>2023</u>
Beginning of the period - 1 January	2,298,590	41,767
Purchase of financial investments	6,276,918	7,136,133
Change in fair value recognized in the statement of comprehensive income/(loss) (Note 18)	127,621	342,921
Foreign exchange gains	439,331	199,326
Sales of financial investments	(5,965,924)	(4,948,695)
Monetary loss	(969,221)	(472,862)
31 December	<u>2,207,315</u>	<u>2,298,590</u>

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NOTE 4 - FINANCIAL INVESTMENTS (Continued)

The movements of financial assets carried at amortized cost are as follows:

	2024	2023
Beginning of the period - 1 January	188,685	—
Purchase of financial investments	201,207	186,976
Foreign exchange gains	26,095	—
Interest accrual	1,676	1,709
Sales of financial investments	(181,513)	—
Monetary loss	(58,722)	—
31 December	177,428	188,685

NOTE 5 – BANK BORROWINGS

	2024	2023
Short-term bank borrowings	801,467	264,894
Debt securities	440,565	—
Other financial liabilities	440,654	—
Long-term bank borrowings	—	4,055
	1,682,686	268,949

As of 31 December 2024, supplier and merchant financing loans make up TRY379,788 thousand of the short-term bank borrowings (2023: supplier and merchant financing loans make up TRY25,087 thousand of the short-term bank borrowings). For the year ended 31 December 2024, cash inflows of supplier and merchant financing loans are TRY3,204,065 thousand and cash outflows of supplier and merchant financing loans are TRY2,905,332 thousand.

All bank borrowings are denominated in Turkish Lira. As of 31 December 2024, the annual effective interest rate for bank borrowings is between 48% and 54.1% and the average annual effective interest rate for supplier and merchant financing loans is 58.4% (2023: 20.2% for bank borrowings and 57.6% for supplier and merchant financing loans).

The Group’s bank borrowings comprise fixed interest rate loans.

The repayment schedule of the bank borrowings are as follows:

	2024	2023
To be paid within 1 year	801,467	264,894
To be paid between 1-2 years	—	4,055
	801,467	268,949

The movement schedule of the Group’s bank borrowings is disclosed in Note 24.

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NOTE 5 - BANK BORROWINGS (Continued)*Other financial liabilities*

The Company has asset backed secured borrowings which have a maturity of up to 4 months with an effective interest rate of 62%. These asset backed secured borrowings represents the amounts repayable under the factoring agreements related to BNPL receivables.

The movements of asset backed secured borrowings for the years ended 31 December 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Beginning of the period - 1 January	—	—
Addition	1,090,433	—
Interest accrual	53,629	—
Payments	(638,268)	—
Monetary gain	(65,140)	—
31 December	<u>440,654</u>	<u>—</u>

Debt securities

The Group has obtained approval from Capital Markets Board of Türkiye (“CMB”) for the issuance of bonds or bills by Hepsi Finansman with a total aggregate principal amount of up to TRY1,050,000,000 on 1 August 2024. On 10 October 2024, the Group issued a bond with an amount of TRY286,956 thousand (with a nominal amount of TRY250,000 thousand) with a maturity date of 9 January 2025 and 10 April 2025 with 51.50% annual interest rate. On 6 November 2024, the Group issued a bond with an amount of TRY172,173 thousand (with a nominal amount of TRY150,000 thousand) with a maturity date of 5 February 2025 and 15 May 2025 with an annual basic interest rate of 51.50%.

The movements of debt securities for the years ended 31 December 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Beginning of the period - 1 January	—	—
Issued securities	459,129	—
Interest accrual	46,561	—
Monetary gain	(65,125)	—
31 December	<u>440,565</u>	<u>—</u>

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The receivables of the Group mostly consist of receivables from individual customers, retail suppliers and corporate customers.

	<u>2024</u>	<u>2023</u>
Trade receivables	892,522	471,693
Credit card receivables (*)	1,249,558	1,390,545
Buy now pay later (“BNPL”) receivables (**)	2,029,366	1,356,489
Receivables from suppliers (***)	346,814	297,453
Short term loan receivables	903,409	—
Long term loan receivables	87,595	1,154
Less: Provision for loan of receivables	(149,536)	—
Less: Provision for impairment of receivables	(226,498)	(89,674)
	<u>5,133,230</u>	<u>3,427,660</u>

(*) Credit card receivables are due from banks and they are collectable in 38 days on average (2023: in 38 days on average) whereas they are collected in 19 days on average (2023: are collected in 17 days) if the Company elects to pay a commission to the banks.

(**) The Group’s average maturity of its outstanding BNPL receivables is 85 days (2023: 88 days). The Group recognized provision for impairment of BNPL receivables amounting to TRY166,358 thousand as of 31 December 2024 (2023: TRY45,921 thousand).

(***) The Group issues rebate invoices to its suppliers and if the Group’s rebate receivables from a supplier exceeds the payables owed to that specific supplier at the reporting date, the net receivable from that specific supplier is classified in trade receivables.

As of 31 December 2024, the Group’s exposure to credit risk arising from trade receivables and loan receivables are disclosed in Note 22.

The movements in provision for impairment of trade receivables for the years ended 31 December 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
1 January	89,674	60,945
Additions during the year	258,535	70,812
Collections	(11,029)	(3,448)
Unused amount reversed	(60,901)	—
Monetary gain	(49,781)	(38,635)
31 December	<u>226,498</u>	<u>89,674</u>

The movements in provision for impairment of loan receivables for the years ended 31 December 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
1 January	—	—
Additions during the year	160,138	—
Collections	(621)	—
Monetary gain	(9,981)	—
31 December	<u>149,536</u>	<u>—</u>

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NOTE 6 – TRADE AND LOAN RECEIVABLES, TRADE PAYABLES and PAYABLES TO MERCHANTS (Continued)**Trade payables and payables to merchants**

	<u>2024</u>	<u>2023</u>
Payables to retail suppliers and service providers	8,665,595	9,278,652
Payables to merchants (*)	6,308,156	5,972,077
	<u>14,973,751</u>	<u>15,250,729</u>

(*) Payables to merchants relate to amounts received by the Group for the products delivered by merchants to the customers, net of commissions, service charges and delivery costs.

As of 31 December 2024, supplier and merchant financing payables, included in payables to retail suppliers and service providers, amounts to TRY286,003 thousand (2023: TRY258,491 thousand).

The Group’s average maturity of its outstanding payables is 57 days for retail suppliers and 21 days for merchandise suppliers (2023: 55 days for retail suppliers and 21 days for merchandise suppliers).

NOTE 7 – INVENTORIES

The analysis of inventories at 31 December 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Trade goods	6,115,432	5,856,182
Less: Provision for impairment	(113,972)	(131,582)
	<u>6,001,460</u>	<u>5,724,600</u>

Inventories include TRY74,625 thousand of subsequently returned goods based on the Group’s return policy (2023: TRY68,055 thousand).

The movements in provision for impairment of trade goods were as follows:

	<u>2024</u>	<u>2023</u>
1 January	131,582	81,292
Net charge for the period	(17,610)	50,290
31 December	<u>113,972</u>	<u>131,582</u>

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NOTE 8 – CONTRACT ASSETS, CONTRACT LIABILITIES AND MERCHANT ADVANCES

	<u>2024</u>	<u>2023</u>
Contract assets	44,732	32,385

Contract assets represent earned but not invoiced delivery services revenue. All contract assets are short-term and their maturities are less than 1 month (2023: less than 1 month).

	<u>2024</u>	<u>2023</u>
Contract liabilities and merchant advances	1,906,945	2,056,628

These amounts relate to undelivered orders and include contract liabilities, which will be released to revenues, as well as advances received from customers for marketplace transactions amounting to TRY1,339,675 thousand (2023: TRY1,427,181 thousand), where the Group acts as an agent, which are credited as a payable to the merchant (note 6) when delivery is complete. Average delivery date varies between 1–4 days.

NOTE 9 – PROPERTY AND EQUIPMENT

The movements in property and equipment and related accumulated depreciation during the years ended 31 December 2024 and 2023 were as follows:

	<u>1 January 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>31 December 2024</u>
Cost:				
Motor vehicles	104,584	2,921	—	107,505
Furniture and fixtures (*)	1,362,165	374,731	(48,519)	1,688,377
Leasehold improvements	331,514	46,329	—	377,843
Total	<u>1,798,263</u>	<u>423,981</u>	<u>(48,519)</u>	<u>2,173,725</u>
Accumulated depreciation:				
Motor vehicles	(40,103)	(20,702)	—	(60,805)
Furniture and fixtures	(789,005)	(236,280)	33,731	(991,554)
Leasehold improvements	(243,301)	(46,652)	—	(289,953)
Total	<u>(1,072,409)</u>	<u>(303,634)</u>	<u>33,731</u>	<u>(1,342,312)</u>
Net book value	<u>725,854</u>			<u>831,413</u>

(*) Addition of furniture and fixtures mainly comprise of purchased computers, servers and machine equipment investments in the Group’s operation center.

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NOTE 9 – PROPERTY AND EQUIPMENT (continued)

	<u>1 January 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>31 December 2023</u>
Cost:				
Motor vehicles	104,480	104	—	104,584
Furniture and fixtures (*)	1,196,549	180,830	(15,214)	1,362,165
Leasehold improvements	315,341	17,288	(1,115)	331,514
Total	<u>1,616,370</u>	<u>198,222</u>	<u>(16,329)</u>	<u>1,798,263</u>
Accumulated depreciation:				
Motor vehicles	(19,608)	(20,495)	—	(40,103)
Furniture and fixtures	(593,761)	(200,079)	4,835	(789,005)
Leasehold improvements	(198,931)	(45,173)	803	(243,301)
Total	<u>(812,300)</u>	<u>(265,747)</u>	<u>5,638</u>	<u>(1,072,409)</u>
Net book value	<u>804,070</u>			<u>725,854</u>

(*) Addition of furniture and fixtures mainly comprise of purchased computers, servers and machine equipment investments in the Group’s operation center.

There is no collateral, pledge or mortgage on tangible assets as of 31 December 2024 (2023: None).

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NOTE 10 – INTANGIBLE ASSETS

	1 January 2024	Additions(*)	Transfer	31 December 2024
Cost:				
Acquired software and rights	1,206,119	202,389	2,443	1,410,951
Website development costs (**)	4,485,751	1,389,110	—	5,874,861
Goodwill	411	—	—	411
Other (***)	8,901	5,977	(2,443)	12,435
Total	5,701,182	1,597,476	—	7,298,658
Accumulated amortization:				
Acquired software and rights	(866,499)	(126,892)	—	(993,391)
Website development costs	(2,158,499)	(1,087,720)	—	(3,246,219)
Total	(3,024,998)	(1,214,612)	—	(4,239,610)
Net book value	2,676,184			3,059,048

(*) Personnel bonus provision related to direct employee costs amounting to TRY111,805 thousand is capitalized as part of the website development costs as of 31 December 2024 (2023: TRY100,894 thousand).

(**) Website development costs include projects under development amounting to TRY328,334 thousand (2023: TRY301,596 thousand) which are not amortized as of 31 December 2024.

(***) Other mainly includes projects in progress which are transferred to acquired software and rights upon completion.

	1 January 2023	Additions	Disposals	Transfer	31 December 2023
Cost:					
Acquired software and rights	1,011,899	185,899	(1,253)	9,574	1,206,119
Website development costs	3,176,020	1,309,731	—	—	4,485,751
Goodwill	411	—	—	—	411
Other	12,636	5,839	—	(9,574)	8,901
Total	4,200,966	1,501,469	(1,253)	—	5,701,182
Accumulated amortization:					
Acquired software and rights	(773,108)	(94,422)	1,031	—	(866,499)
Website development costs	(1,415,692)	(742,807)	—	—	(2,158,499)
Total	(2,188,800)	(837,229)	1,031	—	(3,024,998)
Net book value	2,012,166				2,676,184

There is no collateral, pledge or mortgage on intangible assets as of 31 December 2024 (2023: None).

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NOTE 11 – LEASES**Right of use assets**

	1 January 2024	Additions	Disposals	31 December 2024
Cost:				
Buildings	1,957,391	781,741	—	2,739,132
Furniture and fixtures	827,442	—	(4,224)	823,218
Software and rights	248,205	—	—	248,205
Vehicles	483,988	232,398	—	716,386
Total	3,517,026	1,014,139	(4,224)	4,526,941
Accumulated amortization:				
Buildings	(1,526,295)	(330,184)	—	(1,856,479)
Furniture and fixtures	(560,264)	(113,489)	3,246	(670,507)
Software and rights	(210,874)	(7,080)	—	(217,954)
Vehicles	(403,097)	(79,139)	—	(482,236)
Total	(2,700,530)	(529,892)	3,246	(3,227,176)
Net book value	816,496			1,299,765
	1 January 2023	Additions	Disposals	31 December 2023
Cost:				
Buildings	1,633,493	323,898	—	1,957,391
Furniture and fixtures	823,141	11,657	(7,356)	827,442
Software and rights	246,286	1,919	—	248,205
Vehicles	454,767	29,221	—	483,988
Total	3,157,687	366,695	(7,356)	3,517,026
Accumulated amortization:				
Buildings	(1,198,983)	(327,312)	—	(1,526,295)
Furniture and fixtures	(427,422)	(138,943)	6,101	(560,264)
Software and rights	(183,227)	(27,647)	—	(210,874)
Vehicles	(304,775)	(98,322)	—	(403,097)
Total	(2,114,407)	(592,224)	6,101	(2,700,530)
Net book value	1,043,280			816,496

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NOTE 11 – LEASES (Continued)**Lease liabilities**

	<u>2024</u>	<u>2023</u>
Short-term lease liabilities	409,083	223,171
Long-term lease liabilities	583,686	175,882
	<u>992,769</u>	<u>399,053</u>

Maturity analysis of lease liabilities is disclosed in Note 22 and the movement of lease liabilities is disclosed in Note 24.

Lease liabilities are discounted using the Group’s incremental borrowing rates and implicit rate in the lease (where applicable). As of 31 December 2024, the weighted average annual incremental borrowing rates of the Group for TRY is 43% (2023: TRY; 29%).

The Group has adopted the practical expedient included in IFRS 16 for short-term lease agreements with a lease term of 12 months or less and lease agreements determined by the Group as having a low value. The Group accounts for the lease payments in other operating expenses in the period in which they are incurred. Such expenses are not material to the Group’s consolidated financial statements.

NOTE 12 – PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES**Short term provisions**

	<u>2024</u>	<u>2023</u>
Provision for license fee (*)	180,023	—
Provision for Competition Authority penalty (**)	3,627	5,235
Provision for Turkish Capital Markets Board fee (***)	—	76,486
Provision for legal disputes (****)	33,407	36,277
	<u>217,057</u>	<u>117,998</u>

(*) The E-Commerce Law and the E-Commerce Regulation provide an obligation for electronic commerce intermediary service providers operating in Türkiye to obtain and annually renew an e-commerce license. Therefore, the Group has calculated and recognized a provision amounting to TRY180,023 thousand for the 2024 license fee in its consolidated financial statements.

(**) In April 2021, the Turkish Competition Authority (the “TCA”) initiated an investigation against 32 companies regarding anti-competitive agreements in the labor markets (including companies operating in the e-commerce, retail, broadcasting and fast-food industries, but excluding the Group). On 18 August 2021, the Group received a notification from the TCA stating that the Competition Board, the executive body of the TCA, had decided to initiate an investigation on 5 August 2021 against 11 companies including Hepsiburada the subject of which is same with the existing April 2021 investigation and merged these two investigations. The Group received TCA’s report on the investigation on April 18th, 2022. In the investigation report the rapporteurs are of the opinion that the Group is in violation of the Competition Law which prohibits anti-competitive agreements in the labor markets and administrative fine should be imposed. Following an oral defense meeting on 18 July 2023, the Competition Board concluded its investigation and rendered its decision on 31 July 2023, stating that the Group had violated Article 4 of the Competition Law prohibiting anti-competitive agreements. The Competition Board imposed an administrative fine in the amount of TRY3,627 thousand (with a 25% discount on early payment) on Hepsiburada for which we had recognized a provision of TRY227,535 thousand (as adjusted for inflation) in our consolidated financial statements for the year ended 31 December 2022. As of the date hereof, we have not yet received the reasoned decision from the TCA.

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NOTE 12 - PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES (Continued)

Short term provisions (Continued)

In addition, with respect to the on-site inspection conducted by the Competition Board in June 2021 in connection with the abovementioned investigation, an administrative fine in the amount of TRY58,129 thousand was imposed based on the conclusion that the on-site inspection was hindered. Subsequently, TRY43,597 thousand (historical value: TRY26,150 thousand) was paid by the Group on 11 November 2022 (reflecting a 25% discount due to an early payment), without prejudice to the Group’s right to file a lawsuit against the fine. On 12 March 2023, new legislation entered into force in Türkiye (Law No. 7440 on the Restructuring of Certain Receivables and Amendments to Certain Laws) making entities involved in administrative proceedings eligible to receive a 50% discount on any administrative fines imposed on them by the authorities, provided such entities abandoned the proceedings. To benefit from this discount, the Group abandoned its case against the Competition Authority and the Group has decided to deduct this amount from the tax debt to be paid in the amount of TRY16,428 thousand (historical value: TRY13,075 thousand, as the refund which corresponds to 50% of the administrative fine paid by the Group).

(***) The Group have initiated litigation for annulment of the Turkish Capital Markets Board (the “TCM Board”) decision regarding a fee imposed by the TCM Board on the Company. Following the IPO of the Company on the Nasdaq Stock Exchange, the TCM Board imposed a “Board registration fee” amounting to over TRY39,125 thousand, including interest accruing on this fee, attorney’s fees and the costs of the proceedings. The TCM Board fee was calculated based upon the shares sold in our IPO, including the shares sold by TurkCommerce B.V. The Company applied to the TCM Board with an objection letter on 30 July 2021. A year later, on 31 May 2022, the Company received a reply letter from the TCM Board maintaining their initial decision. The Company has initiated proceedings for annulment of the decision. The Company filed the case on 15 June 2022. The court dismissed the Company’s request for suspension of execution of the decision of the TCM Board, and the Court of First Instance dismissed the case, which was notified to the Group on 23 March 2023. The Company appealed the decision on 17 April 2023. Based on events occurring during 2022, management and legal advisors concluded that the cash outflow is probable, and therefore the Group recognized a provision amounting to TRY76,486 thousand in its consolidated financial statements, as its best estimate as at 31 December 2023.

On 4 May 2023, the request for stay of execution was rejected by the Ankara Regional Administrative Court. On 22 February 2024, the Ankara Regional Administrative Court dismissed Hepsiburada’s request to appeal. Hepsiburada appealed the decision before the Council of State on 10 March 2024.

Although the appeal is ongoing, on 19 June 2023, the TCM Board notified the Group that the Board Registration Fee should be paid in accordance with the calculation method set out by the TCM Board. The Company responded to the TCM Board with a letter on 3 July 2023, to object to the calculation method of the TCM Board. On 19 July 2023, the Company received a reply letter from the TCM Board stating that the objection of the Company was rejected. On 22 August 2023, a separate litigation for the annulment of the case was initiated by the Company before the Ankara Regional Administrative Court requesting a stay of execution of the TCM Board’s decision to reject the Company’s objection. The stay of execution request was rejected by the Ankara Regional Administrative Court on November 30, 2023 and the court ruled to dismiss the case on June 5, 2024. An appeal against the dismissal of the case, regarding the calculation method, was filed on June 28, 2024, and is still under review as of the date of this annual report. Despite the ongoing appeal, the TCMB required payment of the Board Fee, stating the appeal does not suspend execution. Accordingly, TRY60.1 million was paid on August 28, 2024, and an updated issuance document was submitted on September 3, 2024, which the TCMB approved on September 16, 2024, acknowledging the payment.

(****) Legal disputes mainly comprise labour lawsuits claimed against the Group.

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NOTE 12 - PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES (Continued)**Short term provisions (Continued)**

The movements in provisions for the years ended 31 December 2024 and 2023 are as follows:

	1 January 2024	Current year charge/(reverse)	Paid during the year	Foreign exchange valuation	Monetary gain	31 December 2024
License fee	—	180,023	—	—	—	180,023
Provision for Turkish Capital Markets Board fee	76,486	—	(60,078)	—	(16,408)	—
Competition Authority penalty	5,235	—	—	—	(1,608)	3,627
Legal disputes	36,277	18,211	(9,276)	—	(11,805)	33,407
	117,998	198,234	(69,354)	—	(29,821)	217,057
	1 January 2023	Current year charge/(reverse)	Paid during the year	Foreign exchange valuation	Monetary gain	31 December 2023
Settlement of legal Proceedings (*)	619,425	—	(561,333)	21,371	(79,463)	—
Provision for Turkish Capital Markets Board fee	56,488	34,691	—	17,172	(31,865)	76,486
Competition Authority penalty	227,535	(182,768)	—	—	(39,532)	5,235
Legal disputes	36,305	26,860	(8,651)	—	(18,237)	36,277
	939,753	(121,217)	(569,984)	38,543	(169,097)	117,998

(*) On 28 September 2021, a shareholder filed a putative class action complaint against the Company, members of the Company’s management and Board, and various other defendants in the Supreme Court of the State of New York. The plaintiff asserted a cause of action against the Company and the other defendants for alleged violations of the Securities Act of 1933, as amended, based on allegedly misleading statements in the Registration Statement and Prospectus the Company filed with the U.S. Securities and Exchange Commission in connection with its initial public offering in the U.S.

On 21 October 2021, an alleged holder of the Company’s American Depositary Shares’ filed a putative class action complaint against the Company, members of the Company’s management and Board, and various other defendants in the United States District Court for the Southern District of New York. The plaintiff asserted a cause of action against the Company and the other defendants for alleged violations of the Securities Act of 1933, as amended, based on allegedly misleading statements in the Registration Statement and Prospectus the Company filed with the U.S. Securities and Exchange Commission in connection with its initial public offering in the U.S.

On 20 April 2023, the United States District Court for the Southern District of New York issued an order granting the plaintiffs’ motion for preliminary approval of the Settlement, and later issued a final approval during a fairness hearing held on 1 August 2023. In May 2023, following preliminary approval of the Settlement by the United States District Court Southern District of New York, the Company paid TRY561,333 thousand (USD13,900 thousand) into an escrow account in accordance with the terms of the Settlement Agreement. The State Court Action was dismissed by the state court with prejudice on 22 September 2023, and the appeal period regarding the State Court Action expired. As a result, both of the Actions have been finally resolved without admission of any wrongdoing.

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NOTE 12 - PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES (Continued)

Short term provisions (Continued)

According to a contribution agreement entered into between the Company and TurkCommerce B.V. on 28 September 2023, TurkCommerce B.V. agreed to contribute TRY175,882 thousand (USD3,975 thousand) towards the settlement amount and the Company agreed to purchase 4,615,384 Class B ordinary shares of the Company from TurkCommerce B.V. against payment of TRY245,217 thousand (USD5,732 thousand) which was partially offset by the TRY175,882 thousand settlement contribution amount owed by TurkCommerce B.V. The share buyback was approved by the Board of Directors on 22 August 2023. The transaction regarding acquisition of 4,615,384 Class B ordinary shares of the Company from TurkCommerce B.V. was completed on 18 October 2023.

Contingent liabilities

Within the scope of the preliminary investigation initiated by the Competition Board's decision dated 31 August 2023 to determine whether the Group has violated Article 4 of the Law with the automatic pricing mechanism (“APM”), the Competition Authority Experts conducted an on-site inspection at Group headquarters on 31 August 2023. Subsequently, the information and documents requested by the Board were submitted by the Group. On 31 October 2023, an on-site inspection was conducted by the Authority Experts at the headquarters of the Group, and at the same time, as a result of the preliminary investigation conducted by the Board, the Board decided to initiate an investigation (against the Group and other e-commerce companies) and the Group were notified the investigation decision by hand on 19 October 2023. The first written defense was submitted on 30 November 2023. The Group have submitted its undertaking application to the Competition Authority on 30 January 2024. On 21 March 2024, the TCA decided to extend its investigation period by six months ending in October 2024. The Competition Board accepted these commitments with a decision notified to the Group on 4 October 2024. According to the commitment decision, the Group is required to make certain changes to the APM. To ensure compliance with the commitments, the Company is required to submit an annual report to the TCA starting one year after the notification of the reasoned decision. If the Group fails to comply with the commitments, the TCA may impose a penalty, up to five per ten-thousand of the annual revenue generated at the end of the fiscal year preceding the decision on the commitments. Based on these facts, no provision has been recognized in consolidated financial statements.

On 12 March 2024, the TCA initiated a separate preliminary investigation to determine whether one of the Group's merchant and e-commerce platforms including Hepsiburada had violated Articles 4 and 6 of the Competition Law. The Group believes that the reason for the preliminary investigation is regarding potential sale restrictions for the products/brands of which this merchant is the authorized distributor of these products/brands within Turkey. The preliminary investigation is still ongoing and we have been waiting for the decision of the Competition Board whether or not the investigation is initiated, therefore no provision has been recognized in consolidated financial statements.

The Group received requests from the Turkish tax authority for initiation of tax audits for the financial year 2022, with respect to corporate income tax and VAT, in October 2023, for D-Market, 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 Group has not received any further specific notification from the tax authority. The Group management and its tax advisors believe that the investigations are routine and ordinary, except for the one which is initiated for D-Market which relates to a specific type of transactions. The Group management and its tax advisors believe that there is no significant uncertain tax position of the Group for the respective year. Based on these facts and due to the uncertainty as to the final outcome of the investigations, no provision has been recognized in these consolidated financial statements.

Letters of guarantee given

The letters of guarantee provided to public institutions and suppliers are amounting to TRY5,349,226 thousand at 31 December 2024 (2023: TRY5,197,071 thousand).

Commitments

As at 31 December 2024, outstanding purchase commitments with respect to the acquisition of capital expenditures, purchase of technology and other services amounted to TRY241,096 thousand (2023: TRY422,995 thousand).

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NOTE 13 – PROVISION FOR EMPLOYEE BENEFITS**Short term provision for employee benefits**

	2024	2023
Provision for personnel bonus	405,791	290,998
Provision for unused vacation	116,333	126,848
	<u>522,124</u>	<u>417,846</u>

The movements in provisions for personnel bonus and unused vacation for the years ended 31 December 2024 and 2023 are as follows:

	1 January 2024	Current year charge	Paid during the year	Monetary gain	31 December 2024
Personnel bonus	290,998	459,019	(272,718)	(71,508)	405,791
Unused vacation	126,848	41,712	(8,861)	(43,366)	116,333
	<u>417,846</u>	<u>500,731</u>	<u>(281,579)</u>	<u>(114,874)</u>	<u>522,124</u>

	1 January 2023	Current year charge	Paid during the year	Monetary gain	31 December 2023
Personnel bonus	285,432	372,066	(253,671)	(112,829)	290,998
Unused vacation	85,851	113,671	(16,222)	(56,452)	126,848
	<u>371,283</u>	<u>485,737</u>	<u>(269,893)</u>	<u>(169,281)</u>	<u>417,846</u>

Long term provision for employee benefits

	2024	2023
Provision for post-employment benefits	153,780	150,563
	<u>153,780</u>	<u>150,563</u>

Post-employment benefits

Under the Turkish Labour Law, the Company is required to pay post-employment benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). The maximum amount payable equivalent to one month's salary for each year of service limited to a maximum of TRY41,828.42 for each year of service at 31 December 2024 (2023: TRY23,489.83 (historical amount)).

Post-employment benefit liability is not funded and there is no legal funding requirement.

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NOTE 13 – PROVISION FOR EMPLOYEE BENEFITS (Continued)**Long term provision for employee benefits (Continued)**

IAS 19 “Employee Benefits” requires actuarial valuation methods to be developed to estimate the Group’s obligation under the defined benefit plans. Actuarial gain/(loss) is accounted under the “Actuarial gain/(loss) on the equity”. The following actuarial assumptions are used in the calculation of the total liability:

	2024	2023
Discount rate (%)	3.00	2.46
Probability of retirement (%)	74.65	74.63

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The retirement pay provision ceiling TRY46,655.43 (historical amount) which is effective from 1 January 2025, is taken into consideration in the calculation of provision for employment termination benefits (31 December 2023: TRY35,058.58 (historical amount) effective from 1 January 2024).

The movements in the provision for the post-employment benefit for the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
At 1 January	150,563	39,151
Charge for the year	48,252	65,236
Interest cost	21,504	17,990
Actuarial losses	22,071	108,441
Payments during the year	(35,363)	(29,923)
Monetary gain	(53,247)	(50,332)
At 31 December	153,780	150,563

Share-based payments

On 25 March 2021, the Group approved a new share-based payment plan to some of its key management personnel which modified the previously created share-based payment plans. Additionally, on 31 July 2021, the Group decided to grant to some of its other executives, a share-based plan with similar terms offered to its executives. The share-based payment plans consist of a cash settlement clause (20% of the total share-based payment award) in the event that an initial public offering (“IPO”) takes place until 2021 year-end and at least 20% of the Company’s shares are sold in the IPO (non-market performance condition). Both the cash and equity settlement (which depend on the valuation of the shares during the IPO) take place only in case the valuation of the Company’s shares in the IPO achieves a certain threshold (market performance condition). The same plan has an equity settlement clause where the executives will be entitled to receive Company’s shares based on the value of the shares in the IPO (20% of the share-based payment award for each year starting from 18 months after the IPO for the next 3 years). Shares will be delivered to executives in the condition that they continue working for the Company in the respective payment dates (service condition). Remaining 20% of the share-based payment plan will be delivered on the above same dates to executives in terms of Company’s shares based on Company’s meeting at least 90% of its business plans as of respective years (non-market performance condition) and depending on their performance in the relevant period as determined by the Board of Directors.

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NOTE 13 - PROVISION FOR EMPLOYEE BENEFITS (Continued)**Long term provision for employee benefits (Continued)***Share-based payments (Continued)*

On 24 April 2023, the Board of Directors adopted revisions to Group’s share based payment plan dated 24 March 2021 for key executives, directors, managers, officers, employees and consultants who contribute to the Group’s performance. The revisions made to the share based payment plan consisted of allocating the unused portion of the share amount of the First Period into two newly created periods, namely, the Fourth Period and the Fifth Period, without changing the eligibility criteria of the share based payment plan and without affecting the vested rights of the individuals that have been covered under the First, Second and Third Period based on their individual agreement signed prior to the date of the revision.

The equity settled payments are triggered upon meeting certain “vesting” and “performance target” conditions which are evaluated separately. In the plan approved on 25 March 2021, service-based awards vest in three tranches until 31 January 2025. In the plan approved on 24 April 2023, service-based awards vest in three tranches until 31 January 2027. The cost of equity settled plans granted on grant date is allocated over the expected vesting period against equity on a pro rata basis. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Fair value calculation prior to the realization of IPO was performed using a combination of income approach and market approach. For equity-settled plans granted after the realization of IPO, fair value of shares traded in NASDAQ at grant date was used.

The following table summarizes the Group’s granted share units:

	<u>Number of units</u>	<u>Weighted average grant date fair value</u>
Outstanding as of 31 December 2023	2,835,380	324.74
Units granted	2,367,881	98.34
Units vested	(2,632,362)	68.36
Units forfeited (vested)	(83,945)	44.17
Outstanding as of 31 December 2024	2,486,954	442.59
	<u>Number of units</u>	<u>Weighted average grant date fair value</u>
Outstanding as of 31 December 2022	1,766,235	294.20
Units granted	2,726,388	56.39
Units vested	(1,631,405)	94.17
Units forfeited (not yet vested) (*)	(25,838)	32.34
Outstanding as of 31 December 2023	2,835,380	324.74

(*) Forfeited but not yet vested units consist of units granted on 9 December 2022 and forfeited before vesting period.

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NOTE 13 - PROVISION FOR EMPLOYEE BENEFITS (Continued)**Long term provision for employee benefits (Continued)***Share-based payments (Continued)*

During 2024, the fair value of granted share units that vested is TRY179,945 thousand (2023: TRY153,622 thousand) included in “other capital reserves” in the statement of changes in equity and in payroll and outsource staff expenses in the statement of comprehensive income/(loss). Scheduled vesting of outstanding restricted stock units as of 31 December 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
2024	—	1,639,156
2025	1,792,403	857,167
2026	653,423	319,632
2027	41,128	19,425
Total	<u>2,486,954</u>	<u>2,835,380</u>

NOTE 14 – OTHER ASSETS AND LIABILITIES

The analysis of other current and non-current assets and liabilities at 31 December 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Other current assets:		
Prepaid expenses	318,551	451,552
Prepaid tax	67,978	62,409
Advances given	19,047	154,501
Restricted cash held at central banks in respect of customers	18,750	21,657
Value added tax (“VAT”) receivables	10,337	492,412
Other	43,450	65,354
	<u>478,113</u>	<u>1,247,885</u>
	<u>2024</u>	<u>2023</u>
Other non-current assets:		
Prepaid expenses	11,470	47,264
Other	935	1,421
	<u>12,405</u>	<u>48,685</u>

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NOTE 14 - OTHER ASSETS AND LIABILITIES (Continued)

	<u>2024</u>	<u>2023</u>
Other current liabilities:		
Taxes and funds payable	891,781	236,324
Deferred income (*)	350,399	459,199
Expense accruals	223,954	172,189
Refund liability	131,924	81,782
Received upfront fee under ADS program (**)	78,194	78,408
Payable to personnel	6,775	14,230
Other liabilities	805	49,934
	<u>1,683,832</u>	<u>1,092,066</u>
	<u>2024</u>	<u>2023</u>
Other non-current liabilities:		
Deferred income (*)	298,570	302,039
Received upfront fee under ADS program (**)	201,376	279,569
	<u>499,946</u>	<u>581,608</u>

(*) Deferred income consists of prepayments received by the Group within the scope of partnerships with banks and global payment technology companies and convenience fees received in advance within the scope of BNPL.

(**) American Depositary Shares (“ADS”) fees collected under the depositary service agreement for seven-year period, that was signed between the Group and depositary bank and which is recognized as other income on a pro-rata basis.

NOTE 15 – EQUITY**a) Share capital**

As of 31 December 2024, the Group’s authorised and paid-in share capital consists of 325,998,290 (2023:325,998,290) shares with TRY0.20 (2023: TRY0.20) nominal value each. The historic value of paid-in capital is TRY65,200 thousand as of 31 December 2024 and 2023. As of 31 December 2024, 40,000,000 of the shares consist of A group shares (owned by Hanzade Vasfiye Doğan Boyner) and the remaining 285,998,290 shares are B group shares (owned by Hanzade Vasfiye Doğan Boyner and other shareholders).

In Ordinary and Extraordinary General Assembly meetings, each Class A share grants 15 (fifteen) votes to the shareholders who own these shares and each of Class B share grants one vote to the shareholders, provided that provisions of the Turkish Commercial Code are reserved. As disclosed in notes 1 and 26, the Group’s controlling shareholder has changed on 29 January 2025 and all outstanding Class A shares automatically converted into Class B shares on that date.

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NOTE 15 – EQUITY (Continued)**a) Share capital (Continued)**

Share capital (restated values of shares) as of 31 December 2024 and 2023 is as follows:

	2024	Share (%)	2023	Share (%)
TurkCommerce B.V.	94,682	13 %	94,682	13 %
Hanzade Vasfiye Doğan Boyner	154,293	21 %	154,293	21 %
Vuslat Doğan Sabancı	107,198	15 %	107,198	15 %
Yaşar Begümhan Doğan Faralyalı	107,198	15 %	107,198	15 %
Arzuhan Doğan Yalçındağ	97,772	14 %	97,772	14 %
Işıl Doğan	4,489	<1	4,489	<1
Other (*)	10,223	2 %	10,223	2 %
Public shares	144,105	20 %	144,105	20 %
	<u>719,960</u>	<u>100</u>	<u>719,960</u>	<u>100</u>

(*) Represents the nominal value of treasury shares acquired.

b) Share premium

Share premium as of 31 December 2024 and 2023 is as follows:

	2024	2023
Share premium	20,910,909	20,910,909
	<u>20,910,909</u>	<u>20,910,909</u>

c) Treasury shares

According to a contribution agreement entered into between the Company and TurkCommerce B.V. on 28 September 2023, TurkCommerce B.V. agreed to contribute TRY175,882 thousand (USD3,975 thousand) towards the settlement amount (Note 12) and the Company agreed to purchase 4,615,384 Class B ordinary shares of the Company from TurkCommerce B.V. against payment of TRY245,217 thousand (USD5,732 thousand) which was partially offset by the 175,882 thousand settlement contribution amount owed by TurkCommerce B.V. The share buyback was approved by the Board of Directors on 22 August 2023. The transaction regarding acquisition of 4,615,384 Class B ordinary shares of the Company from TurkCommerce B.V. was completed on 18 October 2023.

The Class B ordinary shares purchased in this transaction are expected to be delivered to share based payment plan participants under the Company’s Revised Incentive Plan adopted by the Board of Directors on 24 April 2023.

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NOTE 16 – REVENUE

The analysis of revenue for the years ended 31 December 2024, 2023 and 2022 is as follows:

	<u>1 January – 31 December 2024</u>	<u>1 January – 31 December 2023</u>	<u>1 January – 31 December 2022</u>
Sales of goods	38,577,032	38,048,868	29,937,693
Marketplace revenues(*)	7,251,523	6,477,412	4,049,654
Delivery service revenues	7,865,726	5,229,995	3,537,742
Other revenues (**)	3,352,280	1,582,681	703,535
Revenues	<u>57,046,561</u>	<u>51,338,956</u>	<u>38,228,624</u>

(*) Marketplace revenues mainly consist of marketplace commission, transaction fees and other contractual charges to the merchants.

(**) Other revenues mainly include advertising revenues amounting to TRY1,345,674 thousand (2023: TRY807,296 thousand; 2022: TRY413,370 thousand), subscription service revenues amounting to TRY1,002,147 thousand (2023: TRY287,655 thousand; 2022: 31,112 thousand), fulfilment revenues, interest revenues and other commissions.

The Group derives revenue from the sales of goods and marketplace revenues at a point in time, at the completion of the order delivery. Delivery service revenues are recognized over time. Fulfilment, subscription service and advertising revenues included in other revenues are recognized over time and other commissions included in other revenues are recognized at a point in time. All contracts are for periods of the expected original duration of one year or less.

The Group’s revenues are generated in Türkiye, therefore no disaggregated geographical information is presented.

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NOTE 17 – OTHER OPERATING INCOME AND EXPENSES

The analysis of other operating income and expenses for the years ended 31 December 2024, 2023 and 2022 is as follows:

	1 January – 31 December 2024	1 January – 31 December 2023	1 January – 31 December 2022
Other operating expenses:			
Provision for doubtful receivables	(413,567)	(71,388)	(41,549)
Consultancy	(303,124)	(406,081)	(328,377)
Utilities	(249,158)	(200,661)	(168,992)
License fee (Note 12)	(180,023)	—	—
Insurance	(129,781)	(161,333)	(171,968)
Rent	(126,641)	(56,891)	(39,862)
Credit card processing	(56,208)	(124,693)	(87,856)
Maintenance	(48,273)	(29,325)	(19,215)
Vehicle fuel	(38,912)	(36,473)	(48,724)
Travel	(34,713)	(28,664)	(10,364)
Irrecoverable value added tax	(30,586)	(28,229)	(18,392)
Internet line	(17,371)	(17,071)	(15,970)
Credit card chargebacks	(8,974)	(4,698)	(9,068)
Stationary	(6,537)	(5,024)	(2,138)
Withholding tax payments (*)	(1,531)	(107,582)	—
Other legal provisions	—	(13,627)	(28,603)
Provision for Turkish Capital Markets Board fee (Note 12)	—	(34,691)	(56,488)
Settlement provision (Note 12)	—	—	(667,683)
Other	(364,648)	(307,655)	(250,670)
	(2,010,047)	(1,634,086)	(1,965,919)
Other operating income:			
Depository income	119,075	86,985	78,194
Bank promotion income	70,886	100,329	11,298
Partnership income	58,900	29,450	—
Services charged	22,972	30,620	23,031
Income from scrap packaging materials sales	7,066	4,009	6,692
Reversal of doubtful provisions	6,542	4,912	1,834
Withholding tax return income (*)	—	—	20,223
Reversal of provision for Competition Authority investigation (Note 12)	—	208,736	13,795
Contribution income (**)	—	175,882	—
Other	79,390	50,620	32,048
	364,831	691,543	187,115

(*) Withholding tax returns are in connection with the advertising services received from digital advertising platforms. The Group has previously received withholding tax amounts from the tax authority as a result of the positive outcome of objection lawsuits filed by the Group against the tax authority. Such amounts were recognised as other operating income in 2021 and 2022 upon recollection. The Council of State overruled the positive decision of the primary court in 2023 and 2024 and accordingly, the Group repaid such amounts in 2023 and 2024.

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NOTE 17 – OTHER OPERATING INCOME AND EXPENSES (Continued)

(**) On 5 December 2022, the Company and TurkCommerce B.V. entered into a binding term sheet according to which TurkCommerce B.V. agreed to contribute TRY175,882 thousand (USD3,975 thousand) provided that the two class actions involving the Company to be settled and certain other conditions to be met. On 28 September 2023, subsequent to meeting all conditions in the binding term sheet, the Company signed a contribution agreement with TurkCommerce B.V. for a collection of TRY175,882 thousand (USD3,975 thousand) which has been collected by the Group by purchase of treasury shares (Note 15).

NOTE 18 – FINANCIAL INCOME

The analysis of financial income for the years ended 31 December 2024, 2023 and 2022 is as follows:

Financial income:

	1 January – 31 December 2024	1 January – 31 December 2023	1 January – 31 December 2022
Interest income on time deposits	1,729,070	727,747	478,523
Interest income on credit sales	1,373,524	537,512	298,737
Foreign currency exchange gains	654,812	3,483,863	3,599,091
Fair value gains on financial assets measured at fair value (Note 4)	127,621	342,921	121,801
Interest received on financial investment (Note 4)	1,676	1,709	—
Other	131,274	16,692	54,328
	<u>4,017,977</u>	<u>5,110,444</u>	<u>4,552,480</u>

Foreign currency exchange gains are mainly driven by foreign currency denominated cash and cash equivalents and financial investments.

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NOTE 19 – FINANCIAL EXPENSES

The analysis of financial expenses for the years ended 31 December 2024, 2023 and 2022 is as follows:

Financial expenses:

	1 January – 31 December 2024	1 January – 31 December 2023	1 January – 31 December 2022
Commission expenses due to early collection of credit card receivables	(4,453,460)	(2,636,717)	(1,907,062)
Interest expenses on purchases	(2,349,292)	(1,558,573)	(481,418)
Foreign currency exchange losses	(320,665)	(1,146,474)	(1,118,473)
Interest expenses on bank borrowings	(304,102)	(319,330)	(142,508)
Interest expenses on lease liabilities	(212,681)	(111,201)	(185,336)
Fair value losses on financial assets measured at fair value (Note 4)	—	—	(230,059)
Other	(20,114)	(17,373)	(3,257)
	(7,660,314)	(5,789,668)	(4,068,113)

Interest expenses on purchases consist of interest embedded in inventories purchased on deferred settlement terms, which is recognized as an interest expense over the period of financing.

Foreign currency exchange losses are mainly driven by foreign currency denominated trade payables and payables to merchants.

NOTE 20 – TAXATION ON INCOME

The tax on the Group’s income/loss before taxation on income differs from the theoretical amount that would arise using the weighted average tax rate applicable to loss for the years ended 31 December 2024, 2023 and 2022 as follows:

	2024	2023	2022
Income/loss before income taxes	(1,604,907)	109,053	(6,916,737)
Tax calculated at enacted tax rate of 25% (2023: 25%, 2022: 23%)	401,227	(27,263)	1,590,850
Utilized tax losses and incentives	297,160	526,627	—
Effect of unrecognized deferred taxes and inflation adjustments	(698,268)	(533,830)	(1,560,550)
Other	(119)	34,466	(30,300)
Income tax credit/(expense)	—	—	—

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NOTE 20 – TAXATION ON INCOME (Continued)

Current income tax

The Group has no current income tax expense for the years ended 31 December 2024, 2023 and 2022.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006, setting the corporate tax rate as 20%. With the provisional article 13 added to the Corporate Tax Law and with the 11th article of the Law 7316 published in the Official Gazette dated 22 April 2021, the corporate tax rate, which was 20% as of 31 December 2020, is applied at the rate of 25% for the corporate earnings in 2021 and 23% for the corporate earnings in 2022 (20% for the year 2023 and onwards). With the publication of the Law No. 7394 in the Official Gazette dated 15 April 2022, the corporate tax rate has been permanently increased to 23% for the 2022 taxation period, and this change was valid between 1 July 2022 and year end.

An amendment to Turkey’s Corporate Tax Law (No. 5520) was submitted on 5 July 2023, and published in the Official Gazette on 15 July 2023. According to this; the corporate tax rate has been increased from 20% to 25% for companies, 25% to 30% for banks, and companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies and starting from the declarations that will be submitted as of 1 October 2023.

In accordance with the “General Communiqué on Tax Procedure Law No: 555” published in the Official Gazette dated 30 December 2023 and numbered 32415 and the repeated article 298 of the Tax Procedure Law No: 213, it is declared that the financial statements of the entities operating in Türkiye for the 2023 accounting period are subject to inflation adjustment. The inflation adjusted financial statements will constitute an opening balance sheet base in the tax returns to be prepared as of 1 January 2024 and opening inflation effects will not be taken into consideration in the calculation of the period tax for 2023.

In accordance with the Law No. 7440 on the “Restructuring of Certain Receivables and Amending Certain Laws” published in the Official Gazette on 12 March 2023, it has been decided that an additional tax of 10% should be calculated over the deduction amounts (included in 2022 tax returns) and tax bases subject to reduced corporate tax.

Corporation tax rate is applicable on the total income of the companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, etc.) and income tax deductions (for example research and development expenses deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Türkiye, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 25% on their corporate income (2023: 25%; 2022: 23%). Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

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NOTE 20 - TAXATION ON INCOME (Continued)**Current income tax (Continued)**

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

Deferred income taxes

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under IFRS and their tax records. These differences usually result in the recognition of income and expenses in different reporting periods for IFRS and tax purposes.

Deferred tax assets resulting from deductible temporary differences, tax losses and tax incentives are recognized to the extent that it is probable that future taxable profit or taxable temporary differences will be available against which the deductible temporary difference can be utilized.

The Group’s tax incentives are related to the Research and Development Tax Incentive regime in Türkiye and the Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. Unused tax incentives have no expiration date.

As of 31 December 2024 and 2023, the Group has not accounted for the remaining deferred tax assets due to uncertainties as to the generation of future taxable profits for the realization of such deferred tax assets in the foreseeable future, as described below:

	<u>Total temporary differences</u>		<u>Deferred income tax assets/(liabilities)</u>	
	2024	2023	2024	2023
Deferred income tax assets and liabilities:				
Tax incentives	(3,996,060)	(3,190,290)	1,011,461	799,539
Property and equipment and intangible assets	(1,954,540)	(1,620,581)	487,061	402,547
Lease liabilities	(982,012)	(351,964)	245,875	88,301
Carry forward tax losses	(560,633)	(524,128)	168,190	148,076
Accrued expenses, contract liabilities and merchant advances	(628,035)	(648,355)	156,652	162,090
Employee benefit obligations	(585,151)	(485,526)	149,456	123,681
Trade receivables	(467,495)	(227,697)	121,827	56,927
Deferred income	(330,934)	(238,674)	85,006	61,336
Provision for license fee	(180,023)	—	45,006	—
Inventories	(158,245)	(244,598)	39,561	61,149
Legal provisions	(37,034)	(117,998)	9,258	29,499
Income accruals and contract assets	44,732	32,385	(11,183)	(8,097)
Prepaid expenses	62,244	64,879	(15,594)	(16,211)
Trade payables and payables to merchants	262,550	668,610	(65,638)	(167,152)
Right of use assets	1,255,489	713,484	(314,293)	(178,676)
Total			2,112,645	1,563,009
Non recoverable net deferred tax assets (-)			(2,112,645)	(1,563,009)
Deferred income tax assets, net			—	—

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NOTE 20 - TAXATION ON INCOME (Continued)***Deferred income taxes (Continued)***

Since the applicable tax rate is changed to 25% for the following years beginning from 1 January 2023, 25% tax rate is used in the deferred tax calculation of 31 December 2024 for all of the temporary differences.

The expiration dates of tax losses for which the Group has not recognised any deferred income tax asset are as follows:

	<u>2024</u>	<u>2023</u>
2024	—	3,289
2025	2,877	5,654
2026	21,255	155,409
2027	72,576	181,896
2028	119,555	177,880
2029	344,370	—
Total	<u>560,633</u>	<u>524,128</u>

NOTE 21 – BALANCES AND TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES**a) Remuneration of key management personnel:**

The remuneration of key management personnel (directors and members of executive officers) for the years ended 31 December 2024, 2023 and 2022 are as follows;

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Salaries and other short-term employee benefits	1,009,585	861,224	1,194,688

Salaries and other short-term employee benefits include equity settled share-based payments amounting to TRY179,945 thousand in 2024 (2023: Equity settled share-based payments amounting to TRY153,622 thousand).

b) Balances with related parties at 31 December 2024 and 2023:

All related parties listed below are controlled by the Doğan Family members.

Due from related parties:

	<u>2024</u>	<u>2023</u>
Doğan Dış Ticaret ve Mümessillik A.Ş. (“Doğan Dış Ticaret”)	10,368	683
D Elektronik Şans Oyunları ve Yayıncılık A.Ş. (“Nesine”)	2,586	11,793
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. (“Doğan Burda”)	509	448
Other	1,096	333
	<u>14,559</u>	<u>13,257</u>

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NOTE 21 - BALANCES AND TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES (Continued)**b) Balances with related parties at 31 December 2023 and 2022: (Continued)**

Amounts due from other related parties mainly resulted from sale of trade goods.

Due to related parties:

	2024	2023
Doğan Yayınları Yayıncılık ve Yapımcılık Ticaret A.Ş. (“Doğan Yayıncılık”)	10,814	2,641
D Gayrimenkul Yatırımları ve Ticaret A.Ş.	705	836
Doğan Portal ve Elektronik Ticaret A.Ş.	58	651
Doğan Müzik Yapım ve Ticaret A.Ş.	—	537
Doğan Trend Otomotiv Tic. Hiz. Ve Tek. A.Ş.	201	530
Other	1,163	1,502
	<u>12,941</u>	<u>6,697</u>

Amounts due to related parties mainly resulted from purchase of inventories, advertising services, head quarter rentals and payables due to merchant financing arrangements.

c) Significant sales to and purchases from related parties for the years ended 31 December 2024, 2023 and 2022:

All related parties listed below are controlled by the Doğan Family members.

Service and product sales to related parties:

	2024	2023	2022
Nesine	16,173	19,430	13,861
Doğan Yayıncılık	4,979	6,353	5,258
Doğan Dış Ticaret	4,243	3,413	3,157
Doğan Burda	3,792	4,223	4,468
Otomobilite Motorlu Araçlar Ticaret A.Ş.	2,304	2,641	—
Değer Merkezi Hizmetler ve Yönetim A.Ş.	2,033	2,378	3,039
Doğan Portal ve Elektronik Ticaret A.Ş. (“Doğan Portal”)	2,033	1,637	4,760
Aydın Doğan Vakfı	1,436	206	81
D Gayrimenkul Yatırımları ve Ticaret A.Ş.	1,318	689	568
Doğan Trend Otomotiv Tic. Hiz. Ve Tek. A.Ş.	1,224	2,235	3,060
Milta Turizm İşletmeleri A.Ş.	732	835	839
Glokal Dijital Hizmetler ve Pazarlama A.Ş.	528	149	1,922
Suzuki Motorlu Araçlar Pazarlama A.Ş.	331	1,285	452
Other	5,187	5,112	4,994
	<u>46,313</u>	<u>50,586</u>	<u>46,459</u>

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NOTE 21 - BALANCES AND TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES (Continued)**c) Significant sales to and purchases from related parties for the years ended 31 December 2024, 2023 and 2022: (Continued)****Service and product purchases from related parties:**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Doğan Dış Ticaret	394,595	281,771	229,263
D Gayrimenkul Yatırımları ve Ticaret A.Ş.	51,758	65,308	56,497
Doğan Yayıncılık	24,126	21,338	26,525
Doğan Trend Otomotiv Tic. Hiz. Ve Tek. A.Ş.	6,433	7,519	8,193
Doğan Burda	929	3,360	2,726
Karel Elektronik Sanayi ve Ticaret A.Ş.	920	—	—
Milta Turizm İşletmeleri A.Ş.	645	1,822	632
Doğan Müzik Yapım ve Ticaret A.Ş.	536	1,037	746
Değer Merkezi Hizmetler ve Yönetim A.Ş.	40	6	—
Doğan Portal	26	1,558	1,766
Nesine	23	—	1,542
Other	1,973	302	1,509
	<u>482,004</u>	<u>384,021</u>	<u>329,399</u>

Purchase of treasury shares

Purchase of treasury shares from TurkCommerce B.V. which is shareholder of the Group was separately disclosed in Note 15 and it is not included in the above purchases from related parties.

NOTE 22 – FINANCIAL AND CAPITAL RISK MANAGEMENT***Financial risk management***

The Group’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management programmes focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. Risk management is carried out under policies approved by Board of Directors.

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The table below summarizes the Group’s exposure to foreign exchange rate risk at 31 December 2024 and 2023 in terms of TRY equivalents of foreign currency denominated assets and liabilities.

	As of 31 December 2024				Total
	US Dollar	Euro	GBP	CHF	
Assets:					
Cash and cash equivalents	435,244	11,717	44	36	447,041
Financial investments	2,355,222	—	—	—	2,355,222
Trade receivables and due from related parties	173,231	35,612	—	—	208,843
Other current assets	23	—	—	—	23
Total assets	2,963,720	47,329	44	36	3,011,129
Liabilities:					
Trade payables and payables to merchants and due to related parties	(1,395,124)	(13,574)	—	(32)	(1,408,730)
Other current liabilities	(25,027)	(238)	—	—	(25,265)
Total liabilities	(1,420,151)	(13,812)	—	(32)	(1,433,995)
Net foreign currency position	1,543,569	33,517	44	4	1,577,134
	As of 31 December 2023				Total
	US Dollar	Euro	GBP	CHF	
Assets:					
Cash and cash equivalents	6,306,978	4,598	127	78	6,311,781
Financial investments	2,487,275	—	—	—	2,487,275
Trade receivables and due from related parties	59,864	5,045	—	—	64,909
Other current assets	3,589	—	—	—	3,589
Total assets	8,857,706	9,643	127	78	8,867,554
Liabilities:					
Trade payables and payables to merchants and due to related parties	(1,779,315)	(14,874)	(517)	(46)	(1,794,752)
Short term provisions	(76,486)	—	—	—	(76,486)
Total liabilities	(1,855,801)	(14,874)	(517)	(46)	(1,871,238)
Net foreign currency position	7,001,905	(5,231)	(390)	32	6,996,316

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NOTE 22 - FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)*Financial risk management (Continued)**Foreign currency risk (Continued)*

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. These risks are monitored and limited by analysing foreign currency position through obtaining positions within the approved limits.

At 31 December 2024, if the US Dollar had strengthened/weakened by 10% against the TRY with all other variables held constant, loss before income taxes would have been TRY154,357 thousand lower/higher (2023: Income before tax would have been TRY700,191 thousand higher/lower), mainly as a result of foreign exchange losses/gains on the translation of US Dollar assets and liabilities.

At 31 December 2024, if the Euro had strengthened/weakened by 10% against the TRY with all other variables held constant, loss before income taxes would have been TRY3,352 thousand lower/higher (2023: Income before tax would have been TRY523 thousand lower/higher), mainly as a result of foreign exchange losses/gains on the translation of Euro assets and liabilities.

Credit risk

The substantial portion of the Group’s revenues was generated from transactions made via credit cards. Therefore, the resulting accounts receivable balances are secured by banks, the issuers of credit cards. In this context, the credit risk of the Group is substantially mitigated for credit card receivables. The Group also sells its products through BNPL receivables and loan receivables. Credit risk is monitored on an ongoing basis by the Group with an established policy, procedures and control relating to customer credit risk management.

As 31 December 2024 and 2023, expected credit loss from trade receivables and loan receivables are as follows:

	Not due	Overdue 0-1 months	Overdue 1-3 months	Overdue 3-12 months	Overdue more than 12 months	Total
31 December 2024						
Trade receivables	3,385,115	289,205	268,028	288,555	60,859	4,291,762
Expected credit loss	14,528	17,187	47,163	87,480	60,140	226,498
Loan receivables	543,248	92,560	108,253	97,407	—	841,468
Expected credit loss	10,556	10,347	35,449	93,184	—	149,536
31 December 2023						
Trade receivables	3,234,116	107,738	20,277	16,332	48,043	3,426,506
Expected credit loss	18,688	1,609	7,258	14,076	48,043	89,674

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.

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NOTE 22 - FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Financial risk management (Continued)

Liquidity risk

The Group maintains available line of credit limits with various banks that can be used in obtaining cash, letters of guarantee and cash for payments to suppliers. The Group generates negative working capital as a result of its operating model. The table below shows the Group’s liquidity risk arising from financial liabilities.

2024	Carrying value	Contractual undiscounted cash flow	Up to 3 months	3 – 12 months	1 – 5 years
Non-derivative financial instruments:					
Trade payables and payables to merchants	14,973,751	15,241,294	14,082,263	1,159,031	—
Lease liabilities	992,769	1,764,623	166,194	462,237	1,136,192
Bank borrowings	1,682,686	1,793,294	1,725,596	67,698	—
Wallet deposits	177,607	177,607	177,607	—	—
Due to related parties	12,941	12,941	12,941	—	—
	17,839,754	18,989,759	16,164,601	1,688,966	1,136,192
<hr/>					
2023	Carrying value	Contractual undiscounted cash flow	Up to 3 months	3 – 12 months	1 – 5 years
Non-derivative financial instruments:					
Trade payables and payables to merchants	15,250,729	15,564,280	14,848,597	715,683	—
Lease liabilities	399,053	531,824	95,665	186,667	249,492
Bank borrowings	268,949	271,975	259,330	8,387	4,258
Wallet deposits	272,027	272,027	272,027	—	—
Due to related parties	6,697	6,697	6,697	—	—
	16,197,455	16,646,803	15,482,316	910,737	253,750

Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue its operations in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents. Net debt to equity ratios at 31 December 2024 and 2023 were as follows:

	2024	2023
Net debt (Note 24)	(4,074,724)	(7,272,831)
Total equity	3,321,480	4,768,513
Net debt to equity ratio	-123%	-153%

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NOTE 23 – FINANCIAL INSTRUMENTS*Fair value of the financial instruments*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

The fair values of certain financial assets and liabilities carried at amortized cost, including cash and cash equivalents, trade payables and payables to merchants, bank borrowings and lease liabilities are considered to approximate their respective carrying values due to their short-term nature.

The carrying value of trade receivables along with the related allowances for uncollectability is estimated to be their fair values.

The estimated fair value of loan receivables and BNPL receivables represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates with similar currency and remaining maturity in order to determine their fair value.

Fair value hierarchy

The fair values of financial assets and financial liabilities are determined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is as prices) or indirectly (that is derived from prices).
- Level 3: Inputs for the asset or liability that is not based on observable market data (that is unobservable inputs).

Based on the fair value hierarchy, the Group’s financial assets and liabilities are categorized as follows:

Financial assets	As of 31 December 2024			
	Total	Level 1	Level 2	Level 3
Money market funds (Note 3)	4,649,626	4,649,626	—	—
Investment funds at fair value (Note 4)	2,207,315	2,207,315	—	—
	6,856,941	6,856,941	—	—

Financial assets	As of 31 December 2023			
	Total	Level 1	Level 2	Level 3
Investment funds at fair value (Note 4)	2,298,590	2,298,590	—	—
	2,298,590	2,298,590	—	—

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NOTE 24 – CASH FLOW INFORMATION

Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents. Movements in net debt for the year ended 31 December 2024, 2023 and 2022 is as follows;

2024	Lease liabilities	Bank borrowings	Total
1 January	399,053	268,949	668,002
Increase in lease liabilities	1,013,161	—	1,013,161
Cash inflows	—	5,223,438	5,223,438
Cash outflows	(471,348)	(3,791,221)	(4,262,569)
Other non-cash movements (*)	212,681	285,392	498,073
Monetary gain	(160,778)	(303,872)	(464,650)
31 December	992,769	1,682,686	2,675,455
Less: cash and cash equivalents			(6,750,179)
Net debt			(4,074,724)
2023	Lease liabilities	Bank borrowings	Total
1 January	624,162	57,030	681,192
Increase in lease liabilities	359,339	—	359,339
Cash inflows	—	833,554	833,554
Cash outflows	(443,929)	(548,283)	(992,212)
Other non-cash movements(*)	111,201	14,349	125,550
Monetary gain	(251,720)	(87,701)	(339,421)
31 December	399,053	268,949	668,002
Less: cash and cash equivalents			(7,940,833)
Net debt			(7,272,831)
2022	Lease liabilities	Bank borrowings	Total
1 January	825,548	754,949	1,580,497
Increase in lease liabilities	508,079	—	508,079
Cash inflows	—	2,247,402	2,247,402
Cash outflows	(477,816)	(2,779,430)	(3,257,246)
Other non-cash movements(*)	185,336	55,404	240,740
Monetary gain	(416,985)	(221,295)	(638,280)
31 December	624,162	57,030	681,192
Less: cash and cash equivalents			(12,527,681)
Net debt			(11,846,489)

(*) Other non-cash movements mainly consist of interest accruals.

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NOTE 25 – INCOME/(LOSS) PER SHARE

Income/(loss) per share is disclosed below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Income/(loss) for the period attributable to equity holders of the Parent Company	(1,604,907)	109,053	(6,916,737)
Weighted average number of shares with face value of TRY0.20 each	328,364	324,810	325,998
Basic and diluted income/(loss) per share (TRY per share)	<u>(4.9)</u>	<u>0.3</u>	<u>(21.2)</u>

NOTE 26 – SUBSEQUENT EVENTS

The Third Period of the share-based payment plan which was defined as the end of 42 (forty-two) months after the date of the IPO, of the vesting schedule set forth by the Company’s Board of Directors decision dated on 24 March 2021, has been concluded on 31 January 2025. Accordingly, the Board of Directors has decided that within the scope of the Second Period of the share-based payment plan, a gross total of 2,079,711 Class B ordinary shares of the Company (which may be represented by ADSs) have been vested to some of its key management personnel who became entitled, as defined under their individual contracts, to receive Restricted Stock Units (RSUs); and a gross total of 123,381 Class B ordinary shares of the Company (which may be represented by ADSs) have been vested to some of its key management personnel who have been determined, as having successfully met the year-end targets for the purposes of the calculation of the PSUs. The gross total amount of said shares (which may be represented by ADSs) will be given to the said executives by the Company, once these shares are first issued by or become available to the Company.

As explained in Note 1, on 17 October 2024, the Group’s then-controlling shareholder, being Hanzade Vasfiye Doğan Boyner, our Founder, and Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan (collectively, the “Selling Shareholders”), entered into a stock purchase agreement (the “Stock Purchase Agreement”) with Joint Stock Company Kaspi.kz (“Kaspi”), a joint stock company incorporated under the laws of Kazakhstan, for all outstanding Class A shares and Class B shares of the Company held by the Selling Shareholders, corresponding to 65.41% of the Group’s share capital (the “Change of Control”). The Change of Control was subject to regulatory approvals of the Turkish Competition Board, the Banking Regulation and Supervision Agency, the Information Technologies and Communications Authority and the Central Bank of the Republic of Türkiye and was completed on January 29, 2025, on which date Kaspi became our new controlling shareholder. Following the Change of Control, in accordance with former Article 7/A of the Articles of Association, all outstanding Class A shares automatically converted into Class B shares.

As per Turkish law, the Turkish text of our Articles of Association shall prevail and the English translation below is provided for convenience only.

Hepsiburada Esas Sözleşmesi

Türkçe	İngilizce
<p>MADDE 1: KURULUŞ</p> <p>Aşağıda adları, uyrukları ve ikametgah adresleri yazılı kurucular arasında Türk Ticaret Kanunu'nun anonim şirketlerin ani suretle kurulmaları hakkındaki hükümleri uyarınca bir anonim şirket kurulmuştur.</p> <p>a. DOĞAN İLETİŞİM ELEKTRONİK SERVİS HİZMETLERİ A.Ş.(T.C.) Hürriyet Medya Towers 34544 Güneşli/ İSTANBUL</p> <p>b. Nilgün Pirinçcioğlu Kireç (T.C) Orhantepe Mah. Şehit Ahmet Güvenç Sk. No:4 Üsküdar /İstanbul</p> <p>c. Oğuz Akın İşiten (T.C.) Suadiye, Kuzu Sokak No:2/10 Abdibey Apt. Kadıköy/İstanbul</p> <p>d. Kaan Mustafa Dönmez (T.C.) Küçükbebek Cad Karaman Apt No:97/A D:7 Bebek Mahallesi, Beşiktaş/İstanbul</p> <p>e. Şehmuz Mustafa Helvacı (T.C.) Bostancı, Bostan Tüccarı Sk. Çetintürk Apt. No:13 D:11 Üsküdar/İstanbul</p> <p>f. Faik Gürhan Yıldız (T.C.) Seyrantepe, Cesur Sk. No:43 A Blok D:5 Kağıthane/İstanbul</p> <p>g. Nail Dağlar (T.C.) Havuzbaşı, Defterdaroğlu Su Yolu Sk: N:221 Çengelköy, Üsküdar/İstanbul</p>	<p>ARTICLE 1: FOUNDATION</p> <p>A joint stock company is founded among the founders with the below written names, nationalities and residential addresses according to the provisions of the Turkish Commercial Code regarding immediate foundation of Joint Stock Companies.</p> <p>a. DOĞAN İLETİŞİM ELEKTRONİK SERVİS HİZMETLERİ A.Ş. (Republic of Turkey) Hürriyet Medya Towers 34544 Güneşli/ İSTANBUL</p> <p>b. Nilgün Pirinçcioğlu Kireç (Republic of Turkey) Orhantepe Mah. Şehit Ahmet Güvenç Sk. No:4 Üsküdar /İstanbul</p> <p>c. Oğuz Akın İşiten (Republic of Turkey) Suadiye, Kuzu Sokak No:2/10 Abdibey Apt. Kadıköy/İstanbul</p> <p>d. Kaan Mustafa Dönmez (Republic of Turkey) Küçükbebek Cad Karaman Apt No:97/A D:7 Bebek Mahallesi, Beşiktaş/İstanbul</p> <p>e. Şehmuz Mustafa Helvacı (Republic of Turkey) Bostancı, Bostan Tüccarı Sk. Çetintürk Apt. No:13 D:11 Üsküdar/İstanbul</p> <p>f. Faik Gürhan Yıldız (Republic of Turkey) Seyrantepe, Cesur Sk. No:43 A Blok D:5 Kağıthane/İstanbul</p> <p>g. Nail Dağlar (Republic of Turkey) Havuzbaşı, Defterdaroğlu Su Yolu Sk: N:221 Çengelköy, Üsküdar/İstanbul</p>
<p>MADDE 2: ŞİRKETİN ÜNVANI</p> <p>Şirket'in ünvanı "D-MARKET ELEKTRONİK HİZMETLER VE TİCARET ANONİM ŞİRKETİ" dir. Bu ünvanlı şirket işbu Ana sözleşmede "ANONİM ŞİRKET" olarak anılacaktır.</p>	<p>ARTICLE 2: CORPORATE TITLE</p> <p>The Company's name is "D-MARKET ELEKTRONİK HİZMETLER VE TİCARET ANONİM ŞİRKETİ". The above named company shall be referred to as the "COMPANY" in these Articles of Association.</p>
<p>MADDE 3: AMAÇ VE KONU</p>	<p>ARTICLE 3: LINE OF BUSINESS AND OBJECTIVE</p>

<p>A- Anonim Şirketin başlıca amaç ve konusu şunlardır:</p> <p>a- İlgili mevzuat çerçevesinde kalmak kaydıyla internet ortamında elektronik ticaret, Servis Sağlayıcılığı hizmetleri yapmak, internet üzerinden web sitesi yayını, yapımı, işletilmesi ve bu hizmetlere ilişkin alt yapı kurmak,</p> <p>b- On-Line sistemler içinde, bilgisayar ile telekomünikasyon yoluyla her türlü bilginin ve yerinin dağıtım ve iletişimini yapmak, iletişim sistemleri kurmak,</p> <p>c- Her nevi bilgisayar program ve yazılım hizmetleri, bilgilerin elektronik ortamda elde edilmesi, yayılması ve dağıtılması,</p> <p>d- Her nevi alanda bilgi üreten yurt içindeki veya dışındaki gerçek kişiler, özel veya kamu kurum ve kuruluşları ile işbirliği yaparak elektronik ortamda bilgi alış- verişinin, iletişiminin, dağıtımının sağlanması,</p> <p>e- Elektronik ortamda bilginin elde edilmesi ve dağıtılması, elektronik ticaretin ifası için gereken her türlü telekomünikasyon, elektronik, mekanik ve sair teknik sistemlerin kurulması, işletilmesi, bu amaçla ilgili her türlü alet, ekipman ve cihazların alınıp satılması, pazarlanması, kiralanması ve ticaretinin yapılması,</p> <p>f- Bilgi ve verilerin üzerine kaydedilebildiği Kompakt Disk, CD-Rom, Disket veya benzeri teknik malzemelerin alınması, satılması, üretilmesi, dağıtılması, ithal ve ihraç edilmesi,</p> <p>g- Seyahat, konser, eğlence ve benzeri organizasyonlar düzenlemek, satmak, aracılık etmek ve/veya pazarlamak, bu hizmetlerin verilebilmesi için ilgili kurum ve Kuruluşlara gerekli belgelerin alınması için başvuru yapmak ve gerekli belgeleri almak</p> <p>h- Her türlü gıda maddelerinin toptan ve perakende alımı, satımı, dağıtımı, ithalat ve ihracatını yapmak,</p> <p>i- İnsanların beslenmesinde önemli bir etkinliği olan ve gıda sektörüne konu teşkil eden her nevi sıcak, soğuk, dondurulmuş, kurutulmuş, ve konsantresi yapılmış</p>	<p>A- The main objective and line of business of the Company are as follows:</p> <p>a- Providing electronic commerce, Service Provider services on the internet, within the framework of the relevant legislation, publishing, making, operating websites on the internet and establishing infrastructure for these services,</p> <p>b- To distribute and communicate all kinds of information and data through telecommunication with computers in On-Line systems, to establish communication systems,</p> <p>c- All kinds of computer program and software services, obtaining, disseminating and distributing information electronically,</p> <p>d- Ensuring the exchange, communication and distribution of information on electronic environment by cooperating with real persons, private or public institutions and organizations at home or abroad who produce information in any area,</p> <p>e- Obtaining and distributing information on electronic environment, establishing and operating all kinds of telecommunication, electronic, mechanical and other technical systems required for the performance of electronic commerce, buying, selling, marketing, leasing and trading all kinds of tools, equipment and devices for this purpose,</p> <p>f- Purchasing, selling, producing, distributing, importing and exporting Compact Disc, CD-Rom, Floppy or similar technical materials on which information and data can be recorded,</p> <p>g- Organizing, selling, mediating and/or marketing travel, concert, entertainment and similar organizations, making an application to the relevant institutions and organizations to obtain the necessary documents and obtaining the necessary documents in order to provide these services,</p>
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<p>besin maddelerinin pazarlanması konusunda toptan ve perakende satış yapmak amacı ile gerekli olan satış mağazalarını açmak ve işletmek,</p> <p>j- Her türlü bebek mamalarının toptan ve perakende alım satımı, dağıtımı, ithalat ve ihracatını yapmak.</p> <p>k- Her türlü dana, sığır, koyun, kuzu, keçi eti toptan ve perakende alımı, satımı, ithalatı ve ihracatını yapmak,</p> <p>l- Her türlü kümes hayvanları etlerinin toptan ve perakende alım ve satımını yapmak,</p> <p>m- Un, şeker ve süten mamul her türlü gıdaların yaş meyve ve sebzelerin, tahıl ürünlerinin hububat ve bakliyatların, kakaoların, un haline getirilmiş, konsantre edilmiş, konserve ve salamura halde bulunan her türlü gıda maddesinin, her türlü yağların toptan ve perakende ticareti, ithalatı ve ihracatını yapmak,</p> <p>n- Sucuk, salam, sosis, pastırma, kavurma, soslar, ketçaplar, salçalar, mayonez sosu, salata sosları ve salata barlarının ithalatı, ihracatı, toptan ve perakende ticaretini yapmak,</p> <p>o- Kültür ve doğal mantarlardan oluşan gıda maddelerinin ve bu mamullerden oluşan konserve turşu ve dondurulmuş gıda maddelerinin toptan ve perakende ticareti, ithalatı ve ihracatını yapmak,</p> <p>p- Her türlü ham ve orijinal hayvan bağırsağı ve suni bağırsak ürünlerinin yurt içi ve yurt dışından alınması, satılması, pazarlanması ithalatı ve ihracatını yapmak,</p> <p>q- Yaş sebze ve meyvelerin yenilir köklerinin, yumrularının, çiçeklerinin ve bunların mahsullerinin, bakliyat, soğan, sarımsak, susam, soya, badem, çam fıstığı ürünlerinin, zeytin, fındık, kuru üzüm, çay ve hububat gibi gıda ürünlerinin alım satımı, ithalat, ihracatı, toptan ve perakende ticareti, pazarlamasını yapmak ve yaptırmak,</p> <p>r- Zeytin alım satımı, dağıtımı, ithalat ve ihracatını yapmak,</p>	<p>h- Wholesale and retail purchase, sale, distribution, import and export of all kinds of foodstuffs,</p> <p>i- Opening and operating outlets necessary for the purpose of wholesale and retail sale of all kinds of hot, cold, frozen, dried, and concentrated nutrients that have an important role in the nutrition of people and are the subject of the food industry,</p> <p>j- Wholesale and retail purchase, distribution, import and export of all kinds of baby formula,</p> <p>k- Wholesale and retail purchase, sell, import and export all kinds of beef, veal, sheep, lamb, goat meat,</p> <p>l- Wholesale and retail purchase and sale of all kinds of poultry meat,</p> <p>m- Wholesale and retail trade, import and export of all kinds of foods made from flour, sugar and milk, fresh fruits and vegetables, cereal products, cereals and pulses, cocoa, all kinds of foodstuffs in flour, concentrated, canned and pickled form, all kinds of oils,</p> <p>n- Import, export, wholesale and retail trade of bologna, salami, sausage, bacon, fried meat, sauces, ketchups, tomato paste, mayonnaise sauce, salad dressings and salad bars,</p> <p>o- Wholesale and retail trade, import and export of foodstuffs consisting of cultivated and natural mushrooms and canned pickles and frozen foodstuffs consisting of these products,</p> <p>p- To purchase, sell, market, import and export all kinds of raw and original animal intestines and artificial intestines products from home and abroad,</p>
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<p>s- Her türlü zeytinyağı, ayçiçek, mısırözü, fındık yağlarının toptan ve perakende alımı, satımı, dağıtımı, ithalat ve ihracatını yapmak,</p> <p>t- Taze ve kuru tüm yiyecekler, meyvalar, marmelatlar, reçel, şekerli ve şekerli yiyecekler, içecekler ve tüm gıda maddeleri almak, satmak, pazarlamak, ithalat ve ihracatını yapmak,</p> <p>u- Her türlü baharat, bakliyat, şifalı bitkiler, çay, kuru kahve, çekirdek kahve, hazır kahve, süt tozu, şeker, krema, kahve sütü, Türk kahvesi, kuru yemiş ve baharat çeşitlerinin, çekirdek, ay çekirdeği, fındık, fıstık ve benzeri kuruyemiş çeşitleri ve çereziye, kahve ve diğer yan ürünlerinin, kakao ve benzeri maddeleri almak, satmak, ithalat ve ihracatını yapmak.</p> <p>B- Bu cümleden Anonim Şirket'in yapabileceği işlemler;</p> <p>a- Elektronik ticarete konu her türlü ürünleri ve malzemeleri satınalma, taşıma, dağıtma, satma, satışına aracılık etme, gerekli yerlere ulaştırma ve bayilik işlerinin yapılması,</p> <p>b- Yurt içinde ve dışında amaç kapsamındaki her türlü bilgi, veri, eserlerin, ürünlerin alınması, dağıtılması, nakdedilmesi, bu amaçla dağıtıcılık işleri ile iştigal edilmesi,</p> <p>c- Her türlü ulaştırma araçları ile yurt içinde ve dışında dağıtım yapılması,</p> <p>d- Turizm ve seyahat acenteliği faaliyetlerini yapılması,</p> <p>e- İşletme konusu ile ilgili faaliyetlerde bulunabilmek için gerekli makina, teçhizat ve taşıt araçlarının alınıp satılması, ithal ve ihraç edilmesi, bu amaçla ticari tesislerin tamamen veya kısmen satın alınması, kiralanması, kiraya verilmesi,</p> <p>f- Anonim Şirket'in amaç ve konusu ile ilgili faaliyetler için faydalı ihtira haklarının, lisans ve imtiyazlarının, marka, model, resim ve ticari ünvanlarının, know-how'un ve hususi imal ve istihsal usullerinin müşavirlik ve mühendislik hizmetlerinin ve benzeri diğer gayri maddi hakların iktisap edilmesi, üzerinde diğer her türlü tasarruflarda bulunulması,</p>	<p>q- To do wholesale and retail trade, marketing and trade, import and export of edible roots, tubers, flowers and crops of fresh vegetables and fruits, legumes, onion, garlic, sesame, soy, almond, pine nut products, olive, hazelnut, raisin, tea and cereals,</p> <p>r- Buying, selling, distributing, importing and exporting olives,</p> <p>s- Wholesale and retail purchase, sale, distribution, import and export of all kinds of olive oil, sunflower, corn oil, hazelnut oils,</p> <p>t- To buy, sell, market, import and export all fresh and dry foods, fruits, marmalade, jam, sweetened and unsweetened foods, beverages and all foodstuffs,</p> <p>u- Buying, selling, importing and exporting all kinds of spices, legumes, medicinal herbs, tea, dry coffee, coffee beans, instant coffee, milk powder, sugar, cream, coffee milk, Turkish coffee, dried nuts and spices, kernels, sunflower seeds, hazelnuts, peanuts and similar nuts varieties and snacks, coffee and other by-products, cocoa and similar substances.</p> <p>B- Activities to be performed by the Company;</p> <p>a- Buying, transporting, distributing, selling, intermediating in the sale of all kinds of products and materials subject to electronic commerce, transporting them to necessary places and performing dealership works,</p> <p>b- Receiving, distributing, transporting all kinds of information, data, works, products within the scope of its objective within the country and abroad, engaging in distribution works for this purpose,</p>
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<p>g- Konusu ile ilgili ve/veya yabancı sermayelerle kurulmuş ve kurulacak sermaye şirketlerine kurucu ortak olunması ve sonradan katılınması ve kuruluşların devir, satın alınması, devredilmesi, satılması,</p> <p>h- Konusu ile ilgili olarak gerekli gördüğü her nevi gerçek ve tüzel kişilerle işbirliği yapılması, yabancı uzmanlar çalıştırılması,</p> <p>i- Konusu ile ilgili olarak her türlü ticari malların satın alınması ve satılması,</p> <p>j- Faaliyet konusu ile ilgili olarak iç ve dış piyasalarda uzun, orta ve kısa vadeli istikrazlar akdetmek, mal, kefalet, ithalat ve yatırım kredileri temin edilmesi,</p> <p>k- Anonim Şirket amacının gerçekleşmesi için yurt içinde ve dışında mal, gayrimenkul, sınai mülkiyet haklarına tasarruf edilmesi, iltizami ve tasarrufi muameleler yapabileceği gibi, bunlar üzerinde rehin ve ipotek tesis etmek, leh ve alehine her türlü hak, irtifak, kira, şufa, sükna, gayrimenkul mükellefiyeti, vesair hakları iktisap, tesis, terkin ve fakedilebilmesi,</p> <p>l- Mevzuu ile ilgili her türlü eğitim ve öğretim faaliyetlerinde bulunulabilmesi, ilgili teşekküllerle işbirliği yapılabilmesi, faaliyetlerine iştirak edilebilmesi,</p> <p>m- İştigal mevzuunun elde edilebilmesi için her türlü teknolojiden ve rasyonalizasyon tedbirlerinden yararlanabilmesi, bu konuda işbirliği yapılabilmesi,</p>	<p>c- Distribution in the country and abroad by all kinds of transportation means,</p> <p>d- Tourism and travel agency activities,</p> <p>e- Buying, selling, importing and exporting the necessary machinery, equipment and vehicles to be able to carry out activities related to its line of business, purchasing, leasing, leasing of commercial facilities in whole or in part for this purpose,</p> <p>f- Acquisition of beneficial ownership rights, licenses and privileges, brand, model, picture and trade names, know-how and consultancy and engineering services of special production and manufacturing procedures and other similar intangible rights for activities related to the objective and line of business of the Company and disposing of in any manner,</p> <p>g- Becoming a founding partner and subsequently joining in corporations established or to be related to its line of business and/or established with foreign capital, and transferring, purchasing, assigning, selling such establishments,</p> <p>h- Cooperating with all kinds of real and legal persons that it deems necessary regarding its line of business, employing foreign experts,</p> <p>i- Purchasing and selling all kinds of commercial goods related to its line of business,</p> <p>j- To conclude long, medium and short term borrowings in domestic and foreign markets related to its line of business, to provide goods, surety, import and investment credits,</p> <p>k- In order to achieve the purpose of the joint stock company, it may dispose of property, real estate, industrial property rights at home and abroad, establish promissory or disposal rights such as liens and mortgages thereon, acquire,</p>
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	<p>establish, cancel and withdraw all kinds of rights, servitude, rent, pre-emption, habitation, land charges and any other rights whether in favour or against,</p> <p>l- To be able to engage in all kinds of education and training activities related to its line of business, to cooperate with the relevant organizations, to participate in their activities,</p> <p>m- To be able to benefit from all kinds of technology and rationalization measures in order to achieve its line of business and to cooperate on this issue.</p>
<p>MADDE 4: MERKEZ VE ŞUBELER</p> <p>Anonim Şirketin merkezi İstanbul İli, Şişli İlçesindedir. Adresi; Kuştepe Mahallesi Mecidiyeköy Yolu Caddesi No:12 Trump Towers Kule 2 Kat:2 Şişli/İstanbul'dur. Adres değişikliğinde yeni adres, ticaret siciline tescil ve Türkiye Ticaret Sicil Gazetesi'nde ilan ettirilir. Tescil ve ilan edilmiş adresinden ayrılmış olmasına rağmen, yeni adresini süresi içinde tescil ettirmemiş şirket için bu durum fesih sebebi sayılır.</p> <p>Yönetim Kurulu kararıyla yürürlükteki mevzuat hükümleri çerçevesinde yurt içinde ve yurt dışında şubeler, bürolar, bölge müdürlükleri acentalıklar ve temsilcilikler açılabilir.</p>	<p>ARTICLE 4: HEAD OFFICE AND BRANCHES</p> <p>The Company's head office is in Şişli district of Istanbul province. Its address is Kuştepe Mahallesi Mecidiyeköy Yolu Caddesi No: 12 Trump Towers Kule 2 Kat:2 Şişli/Istanbul. In the event of an address change, such new address shall be registered with the trade registry and announced in the Turkish Trade Registry Gazette. It is a cause for dissolution for any company which fails to have its new address registered in due time although it has moved from its registered and announced address.</p> <p>It can open branches, offices, district offices, agencies and representative offices at home and abroad with a Board of Directors resolution in accordance with the legislative provisions in force.</p>
<p>MADDE 5: SÜRE</p> <p>Şirket tescil ve ilan edildiği tarihten başlamak üzere süresiz olarak kurulmuştur.</p>	<p>ARTICLE 5: TERM</p> <p>The company has been founded for unlimited time starting from its registration and announcement date.</p>
<p>MADDE 6: SERMAYE</p> <p>Şirket 6102 sayılı Türk Ticaret Kanunu hükümlerine göre kayıtlı sermaye sistemini kabul etmiştir. Kayıtlı sermaye tavanı 280.000.000 Türk Lirası olup beheri 0,20 TL (20 Kuruş) itibari kıymette 1.400.000.000 nama yazılı pay ile temsil edilir. Yönetim kurulu Türk Ticaret Kanunu'na uygun olarak bu limite kadar yeni pay çıkarmak</p>	<p>ARTICLE 6: CAPITAL</p> <p>The Company has adopted the registered capital system as per the provisions of the Turkish Commercial Code numbered 6102. The ceiling of the registered capital is TRY 280,000,000.00 and is represented by 1,400,000,000 registered shares each having a nominal value of TRY 0.20 (20 Kuruş). The board of directors is authorized</p>

<p>suretiyle Şirket'in çıkarılmış sermayesini artırmaya yetkilidir. Yetki süresi 5 Mayıs 2026'ya kadardır. İzin verilen kayıtlı sermaye tavanına bu tarihe kadar ulaşılamamış ise, 5 Mayıs 2026' dan sonra yönetim kurulunun sermaye artırımı kararı alabilmesi için, yönetim kurulunun, daha önce izin verilen tavan ya da yeni bir tavan tutan için, genel kuruldan yeni bir süre için yetki alması zorunludur. Söz konusu yetkinin alınmaması durumunda şirket kayıtlı sermaye sisteminden çıkmış sayılır.</p> <p>Yönetim Kurulu 5 Mayıs 2026 ' ya kadar kayıtlı sermaye tavanının altında kalmak kaydı ile yeni pay ihraç ederek çıkarılmış sermayeyi artırmaya, pay sahiplerinin yeni pay alma hakkının sınırlandırılmasına, itibari değerinin üzerinde pay çıkarılabilmesi konularında karar almaya yetkilidir. Yeni pay alma kısıtlama yetkisi pay sahipleri arasında eşitsizliğe yol açacak şekilde kullanılamaz. Yönetim kurulunun sermaye artırımına ilişkin kararı ana sözleşmenin ilan maddesinde öngörüldüğü şekilde ilan edilir.</p> <p>Şirketin çıkarılmış sermayesi 65.199.658 TL'dir. Şirketin çıkarılmış sermayesi, her biri 0,20TL (20 Kuruş) itibari değerinde 325.998.290 adet nama yazılı paya bölünmüştür. Şirketin söz konusu çıkarılmış sermayesi muvazaadan ari şekilde tamamen ve nakden ödenmiştir.</p>	<p>to increase the Company's issued capital by way of issuance of new shares up to the registered capital ceiling, in line with the Turkish Commercial Code. The term of authority is until May 5, 2026. If the permitted registered capital ceiling is not reached by such date, in order for the board of directors to pass a resolution for capital increase after May 5, 2026, the board of directors must obtain authorization from the general assembly for a new term for the previously permitted registered capital ceiling or a new amount registered capital ceiling. In case of failure to obtain such authorization, the Company shall be deemed to exit the registered capital system.</p> <p>Until May 5, 2026, the Board of Directors is authorized to pass resolutions on matters regarding increase of the issued capital through issuance of new shares, restriction of shareholders' right to acquire new shares, issuance of shares with a value above the nominal value, provided that the registered capital ceiling is not exceeded. The authority to restrict acquisition of new shares may not be exercised in a manner to cause inequality among the shareholders. The board resolution regarding capital increase shall be announced as stipulated in the announcement article of the articles of association.</p> <p>The issued share capital of the Company is TRY 65,199,658.00. The issued share capital of the Company is divided into 325,998,290 registered shares each with a nominal value of TRY 0.20- (20 Kuruş). The Company's such issued share capital has been fully paid in cash without collusion.</p>
<p>MADDE 7: PAYLARIN DEVRİ</p> <p>Yürürlükten Kaldırılmıştır.</p>	<p>ARTICLE 7: TRANSFER OF SHARES</p> <p>Cancelled.</p>
<p>MADDE 7/A: PAY GRUPLARININ VE OYDA İMTİYAZIN KISMEN VEYA TAMAMEN ORTADAN KALKMASI</p> <p>Yürürlükten Kaldırılmıştır.</p>	<p>ARTICLE 7/A: PARTIAL OR FULL TERMINATION OF SHARE CLASSES AND PRIVILEGED VOTES</p> <p>Cancelled</p>
<p>MADDE 8: SERMAYENİN ARTIRILIP AZALTILMASI</p> <p>Şirketin sermayesi, gerektiğinde Türk Ticaret Kanunu hükümleri çerçevesinde artırılabilir veya azaltılabilir.</p>	<p>ARTICLE 8: CAPITAL INCREASE AND DECREASE</p> <p>The Company's share capital may be increased or decreased when necessary, within the</p>

<p>Bedelsiz sermaye artırımlarında çıkarılan bedelsiz paylar, artırım tarihindeki mevcut pay sahiplerine payları oranında dağıtılır.</p>	<p>framework of the provisions of the Turkish Commercial Code.</p> <p>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.</p>
<p>MADDE 9: SERMAYE PİYASASI ARACI İHRACI</p> <p>Şirket, Türk Ticaret Kanunu, Sermaye Piyasası Kanunu ve bunlarla ilgili mevzuat hükümlerine uymak kaydıyla, yurt içinde ve yurt dışında gerçek ve tüzel kişilere satılmak üzere, her türlü tahvil, paya dönüştürülebilir tahvil, değiştirilebilir tahvil, altın gümüş ve platin bonoları, finansman bonosu, katılma intifa senedi, kar ve zarar ortaklığı belgesi ve niteliği itibariyle borçlanma aracı olduğu Sermaye Piyasası Kurulu tarafından kabul edilecek diğer sermaye piyasası araçları ve sair her türlü sermaye piyasası aracı ihracı yapabilir, kira sertifikası ihraçlarında kaynak kuruluş ve/veya fon kullanıcısı sıfatıyla yer alabilir.</p> <p>Şirketin ilgili mevzuat hükümlerine uygun olarak tahvil, paya dönüştürülebilir tahvil, değiştirilebilir tahvil, altın gümüş ve platin bonoları, finansman bonosu, katılma intifa senedi, kar ve zarar ortaklığı belgesi ve niteliği itibariyle borçlanma aracı olduğu Sermaye Piyasası Kurulu tarafından kabul edilecek diğer sermaye piyasası araçları ve sair her türlü sermaye piyasası aracı ihraç etmesi hususunda yönetim kurulu yetkilidir. İhraç ve ihraçla ilgili olarak azami miktarların, türünün, vadenin, ihraç edilecek sermaye piyasası araçlarının para biriminin, bu sermaye piyasası araçlarının satılacağı yatırımcıların, teminatlı ihraç yapılması halinde bahsi geçen teminat yapısının, faizin ve diğer tüm şartların belirlenmesi ile bu hususlarda yönetimin yetkilendirilmesi konusunda Sermaye Piyasası Kanunu uyarınca yönetim kurulu yetkilidir.</p>	<p>ARTICLE 9: CAPITAL MARKETS INSTRUMENT ISSUANCES</p> <p>Provided that the provisions of the Turkish Commercial Code, Capital Markets Law and legislations regarding thereto are complied with, the Company may issue all kinds of bonds, bonds that are convertible to shares, convertible bonds, gold, silver and platinum bonds, financing bonds, participating shares, profit and loss sharing certificates and other capital markets instruments which are deemed as debt instruments by the Capital Markets Board by virtue of their nature and all other kinds of capital markets instruments, to be sold to real and legal persons in and out of Turkey, may take place in issuances of lease certificate as the funding entity and/or fund user.</p> <p>The board of directors shall be authorized in relation to issuance by the Company of all kinds of debentures, debentures convertible to shares, convertible debentures, gold silver and platinum bonds, financing bonds, participating shares, profit and loss sharing certificates and other capital markets instruments which are deemed as debt instruments by the Capital Markets Board by virtue of their nature and all other kinds of capital markets instruments in accordance with the provisions of the relevant legislation. As per the Capital Markets Law, the board of directors shall be authorized in relation to determination of issuance and maximum amounts, types, maturities, the currency of the capital market instruments to be issued, the investors to whom these capital market instruments will be sold, the aforementioned collateral structure in case of secured issuance, interests and all other conditions relating to the issuance and authorization of the management regarding these matters.</p>
<p>MADDE 10: YÖNETİM KURULU</p> <p>Şirket, Genel Kurul tarafından Türk Ticaret Kanunu ve işbu ana sözleşme hükümleri çerçevesinde 6 (altı) üyeden az olmamak kaydıyla, en çok 12 (oniki) üyeli bir Yönetim</p>	<p>ARTICLE 10: BOARD OF DIRECTORS</p> <p>The Company shall be represented and managed by a Board of Directors composed of at least 6 (six) and at most 12 (twelve) members appointed by the General Assembly within the</p>

Kurulu tarafından temsil ve idare edilir. Görev süresi dolan Yönetim Kurulu üyeleri yeniden seçilebilirler.

Şirket Yönetim Kurulu'nun toplam üye sayısının en az üçte biri bağımsız yönetim kurulu üyesi olarak seçilir. Bağımsız üye sayısının hesaplanmasında küsuratlar izleyen tam sayı olarak dikkate alınır.

Bağımsız yönetim kurulu üyelerinin taşıyacağı şartlar hakkında, Sermaye Piyasası Kurulu'nun kurumsal yönetim ilkelerinde yer alan şart ve hükümlere azami uyum sağlanacaktır.

Bir tüzel kişi yönetim kuruluna üye seçildiği takdirde, tüzel kişiyle birlikte, tüzel kişi adına, tüzel kişi tarafından belirlenen, sadece bir gerçek kişi de tescil ve ilan olunur; ayrıca, tescil ve ilanın yapılmış olduğu, şirketin internet sitesinde hemen açıklanır. Tüzel kişi adına sadece, bu tescil edilmiş kişi toplantılara katılıp oy kullanabilir.

Herhangi bir sebeple yönetim kurulu üyeliklerinden biri boşalırsa veya bağımsız yönetim kurulu üyesinin bağımsızlığını kaybetmesi halinde Türk Ticaret Kanunu hükümleri ile sermaye piyasası mevzuatına uygun olarak yönetim kurulu kanuni şartları haiz birini, geçici olarak yönetim kurulu üyeliğine seçip ilk genel kurulun onayına sunar. Bu yolla seçilen üye, onaya sunulduğu genel kurul toplantısına kadar görev yapar ve onaylanması halinde selefinin süresini tamamlar.

Yönetim Kurulu üye sayısı, yönetim kurulu üyelerinin verimli ve yapıcı çalışmalar yapmalarına, hızlı ve rasyonel karar almalarına ve komitelerin oluşumu ve çalışmalarını etkin bir şekilde organize etmelerine olanak sağlayacak şekilde belirlenir.

Yönetim Kurulu her yıl üyeleri arasından bir başkan ve bulunmadığı zamanlarda ona vekalet üzere bir başkan vekili seçer. Yönetim kurulu, işlerin gidişini izlemek, kendisine sunulacak konularda rapor hazırlamak kararlarını uygulamak veya iç denetim amacıyla işlerinde yönetim kurulu üyelerinin de bulunabileceği komiteler ve komisyonlar kurar. Yönetim kurulunun Türk Ticaret Kanunu ve ilgili mevzuat kapsamında kurmakla yükümlü olduğu komitelerin oluşumu, görev ve çalışma esasları ile yönetim kurulu ile ilişkileri hakkında, ilgili mevzuat hükümleri uygulanır.

framework of the provisions of the Turkish Commercial Code and these articles of association. Board members whose term of office expire may be re-elected.

At least one third of the total number of members of the Company's Board of Directors is elected as an independent board member. In calculation of the number of independent members, fractions shall be taken into account as the following whole number. Regarding the conditions to be carried by the independent board members, maximum compliance will be ensured with the terms and provisions in the corporate governance principles of the Capital Markets Board.

If a legal entity is elected as a member of the board of directors, one real person determined by the legal entity shall be registered and announced on behalf of the legal entity together with such legal entity; in addition, the registration and announcement is immediately announced on the company's website. Only such registered person may attend and vote in the meetings on behalf of the legal entity.

In the event that a board membership becomes vacant for any reason or if the independent board member ceases to be independent, the board of directors shall temporarily appoint a person possessing the legal requirements and submit the same to the approval of the first general assembly in line with the provisions of the Turkish Commercial Code and capital markets legislation. Member so appointed shall serve until the general assembly meeting that such member is submitted for approval and if approved, complete the term of office of his predecessor.

The number of the members of the Board of Directors shall be determined in a manner to enable the board members to carry out efficient and constructive works, to take speedy and rational decisions and to effectively organize the composition of committees and their works.

Each year, the Board of Directors shall elect from among its members a chairman and a vice-chairman to act as the chairman's proxy when he is absent. The board of directors establishes committees or commissions which may include

<p>Yönetim kurulu üyeleri en çok 3 (üç) yıl süreyle görev yapmak üzere seçilirler. Yönetim Kurulu üyelerinden her birinin görev süresi; sürenin sonunda ya da istifası, fiil ehliyetini kaybetmesi, ölümü veya kendisini görevden alan yazılı bildirim tebellüğü ile sona erer. Azledilmiş olmadıkça seçim süresi sona eren yönetim kurulu üyeleri tekrar seçilebilirler.</p> <p>Yönetim kurulu üyelerinden birinin iflasına karar verilir veya ehliyeti kısıtlanır ya da bir üye üyelik için gerekli kanuni şartları yahut ana sözleşmede öngörülen nitelikleri kaybederse, bu kişinin üyeliği, herhangi bir işleme gerek olmaksızın kendiliğinden sona erer.</p> <p>Yönetim kurulu üyeleri, ana sözleşmeyle atanmış olsalar dahi, gündemde ilgili bir maddenin bulunması veya gündemde madde bulunmasa bile haklı bir sebebin varlığı halinde, görev süreleri dolmadan önce de her zaman genel kurul kararıyla görevden alınabilirler. Yönetim kurulu üyesi olan tüzel kişi, kendi adına tescil edilmiş bulunan kişiyi her an değiştirebilir. Görevine son verilen üyelerin tazminat istemeye hakları yoktur.</p>	<p>board members as well, to observe the course of business, to prepare reports regarding matters to be submitted to the Board, to carry out the Board's decisions or for purposes of internal audit. Composition, duties and working principles of committees that the Board of Directors is obliged to establish under the Turkish Commercial Code and the relevant legislation as well as such committees' relationships with the Board shall be governed by the provisions of the relevant legislation.</p> <p>Board members are appointed for a maximum term of 3 (three) years. Term of each Board member shall terminate upon expiry of its term or upon its resignation, loss of legal capacity, death or receipt of the written notice dismissing such member from duty. Unless dismissed, board members who terms of office expires may be re-elected.</p> <p>If one of the Board members is declared bankrupt or if a Board member's capacity is restricted or a member ceases to possess the legal requirements necessary for membership or qualifications envisaged in the articles of association, such person's membership shall automatically terminate without need for any further procedure.</p> <p>Even if they had been appointed in the articles of association, board members may always be dismissed prior to the expiry of their term of office upon a resolution of the general assembly in case of presence of a relevant item in the agenda or if there is no relevant item in the agenda, in case of presence of a just cause. A legal person who is a Board member may replace the person registered on its behalf, at any time. Members who are dismissed are not entitled to claim compensation.</p>
<p>MADDE 11: YÖNETİM KURULUNUN SÜRESİ</p> <p>İptal Edilmiştir.</p>	<p>ARTICLE 11: TERM OF BOARD OF DIRECTORS</p> <p><i>Cancelled.</i></p>
<p>MADDE 12: YÖNETİM KURULU TOPLANTILARI VE KARAR NİSABI</p> <p>Yönetim Kurulu toplantıları, Yönetim Kurulunun karar verdiği yer ve zamanda, Şirket merkezinde veya</p>	<p>ARTICLE 12: BOARD OF DIRECTORS MEETINGS AND RESOLUTION QUORUM</p> <p>Meetings of the Board of Directors shall be held at the place and time determined by the Board of Directors at the head office or the Company or any place inside or outside Turkey.</p>

<p>Türkiye'de herhangi bir yerde veya yurt dışında toplanır.</p> <p>Yönetim kurulu toplantılarında toplantı ve karar nisaplarına ilişkin olarak Türk Ticaret Kanunu hükümleri uygulanır.</p> <p>Türk Ticaret Kanunu hükümleri uyarınca, üyelerden biri müzakere isteminde bulunmadığı takdirde Türk Ticaret Kanunu ve işbu ana sözleşmede öngörülen yeterli sayıda yönetim kurulu üyesinin kurul üyelerinden birinin belirli bir konuda yaptığı karar şeklinde yazılmış önerisine yazılı onayının veya imzalarının alınması kaydıyla yönetim kurulu karar alabilir. Aynı önerinin tüm Yönetim Kurulu üyelerine yapılmış olması kararın geçerlilik şartıdır. Onayların aynı kağıtta bulunması şart değildir; ancak onay imzalarının bulunduğu kağıtların tümünün Yönetim Kurulu karar defterine yapıştırılması kararın geçerliliği yönünden gereklidir.</p> <p>Şirketin Yönetim Kurulu toplantısına katılma hakkına sahip olanlar bu toplantılara, Türk Ticaret Kanunu'nun 1527 inci Maddesi uyarınca elektronik ortamda da katılabilir. Şirket, Ticaret Şirketlerinde Şirket Genel Kurulları Dışında Elektronik Ortamda Yapılacak Kurullar Hakkında Tebliğ ("Tebliğ") hükümleri uyarınca hak sahiplerinin bu toplantılara elektronik ortamda katılmalarına ve oy vermelerine imkan tanıyacak Elektronik Toplantı Sistemini kurabileceği gibi bu amaç için oluşturulmuş sistemlerden de hizmet satın alabilir. Yapılacak toplantılarda şirket sözleşmesinin bu hükmü uyarınca kurulmuş olan sistem üzerinden veya destek hizmeti alınacak sistem üzerinden hak sahiplerinin ilgili mevzuatta belirtilen haklarını Tebliğ hükümlerinde belirtilen çerçevede kullanabilmesi sağlanır.</p> <p>Yönetim kurulu toplantıları tamamen elektronik ortamda yapılabileceği gibi, bazı üyelerin fiziken mevcut buldukları bir toplantıya bir kısım üyelerin elektronik ortamda katılması yoluyla da icra edilebilir. Bu hallerde şirket ana sözleşmesinde öngörülen toplantı ile karar nisaplarına ilişkin hükümler aynen uygulanır.</p> <p>Yönetim Kurulunun Türk Ticaret Kanunu ve ilgili mevzuat kapsamında kurmakla yükümlü olduğu komitelerin oluşumu, görev ve çalışma esasları ile Yönetim Kurulu ile ilişkileri hakkında, ilgili mevzuat hükümleri uygulanır.</p>	<p>Provisions of the Turkish Commercial Code shall apply to meeting and decision quorums in meetings of the board of directors.</p> <p>As per provisions of the Turkish Commercial Code, if one of the members does not request a discussion, the board of directors may pass a resolution, provided that written consents or signatures of the sufficient number of board members envisaged in the Turkish Commercial Code and these articles of association are obtained in relation to the proposal of a board member written in the form of a resolution. As a validity condition of the resolution, the same proposal must be made to all Board members. Approvals do not have to be on the same sheet; however all of the sheets bearing the approval signatures must be affixed in the resolution book of the Board of Directors in order for the resolution to be valid.</p> <p>Persons who are entitled to attend the board meetings of the Company may also participate in such meetings in electronic environment in accordance with article 1527 of the Turkish Commercial Code. In accordance with the provisions of the Communiqué on Assemblies to be Held in Electronic Environment in Commercial Companies Except for Company General Assemblies (the "Communiqué"), the Company may establish an electronic general assembly system that will allow the shareholders to attend the general assembly meetings, express their opinions, make suggestions and vote on electronic environment or purchase services from the systems established for this purpose. At all meetings to be held, it shall be ensured that the beneficiaries can exercise their rights specified in the provisions of the relevant legislation within the framework of the aforementioned Communiqué through the system established in accordance with this provision of the articles of association or the system from which support services shall be obtained.</p> <p>Board meetings may not only be conducted entirely in electronic environment but may also be conducted through participation of some members in electronic environment to a meeting where some members are physically present. In such cases, provisions of the company's articles</p>
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	<p>of association regarding meeting and decisions quorums shall apply.</p> <p>Composition, duties and working principles of committees that the Board of Directors is obliged to establish under the Turkish Commercial Code and the relevant legislation as well as such committees' relationships with the Board shall be governed by the provisions of the relevant legislation.</p>
<p>MADDE 13: NİTELİKLİ NİSAP GEREKTİREN YÖNETİM KURULU KARARLARI</p> <p>Yürürlükten Kaldırılmıştır.</p>	<p>ARTICLE 13: BOARD OF DIRECTORS RESOLUTIONS REQUIRING QUALIFIED QUORUM</p> <p><i>Cancelled.</i></p>
<p>MADDE 14: YÖNETİM KURULU GÖREV BÖLÜMÜ, TEMSİL VE YÖNETİMİN DEVRİ</p> <p>Yönetim kurulu, kanun ve ana sözleşme uyarınca genel kurulun yetkisinde bırakılmış bulunanlar dışında, şirketin işletme konusunun gerçekleştirilmesi için kendisine bırakılan ve gerekli olan her çeşit iş ve işlemler hakkında karar almaya yetkilidir.</p> <p>Yönetim Kurulu, Türk Ticaret Kanunu'nun 367. maddesi uyarınca hazırlayacağı bir iç yönerge ile yönetimi kısmen veya tamamen bir veya birkaç yönetim kurulu üyesine veya üçüncü kişiye devretmeye yetkilidir. Bu doğrultuda kendisine yönetim yetkisi devredilen üçüncü kişilerin yetki süreleri yönetim kurulu üyelerinin görev süreleri ile sınırlı değildir. Bu madde kapsamında yetki devrinin geçerli olması için, en az bir yönetim kurulu üyesinin temsil yetkisini haiz olması şarttır. Yönetim Kurulu, hazırlayacağı bu iç yönerge ile şirketin yönetimini düzenler, bunun için gerekli görevleri tanımlar, yetkilerin devredildiği kişilerin yetki ve sorumluluklarını tayin eder, yerlerini gösterir ve kimin kime bağlı ve bilgi sunmakla yükümlü olduğunu belirler ve gerekli gördüğünde bu yetkilerin tamamını veya bir kısmını değiştirip tadil edebilir veya geri alabilir. Bu şekilde atanacak olan kişilerin görev ve yetkileri 367. Maddeye göre hazırlanacak iç yönergede açıkça belirlenmek suretiyle, temsile yetkili olmayan yönetim kurulu üyeleri veya şirkete hizmet akdi ile bağlı olanlar, Yönetim Kurulu'nun sınırlı yetkiye sahip ticari vekili veya diğer tacir yardımcıları olarak atanabilir. Türk Ticaret Kanunu'nun 375.maddesi hükümleri saklıdır.</p>	<p>ARTICLE 14: DIVISION OF DUTIES AMONG BOARD OF DIRECTORS, REPRESENTATION and TRANSFER OF MANAGEMENT</p> <p>The board of directors is authorized to pass resolutions in relation to all kinds of affairs and transactions that are assigned to it and necessary for the realization of the subject matter of the company's business, except for those that are reserved to the general assembly by the law and the articles of association.</p> <p>The Board of Directors shall be authorized to delegate the management partially or completely to one or more members of the Board of Directors or to a third party with an internal directive to be prepared in accordance with Article 367 of the Turkish Commercial Code. Terms of authority of third persons to whom management power is delegated in such manner are not limited to the terms of office of the board members. In order for the delegation of power under this article to be valid, at least one board member should have the representation power. With this internal directive that the Board of Directors shall prepare, it shall regulate the management of the company; define the duties required for this, determine the powers and responsibilities of the persons to whom such powers are delegated, indicate their location and determine who shall report to whom and who is obliged to provide information, and may change and amend or revoke all or part of such powers when necessary. By explicitly determining the duties and powers of such persons to be appointed in this way in the internal directive to be prepared in accordance with Article 367, members of the board of directors who are not authorized to represent or those affiliated with the company with a service contract may be</p>

<p>Türk Ticaret Kanunu'nun 370. maddesi çerçevesinde Yönetim Kurulu temsil yetkisini bir veya daha fazla murahhas üyeye veya müdür olarak üçüncü kişilere devredebilir. Ancak böyle bir durumda, en az bir Yönetim Kurulu üyesinin temsil yetkisini haiz olması şarttır.</p> <p>Yönetim Kurulu Şirketi temsil ve ilzama yetkili kimseleri ve ilzam şeklini kararlaştırıp, usulü dairesinde tescil ve ilan eder. Şirkete ait bütün belgelerin ve akdedilecek sözleşmelerin geçerli olabilmesi için Türk Ticaret Kanunu'nun 373. maddesine uygun olarak temsil ve ilzam yetkisi verilmiş olan kişi veya kişilerin, Şirket unvanı altına atılmış imzasını taşıması gereklidir. Yönetim Kurulu, Şirket lehine kendisine imza yetkisi verilen kişileri ve bu kişilerin imza yetkilerinin sınırlarını belirlemeye yetkilidir. Şirketi sadece tescil ve ilan olunan imza yetkilileri temsil ve ilzam edeceklerdir. Temsile yetkili kişileri ve bunların temsil şekillerini gösterir kararın noterce onaylanmış sureti ticaret sicilinde tescil ve ilan edilmedikçe, temsil yetkisinin devri geçerli olmaz.</p> <p>Türk Ticaret Kanunu'nun 1526. Maddesi uyarınca Şirket tarafından yapılan işlemler, temsil yetkisini haiz kişilerin güvenli elektronik imzası ile de yapılabilir.</p>	<p>appointed as the commercial representatives or other assistant merchants of the Board of Directors with limited authority. Provisions of Article 375 of the Turkish Commercial Code are reserved.</p> <p>Pursuant to article 370 of the Turkish Commercial Code, the Board of Directors may transfer its representation power to one or more managing directors (<i>murahhas üye</i>) or to third persons as managers. However, in such case, it is a condition that at least one member of the Board of Directors has representation power.</p> <p>The Board of Directors shall determine the persons who are authorized to represent and bind the Company and the method of binding and have them duly registered and announced. In order for any document and contract to be concluded by the Company to take effect, they should bear the signatures of the person or persons authorized to bind and represent the Company as per article 373 of the Turkish Commercial Code, affixed under the Company's title. The Board of Directors is authorized to determine the persons who are granted signature authorities in favour of the Company and limits of their signature authorities. Only the registered and announced authorized signatories shall represent and bind the Company. Unless a notarized copy of the resolution showing the persons authorized to represent and their methods of representation is registered and announced at the trade registry, delegation of representation power shall not be valid.</p> <p>Transactions carried out by the Company in accordance with Article 1526 of the Turkish Commercial Code can also be made with the secure electronic signature of persons authorized to represent.</p>
<p>MADDE 15: YÖNETİM KURULU ÜYELERİNİN ÜCRETİ</p> <p>Yönetim Kurulu üyelerine ödenecek ücret ve huzur hakkı Genel Kurul tarafından belirlenir. Türk Ticaret Kanunu'nun 394. maddesi uyarınca, yönetim kurulu üyelerine, genel kurul kararıyla belirlenmiş olmak şartıyla huzur hakkı, ücret, nakit ve/veya pay olarak ödenebilecek bir şekilde ikramiye veya prim ve yıllık kardan pay ödenebilir.</p>	<p>ARTICLE 15: REMUNERATION OF MEMBERS OF BOARD OF DIRECTORS</p> <p>Remuneration and attendance fees of the members of the Board of Directors shall be determined by the General Assembly. Pursuant to Article 394 of the Turkish Commercial Code, the members of the board of directors may be paid attendance fee, salary, bonus or premium in a way that can be paid in cash and / or shares and a share from the annual profit, provided that</p>

	it is determined by the resolution of the general assembly.
MADDE 16: DENETÇİ Türk Ticaret Kanunu ve ilgili diğer mevzuat çerçevesinde gerekmesi durumunda, Türk Ticaret Kanunu' nun 400 üncü Maddesindeki nitelikleri sahip bir denetçi genel kurul tarafından seçilir. Denetçi görevlerini Türk Ticaret Kanunu' nun 397 ile 406' ıncı maddeleri ve sair mevzuat uyarınca yapmakla yükümlüdür.	ARTICLE 16: AUDITOR If required by the Turkish Commercial Code and other relevant legislation, an auditor who has the qualifications in Article 400 of the Turkish Commercial Code shall be elected by the general assembly. The auditor shall be responsible for performing his duties in accordance with Articles 397 and 406 of the Turkish Commercial Code and other legislation.
MADDE 17: MURAKİPLARIN GÖREVLERİ İptal Edilmiştir.	ARTICLE 17: DUTIES OF AUDITORS <i>Cancelled.</i>
MADDE 18: GENEL KURUL Şirketin Genel Kurul toplantılarında Türk Ticaret Kanununun 413 üncü maddesi ile işbu ana sözleşmede yazılı hususlar müzakere edilerek gerekli kararlar alınır. Genel Kurullar olağan ve olağanüstü olarak toplanır. Genel Kurul toplantılarına ilişkin bildirimler, Türk Ticaret Kanunu hükümleri çerçevesinde yapılır. Genel Kurul toplantı ilanı, mevzuatta öngörülen usullerin yanı sıra, elektronik haberleşme dahil her türlü iletişim vasıtası kullanılmak suretiyle ilan ve toplantı günleri hariç olmak üzere genel kurul toplantı tarihinden asgari üç hafta önce yapılır. Söz konusu ilan Şirketin internet sitesinde ve Türkiye Ticaret Sicili Gazetesi'nde yayımlanır. Olağan Genel Kurul, Şirketin hesap dönemi sonundan itibaren üç ay içerisinde ve yılda en az bir defa; Olağanüstü Genel Kurullar Şirket'in işlerinin icap ettirdiği hallerde ve zamanlarda toplanır. Şirket Yönetim Kurulu tarafından, Genel Kurul toplantılarının işleyiş şekli, bir iç yönerge ile düzenlenir. Genel Kurul toplantılarında, Türk Ticaret Kanunu hükümleri ile işbu ana sözleşme ve Şirketin Genel Kurul Çalışma Esas ve Usulleri Hakkında İç Yönergesi düzenlemeleri uygulanır.	ARTICLE 18: GENERAL ASSEMBLY In the General Assembly meetings of the Company, the necessary resolutions shall be adopted by discussing the particulars written in article 413 of the Turkish Commercial Code and these articles of association. General Assemblies shall convene on ordinarily and extraordinary basis. Notifications regarding General Assembly meetings shall be made within the framework of provisions of the Turkish Commercial Code. Announcement of the General Assembly meeting shall be made through all kinds of means of communication besides the procedures envisaged in the legislation including electronic communication, at least three weeks before the date of the general assembly meeting date excluding the announcement and meeting dates. Such announcement shall be made in the Company's website and the Turkish Trade Registry Gazette. Ordinary General Assembly shall convene within three months from the end of the fiscal period of the Company and at least once a year; Extraordinary General Assemblies shall convene where and when the business of the Company so requires. The manner of conduct of the meetings of General Assembly shall be regulated by an internal directive by the Company's Board of Directors. Provisions of the Turkish Commercial Code, these articles of association and the Company's Internal Directive regarding the Working Principles and Procedures of General

<p>Şirketin genel kurul toplantılarına katılma hakkı bulunan hak sahipleri bu toplantılara, Türk Ticaret Kanununun 1527'nci maddesi uyarınca elektronik ortamda da katılabilir. Şirket, Anonim Şirketlerde Elektronik Ortamda Yapılacak Genel Kurullara İlişkin Yönetmelik hükümleri uyarınca hak sahiplerinin genel kurul toplantılarına elektronik ortamda katılmalarına, görüş açıklamalarına, öneride bulunmalarına ve oy kullanmalarına imkan tanıyacak elektronik genel kurul sistemini kurabileceği gibi bu amaç için oluşturulmuş sistemlerden de hizmet satın alabilir. Yapılacak tüm genel kurul toplantılarında ana sözleşmenin bu hükmü uyarınca, kurulmuş olan sistem üzerinden hak sahiplerinin ve temsilcilerinin, anılan Yönetmelik hükümlerinde belirtilen haklarını kullanabilmesi sağlanır.</p>	<p>Assembly shall apply to the General Assembly meetings.</p> <p>The beneficiaries who are entitled to attend the general assembly meetings of the Company may also participate in such meetings in electronic environment in accordance with article 1527 of the Turkish Commercial Code. In accordance with the provisions of the Regulation on General Assemblies to be Held in Electronic Environment in Joint Stock Companies, the Company may establish an electronic general assembly system that will allow the beneficiaries to attend the general assembly meetings, express their opinions, make suggestions and vote on electronic environment or purchase services from the systems established for this purpose. At all general assembly meetings to be held, in accordance with this provision of the articles of association, it shall be ensured that the beneficiaries and their representatives can exercise their rights specified in the provisions of the aforementioned Regulation through the established system.</p>
<p>MADDE 19: TOPLANTI YERİ</p> <p>Olağan veya Olağanüstü Genel Kurullar Anonim Şirketin genel merkezinde veya merkezinin bulunduğu ilin elverişli bir yerinde toplanabilir.</p> <p>Genel Kurul toplantılarını, Genel Kurul tarafından seçilen, pay sahibi sıfatını taşıması şart olmayan bir başkan yönetir. Başkan tutanak yazmanı ile gerek görürse oy toplama memurunu belirleyerek başkanlığı oluşturur. Gereğinde başkan yardımcısı da seçilebilir.</p> <p>Toplantı tutanaklarının imzası hususunda Divan Başkanlığına yetki verilebilir.</p>	<p>ARTICLE 19: MEETING LOCATION</p> <p>Ordinary or Extraordinary General Assemblies may be held at the head office of the Company or at a suitable place in the province where its head office is located.</p> <p>The General Assembly meetings shall be chaired by a chairperson who is elected by the General Assembly and who is not required to be a shareholder. The chairperson shall appoint a secretary and, if deems necessary, a vote collector and form the meeting council. A deputy chairperson can also be elected when necessary.</p> <p>The Meeting Council may be authorized to sign the minutes of the meeting.</p>
<p>MADDE 20: BAKANLIK TEMSİLCİSİ</p> <p>Türk Ticaret Kanunu ve ilgili sair mevzuat uyarınca Gümrük ve Ticaret Bakanlığı Temsilcisinin bulunması şart koşulan genel kurul toplantılarında Bakanlık Temsilcisi bulunması şarttır. Bakanlık Temsilcisinin bulunmasının şart koşulduğu genel kurul toplantılarında Bakanlık Temsilcisinin yokluğunda alınacak kararlar geçerli değildir.</p>	<p>ARTICLE 20: MINISTRY'S REPRESENTATIVE</p> <p>In accordance with the Turkish Commercial Code and other relevant legislation, the presence of a Ministry Representative is mandatory in the general assembly meetings where a representative of the Ministry of Customs and Trade is required. Resolutions adopted in the absence of a Ministry Representative in the general assembly meetings where the presence of a Ministry Representative is required shall not be effective.</p>
<p>MADDE 21: TOPLANTI NİSABI</p>	<p>ARTICLE 21: MEETING QUORUM</p>

<p>Şirket genel kurul toplantılarında Türk Ticaret Kanunu çerçevesinde belirlenen gündem müzakere edilerek gerekli kararlar alınır. Türk Ticaret Kanunu'nun 438. maddesi saklı kalmak üzere gündemde yer almayan konular görüşülemez ve karara bağlanamaz.</p> <p>Genel kurul toplantılarında, toplantı ve karar yeter sayısında Türk Ticaret Kanunu hükümlerine uyulur.</p>	<p>In the Company's general assembly meetings, the agenda determined in accordance with the Turkish Commercial Code shall be discussed and necessary resolutions shall be passed. Items not on the agenda may not be discussed and resolved, provided that article 438 of the Turkish Commercial Code is reserved.</p> <p>Provisions of the Turkish Commercial Code shall be complied with in respect of meeting and decision quorums of general assembly meetings.</p>
<p>MADDE 22: NİTELİKLİ NİSAP GEREKTİREN GENEL KURUL KARARLARI</p> <p>Yürürlükten Kaldırılmıştır.</p>	<p>ARTICLE 22: GENERAL ASSEMBLY RESOLUTIONS REQUIRING QUALIFIED QUORUM</p> <p><i>Cancelled.</i></p>
<p>MADDE 23: OY HAKKI VE VEKİL TAYİNİ</p> <p>Olağan ve Olağanüstü Genel Kurul toplantılarında, Türk Ticaret Kanunu hükümleri saklı kalmak kaydıyla, paylar sahiplerine birer oy hakkı verir.</p> <p>Genel Kurul toplantılarında, oylar açık olarak verilir. Ancak toplantıda temsil edilen payların en az yirmide birine sahip pay sahiplerinin talebi üzerine gizli oylama yoluna başvurulur.</p>	<p>ARTICLE 23: VOTING RIGHT AND APPOINTMENT OF PROXY</p> <p>In Ordinary and Extraordinary General Assembly meetings, each share grants one vote to the shareholders, provided that provisions of the Turkish Commercial Code are reserved.</p> <p>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.</p>
<p>MADDE 24: İLAN</p> <p>Kanunen Şirket tarafından ilan edilmesi zorunlu olan hususlar, Türk Ticaret Kanunu'nun ilgili hükümleri ve bu kanunlar çerçevesinde çıkarılan yönetmelik, tebliğler ve ilgili diğer mevzuat hükümlerine uygun olarak ve buralarda belirtilen sürelerle uyulmak kaydıyla ilan edilir. Düzenlemelerde ilan yeri belirtilmeyen hususlar Şirket internet sitesinde ilan edilir.</p>	<p>ARTICLE 24: NOTICES</p> <p>Matters legally required to be announced by the Company shall be announced in line with the relevant provisions of the Turkish Commercial Code and provisions of the regulations, communiqués and other relevant legislations issued within the framework of these laws and in compliance with the periods stated therein. Matters whose place of announcement is not stated in the legislations shall be announced in the Company's website.</p>
<p>MADDE 25: OYLARIN KULLANILMASI</p> <p>Oylar, el kaldırmak suretiyle kullanılır. Ancak, hazır bulunan hissedarların temsil ettikleri sermayenin onda birine sahip bulunan hissedarların talebi üzerine gizli oya başvurulabilir.</p>	<p>ARTICLE 25: CASTING VOTES</p> <p>Votes shall be cast by raising hands. However, a ballot can be held upon request of the shareholders holding one tenth of the capital represented by the shareholders present.</p>
<p>MADDE 26: ANA SÖZLEŞMENİN DEĞİŞİKLİĞİ</p>	<p>ARTICLE 26: AMENDMENT IN ARTICLES OF ASSOCIATION</p>

<p>Ana sözleşme değişikliğine, Türk Ticaret Kanunu ve ana sözleşme hükümlerine uygun olarak davet edilecek genel kurulda, Türk Ticaret Kanunu ve ana sözleşme hükümleri çerçevesinde karar verilir. Ana sözleşme değişikliklerinin tescil ve ilan edilmesi şarttır.</p> <p>Ana sözleşme değişiklikleri üçüncü kişilere karşı tescilden sonra hüküm ifade eder.</p> <p>Ana sözleşme değişikliğinin, T.C. Ticaret Bakanlığı veya diğer bir kamu kurum veya kuruluşu iznine tabi olması durumunda, bahsi geçen kamu kurum veya kuruluşlarının onaylanmadığı ana sözleşme değişiklik tasarıları, genel kurul gündemine alınamaz ve görüşülemez.</p>	<p>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.</p> <p>Amendments to the articles of association shall bind third parties after registration thereof.</p> <p>In case the amendment of the articles of association is subject to the permission of the Ministry of Trade 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.</p>
<p>MADDE 27: SENELİK RAPORLAR</p> <p>Yürürlükten Kaldırılmıştır.</p>	<p>ARTICLE 27: ANNUAL REPORTS</p> <p><i>Cancelled.</i></p>
<p>MADDE 28: SENELİK HESAPLAR</p> <p>Anonim Şirketin hesap yılı Ocak ayının birinci gününden başlar ve Aralık ayının son günü sona erer. Birinci hesap yılı Anonim Şirket'in kesin olarak kurulduğu tarihten başlar ve Aralık ayının son günü sona erer.</p> <p>Maliye Bakanlığı'ndan izin almak kaydıyla Anonim Şirket başka hesap yılı kabul edebilir.</p>	<p>ARTICLE 28: ANNUAL ACCOUNTS</p> <p>The fiscal year of the Company shall start on the first day of January and end on the last day of December. The first fiscal year shall start on the final foundation day of the Company and end on the last day of December.</p> <p>The Company can adopt another fiscal year with the permission of the Ministry of Finance.</p>
<p>MADDE 29: KARIN TESPİTİ VE DAĞITIMI</p> <p>Şirket tarafından ayrılacak kanuni yedek akçeler hakkında Türk Ticaret Kanunu'nun 519'uncu maddesi uygulanır. Şirketin genel giderleri ile muhtelif amortisman bedelleri gibi şirketçe ödenmesi veya ayrılması zorunlu olan miktar ile Şirket tarafından ödenmesi zorunlu vergiler Şirketin hesap dönemi sonunda tespit edilen gelirlerden indirildikten sonra geriye kalan ve yıllık bilançoda görülen dönem net karından, varsa geçmiş yıl zararlarının düşülmesinden sonra kalan miktar, aşağıdaki sıra ve esaslar dahilinde dağıtılır:</p> <p>Genel Kanuni Yedek Akçe</p>	<p>ARTICLE 29: DETERMINATION AND DISTRIBUTION OF PROFIT</p> <p>Article 519 of the Turkish Commercial Code shall apply to the legal reserves to be set aside by the Company. The amount remaining after deduction of the amounts required to be paid and set aside by the company such as the Company's general expenses and various amortisation amounts and taxes required to be paid by the Company, from the revenues determined at the end of the fiscal period of the Company and the amount remaining after deduction of previous years' losses if any, from the net profit for the period as seen in the annual balance sheet shall be distributed in line with the following order and principles:</p>

a) Bu şekilde hesaplanan net dönem karından, her yıl, Türk Ticaret Kanunu'nun 519. maddesi uyarınca, ödenmiş sermayenin %20'sine (yüzde yirmi) ulaşınca kadar %5 (yüzde beş) genel kanuni yedek akçe ayrılır.

Birinci Kar Payı

b) Kalan miktardan, varsa yıl içinde yapılan bağış tutarının ilavesi ile bulunacak meblağ üzerinden, Şirketin kar dağıtım politikası çerçevesinde Türk Ticaret Kanunu uygun olarak birinci kar payı ayrılır. Yukarıdaki indirimler yapıldıktan sonra, Genel Kurul, kar payının, yönetim kurulu üyelerine, ortaklık çalışanlarına ve pay sahibi dışındaki kişilere dağıtılmasına karar verme hakkına sahiptir.

İkinci Kar Payı

c) Genel Kurul, net dönem karının, (a) ve (b) bentlerinde belirtilen meblağlar düştükten sonra kalan kısmını kısmen veya tamamen ikinci kar payı olarak dağıtmaya veya Türk Ticaret Kanunu'nun 521'inci maddesi uyarınca kendi isteği ile yedek akçe olarak ayırmaya karar verebilir.

Genel Kanuni Yedek Akçe

d) Pay sahipleriyle kara iştirak eden diğer kimselere dağıtılması kararlaştırılmış olan kısımdan, sermayenin %5'i oranında kar payı düşüldükten sonra bulunan tutarın yüzde onu, Türk Ticaret Kanunu'nun 519 uncu maddesinin ikinci fıkrası uyarınca genel kanuni yedek akçeye eklenir.

Türk Ticaret Kanunu'na göre ayrılması gereken yedek akçeler ile ana sözleşmede veya kar dağıtım politikasında pay sahipleri için belirlenen kar payı ayrılmadıkça; başka yedek akçe ayrılmasına, ertesi yıla kar aktarılmasına, yönetim kurulu üyelerine, ortaklık çalışanlarına ve pay sahibi dışındaki kişilere kardan pay dağıtılmasına karar verilemeyeceği gibi, pay sahipleri için belirlenen kar payı nakden ödenmedikçe bu kişilere kardan pay dağıtılamaz.

Kar payı, dağıtım tarihi itibarıyla mevcut payların tümüne, bunların ihraç ve iktisap tarihleri dikkate alınmaksızın eşit olarak dağıtılır.

General Legal Reserve

a) In accordance with article 519 of the Turkish Commercial Code, 5% (five percent) of the annual net profit calculated as such shall be appropriated to the general legal reserve fund every year until it reaches 20% (twenty percent) of the paid-up capital.

First Dividend

b) From the remaining amount, the first dividend shall be set aside within the framework of the Company's dividend distribution policy, in line with the Turkish Commercial Code, based on the amount to be calculated by addition of the donation made within the year, if any.

After the above deductions, the General Assembly is entitled to decide for distribution of the dividend to board members, partnership employees and persons other than shareholders.

Second Dividend

c) The General Assembly may decide wholly or partly to distribute as the second dividend or set aside as reserve fund, the portion of the net period dividend remaining after deduction of the amounts mentioned in paragraphs (a) and (b), as the reserve fund in its discretion as per article 521 of the Turkish Commercial Code.

General Legal Reserve

d) Ten percent of the amount remaining after deduction of a dividend of 5% of the capital from the amount determined to be distributed to shareholders and other persons participating in dividend shall be added to the general legal reserve in line with the second paragraph of article 519 of the Turkish Commercial Code.

Unless the reserves required to be set aside as per the Turkish Commercial Code and the dividends determined for shareholders in the articles of association or the dividend distribution policy are set aside; no other reserves may be decided to be set aside, no dividend may be decided to be transferred to the following year, no share of the dividend may be decided to be distributed to board members, partnership employees and persons other than shareholders,

<p>Şirketin mali durumu, girişim ve yatırımları göz önüne alınmak suretiyle, bu kardan dağıtılacak miktarın tespiti ile bunun nasıl dağıtılacağına genel kurulca karar verilecektir. Dağıtılmasına karar verilen karın dağıtım şekli ve zamanı, yönetim kurulunun bu konudaki teklifi üzerine genel kurulca kararlaştırılır. Bu ana sözleşme hükümlerine göre genel kurul tarafından verilen kar dağıtım kararı geri alınamaz.</p>	<p>and unless the dividends determined for shareholders are paid in cash, no share of dividend may be distributed to such persons.</p> <p>Dividends shall be distributed to equally to all shares existing as at the date of distribution, without regard to dates of their issuance and acquisition.</p> <p>Determination of the amount to be distributed from such dividend and how it shall be distributed shall be decided by the general assembly by taking into account the Company's financial situation, ventures and investments. The manner and time of distribution of the dividend decided to be distributed shall be determined by the general assembly upon proposal of the board of directors on this matter.</p> <p>A dividend distribution decision given by the general assembly in line with the provisions of these articles of association may not be revoked.</p>
<p>MADDE 30: KARIN DAĞITIM ZAMANI</p> <p>Yürürlükten Kaldırılmıştır.</p>	<p>ARTICLE 30: DISTRIBUTION TIME OF PROFITS</p> <p><i>Cancelled.</i></p>
<p>MADDE 31: AVANS KAR PAYI DAĞITIMI</p> <p>Şirket, Türk Ticaret Kanunu'nun hükümlerine uygun olarak avans kar payı dağıtabilir. İlgili mali hesap dönemiyle sınırlı olmak koşulu ile Genel Kurul, Yönetim Kurulu'na avans kar payı dağıtım yetkisi verebilir.</p>	<p>ARTICLE 31: DISTRIBUTION OF ADVANCE DIVIDENDS</p> <p>The Company may distribute advance dividends in line with the provisions of the Turkish Commercial Code. The General Assembly may grant advance dividends distribution power to the Board of Directors provided that such power is limited to the relevant fiscal period.</p>
<p>MADDE 32: GENEL MÜDÜR</p> <p>Yürürlükten Kaldırılmıştır.</p>	<p>ARTICLE 32: GENERAL MANAGER</p> <p><i>Cancelled.</i></p>
<p>MADDE 33: REKABET YASAĞI</p> <p>Yürürlükten Kaldırılmıştır.</p>	<p>ARTICLE 33: NON-COMPETITION</p> <p><i>Cancelled.</i></p>
<p>MADDE 34: FESİH VE İNSİFAH</p> <p>Anonim Şirket Türk Ticaret Kanununda sayılan nedenlerle ve yahut mahkeme kararıyla ihfisah edilebileceği gibi yasal hükümler dairesinde genel kurul kararıyla da fesholunabilir.</p> <p>Anonim Şirket'in fesih ve ihfisah durumunda tasfiyesi Türk Ticaret Kanunu'nun hükümleri dairesinde yerine getirilir.</p>	<p>ARTICLE 34: DISSOLUTION AND WINDING UP</p> <p>The Company can be wound up for reasons listed in the Turkish Commercial Code or with a court decision and also dissolved with a General Assembly resolution in accordance with legal provisions.</p>

	In the event of a dissolution and winding up of the Company, it shall be liquidated in accordance with the provisions of the Turkish Commercial Code.
MADDE 35: BAKANLIGA GÖNDERİLECEK ANA SÖZLEŞME Yürürlükten Kaldırılmıştır.	ARTICLE 35: THE ARTICLES OF ASSOCIATION TO BE DELIVERED TO THE MINISTRY <i>Cancelled.</i>
MADDE 36: YASA HÜKÜMLERİ Bu Ana Sözleşmede hüküm bulunmayan hususlar hakkında Türk Ticaret Kanunu'nun hükümleri uygulanır.	ARTICLE 36: LEGAL PROVISIONS The provisions of the Turkish Commercial Code shall apply to any matter which is not included in these Articles of Association.
MADDE 37: DAMGA VERGİSİ Bu Ana Sözleşme ile ilgili damga Vergisi kanuni süresi içinde Halkalı Vergi Dairesi Müdürlüğü'ne ödenecektir.	ARTICLE 37: STAMP DUTY The stamp duty for these Articles of Association shall be paid to Halkalı Tax Office when legally due.
MADDE 38: KURUMSAL YÖNETİM İLKELERİNE UYUM Şirket için uygulanması zorunlu olmasa da, Sermaye Piyasası Kurulu tarafından Borsa İstanbul A.Ş.'de işlem gören şirketlerin uygulaması zorunlu tutulan kurumsal yönetim ilkelerine ihtiyari olarak ve uygulanabilir olduğu ölçüde uyulmasına azami özen gösterilir. Sermaye Piyasası Kurulu'nun bağımsız yönetim kurulu üyelerine ilişkin düzenlemelerine uyulur ve ana sözleşmenin 10'uncu maddesi saklı olmak kaydıyla, yönetim kurulunda görev alacak bağımsız üyelerin sayısı ve nitelikleri Sermaye Piyasası Kurulu'nun kurumsal yönetime ilişkin düzenlemelerine göre tespit edilir.	ARTICLE 38: COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES Although it is not mandatory for the company to comply, utmost care is taken to comply with the corporate governance principles required by the Capital Markets Board of the companies traded in Borsa İstanbul A.Ş. The regulations of the Capital Markets Board regarding independent members of the board of directors are complied with and the number and qualifications of the independent members who will take part in the board of directors are determined according to the regulations of the Capital Markets Board on corporate governance, provided that Article 10 of the articles of association are reserved.
GEÇİCİ MADDE 1 Yürürlükten Kaldırılmıştır.	PROVISIONAL ARTICLE 1 <i>Cancelled.</i>
GEÇİCİ MADDE 2 Yürürlükten Kaldırılmıştır.	PROVISIONAL ARTICLE 2 <i>Cancelled.</i>

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

The following description of the capital stock of D-Market Electronic Services & Trading (the "Company", "we", "us", and "our") and certain provisions of our Articles of Association is not intended to be a complete summary of the rights and preferences of such securities and is qualified in its entirety by reference to the full text of the Articles of Association. A copy of our current Articles of Association is attached as Exhibit 1.1 to our annual report on Form 20-F (our "Annual Report"). You are encouraged to read the applicable provisions of Turkish law and the Articles of Association in their entirety for a complete description of the rights and preferences of our securities. Further, please note that as a holder of American Depositary Shares ("ADSs"), you will not be treated as one of our shareholders and will not have any shareholder rights.

On January 29, 2025, our then-controlling shareholder, being Hanzade Vasfiye Doğan Boyner, our Founder, and Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan (collectively, the "Selling Shareholders") sold all their Class A shares and Class B shares of the Company, corresponding to 65.41% of our share capital, to Joint Stock Company Kaspi.kz, a joint stock company incorporated under the laws of Kazakhstan, pursuant to a stock purchase agreement entered into on October 17, 2024 (the "Change of Control"). Following the Change of Control, in accordance with former Article 7/A of our Articles of Association, all privileges attributed to Class A shares automatically terminated and on January 31, 2025, our Extraordinary General Assembly Meeting of Shareholders approved amendments to our Articles of Association to remove all references to classes of shares (the "Dual Class Structure Termination"). The amendments to our Articles of Association resulting from the Change of Control became effective on March 4, 2025 and are described herein.

Share Capital*General*

As of December 31, 2024, our share capital consisted of 40,000,000 Privileged Class A shares (the "Class A Shares") and 285,998,290 Class B ordinary shares with a nominal value of TRY 0.20 each.

As of the date of our Annual Report, our share capital consists of 325,998,290 ordinary shares.

All of our outstanding ordinary shares are fully paid and non-assessable. Certificates representing the ordinary shares are issued in registered form. Our shareholders may freely hold and vote their shares. Our share capital is denominated in TRY.

Changes in Our Share Capital During the Last Three Fiscal Years

Since January 1, 2022, there were no changes to our share capital except for the Dual Class Structure Termination.

Listing

Our ADSs are listed on the Nasdaq Global Select Market ("Nasdaq") under the symbol "HEPS".

Transfer Agent and Registrar

The transfer agent and depositary for our ADSs is The Bank of New York Mellon.

Memorandum and Articles of Association*Organization and Register*

Our legal and commercial name is D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi. We are a joint stock company incorporated in İstanbul, Türkiye on April 11, 2000 and organized under the laws of Türkiye. Our affairs are governed by our Articles of Association, as amended from time to time, and the TCC. We are registered in the İstanbul Trade Registry under the trade registry number 436165-0.

Objects and Purposes

Our main objectives include, among other things, providing electronic commerce, service provider services on the internet, within the framework of the relevant legislation, publishing, making, operating websites on the internet and establishing infrastructure for these services and are set forth in Article 3 of our Articles of Association.

Articles of Association

Share Classes as of December 31, 2024

As of December 31, 2024, our issued share capital was divided into two share classes, and consisted of the following:

- Class A shares; and
- Class B ordinary shares.

Each Class A share entitled its holder to fifteen votes per share and each Class B ordinary share entitled its holder to one vote per share. Only our Class B ordinary shares could be represented by ADSs publicly traded and listed. As of December 31, 2024, all of our Class A shares and 29,864,015 of our Class B ordinary shares were owned by our founder and chairwoman, Hanzade Vasfiye Doğan Boyner (our “Founder”).

Dual Class Structure Termination

Following the Change of Control, on January 31, 2025, the Extraordinary General Meeting of Shareholders approved amendments to our Articles of Association removing all references to classes of shares. As of the date of our Annual Report, our issued share capital is represented by 325,998,290 ordinary shares. Each ordinary share entitles its holder to one vote per share. Our ordinary shares may be represented by ADSs that are publicly traded and listed.

Sunset Provisions

Our Articles of Association in effect as of December 31, 2024 provided for sunset provisions regarding the termination of the dual class structure upon the occurrence of the earliest of the events listed below, as a result of which the privileges attributed to our Class A shares would automatically terminate:

- the date that is the 20th anniversary of our IPO;
- the date that is 180 days following the date on which the Class A Shareholder held shares (including both Class A shares and Class B ordinary shares) representing less than 7.5% of the total paid-in capital of the Company;
- the date that is 180 days following the death or permanent incapability (for health reasons) of the Class A Shareholder; and
- the date that is one calendar year following the date on which the Class A Shareholder:
 - (i) voluntarily resigned from the board of directors, or (ii) voluntarily decided not to be nominated as director at a general assembly of shareholders, and
 - ceased to hold any employment or consultancy positions at the Company, provided that such Class A Shareholder did not enter into a new employment or consultancy position at the Company.
- a transfer of such Class A shares to a third-party, except for the “Permitted Transfers” (as defined below); or
- an application to the Central Registry Agency, the central registry and securities depository of Turkey, by the Class A Shareholder holding such Class A shares for conversion into tradable form.

Under the Articles of Association in effect as of December 31, 2024, the following transactions would not have caused the termination of privileges of Class A shares, and therefore, the Class A Shareholder would have been permitted to transfer such Class A shares to “Permitted Transferees” in the following “Permitted Transfers”:

- to first or second degree blood relatives as a result of legal (such as inheritance) or voluntary transfers; and
- to legal entities controlled by either (i) the holder of such Class A shares or (ii) her first or second degree blood relatives, as a result of legal (such as inheritance) or voluntary transfers.

Upon the occurrence of the Change of Control, the privileges attributed to our Class A shares automatically terminated. The provisions set out above were removed from our Articles of Association with the amendments approved by the Extraordinary General Meeting of Shareholders held on January 31, 2025.

Dividends

The payment of dividends is regulated by Turkish Commercial Code (Law No. 6102) (the “TCC”) and our Articles of Association. The following is a description of certain information relating to the payment of dividends, including requirements under the TCC and our Articles of Association.

In line with the dividend distribution policy to be determined by our General Assembly Meeting of Shareholders and the provisions of Turkish law, the distribution of profits and the payment of any annual dividend in respect of the preceding financial year will be recommended by our board of directors each year for approval by the Annual General Assembly Meeting of Shareholders. Each ordinary share entitles its holder to a pro rata share of any dividends distributed and dividend distributions are made to all shares existing as of the distribution date, regardless of their date of issuance.

Distributable earnings are calculated in accordance with our Articles of Association after deducting all expenses, depreciation and similar payments and setting aside legally required reserves, taxes and the previous year’s losses, if any, from the revenue for the prior fiscal period. The amount of distributable earnings is the lesser of the amounts derived by performing this calculation using our statutory financial statements, which are prepared in accordance with the TCC and Turkish tax legislation.

Distributable earnings are then allocated in the following order:

- 5.0% of the distributable earnings is allocated to a first legal reserve until the first legal reserve reaches 20.0% of our paid-in capital;
- the remainder of the first dividend shall be set aside within the framework of the Company’s profit distribution policy and in line with the TCC, based on the amount to be calculated by addition of the donation made within the year, if any. After the above deductions, the General Assembly Meeting of Shareholders is entitled to decide for distribution of the dividend to board members, partnership employees and persons other than shareholders;
- the remainder of the distributable earnings may be (i) distributed in full or in part to our shareholders as a second dividend or (ii) set aside as year-end profits or as part of non-mandatory reserves; and
- after setting aside an amount equal to 5.0% of the distributable earnings at the fiscal year-end from the amount to be distributed to shareholders and other persons participating in profit as stated above, we allocate 10.0% of the remaining amount as a second legal reserve and add it to the statutory reserve if and when a second dividend is distributed as stated above.

Unless and until the statutory funds and other financial obligations required by law are set aside and the dividend determined in accordance with the Articles of Association is distributed in cash or as bonus shares, we cannot resolve (i) to set aside any reserve, (ii) to transfer a dividend to the next year or (iii) to make distributions to the members of our board of directors, managers, employees and foundations or similar institutions established for various purposes.

If the calculated first dividend amount is less than 5.0% of the paid-in capital, we may not distribute the first dividend. However, the amount retained will be added to the calculation of the first dividend for the following fiscal year.

We may distribute advance dividends in line with the provisions of the TCC. The General Assembly Meeting of Shareholders may grant advance dividend distribution authority to the board of directors provided that such power is limited to the relevant financial period. A dividend distribution resolved by the General Assembly Meeting of Shareholders in line with our Articles of Association may not be revoked.

Shareholders' Meetings

Any shareholder not wishing to attend a General Assembly Meeting of Shareholders in person may appoint another person as a proxy and may exercise its voting rights through its proxy. The general assembly of shareholders of a joint stock company must convene for ordinary meetings to be held at the company's registered office, on such date and at such time as may be designated from time to time by the board of directors or as provided in the articles of association. If necessary, the general assembly of shareholders of a joint stock company may convene for extraordinary meetings. Our General Assembly Meeting of Shareholders convenes upon notice by the board of directors to our shareholders at least three weeks prior to the date of such General Assembly Meeting of Shareholders.

Shareholders representing at least 10.0% of our share capital may, by written notice to be served through the notary public, require any additional matters to be included on the agenda for discussions at any General Assembly Meeting of Shareholders. If the board of directors does not fulfil such request, such shareholders may ask permission from the court to include additional items on the agenda. Pursuant to our Articles of Association, the General Assembly Meeting of Shareholders is to be held at the Company's head office, located at Kuştepe Mahallesi Mecidiyeköy Yolu Cadde No: 12 Tower 2 Floor 2 Şişli, İstanbul, Türkiye, or another location in İstanbul, or another location that is convenient in the city in which the headquarters are located.

Extraordinary meetings of the General Assembly Meeting of Shareholders may be convened by the board of directors or upon request of the shareholders representing at least 10.0% of our share capital. If the board of directors does not fulfil the request of the shareholders, such shareholders may ask permission from the court to convene the General Assembly. Shareholders representing at least 10.0% of our share capital may, by written notice to be served through the notary public, require any additional matters to be included on the agenda for discussions at any General Assembly Meeting of Shareholders. If the board of directors does not fulfil such request, such shareholders may ask permission from the court to include additional items on the agenda. According to the TCC, resolutions adopted at a duly convened general assembly of shareholders are valid and binding on the shareholders who did not attend the meeting.

In accordance with the requirements of the TCC, our shareholders are entitled to participate in General Assembly Meetings of Shareholders through the electronic platform where such General Assembly Meeting of Shareholders are streamed in real time. Shareholders who request to participate in a General Assembly Meeting of Shareholders through the electronic platform two days prior to the relevant General Assembly Meeting of Shareholders may attend the meeting by using the electronic platform, provided that they obtain electronic signatures from one of the Turkish service providers in advance. All announcements and other documents that must be submitted for the review of our shareholders will also be made available through the electronic platform.

Appointment and Removal of Directors

Pursuant to the TCC and our Articles of Association, the board of directors is responsible for our management and establishes the principles of our strategy, organization, accounting and financial control. According to our Articles of Association, the board of directors must consist of a minimum of 6 and a maximum of 12 members appointed by our shareholders and our board of directors is authorized to appoint officers as it deems appropriate. All of the directors will serve for the term fixed by the shareholder or board of directors that appoints such director, which cannot be longer than three years, or until the earlier of his or her death, resignation or removal. Our directors do not have a retirement age requirement under our Articles of Association.

Any director may be appointed or removed by a resolution of the General Assembly Meeting of Shareholders. Under Turkish law, members of the board of directors can be appointed from among shareholders as well as non-shareholders, and both natural persons and legal entities can be appointed as members of the board of directors. In the event a legal entity is appointed as a member of the board of directors, a natural person must be appointed by the legal entity member of the board of directors as its representative to exercise all rights and fulfil all duties of a member of the board of directors on behalf of such legal entity.

Votes on the Compensation of Directors

Pursuant to our Articles of Association, remuneration and attendance fees of the members of the board of directors are determined by the General Assembly Meeting of Shareholders. In accordance with the TCC, directors can be paid with cash, shares or a share of profit if so determined by the General Assembly Meeting of Shareholders.

Transfer of Shares

Save as otherwise discussed in Item 7.B. "Major Shareholders and Related Party Transactions—Related Party Transactions—Post-IPO Shareholder Agreement—Capital Increases and Restrictions on Share Transfers" of our Annual Report, the ordinary shares are freely transferable under the Articles of Association, provided that transfers must be made in accordance with relevant legislation.

Issuance of Shares

The Company's authorized share capital limit is TRY 280,000,000 (constituting a total of 1,400,000,000 shares each with a nominal value of TRY 0.20), and the board of directors is authorized to issue new shares up to this limit without the approval of the General Assembly Meeting of Shareholders. Within this authorized share capital limit, the board of directors is also authorized to issue new shares at a premium to their nominal value of TRY 0.20 per share. The board of directors is also authorized to restrict the pre-emption rights of the Company's shareholders in connection with such new share issuances.

Repurchase of Shares

Pursuant to the TCC, the Company is allowed to repurchase its own shares, accept its own shares as pledge, and sell such repurchased shares to third parties or pay the consideration for the shares that are bought back. Only fully paid shares can be subject to repurchase by the Company. The General Assembly Meeting of Shareholders must also authorize the board of directors to perform the transaction. This authorization, when issued, is valid for 5 years at most. The Company may, subject to certain statutory requirements, terms and conditions, repurchase outstanding shares not exceeding 10% in nominal value of the entire issued share capital of the Company. After deducting the value of the shares to be repurchased, the remaining net assets of the Company shall be at least the sum of the registered or issued capital and the reserve funds that are not allowed to be distributed in accordance with the law and our Articles of Association.

Pre-emption Rights

Pursuant to the TCC, the Company may increase its share capital through various methods, including through the issuance of new shares. Absent an authorized corporate resolution stating otherwise, our existing shareholders are entitled to subscribe for new shares, also known as pre-emptive rights, in proportion to their respective shareholdings each time the Company undertakes a capital increase.

Liquidation

Pursuant to the TCC, our shareholders have the right to receive a *pro rata* share of any proceeds arising from our liquidation. Under Turkish law, however, articles of association, may restrict this right. According to our Articles of Association, no shareholder is granted preferred shares with regards to liquidation rights.

Voting Rights

As of December 31, 2024, the holders of our Class B ordinary shares (or the ADSs representing them, in accordance with the provisions of the Deposit Agreement (as defined below)) were entitled to one vote per share held on all matters submitted to a shareholder vote, whereas the holders of our Class A shares were entitled to fifteen votes per share held on all matters submitted to a shareholder vote.

As a result of the Dual Class Structure Termination, at the date of our Annual Report, our share capital is represented entirely by ordinary shares. Each ordinary share entitles its holder to one vote per share.

Reports to Shareholders

We are subject to the informational and periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, including filing annual reports on Form 20-F and furnishing reports on Form 6-K.

Pursuant to the provisions of the TCC, the balance sheet, the profit and loss account, the annual activity report and proposals regarding the distribution of profits, as well as the auditors' report, must be made available to the shareholders at our head office at least three weeks in advance of the annual General Assembly Meeting of Shareholders. The balance sheet, the profit and loss account and the annual activity report are to be kept available to our shareholders at our head office for a period of one year from the date of the relevant General Assembly Meeting of Shareholders.

Changes to the Rights of Shareholders

Any amendments to the Articles of Association, including changes to the shareholders' rights set forth therein, are to be decided by the General Assembly Meeting of Shareholders. Amendments to the Articles of Association must be registered and announced, and are binding upon third parties after registration.

If a proposed amendment to the Articles of Association is subject to the permission of the Ministry of Trade or another public institution or organization, the draft amendments to the Articles of Association cannot be included in the agenda of the General Assembly Meeting of Shareholders and cannot be discussed without the approval of the Ministry of Trade or the relevant public institution or organization, as the case may be.

The Company's fiscal year starts on the first day of January and ends on the last day of December.

Comparison of Turkish Corporate Law and Delaware Corporate Law

The applicable provisions of the TCC differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain differences between the provisions of the TCC applicable to us and the General Corporation Law of the State of Delaware relating to shareholders' rights and protections. This summary is not intended to be a complete discussion of the respective rights and it is qualified in its entirety by reference to Delaware law and Turkish law.

	Turkish law	Delaware law
Number of Directors	Under Turkish law, a corporation must have at least one director and the number of directors shall be regulated in the articles of association. The number of directors shall be fixed by or in the manner provided in the articles of association.	Under Delaware law, a corporation must have at least one director and the number of directors shall be fixed by or in the manner provided in the bylaws.
Removal of Directors	Under Turkish law, any director or the entire board of directors may be removed, with cause or without cause, by the holders of a majority of the shares in a general assembly meeting convened with such agenda, except where a higher voting quorum is set for such removal in the articles of association. If there is cause, the removal of the members of the board of directors and the election of new members in their place shall be included in the agenda by a majority vote of those present at the general assembly meeting.	Under Delaware law, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except (a) unless the certificate of incorporation provides otherwise, in the case of a corporation whose board of directors is classified, shareholders may effect such removal only for cause, or (b) in the case of a corporation having cumulative voting, if less than the entire board of directors is to be removed, no director may be removed without cause if the votes cast against such director's removal would be sufficient to elect such director if then cumulatively voted at an election of the entire board of directors, or, if there are classes of directors, at an election of the class of directors of which he is a part.
Vacancies on the Board of Directors	Under Turkish law, vacancies may be filled by a majority of the directors at the board meeting, with the meeting quorum being the majority of the directors then at office; unless otherwise provided in the articles of association of the corporation. Such new director must be approved by the first general assembly meeting to be convened.	Under Delaware law, vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) or by a sole remaining director unless (a) otherwise provided in the certificate of incorporation or by-laws of the corporation or (b) the certificate of incorporation directs that a particular class of stock is to elect such director, in which case a majority of the other directors elected by such class, or a sole remaining director elected by such class, will fill such vacancy.
Annual General Meeting	Under Turkish law, the annual shareholders' meeting shall be held at the registered office of the corporation, on such date and at such time as may be designated from time to time by the board of directors or as provided in the articles of association.	Under Delaware law, the annual meeting of stockholders shall be held at such place, on such date and at such time as may be designated from time to time by the board of directors or as provided in the certificate of incorporation or by the bylaws.

Turkish law**Delaware law****General Meeting**

Under Turkish law, an ordinary or extraordinary general assembly meeting may be called by the board of directors, by any one of the shareholders under certain circumstances and subject to a court order, by the liquidator in case of liquidation, or by minority shareholders holding 10% (or 5% in public companies) (or less, if set out by the articles of association) of the shares under certain circumstances.

Under Delaware law, special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws. Stockholders generally do not have the right to call meetings of stockholders, unless that right is granted in the certificate of incorporation or the by-laws.

Notice of General Meetings

Under Turkish law, unless otherwise provided in the articles of association, written notice via registered mail of any meeting of the shareholders must be given to each shareholder who is registered in the share ledger or who has previously submitted share certificates or documents proving its shareholding to the company along with its address, not less than two (2) weeks before the date of the meeting excluding announcement and meeting days and shall specify the place, date, hour, and agenda of the meeting. All shareholders or their representatives may convene as a general assembly and take decisions as long as a meeting quorum is present, unless one of them objects, without complying with the procedure for calling a general assembly.

Under Delaware law, unless otherwise provided in the certificate of incorporation or bylaws, written notice of any meeting of the stockholders must be given to each stockholder entitled to vote at the meeting not less than ten nor more than 60 days before the date of the meeting and shall specify the place, date, hour and, in the case of a special meeting, the purpose of the meeting.

Proxy

Under Turkish law, at any general assembly meeting, a shareholder may designate another person to act for such shareholder by proxy. The proxy is valid only for one general assembly meeting, and meetings that are continuation of such general assembly meeting.

Under Delaware law, at any meeting of stockholders, a stockholder may designate another person to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A director of a Delaware corporation may not issue a proxy representing the director's voting rights as a director.

Pre-emptive Rights

Under Turkish law, shareholders have preemptive rights to subscribe to additional share issues pro rata their existing shareholding, unless another rate is stipulated under the articles of association.

Under Delaware law, shareholders have no preemptive rights to subscribe to additional issues of stock or to any security convertible into such stock unless, and except to the extent that, such rights are expressly provided for in the certificate of incorporation.

Authority to Allot

Under Turkish law, the general assembly may allot the shares to be issued under certain conditions by limiting or removing the usage of the pre-emptive rights of the existing shareholders in specific share issues. To limit and remove the usage of such preemptive rights and allot the shares to be issued, (i) at least, a qualified quorum of 60% should approve, and (ii) a just cause for such allotment (e.g. an IPO) should exist.

Under Delaware law, if the corporation's charter or certificate of incorporation so provides, the board of directors has the power to authorize the issuance of stock. It may authorize capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation or any combination thereof. It may determine the amount of such consideration by approving a formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration is conclusive.

	<u>Turkish law</u>	<u>Delaware law</u>
Liability of Directors and Officers	Under Turkish law, directors are personally liable for damages they cause to the company, to shareholders and to creditors of the company arising from a breach of any obligation imposed on the directors under any law or the articles of association of the corporation, under the condition that such breach is conducted by negligence.	Under Delaware law, a corporation's certificate of incorporation may include a provision eliminating or limiting the personal liability of a director to the corporation and its stockholders for damages arising from a breach of fiduciary duty as a director. However, no provision can limit the liability of a director for: <ul style="list-style-type: none"> ● any breach of the director's duty of loyalty to the corporation or its stockholders; ● acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; ● intentional or negligent payment of unlawful dividends or stock purchases or redemptions; or ● any transaction from which the director derives an improper personal benefit.
Voting Rights	Turkish law provides that, unless otherwise provided in the articles of association, each shareholder is entitled to at least one vote for each share of capital share held by such shareholder (provided that a maximum of fifteen voting rights may be granted to one share with voting privileges).	Delaware law provides that, unless otherwise provided in the certificate of incorporation, each stockholder is entitled to one vote for each share of capital stock held by such stockholder.
Shareholder Vote on Certain Transactions	Generally, under Turkish law, unless the articles of association provide for the vote of a larger portion of the share capital, the wholesale of a significant amount of company assets requires affirmative vote of the shares representing 75% of the share capital. Decisions concerning a merger with another corporation require the affirmative vote of 75% of the votes present at the meeting. Additionally, affirmative votes must also represent a majority of the share capital. If the merger agreement includes a provision for a squeeze-out, it must be approved by at least 90% of the votes of shareholders entitled to vote.	Generally, under Delaware law, unless the certificate of incorporation provides for the vote of a larger portion of the stock, completion of a merger, consolidation, sale, lease or exchange of all or substantially all of a corporation's assets or dissolution requires <ul style="list-style-type: none"> ● the approval of the board of directors; and ● approval by the vote of the holders of a majority of the outstanding stock or, if the certificate of incorporation provides for more or less than one vote per share, a majority of the votes of the outstanding stock of a corporation entitled to vote on the matter.
Standard of Conduct for Directors	Under Turkish law, the directors and managers are under obligation to execute their duty with the care of a prudent manager, <i>i.e.</i> with the care that an ordinarily prudent manager would exercise under similar circumstances. In case that the risk that results in damages had arisen from an act of the director that was in compliance with the "business judgment rule", the director would not be personally liable of such damages. Under the "business judgment rule", the director is liable to conduct the relevant research for each act. Additionally, directors have a duty to act by	Delaware law does not contain specific provisions setting forth the standard of conduct of a director. The scope of the fiduciary duties of directors is generally determined by the courts of the State of Delaware. In general, directors have a duty to act without self-interest, on a well-informed basis and in a manner they reasonably believe to be in the best interest of the stockholders. <p>Directors of a Delaware corporation owe fiduciary duties of care and loyalty to the corporation and to its shareholders. The duty of care generally requires that a director act in good faith, with the</p>

Turkish law

protecting the interest of the corporation in good faith.

Delaware law

care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of all material information reasonably available regarding a significant transaction.

The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. In general, but subject to certain exceptions, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation.

However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Delaware courts have also imposed a heightened standard of conduct upon directors of a Delaware corporation who take any action designed to defeat a threatened change in control of the corporation.

In addition, under Delaware law, when the board of directors of a Delaware corporation approves the sale or break-up of a corporation, the board of directors may, in certain circumstances, have a duty to obtain the highest value reasonably available to the shareholders.

Stockholder Suits

Under Turkish law, a shareholder may initiate an action for damages suffered by a corporation against the directors and managers who are personally liable. Any damages awarded in such action would be in favor of the corporation. In the event of bankruptcy, if the insolvency practitioner fails to enforce a right on behalf of a corporation, a shareholder or a creditor of a corporation may initiate an action to enforce a right of a corporation to claim damages from the directors who are personally liable, against such directors and managers. In such action initiated by a shareholder or a creditor, the proceeds obtained are first allocated to satisfy the claims of the creditors who initiated the lawsuit. Any remaining balance is distributed to the plaintiff shareholders in proportion to their shareholdings, and any surplus is returned to the bankruptcy estate. The conditions for these claims are the same as those for lawsuits initiated by the corporation itself.

Under Delaware law, a stockholder may initiate a derivative action to enforce a right of a corporation if the corporation fails to enforce the right itself. The complaint must:

- state that the plaintiff was a stockholder at the time of the transaction of which the plaintiff complains or that the plaintiff shares thereafter devolved on the plaintiff by operation of law; and
- allege with factual particularity the efforts made by the plaintiff to obtain the action the plaintiff desires from the directors and the reasons for the plaintiff's failure to obtain the action; or
- state the reasons for not making the effort.

Additionally, the plaintiff must remain a stockholder through the duration of the derivative suit. The action will not be dismissed or compromised without the approval of the Delaware Court of Chancery.

American Depositary Shares

The Bank of New York Mellon, as depositary, will register and deliver American Depositary Shares, also referred to as ADSs. Each ADS will represent one ordinary share (or a right to receive one ordinary share) deposited with The Bank of New York Mellon, acting through an office located in the United Kingdom, as custodian, for the depositary. Each ADS will also represent any other securities, cash or other property that may be held by the depositary. The deposited shares together with any other securities, cash or other property held by the depositary are referred to as the “deposited securities”. The depositary’s principal executive office, at which the ADSs are administered, is located at 240 Greenwich Street, New York, New York 10286.

An ADS holder may hold ADSs either (A) directly (i) by having an American Depositary Receipt (“ADR”), which is a certificate evidencing a specific number of ADSs, registered in such ADS holder’s name, or (ii) by having uncertificated ADSs registered in such ADS holder’s name, or (B) indirectly by holding a security entitlement in ADSs through such ADS holder’s broker or other financial institution that is a direct or indirect participant in The Depository Trust Company (“DTC”).

Registered holders of uncertificated ADSs will receive statements from the depositary confirming their holdings.

ADS holders are not treated as one of our shareholders and do not have shareholder rights. Turkish law governs shareholder rights. The depositary is the holder of ordinary shares underlying the ADSs. A registered holder of ADSs has ADS holder rights. A deposit agreement among the Company, the depositary, ADS holders, and all other persons indirectly or beneficially holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary (the “Deposit Agreement”). New York law governs the Deposit Agreement and the ADSs.

The following is a summary of the material provisions of the Deposit Agreement.

Dividends and Other Distributions

How will cash dividends and other distributions on ordinary shares be received?

The depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on the deposited securities, upon payment or deduction of its fees and expenses. These distributions will be made in proportion to the number of shares the ADS holder’s ADSs represent.

- *Cash.* The depositary will convert any cash dividend or other cash distribution we pay on the ordinary shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the Deposit Agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest. Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. The depositary will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, ADS holders may lose some of the value of the distribution.
- *Shares.* The depositary may distribute additional ADSs representing any ordinary shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell ordinary shares which would require it to deliver a fraction of an ADS (or ADSs representing those ordinary shares) and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new ordinary shares. The depositary may sell a portion of the distributed ordinary shares (or ADSs representing those ordinary shares) sufficient to pay its fees and expenses in connection with that distribution.
- *Rights to Purchase Additional Ordinary Shares.* If we grant holders of our securities rights to purchase additional shares or other securities, the depositary may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the depositary does not do any of those things, it will allow the rights to lapse. In that case, an ADS holder will receive no value for them. The depositary will exercise or distribute rights only if we ask it to and provide satisfactory assurances to the depositary that it is legal to do so. If the depositary will exercise rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of shares, new ADSs representing the new shares, to subscribing ADS holders, but only if ADS holders have paid the exercise price to the depositary. U.S. securities laws may restrict the ability of the depositary to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

- *Other Distributions.* The depositary will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depositary has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the depositary to distribute securities to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, ordinary shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to ADS holders. ADS holders may not receive the distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if a holder deposits ordinary shares or evidence of rights to receive ordinary shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names the holder requests and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

How can ADS holders withdraw the deposited securities?

ADSs may be surrendered to the depositary for the purpose of withdrawal. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at the holder's request, risk and expense, the depositary will deliver the deposited securities at its office, if feasible. However, the depositary is not required to accept surrender of ADSs to the extent it would require delivery of a fraction of a deposited share or other security. The depositary may charge a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

An ADR may be surrendered to the depositary for the purpose of exchanging an ADR for uncertificated ADSs. The depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

Voting Rights

How does an ADS holder vote?

ADS holders may instruct the depositary how to vote the number of deposited shares their ADSs represent. If we request the depositary to solicit voting instructions (and we are not required to do so), the depositary will notify the ADS holder of a shareholders' meeting and send or make voting materials available to the ADS holder. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary. The depositary will try, as far as practical, subject to the laws of Turkey and the provisions of our Articles of Association or similar documents, to vote or to have its agents vote the deposited securities as instructed by ADS holders. However, unless we provide to the depositary a specified legal opinion that certain voting procedures are legal for the depositary, the depositary would only vote the "net" number of deposited shares as to which it was instructed to vote for or against a matter, after subtracting the number of deposited shares as to which it was instructed to vote in the opposite manner. If we do not request the depositary to solicit voting instructions, ADS holders can still send voting instructions, and, in that case, the depositary may try to vote as the ADS holder instructs, but it is not required to do so.

Except by instructing the depositary as described above, ADS holders won't be able to exercise voting rights unless they surrender their ADSs and withdraw the shares. However, they may not know about the meeting enough in advance to withdraw

the shares. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed.

We cannot assure the ADS holders that they will receive the voting materials in time to ensure that they can instruct the depositary to vote their ordinary shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that an ADS holder may not be able to exercise voting rights and there may be nothing they can do if their shares are not voted as requested.

In order to give the ADS holders a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if we request the depositary to act, we agree to give the depositary notice of any such meeting and details concerning the matters to be voted upon at least 30 days in advance of the meeting date.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The depositary will not tender deposited securities in any voluntary tender or exchange offer unless instructed to do so by an ADS holder surrendering ADSs and subject to any conditions or procedures the depositary may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the depositary as a holder of deposited securities, the depositary will call for surrender of a corresponding number of ADSs and distribute the net redemption money to the holders of called ADSs upon surrender of those ADSs.

If there is any change in the deposited securities such as a sub-division, combination or other reclassification, or any merger, consolidation, recapitalization or reorganization affecting the issuer of deposited securities in which the depositary receives new securities in exchange for or in lieu of the old deposited securities, the depositary will hold those replacement securities as deposited securities under the Deposit Agreement. However, if the depositary decides it would not be lawful and practical to hold the replacement securities because those securities could not be distributed to ADS holders or for any other reason, the depositary may instead sell the replacement securities and distribute the net proceeds upon surrender of the ADSs.

If there is a replacement of the deposited securities and the depositary will continue to hold the replacement securities, the depositary may distribute new ADSs representing the new deposited securities or ask ADS holders to surrender their outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

If there are no deposited securities underlying ADSs, including if the deposited securities are cancelled, or if the deposited securities underlying ADSs have become apparently worthless, the depositary may call for surrender of those ADSs or cancel those ADSs upon notice to the ADS holders.

Amendment and Termination

How may the Deposit Agreement be amended?

We may agree with the depositary to amend the Deposit Agreement and the ADRs without the ADS holders' consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, an ADS holder is considered, by continuing to hold their ADSs, to agree to the amendment and to be bound by the ADRs and the Deposit Agreement as amended.

How may the Deposit Agreement be terminated?

The depositary will initiate termination of the Deposit Agreement if we instruct it to do so. The depositary may initiate termination of the Deposit Agreement if

- 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment;
- we delist the ADSs from an exchange in the United States on which they were listed and do not list the ADSs on another exchange in the United States or make arrangements for trading of ADSs on the U.S. over-the-counter market;
- we appear to be insolvent or enter insolvency proceedings;

- all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities;
- there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or
- there has been a replacement of deposited securities.

If the Deposit Agreement will terminate, the depository will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the depository may sell the deposited securities. After that, the depository will hold the money it received on the sale, as well as any other cash it is holding under the Deposit Agreement, unsegregated and without liability for interest, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. Normally, the depository will sell as soon as practicable after the termination date.

After the termination date and before the depository sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depository may refuse to accept a surrender for the purpose of withdrawing deposited securities or reverse previously accepted surrenders of that kind that have not settled if it would interfere with the selling process. The depository may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depository will continue to collect distributions on deposited securities, but, after the termination date, the depository is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADSs holder (until they surrender their ADSs) or give any notices or perform any other duties under the Deposit Agreement except as described in this paragraph.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depository; Limits on Liability to Holders of ADSs

The Deposit Agreement expressly limits our obligations and the obligations of the depository. It also limits our liability and the liability of the depository. We and the depository:

- are only obligated to take the actions specifically set forth in the Deposit Agreement without negligence or bad faith, and the depository will not be a fiduciary or have any fiduciary duty to holders of ADSs;
- are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its ability to prevent or counteract with reasonable care or effort from performing our or its obligations under the Deposit Agreement;
- are not liable if we or it exercises discretion permitted under the Deposit Agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the Deposit Agreement, or for any special, consequential or punitive damages for any breach of the terms of the Deposit Agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the Deposit Agreement on an ADS holder's behalf or on behalf of any other person;
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person;
- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- the depository has no duty to make any determination or provide any information as to our tax status, or any liability for any tax consequences that may be incurred by ADS holders as a result of owning or holding ADSs or be liable for the inability or failure of an ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

In the Deposit Agreement, we and the depository agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the depositary will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of ordinary shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the Deposit Agreement, including presentation of transfer documents.

The depositary may refuse to deliver ADSs or register transfers of ADSs when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so.

An ADS Holder's Right to Receive Ordinary Shares Underlying their ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying ordinary shares at any time except:

- when temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our ordinary shares;
- when an ADS holder owes money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the Deposit Agreement.

Direct Registration System

In the Deposit Agreement, all parties to the Deposit Agreement acknowledge that the Direct Registration System, also referred to as DRS, and Profile Modification System, also referred to as Profile, will apply to the ADSs. DRS is a system administered by DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through DTC and a DTC participant. Profile is a feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the Deposit Agreement understand that the depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the Deposit Agreement, the parties agree that the depositary's reliance on and compliance with instructions received by the depositary through the DRS/Profile system and in accordance with the Deposit Agreement will not constitute negligence or bad faith on the part of the depositary.

Shareholder communications; inspection of register of holders of ADSs

The depositary will make available for any ADS holder's inspection at its office all other communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depositary will send the ADS holders copies of those communications or otherwise make those communications available to the ADS holders if we ask it to. All ADS holders have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

Jury Trial Waiver

The Deposit Agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depository arising out of or relating to our shares, the ADSs or the Deposit Agreement, including any claim under the U.S. federal securities laws. If we or the depository opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law. An ADS holder will not, by agreeing to the terms of the Deposit Agreement, be deemed to have waived our or the depository's compliance with U.S. federal securities laws or the rules and regulations promulgated thereunder.

CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[*]”. SUCH IDENTIFIED INFORMATION HAS BEEN OMITTED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS SUCH INFORMATION AS PRIVATE OR CONFIDENTIAL.**

DEED OF ADHERENCE

THIS AGREEMENT is made on January 29, 2025, by and between:

1. Hanzade Vasfiye Doğan Boyner, a Turkish citizen with the Turkish ID number 26410796678 and residing at the address of Burhaniye Mahallesi Kısıklı Caddesi No:65 Üsküdar / Istanbul, Republic of Türkiye (“**HVDB**”);
2. TurkCommerce B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, having its official seat in Amsterdam and its registered office address at Amstelveenseweg 760, 1081JK Amsterdam (the “**Investing Shareholder**”);

(HVDB and the Investing Shareholder shall be severally referred to as a “**Party**” and collectively as the “**Parties**”) and

3. Joint Stock Company Kaspi.kz, a joint stock company incorporated under the Laws of Kazakhstan, having its official seat in Almaty and its registered office address at 154A Nauryzbai batyr Str., Almaty, Republic of Kazakhstan (the **New Party**).

WHEREAS:

(A) On June 16, 2021, the Parties entered into a Shareholders Agreement governing their relationship as shareholders in D-Market Elektronik Hizmetler ve Ticaret A.Ş. (the **Company**) and establishing the manner in which the affairs of the Company would be conducted (such agreement as amended, supplemented or novated from time to time) (the **Shareholders Agreement**).

(B) By a transfer dated January 29, 2025, HVDB transferred to the New Party 40,000,000 Class A Shares in the Company.

(C) This Agreement is entered into in compliance with Article 3.5 (*Deed of Adherence*) of the Shareholders Agreement.

NOW THIS AGREEMENT WITNESSES as follows:

1. Words and expressions defined in the Shareholders Agreement shall, unless the context otherwise requires, have the same meanings when used in this Agreement.
 2. The New Party undertakes to be bound by and comply in all respects with the Shareholders Agreement, and to assume the benefits and obligations of the Shareholders Agreement applicable to Class A Shareholder, as if the New Party had executed the Shareholders Agreement as the Class A Shareholder and was named as a party to it.
 3. The New Party represents, warrants and undertakes to the Company and to each of the other Shareholders (and each other person who may from time to time expressly adhere to the Shareholders Agreement) in the terms set out in Articles 8.15 (*Representations and warranties*) of the Shareholders Agreement, but so that such representations, warranties and undertakings shall be deemed to be given on the date of this Agreement and shall be deemed to refer to this Agreement of Adherence as well as the Shareholders Agreement.
 4. The contact details of the New Party for the purpose of Article 8.2 (*Notices*) of the Shareholders Agreement shall be as follows:
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Address: 154A Nauryzbai batyr Str., Almaty, Republic of Kazakhstan

Facsimile No: -

Attn: [***]

E-mail: [***]

Attn: [***]

Email: [***]

5. This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of Turkey.

6. The provisions of Articles 8.7 (*Governing Law*) and 8.8 (*Jurisdiction for Disputes*) of the Shareholders Agreement shall apply to this Agreement.

IN WITNESS WHEREOF this Agreement has been duly executed the day and year first above written.

CONTRACT PARTY SHAREHOLDERS

Name: Hanzade Vasfiye Doğan Boyner

Title: Representative of the Contract Party Shareholders

By: /s/ Hanzade Vasfiye Doğan Boyner

INVESTING SHAREHOLDER

Name: TurkCommerce B.V.

Title: Director A

Director B

By: /s/ Jelle van Dulken

/s/ Kerem Kader

NEW PARTY

Name: Joint Stock Company Kaspi.kz

By: /s/ Mikheil Lomtadze

Title: Chairman of the Management Board

CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[***]”. SUCH IDENTIFIED INFORMATION HAS BEEN OMITTED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS SUCH INFORMATION AS PRIVATE OR CONFIDENTIAL.

LEASE AGREEMENT

Address of the Leased Property	Kazım Karabekir Mah., Bekir Saydam Cad., 21. Sok., No:76 Torbalı / İZMİR
Land Registration	Prefabricated reinforced concrete building with a total closed area of 14,898 m2 built on the land registered in the land registry in İzmir Province, Torbalı District, Pancar Neighbourhood, Gurbet Pınarı Location, City Block No: L18C01D Parcel No: 537.
Type of Leased Property	It is leased as a warehouse
Name, Surname and Address of the LESSOR	ÜSTÜNKARLI MAKİNE ANONİM ŞİRKETİ Menderes Tax Office, No.: [***] Gölcükler Mah., 798/4 Sok., No:1 Menderes / İzmir
Name, Surname and Address of the LESSEE	D-MARKET ELEKTRONİK HİZMETLER VE TİC. A.Ş. Boğaziçi Corporate Tax Office, No.: [***] Kuştepe Mah., Mecidiyeköy Yolu Cad., Trump Towers No:12, Kat:2, Şişli/İstanbul
Start Date of the Lease	01/06/2024
Lease Period	(3) years.
Lease Amount for One Month	The lease period is 3 (three) years and this period is divided into 3 periods of 1 year each. - In the first lease year (between 01/06/2024 - 31/05/2025) MONTHLY NET: TRY [***] ([***] Turkish Lira) + VAT will be paid. - Conditions on how the lease prices to be paid in the second and third lease years will be determined are set out in the special conditions.
Payment Method of Lease Amount	Lease prices are paid monthly and in advance, between the 1 st and 10 th days of each month to which it relates.
Current Condition of the Leased Property	Ready to use, complete, painted - whitewashed and in excellent condition. It is intact and complete with its fixtures.
Usage purpose of the Leased Property	It will be used as a warehouse.

Statement of Fixtures and Fittings Delivered to the Lessee Together with the Leased Property:

- 1- There is a transformer and electrical installation with 1000 KWA power
- 2- Lighting
- 3- Shelter and shelter materials
- 4- All facade places inside the warehouse and in front of the warehouse on the front-rear side were delivered as plain, clean concrete.
- 5- 150 M3 1 Main + 1 Auxiliary 4- 1 Jokey Fire Booster set (1 Piece)
- 6- 150 M3 Galvanised Modular warehouse (1 piece)
- 7- Fire Sprinkler Metal Pipe (6.250 MT)
- 8- Sprinkler head (900 pieces)
- 9- 30 metre hose fire cabinet (14 pieces)
- 10- DN 100 Fire Hydrant (7 pieces)
- 11- Outfield fire cabinet (7 pieces)
- 12- Outfield Underground pipe 110 mm (500 MT)
- 13- Mains Booster: DM1 3107 + 100 LT tank-(Mass booster) (1 piece)
- 14- Submersible Pump Enduro submersible 1,5 KW 4- control panel (1 piece) (30 mt vertical + 250 mt horizontal 11/4")
- 15- Sectional door 4- controls 5 x 5 (10 pieces)
170 kVA Generator - GenPower GNT IDE617TG (1 Piece) (Engine brand: Inter-Direct Injection - power 1500 r/min Wn)

In accordance with Stamp Tax Law No. 488, all stamp taxes arising from the two-copy lease agreement will be declared and paid by the LESSEE within the legal period, and half of the amount paid will be reimbursed by the LESSOR.

PRINTED CONDITIONS

(The provisions of these printed terms and conditions that are not in conflict with the Special Terms and Conditions signed below remain in full force and effect)

- 1- The LESSEE is obliged to use the leased property as well as its own property and not spoil it or lose its qualities, properties, fame, and reputation.
 - 2- The LESSOR is obliged to deliver the leased property to the LESSEE in a condition suitable for the use intended in the agreement and with paint, whitewash, mechanical, electrical and architectural equipment installed in good condition and the fixtures specified in this agreement are well maintained and in working order. Upon the termination of the agreement, the LESSEE will also evacuate the leased property as it was received.
 - 3- In case the leased property is partially or completely subleased by the LESSEE to a third party other than Doğan Online and Doğan Group subsidiaries and group companies, or its distribution and allocation is changed other than those specified in the special articles, and the LESSEE does not restore it despite the warning and reasonable time granted, the LESSOR may revoke the lease agreement and the LESSEE is obliged to compensate the damage and loss that will occur because of this, without the obligatory need to make a protest and to obtain a judgement. If the damage is caused by a third party, it does not affect the LESSOR's claim right from the first LESSEE.
 - 4- The LESSOR is obliged to make the essential repairs that must be carried out within the lease period as soon as they are notified by the LESSEE, at its own expense.
 - 5- The tax and major repairs of the leased immovable belong to the LESSOR, and the cleaning, maintenance and improvement costs required for its use belong to the LESSEE.
 - 6- The LESSEE is obliged to deliver the leased property to the LESSOR in the state in which they found it. The LESSEE is obliged to fully return the fixtures and fittings in the leased real estate
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at the end of the agreement period. In case of loss of both these fixtures and fittings of the leased property or in case of a deficiency in their value rather than the deficiency arising from the use as usual, the LESSEE is obliged to compensate them with their value and to restore them to their former condition if the LESSOR requests.

- 7- The LESSEE is obliged to return the leased property as received, except for wear, deterioration and deficiencies arising from ordinary use. The LESSEE is not responsible for any loss, deterioration and/or wear and tear occurring in the leased property due to use in accordance with the agreement and/or ordinary use.
- 8- The LESSEE is not allowed to resist the visit of the candidates who come to see the leased property within the last month of the agreement period and to examine the qualifications.
- 9- The LESSEE will compensate the damage and loss of the LESSOR based on the finalized court decision if the lease term expires and the LESSEE fails to evacuate the leased property.
- 10- Such things that do not constitute a serious danger to the health of the LESSEE or the people living with them or the employees do not give the right and opportunity for the LESSEE to refrain from delivering the leased property and to break the agreement or to request a deduction from the lease amount in case of occurrence during the lease term.
- 11- The LESSEE will be able to carry out all kinds of modifications and decorations without changing the static structure of the building for the use of the leased property as a workplace, provided that the LESSEE informs the LESSOR and obtains its written permission. At the time of evacuation, the LESSEE is free to remove the add-ons and portable decorations without damaging the main building. Provided that the leased property is returned to the LESSOR exactly as it was delivered to the LESSEE, there will be no claim for any rights and receivables within this scope.
- 12- The LESSEE will be able to obtain city water, natural gas and electricity at its own expense by obtaining the written consent of the LESSOR, and if there is no antenna installation in the workplace, the Lessee will be able to have a private antenna installed. The costs of this equipment and its subscription fee, if any, will belong to the LESSEE. The additional expenses resolved by the LESSOR and/or the Site and/or Apartment management and the fixture renewal costs belonging to the leased property or the environment belong to the LESSOR, and the LESSEE does not have any responsibility in this regard.

SPECIAL CONDITIONS

- 1- The LESSEE shall not sublease or transfer the lease agreement to anyone other than Doğan Online and Doğan Group subsidiaries and group companies or even transfer the operating/business right in whole or in part without obtaining the written consent of the LESSOR. They may not leave it for the use of others under any name whatsoever. They can't take a partner. Other situations shall be grounds for termination of this agreement and eviction.
 - 2- The leased property will be used exclusively as a "WAREHOUSE". The leased property cannot be used for other purposes. The LESSEE shall avoid acts that will disturb the comfort and peace of the people living in the vicinity during its use and shall not allow the spread of disturbing things such as noise, smoke, or odour. Violation of this article will be the reason for termination of this agreement and evacuation.
 - 3- During the lease duration, electricity, water, natural gas, internet, telephone expenses and all similar expenses, environmental cleaning taxes, licence fees and expenses, flashing signs - advertisement taxes, transformer dues and general expenses specified in Article 20 of the Property Ownership Law No. 634 and the management expenses (janitorial-security fee, management fee, etc.) to be collected for the share of the leased property shall be paid by the LESSEE. The LESSEE will have all subscriptions such as electricity, water, natural gas, internet, telephone and similar subscriptions made in its own name within 15 (fifteen) days from the date of execution of the lease agreement. All expenses other than property tax, SSDF (Defence Industry Support Fund), environmental cleaning tax, obligations arising from the Municipal Income Law, and all kinds of
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expenses required for the use of the leased property will be paid by the LESSEE. Violation of this article is a reason for evacuation.

- 4- The leased property is in full, complete, painted, whitewashed, and in perfect condition and has been delivered with its existing fixtures. At the time of evacuation, it will be returned in exactly the same manner, with its fixtures complete, intact and clean. Any damage and loss that may occur during the use of the LESSEE will be remedied by the LESSEE before evacuation. In case of the requirement for major repairs to the immovable during the ordinary use of the LESSEE, the costs of these major repairs will be borne by the LESSOR. The LESSEE will perform periodic maintenance of the fixtures and remedy the malfunctions arising from the use and the related expenses. The LESSEE will not carry out any changes that negatively affect the appearance and strength of the building and that are in violation of Building Law No. 3194 and the Building Bylaws. Damages and malfunctions that may occur due to the modifications to be carried out by the LESSEE will be remedied by the LESSEE. The LESSEE will be able to carry out all kinds of modifications and decorations without affecting the static structure of the building for the use of the leased place as a workplace warehouse after informing the LESSOR and obtaining its written permission. At the time of evacuation, the LESSEE is free to remove the add-ons and portable decorations without damaging the main building. The LESSOR will not have any claim for any rights and receivables in this scope, provided that the leased property is returned exactly as it was delivered to the LESSEE. All measures required for the use of the leased immovable as a workplace warehouse will be taken by the LESSEE. The LESSEE has declared that the immovable subject to the lease is suitable for use as a warehouse and has requested to execute this agreement. The LESSOR has no commitment or guarantee of its use as a warehouse. The LESSEE will take out and pay the premiums of "warehouse liability insurance" and "third-party financial liability insurance" against the possible risks and losses that may occur during the lease period.
- 5- This lease agreement will become effective as of **01/06/2024**. The lease period is determined as 3 (three) years. The 3 (three) year lease period is divided into 3 periods of 1 year each. According to this,
- **In the first lease year (between 01/06/2024 - 31/05/2025) MONTHLY NET: TRY [***] ([***] Turkish Lira) + VAT will be paid.**
 - **In the second lease year (between 01/06/2025 - 31/05/2026),** the monthly lease price to be determined according to the rate of change according to the twelve-month averages in the consumer price index to be announced by the Turkish Statistical Institute for the expired past (previous) lease year + withholding tax will be paid.
 - **In the third lease year (between the dates of 01/06/2026 - 31/05/2027),** the monthly lease price to be determined according to the rate of change according to the twelve-month averages in the consumer price index to be announced by the Turkish Statistical Institute for the expired past (previous) lease year + withholding tax will be paid.

The lease prices will be transferred monthly and in advance, between the 1st and 10th days of each month, to the account numbered [***] (IBAN NO: [***]) of the LESSOR at DenizBank A.Ş. Pınarbaşı Branch.

- 6- If the lease agreement is renewed for a one-year period with the consent of the lessor in the future, the LESSEE will pay the lease price for the last one year by increasing the rate of change in the consumer price index to be announced by the Turkish Statistical Institute ("TÜİK") **"for the previous one-year lease period according to the twelve-month averages"**. In case it becomes possible to request a lease price at a higher rate than the increase condition specified in this agreement for the leased immovable due to changes that may occur in the legislation and/or Article 344 of the Turkish Code of Obligations in the future; the increases to be applied in the lease prices according to this agreement, including those to be made at the end of the first 1-year lease period (2nd and 3rd lease years) mentioned above, will be based on this maximum increase
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rate, which would have been the maximum (at most) rent increase rate that could be included in the lease agreement if the lease agreement had been entered into during the period in which the increase would be applied. Likewise, in the event that a new index is adopted in the future by the competent authorities of the state or in accordance with the legislation instead of these indices, the new indices to be adopted will be taken as basis.

- 7- The LESSEE has the right to terminate this lease agreement at any time **by serving a written notice through a notary public office 3 (three) months in advance.** In this case, the LESSEE will evacuate and deliver the property in accordance with the lease agreement without paying any termination compensation. The act of delivery will be proved by the delivery report to be signed by the parties.
- 8- After the LESSEE notifies that they will evacuate the leased property, they will allow the LESSOR to place a "For Lease" sign on the leased property and allow those who would like to lease this place to visit the leased property on Tuesdays and Saturdays of the week. The right of the LESSEE to request the change of these days from the LESSOR is reserved. Otherwise, it will cover the damage arising.
- 9- The addresses of the LESSEE and the LESSOR for notification are the addresses written on the cover page of the agreement. In case these addresses change, if the new address is not notified to the other party in writing, notifications served to these addresses will be considered valid. All kinds of notifications to be issued to the LESSEE by pointing out the leased property as the address will be considered to have been duly served. The address of the leased property has been accepted as the legal notification address of the LESSEE in accordance with Article 35 of the Notification Law.
- 10- **The deposit of TRY [***] received from the LESSEE in the previous period as a guarantee of possible damages and losses (including non-payment of lease prices) arising from any breach of this lease agreement by the LESSEE will also be used for this new lease agreement.** The aforementioned deposit will be returned to the LESSEE, provided that the leased property is evacuated and delivered in accordance with the agreement, debt-free, undamaged and empty. The LESSOR has the right to deduct the unpaid lease price and related payments, as well as the loss and damage costs from the deposit.
- 11- The LESSEE has accepted and undertaken to evacuate the leased immovable unconditionally and unreservedly on 31.05.2027 and to deliver it to the LESSOR. The Lessee had given this evacuation commitment at the time when they resided in the leased immovable property based on the lease relationship before the lease agreement dated 01.06.2024 was executed, and they acknowledge that the evacuation commitment given with the renewed agreement is valid and binding.
- 12- For the settlement of any disputes arising out of this agreement, Izmir Courts and Execution Offices are authorized to hear and resolve such disputes.
- 13- In matters not stipulated in this agreement, the provisions of the Turkish Code of Obligations No. 6098 and the relevant legislation will prevail.

This Agreement has been signed in two copies on the date after being read and agreed upon by the parties. 01/06/2024

LESSOR ÜSTÜNKARLI MAKİNE ANONİM ŞİRKETİ (single signature on the stamp)	LESSEE D-MARKET ELEKTRONİK HİZMETLER VE TİC. A.Ş. (two signatures on the stamp)
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CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH "[***]". SUCH IDENTIFIED INFORMATION HAS BEEN OMITTED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS SUCH INFORMATION AS PRIVATE OR CONFIDENTIAL.

LEASE AGREEMENT

Address of the Leased Property	Kazım Karabekir Mah., 6909/5 Sokak No:4 Torbalı İZMİR Torbalı / İZMİR
Land Registration	Prefabricated reinforced concrete building with a total closed area of 9,868 m2 built on the land registered in the land registry in İzmir Province, Torbalı District, Pancar Neighbourhood, Gurbet Pınarı Location, City Block No: 391 Parcel No: 5.
Type of Leased Property	It is leased as a WORKPLACE/WAREHOUSE.
Name, Surname and Address of the LESSOR	İbrahim AKKUŞ / TR-ID.No: [***] Gökhan AKKUŞ / TR-ID.No: [***] İbrahim AKKUŞ: İrmak Mah., 38 Sokak, No:73 Kat:1 Daire:3 Konukpark Sitesi Gaziemir/İzmir Gökhan AKKUŞ: İrmak Mah., 38/2 Sokak, No:86 Kat:2 Daire:9 Çiçekpark Sitesi Gaziemir/İzmir
Name, Surname and Address of the LESSEE	D-Market Elektronik Hiz. ve Tic. A.Ş. (LESSEE) Boğaziçi Corporate Tax Office, No.: [***] Kuştepe Mah., Mecidiyeköy Yolu Cad., No: 12 Trump Towers Kule 2, Kat:2 Şişli/İstanbul
Start Date of the Lease	01/09/2024
Lease Period	(3) years.
Lease Amount for One Month	The lease period is 3 (three) years and this period is divided into 3 periods of 1 year each. - In the first lease year (between 01/09/2024 - 31/08/2025) MONTHLY NET AMOUNT: TRY [***] ([***] Turkish Liras) + Withholding Tax - Conditions on how the lease prices to be paid in the second and third lease years will be determined are set out in the special conditions.
Payment Method of Lease Amount	The lease prices will be paid monthly and in advance by the LESSEE within the first 10 (ten) working days of each month.
Current Condition of the Leased Property	Ready to use, complete, painted - whitewashed and in excellent condition. It is intact and complete with its fixtures.
Usage purpose of the Leased Property	It will be used as a warehouse.

Statement of Fixtures and Fittings Delivered to the LESSEE Together with the Leased Property:

- 1- There are two transformers with 1250 KWA power and electrical installations.
- 2- Lighting (INDOOR LIGHTING 114 PCS) (OUTDOOR LIGHTING 32 PCS)
- 3- In-building electricity distribution panel (9 PCS)
- 4- The perimeter wall and the front and rear sides of the warehouse were delivered as flat, clean, and whitewashed.
- 5- 455 m³ 1 Main + 1 diesel Auxiliary pump + 1 Jokey Fire Booster set (1 Piece)
- 6- 180 m³ and 800 m³ underground water tanks (2 pieces)
- 7- Fire Sprinkler Metal Pipe (At the end of the period determined within the scope of Article 7 of the Agreement, it will be delivered to the LESSEE by the LESSOR in full and working condition with a delivery and receipt certificate).
- 8- Sprinkler head (It will be delivered to the LESSEE by the LESSOR at the end of the period determined within the scope of Article 7 of the Agreement in full and working condition with a delivery and receipt certificate).
- 9- 30 metre indoor hose fire cabinet (18 pieces)
- 10- DN Fire Hydrant (6 pieces) (At the end of the period determined within the scope of Article 7 of the Agreement, it will be delivered to the LESSEE by the LESSOR in full and working condition with a delivery and receipt certificate).
- 11- Outfield fire cabinets (6 pieces)
- 12- Outfield Underground pipe 50 mm (1000 MT)
- 13- Mains Booster: DM1 1,5 KW + 100 LT tank-(Mass booster) (1 piece)
- 14- Submersible pump, impo submersible 7,5. KW + control panel (1 piece) (102 m vertical + 70 m horizontal)
- 15- Sheet metal rolling door, door 500cm x 500 cm (9 pcs)
- 16- Barrier (1 piece)
- 17- Lightning rod (1 piece)

In accordance with the Stamp Tax Law No. 488, all stamp tax arising from the two-copy lease agreement will be declared and paid by the LESSEE within the legal period and half of the amount paid will be reimbursed by the LESSOR.

PRINTED CONDITIONS

(The provisions of these printed terms and conditions that are not in conflict with the Special Terms and Conditions signed below remain in full force and effect)

- 1- The LESSEE is obliged to use the leased property as well as its own property and not spoil it or lose its qualities, properties, fame, and reputation.
 - 2- The LESSOR is obliged to deliver the leased property to the LESSEE in a condition suitable for the use intended in the agreement and with paint, whitewash, mechanical, electrical and architectural equipment installed in good condition and the fixtures specified in this agreement are well maintained and in working order. Upon the termination of the agreement, the LESSEE will also evacuate the leased property as it was received.
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- 3- In case the leased property is partially or completely subleased by the LESSEE to a third party other than Doğan Online and Doğan Group subsidiaries and group companies, or its distribution and allocation is changed other than those specified in the special articles, and the LESSEE does not restore it despite the warning and reasonable time granted, the LESSOR may revoke the lease agreement and the LESSEE is obliged to compensate the damage and loss that will occur because of this, without the obligatory need to make a protest and to obtain a judgement. If the damage is caused by a third party, it does not affect the LESSOR's claim right from the first LESSEE.
- 4- The LESSOR is obliged to make the essential repairs that must be carried out within the lease period as soon as they are notified by the LESSEE, at its own expense. In case the defect is not resolved by the LESSOR, if the LESSEE prefers, the LESSEE will carry out the necessary repairs and maintenance on the LESSOR's account and will deduct the expenses from next month's lease amount. However, if the said notification of the defect to the LESSOR and the performance of the repair and maintenance operations by the LESSOR will take time and this will cause the loss of the LESSEE, in such a case, the LESSEE will have the said defect made on the account of the LESSOR without notifying the LESSOR and will deduct the expenses incurred from the next month's lease amount.
- 5- The tax and major repairs of the leased immovable belong to the LESSOR, and the cleaning, maintenance and improvement costs required for its use belong to the LESSEE.
- 6- The LESSEE is obliged to deliver the leased property to the LESSOR in the state in which they found it. The LESSEE is obliged to fully return the fixtures and fittings in the leased real estate at the end of the agreement period. In case of loss of both these fixtures and fittings of the leased property or in case of a deficiency in their value rather than the deficiency arising from the use as usual, the LESSEE is obliged to compensate them with their value and to restore them to their former condition if the LESSOR requests.
- 7- The LESSEE is obliged to return the leased property as received, except for wear, deterioration and deficiencies arising from ordinary use. The LESSEE is not responsible for any loss, deterioration and/or wear and tear occurring in the leased property due to use in accordance with the agreement and/or ordinary use.
- 8- The LESSEE is not allowed to resist the visit of the candidates who come to see the leased property by making an appointment in advance from the LESSEE within the last month of the agreement period and to examine the qualifications.
- 9- The LESSEE will compensate the damage and loss of the LESSOR based on the finalized court decision if the lease term expires and the LESSEE fails to evacuate the leased property.

Such things that do not constitute a serious danger to the health of the LESSEE or the people living with them or the employees do not give the right and opportunity for the LESSEE to refrain from delivering the leased property and to break the agreement or to request a deduction from the lease amount in case of occurrence during the lease term.

- 10- The LESSEE will be able to carry out all kinds of modifications and decorations without changing the static structure of the building for the use of the leased property as a workplace, provided that the LESSEE informs the LESSOR and obtains its written permission. At the time of evacuation, the LESSEE is free to remove the add-ons and portable decorations without damaging the main building. Provided that the leased property is returned to the LESSOR exactly as it was delivered to the LESSEE, there will be no claim for any rights and receivables within this scope.
 - 11- The LESSEE will be able to obtain city water, natural gas and electricity at its own expense by obtaining the written consent of the LESSOR, and if there is no antenna installation in the workplace, the lessee will be able to have a private antenna installed. The costs of this equipment
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and its subscription fee, if any, will belong to the LESSEE. The additional expenses arising from the ordinary use of the leased property and the fixture renewal costs of the leased property or the environment belong to the LESSOR, and the LESSEE does not have any responsibility in this regard.

SPECIAL CONDITIONS

- 1- The LESSEE shall not sublease or transfer the lease agreement to anyone other than Doğan Online and Doğan Group subsidiaries and group companies, in whole or in part, without obtaining the written consent of the LESSOR. They may not leave it for the use of others under any name whatsoever. Other situations shall be grounds for termination of this agreement and eviction.
 - 2- The leased property will be used exclusively as a “WORKPLACE/WAREHOUSE” The leased property cannot be used for other purposes. The LESSEE shall avoid acts that will disturb the comfort and peace of the people living in the vicinity during its use and shall not allow the spread of disturbing things such as noise, smoke, or odour. Violation of this article will be the reason for termination of this agreement and evacuation.
 - 3- During the lease duration, electricity, water, natural gas, internet, telephone expenses and all similar expenses, environmental cleaning taxes, licence fees and expenses, flashing signs - advertisement taxes, transformer dues and general expenses specified in Article 20 of the Property Ownership Law No. 634 and the management expenses (janitorial-security fee, management fee, etc.) to be collected for the share of the leased property shall be paid by the LESSEE. The LESSEE will have all subscriptions such as electricity, water, natural gas, internet, telephone and similar subscriptions made in its own name within 15 (fifteen) days from the date of execution of the lease agreement and accepts and undertakes that when the leased property is evacuated, it will be closed by paying all of the invoices belonging to its own period. All expenses other than property tax, SSDF (Defence Industry Support Fund), environmental cleaning tax, obligations arising from the Municipal Income Law, and all kinds of expenses required for the use of the leased property will be paid by the LESSEE. Violation of this article is a reason for evacuation.
 - 4- The leased property is in full, complete, painted, whitewashed, and in perfect condition and has been delivered with its existing fixtures. At the time of evacuation, it will be returned in exactly the same manner, with its fixtures complete, intact and clean. Any damage and loss that may occur during the use of the LESSEE will be remedied by the LESSEE before evacuation. In case of the requirement for major repairs to the immovable during the ordinary use of the LESSEE, the costs of these major repairs will be borne by the LESSOR. The LESSEE will undertake periodic maintenance of the fixtures and remedy the malfunctions arising from the use and the related expenses. The LESSEE will not carry out any changes that negatively affect the appearance and strength of the building and that are in violation of Building Law No. 3194 and the Building Bylaws. Damages and malfunctions that may occur due to the modifications to be carried out by the LESSEE will be remedied by the LESSEE. The LESSEE will be able to carry out all kinds of modifications and decorations without affecting the static structure of the building for the use of the leased place as a workplace warehouse after informing the LESSOR and obtaining its written permission. At the time of evacuation, the LESSEE is free to remove the add-ons and portable decorations without damaging the main building. The LESSOR will not have any claim for any rights and receivables in this scope, provided that the leased property is returned exactly as it was delivered to the LESSEE. All measures required for the use of the leased immovable as a workplace warehouse will be taken by the LESSEE. The LESSEE will take out and pay the premiums of 'workplace warehouse liability insurance' and 'third-party financial liability insurance' against the possible risks and losses that may occur during the lease period.
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- 5- The lessee may hang all kinds of announcements and signs in the places permitted in the management plan, provided that the lessee adheres to the management plan of the leased property and pays all kinds of taxes.
- 6- The LESSOR accepts, declares and undertakes that as of the execution date of this agreement, the LESSEE may be allowed to enter the leased property, use the leased property on a complimentary basis until 01/09/2024, and that the agreement may be terminated immediately and without any compensation by the LESSEE in any case where it prevents or makes it difficult to use.
- 7- The LESSOR agrees and undertakes that the project, material, and on-site features, as well as fixing the sprinkler system and fire alarm systems of the building, will be undertaken by the LESSOR. The LESSOR undertakes that it will make the necessary site deliveries in regions through mutual agreement with the LESSEE and that the sprinkler system and fire alarm system will be delivered to the LESSEE in 120 (one hundred and twenty) days from the date of 01.01.2025 in working order together with all the appurtenances of the sprinkler system and fire alarm system with a delivery and receipt certificate. All responsibility arising from the non-availability of the sprinkler system and fire alarm system within the time interval specified in this article belongs to the LESSEE. However, if the systems are delivered after the date specified in this article, all responsibility belongs to the LESSOR. The LESSEE is entitled to terminate this lease agreement immediately and without any compensation, both due to the delay in delivery and due to any damage incurred due to the delay. In case of the existence of such a situation, without prejudice to the LESSEE's right to terminate the agreement, if the LESSOR fails to deliver the sprinkler system and fire alarm systems of the immovable in full and working condition to the LESSEE as of 01.05.2025, the LESSOR will make a payment to the LESSEE in the amount of the daily lease price for each day of delay in delivery. These amounts will become due and payable without any warning and notice, and the LESSOR shall pay these amounts to the LESSEE immediately and in cash.
- 8- This lease agreement will become effective as of 01/09/2024. The lease period is determined as **3 (three) years**. The 3 (three) year lease period is divided into 3 periods of 1 year each. According to this,
- **In the first lease year (between 01/09/2024 - 31/08/2025 - excluding the lease price for the month of March 2024),** MONTHLY NET: TRY [***] ([***] Turkish Lira) + withholding tax will be paid. The lease price for 2024 March has been determined as TRY [***] with the agreement of the parties.
 - **In the second lease year (between 01/09/2025 - 31/08/2026),** the monthly lease price to be determined according to the rate of change according to the twelve-month averages in the consumer price index to be announced by the Turkish Statistical Institute for the expired past (previous) lease year + withholding tax will be paid.
 - **In the third lease year (between the dates of 01/09/2026 - 31/08/2027),** the monthly lease price to be determined according to the rate of change according to the twelve-month averages in the consumer price index to be announced by the Turkish Statistical Institute for the expired past (previous) lease year + withholding tax will be paid.

Half amount of the LEASE PRICE (IBAN NO: [***]) will be transferred to the IBAN account of the LESSOR at İbrahim AKKUŞ DenizBank A.Ş. Karabağlar Büyük İşletmeler Branch within the first 10 (ten) business days following the date of service of the invoice issued by the LESSOR to the LESSEE, in advance and on a monthly basis. Half of the LEASE PRICE (IBAN NO: [***]) will be transferred to the IBAN account of Gökhan AKKUŞ DenizBank A.Ş. Karabağlar Büyük İşletmeler Branch.

- 10- If the lease agreement is renewed for a one-year period with the consent of the lessor in the future, the LESSEE will pay the lease price for the last one year by increasing the rate of change in the consumer price index to be announced by the Turkish Statistical Institute ("TÜİK") **"for the previous one-year lease period according to the twelve-month averages"**. In case it becomes possible to request a lease price at a higher rate than the increase condition specified in this agreement for the leased immovable due to changes that may occur in the legislation and/or Article 344 of the Turkish Code of Obligations in the future; the increases to be applied in the lease prices according to this agreement, including those to be made at the end of the first 1-year lease period (2nd and 3rd lease years) mentioned above, will be based on this maximum increase rate, which would have been the maximum (at most) rent increase rate that could be included in the lease agreement if the lease agreement had been entered into during the period in which the increase would be applied. Likewise, in the event that a new index is adopted in the future by the competent authorities of the state or in accordance with the legislation instead of these indices, the new indices to be adopted will be taken as basis.
- 11- The LESSEE may terminate this lease agreement at any time without compensation, without any reason, by serving 30 days prior notice. In this case, the LESSEE is obliged to pay the lease price born to the LESSOR, but the LESSOR agrees and undertakes that it will not request any claim for unborn lease costs. The LESSEE is obliged to allow the candidate lessees who request to observe the Leased Property after the termination notice to see the property and to allow the lease/sale posters to be placed on the property, provided that they make an appointment in advance.
- 12- In case the LESSEE fails to obtain a "business establishment and operation licence" from the municipality to which the leased property is affiliated, the LESSEE may immediately terminate the lease agreement without compensation after the licence application is not granted. In such a case, the LESSEE will pay the lease price that has arisen for the period until the termination notice, but will not pay the unborn lease fees for the following months. If a deposit has already been paid to the LESSOR, the LESSOR will immediately return the deposit to the LESSEE.
- 13- After the LESSEE notifies that they will vacate the leased property, the LESSEE will allow the LESSOR to place a "For Lease" sign on the property in a way that will not interfere with the business and operation of the LESSEE's sign-front facade and those who are interested in leasing this place will be allowed to visit the property by making an appointment with the LESSEE in advance.
- 14- The addresses of the LESSEE and the LESSOR for notification are the addresses written on the cover page of the agreement. In case these addresses change, if the new address is not notified to the other party in writing, notifications served to these addresses will be considered valid. All kinds of notifications to be issued to the LESSEE by pointing out the leased property as the address will be considered to have been duly served. The address of the leased property has been accepted as the legal notification address of the LESSEE in accordance with Article 35 of the Notification Law.
- 15- For the settlement of any disputes arising out of this agreement, Izmir Courts and Execution Offices are authorized to hear and resolve such disputes.
- 16- In matters not stipulated in this agreement, the provisions of the Turkish Code of Obligations No. 6098 and the relevant legislation will prevail.

This 28-Article Agreement has been signed in two copies on the date after being read and agreed upon by the parties. 01/09/2024

SPECIAL FEATURES AND FIXING

A. ACTIONS TO BE PERFORMED BEFORE OBTAINING THE OPERATING/BUSINESS LICENCE

All of the features and fixings included in this provision A will be carried out fully and completely by the LESSOR at its own expense as of 15.10.2024 and delivered to the LESSEE.

- 1- The lessor will prepare 11 units of 240cm * 250cm in the warehouse passage wall cavities from the places shown by the lessee.
- 2- The lessor will replace the 200cm * 250cm (9 pieces) entrance doors in the independent sections with fire doors of the same size.
- 3- The lessor will have magnetic contact and PIR installed to ensure the control of each 500cm*500cm (9 pieces) and replaced (9 pieces) entrance doors.
- 4- The lessor will cover the ribbon windows close to the floor with fencing wire for security purposes.
- 5- The lessor will place an insulated security cabin with a floor area of 200cm * 250cm in the entrance door area of the building and 2 WCs at the gate at the entrance.
- 6- The lessor will install razor wire on the perimeter fence and entrance gates for security purposes.
- 7- The lessor will place a barrier at the corner entrance door for use during the day.
- 8- The lessor will have built a roof (deck) ladder with a locked entrance to go up to the roof.
- 9- The lessor accepts and undertakes that the project, material and on-site features and fixings of the sprinkler system and fire alarm systems of the building are undertaken at the expense of the lessor.

B. ACTIONS TO BE PERFORMED AFTER OBTAINING THE OPERATING/BUSINESS LICENCE

All of the modifications and features & fixings in this Article B will be carried out fully and completely by the LESSOR at its own expense at the end of 60 days from the date of obtaining the operating/business licence and will be delivered to the LESSEE.

- 1- The lessor will make a rest area having a prayer room with a total area of 15 m2, 100cm fixed 150cm zip and a transparent cover that can be opened at any time where the lessee wishes.
 - 2- The lessor will make a resting place having a prayer room and 5 WCs with a total area of 90m2, isolated from the garden with a transparent cover that can be opened at any time with a 100cm fixed 150cm zip from the ground where the lessee shows its location on the north front.
 - 3- The lessor will build a garden access control gate with a height of 120 cm in the place to be shown by the lessee on the west and north facades of the leased property.
 - 4- The LESSOR will build a security room with fire alarm, camera recording, door control magnetic contact alarm centre where the LESSEE shows the location in the building.
 - 5- In case of need, the lessor will build a two-storey 100m2 + 100m2 Dining Hall, Changing rooms and office in the building.
 - 6- The warehouse passage areas, which are 11 pieces of 240cm * 250cm in size, will be enlarged as 680cm * 275cm.
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In the event that the features & fixings and modifications specified in A and B are not completed on the delivery dates specified above, that there are some deficiencies and/or minor defects in the features & fixings and that the LESSEE notifies the LESSOR with a report, these shall be completed by the LESSOR within a maximum period of 60 days from the delivery date. If the deficiencies specified in the report are not completed within this period, the LESSEE will be entitled to have all necessary modifications carried out at the LESSOR's expense. In case these costs are not covered by the LESSOR at the first request of the LESSEE, the LESSEE has the right to deduct these costs from the lease amounts.

LESSOR İBRAHİM AKKUŞ (signed) GÖKHAN AKKUŞ (signed)	LESSEE D MARKET ELEKTRONİK HİZMETLER VE TİC. A.Ş. (two signatures on the stamp)
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CERTAIN PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[*]”. SUCH IDENTIFIED INFORMATION HAS BEEN OMITTED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS SUCH INFORMATION AS PRIVATE OR CONFIDENTIAL.**

PROTOCOL

1- PARTIES

1.1. MEGEYE TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

(Tax Identification Number: [*])**

Address: Burhaniye Mah., Kanuni Sultan Süleyman Sok., Mabeyin Konakları Villa F, Üsküdar-İstanbul (hereinafter referred to as “Megeye”)

1.2. D-MARKET ELEKTRONİK HİZMETLER VE TİCARET ANONİM ŞİRKETİ

(Tax Identification Number: [*])**

Address: Kuştepe Mah., Mecidiyeköy Yolu Cad. Trump Towers Kule 2, Kat:2, Şişli-İstanbul (hereinafter referred to as “D-Market”)

Megeye and D-Market are individually referred to as “Party” and collectively as “Parties”.

2- SUBJECT MATTER OF THE PROTOCOL

The subject matter of this Protocol is to determine the lease price to be applied as of 01/01/2025 for the immovable property located at the address of “Kocaeli Province Gebze District Güzeller Neighbourhood G22B19B1C-2D Section 5686 City Block 1-2-3-8 Parcel” pursuant to the Lease Agreement (“Agreement”) entered into between the Parties, which was notarized at Beşiktaş 7th Notary Public Office with date 07/04/2014 and journal number 06684, and the additional agreement notarized at Beyoğlu 58th Notary Public Office with date 11/09/2015 and journal number 08083, and the Protocol dated 15/08/2022, and the subject-matter of this Protocol relates to the waiver of the case filed by Megeye within the scope of the case file (“Case”) numbered 2024/1218 E. (Merits No.) of Istanbul 33rd Civil Court of Peace.

3- PROVISIONS RELATED TO THE LEASE AGREEMENT

- 3.1.** The Parties have agreed on the determination and adjustment of the lease price by increasing the lease price, which is determined within the scope of the Lease Agreement and currently paid by D-Market as a monthly lease price amounting to TRY [***] ([***] Turkish Liras) + VAT. Within the scope of this agreement, as of 01.01.2025, the monthly lease price has been determined as a NET amount of TRY [***] ([***] Turkish Liras) + VAT.
 - 3.2.** The lease price will be paid as a NET amount of TRY [***] ([***] Turkish Liras) + VAT per month between the dates 01.01.2025 and 01.08.2025 (including these dates). The Parties agree that the lease prices until 01.01.2025 have been paid in full, that D-Market does not have any lease price debt under the Lease Agreement until this date, and that Megeye does not have any rights and receivables from D-Market under any name, including the lease price.
 - 3.3.** Since the Parties have agreed that the re-determined lease price will be applicable as of 01.01.2025 and since D-Market has already paid TRY [***] ([***] Turkish Liras), including VAT as the lease price for the month of January 2025, the Parties accept and declare that D-Market has an obligation to pay to TRY [***] ([***] Turkish Liras) as the balance lease payment for the month of January 2025. However, they agree that this obligation of D-Market will be effective from the moment MEGEYE submits its declaration of waiver of the case to the case file. D-Market will pay the balance lease amount of TRY [***] for the month of January 2025 to MEGEYE within 1
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(one) business day following the date of MEGEYE's submission of the declaration of waiver of the case to the case file.

- 3.4. As of 01.08.2025, the lease price to be applied for the next lease year will be determined by increasing the lease price determined in Article 3.1 of this Protocol based on the rate of change according to the twelve-month averages in the consumer price index (CPI) determined by the Turkish Statistical Institute. In the following lease years, the monthly lease price to be implemented for each year will be determined by increasing the monthly rental price paid in the last month of the previous lease year based on the rate of change according to the twelve-month averages in the consumer price index (CPI) determined by the Turkish Statistical Institute.
- 3.5. This Protocol constitutes a redetermination of the lease price (or determination of the lease price) in accordance with the provision of Article 344/3 of the Turkish Code of Obligations No. 6098. Therefore, the Parties accept, declare and undertake that they will not claim any right or receivable regarding the increase or decrease of the lease price stipulated in the legal regulations (except for the increases specified in Article 3.4 of this Protocol), including but not limited to the redetermination of the lease price, determination of the lease price, adaptation of the lease price, and that they will not file a case in this regard during the 5-year period stipulated in the law from the date of execution of this Protocol. The Parties also irrevocably accept, declare and undertake that the lease price determined by Article 3.1. will be effective starting from 01.01.2025 upon the execution of this Protocol and the submission of the waiver declaration by MEGEYE to the case file, that the determined lease price has no retroactive effect, and that they do not have any retrospective requests for any claims and receivables.
- 3.6. This Protocol is an annex to and an integral part of the (Lease) Agreement. In the cases where there is no provision in the Protocol, the provisions of the Agreement will be applicable. In case the provisions of the Agreement conflict with the provisions of this Protocol, the provisions of the Protocol will prevail. The stamp tax arising from this Protocol will be covered by D-Market.

4- PROVISIONS REGARDING THE CASE FILE

- 4.1. The Parties have agreed on the lease amount to be paid for the immovable property located at the address of "Kocaeli Province, Gebze District, Güzeller Neighbourhood, G22B19B1C-2D Section 5686 City Block 1-2-3-8 Parcel", which is the subject of the lease price determination case which is being heard in the case file numbered 2024/1218 E. (Merits No.) of Istanbul 33rd Civil Court of Peace.
- 4.2. Since the Parties have agreed on the lease price of the immovable subject to the case, they are in agreement that the case for the determination of the lease price, which is being heard in the case file numbered 2024/1218 E. (Merits) of Istanbul 33rd Civil Court of Peace has become devoid of essence.
- 4.3. Since the Parties have agreed on the determination of the lease price of the immovable subject to the case, MEGEYE will hereby submit a written declaration of waiver of the case to the case file numbered 2024/1218 E. (Merits) of Istanbul 33rd Civil Court of Peace within 1 (one) business day from the date of execution of this Protocol, and in this written declaration, it will also be notified that they will not request costs, litigation expenses and attorney's fees from the Defendant D-Market. D-Market, on the other hand, will submit a written declaration that they accept the waiver of the case simultaneously with the submission of the written waiver declaration submitted by MEGEYE to the case file within the scope of Article 4.3., and in this written declaration, they will also notify that they do not have any claims for costs, litigation expenses and attorney's fees from the Plaintiff MEGEYE.

The Parties will perform any and all liabilities required to be fulfilled in order for the court to render a decision in favour of the waiver and acceptance of the waiver, and for this decision to be

finalized and a finalization statement to be issued.

- 4.4. If any of the Parties fails to comply with the provisions of Article 4.3 of this Protocol, all provisions of this Protocol will be considered null and void in its entirety.
- 4.5. The Parties accept and declare that the leased areas are determined in accordance with the Agreement and the Additional Agreement dated 01.09.2015 and that the lease payments are made based on the square meter calculation specified in these agreements. In addition, the Parties have also agreed that the area of 17,856 m2 determined by the expert report obtained in the case numbered 2024/95 D.İş (Misc. File) of Istanbul 24th Civil Court of Peace consists of portable and removable shelf systems and that there is no request for lease for these areas. In line with this agreement, Megeye accepts, declares and undertakes that they have no receivables for these determined areas until the date of execution of this Protocol and that they will not claim any lease payment for these areas from now on.
- 4.6. This Protocol consists of 4 (four) articles and 2 (two) pages and was executed by the Parties on 17/01/2025 to enter into force on 01/01/2025 as a result of the full agreement of the Parties.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.

(two signatures on the stamp)

MEGEYE TEKSTİL SANAYİ VE TİCARET A.Ş.

(single signature on stamp)

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.

INSIDER TRADING POLICY

1. Background

D MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. (“**Hepsiburada**” or the “**Company**”) is a joint stock company incorporated in accordance with the Turkish Commercial Code with American depository shares listed on the Nasdaq Global Select Market. Certain provisions and prohibitions under the Insider Trading Laws (as defined in Section 3 below) are enforceable against the Company and its subsidiaries (collectively, the “**Group**”) and their respective directors (“**Directors**”), officers (“**Officers**”) and employees (“**Employees**”), as well as individuals identified in paragraph (5) of Section 3.1 below, as applicable.

Under U.S. federal securities laws, it is illegal to purchase or sell securities of the Company while in possession of material non-public information related to, affecting or regarding the Group, or to disclose such information to others who then trade in the securities of the Company. Insider trading violations are pursued vigorously by the U.S. Securities and Exchange Commission (the “**SEC**”), the U.S. Department of Justice and other governmental agencies and can result in severe penalties and criminal sanctions. While the regulatory authorities usually concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, U.S. federal securities laws also impose potential liability on companies and other “controlling persons” if they fail to take reasonable steps to prevent insider trading by company personnel.

2. Policy Statement

This is the insider trading policy (the “**Policy**”) of the Group, which sets forth recommendations and guidelines to Insiders (as defined in Section 3 below) in order to:

- (1) familiarize them with the rules and disciplinary provisions (requirements, constraints, risks and sanctions relating thereto) under the Insider Trading Laws;
- (2) help them comply with the provisions of the Insider Trading Laws that are applicable to the Group; and
- (3) set forth certain Group-required restrictions intended to aid in compliance with the Insider Trading Laws.

This Policy has been adopted by the Company’s Board of Directors (the “**Board**”) on June 30, 2021 and amended by the Board on November 3, 2022 and on September 20, 2024.

The Corporate Governance Committee may review and recommend changes to this Policy from time to time as and when deemed necessary.

The Company considers compliance with this Policy to be of the utmost importance. Group personnel, including Directors and Officers of the Group, who violate this Policy will be subject to disciplinary action, which may include but may not be limited to, dismissal.

Insiders are ultimately responsible for adhering to this Policy and determining whether they are in possession of Material Non-public Information (as defined in Section 3 below), and any action on the part of the Company, the Ethics and Compliance Officer designated in Section 11 below or any other officer, director or employee pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.

All Directors, Officers and Employees of the Group will receive a copy of this Policy and must acknowledge in writing that they have read and understand it and that they will comply with it, promptly after the Policy is adopted or amended. New Directors, Officers and Employees will also receive a copy of this Policy and must acknowledge in writing that they have read and understand it and that they will comply with it.

All Directors, Officers and Employees will receive training (and/or information notes) about this Policy after the Policy is adopted or amended. At all relevant times, they will have access to a copy of this Policy on the Company's Intranet site. Annually, they will be required to certify that they have complied with it and will continue to do so.

Please direct your questions as to any of the matters discussed in this Policy or report any possible violation of this Policy to the Group's Ethics and Compliance Officer (refer to Section 11 below).

3. Key Concepts

3.1 To Whom This Policy Applies

The Policy applies to the group of people listed below, who are referred to in this Policy as “**Insiders**”:

- (1) Directors, Officers and Employees;
- (2) Directors, officers, and employees of all contractors who devote all or substantially all of their time to the Group;
- (3) Family members of the Insiders referred to under (1) of this Section 3, including immediate family members, persons with whom the Insider shares a household, persons that are the Insider's economic dependents, and any other individual over whom the Insider has influence, or control;¹

¹ For purposes of this Policy, “immediate family” includes (a) family members who reside in the same household as the Insider (including a spouse or domestic partner, and children, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws, but only if they reside in the same household as the Insider), (b) children of the Insider or of the Insider's spouse who do not reside in the same household as the Insider but are financially dependent upon the Insider, and (c) any other family members who do not reside in the Insider's household but whose transactions are directed by the Insider

- (4) Any partnership, trust or other entity under the direction or control of any person described under (1) through (3) above;
- (5) If designated by the Ethics and Compliance Officer (1) all directors, officers and other employees of a joint venture in which the Group has a financial interest (such a joint venture is referred to as a “**Related Company**”) and (2) any other consultant or contractor to the Group or a Related Company.

Directors, Officers and Employees are expected to be responsible for compliance by the Insiders referred to under (3) and (4) of this Section 3.1 with this Policy, as well as their own compliance.

From time to time, other persons may become Insiders and be subject to the Policy if such persons have or may have access to Material Non-public Information (as defined in Section 3.3 below) or receive Material Non-public Information from any Insider. All consultants and outside advisors assisting the Company on sensitive matters are expected to abide by the Policy, although the Company assumes no responsibility with respect to the actions of persons who are not under its direct control.

Situations may exist where an Insider has a record ownership of or beneficial interest in securities, but has no responsibility for investment decisions, such as, for example, where the investment decisions have been delegated to an investment adviser. In such cases, this Policy is not intended to proscribe dealings in securities so long as the Insider has neither discussed the merits of the investment with, nor provided inside information to, the person or persons having the decision-making investment responsibility. Similarly, this policy does not proscribe the purchase, sale or holding of an interest in a bona fide and diversified publicly traded mutual fund, even if the fund holds or trades in securities.

Definitions

The terms “**Insider Trading Laws**”, “**Material Non-public Information**” and “**Securities**” are defined as set out below:

3.2 Insider Trading Laws

The term “**Insider Trading Laws**” includes the anti-fraud provisions of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), including Section 10(b) of, and Rule 10b-5 under, the Exchange Act, as well as related anti-fraud and enforcement provisions of the U.S. federal securities laws.

3.3 Material Non-public Information

The term “**Material Non-public Information**” includes any information not generally available to the public² that a reasonable investor would consider important in a decision to buy, hold, sell or vote a security. U.S. courts have described that as information that could be considered to significantly alter the “total mix” of information available to a reasonable investor in making its investment decision.

Schedule 1 sets forth a list of types of information that may be deemed material and accordingly could qualify as Material Non-public Information if not generally available to investors. This list is not exhaustive and should be viewed solely as a guide for further consideration of the materiality of a particular fact, circumstance or development which may be material depending on the circumstances. No implication should be drawn that a particular event is or is not material by virtue of its inclusion or exclusion from the list. Information may be “*material*” whether positive or negative.

If securities transactions become the subject of scrutiny, the SEC, prosecutors, courts and others will decide what is material and/or non-public after the fact. As a result, before engaging in any transaction, Insiders should carefully consider how regulators and others might view the transaction in hindsight.

The good faith belief that material information has been made public at the time an individual trades does **not** relieve an individual from liability if he or she is wrong, regardless of the accuracy of the information. When doubt exists, the non-public information should be presumed to be material. If you are unsure whether you are in possession of Material Non-public Information, you should consult with the Ethics and Compliance Officer prior to engaging in, or entering into an agreement, understanding or arrangement to engage in, a purchase or sale transaction of any of the Company’s securities.

3.4 Securities and the Types of Transactions Covered by this Policy

Except as discussed in Section 7 “Exemptions for Trading Plans and Other Specified Transactions”, this Policy applies to all transactions involving the securities of the Company or the securities of other companies as to which an Insider possesses Material Non-public Information obtained in the course of his or her service with the Company (including, but not limited to, the Company’s customers, suppliers or other counterparties) (the “**Securities**”).

This Policy therefore applies to purchases, sales and other transfers of ordinary shares, American depository shares, options, warrants, preferred stock, debt securities (such as debentures, bonds and notes) and other securities. This Policy also applies to any arrangements that affect economic exposure to changes in the prices of the Securities (such as exchange-traded put or call options), forward transactions, hedging transactions, short sales and certain decisions with respect to participation in benefit plans. This Policy also applies to any offers with respect to the transactions discussed above.

² Any information that has not been made public or disclosed to, and absorbed by, the marketplace by the Company shall be considered not generally available or “non-public”. The SEC takes the view that it takes two full trading days for information to be absorbed by the market. Thus, information about the Group that has not been in general circulation for more than two trading days should be considered non-public. For example, if the information is released on Wednesday, July 27, then the information will be considered in general circulation before the market opens on Monday, August 1.

3.5 Post-Termination Transactions

This Policy continues to apply to transactions in Securities even after an Insider's service with the Company has ended (other than the Pre-Approval procedures and trading prohibitions during Blackout Periods, which will cease to apply upon the expiration of any Blackout Period pending at the time of the termination of service). If an Insider becomes aware of Material Non-public Information after termination, that individual must not purchase or sell Securities until that information has become public or is no longer Material Non-public Information pursuant to Section 3.3.

4. Insider Trading – Insider Tipping – Gifts

4.1 Insider Trading

Insiders are prohibited from trading in Securities at any time the Insider is in possession of Material Non-public Information concerning the Group. It does not matter (in terms of this prohibition) that the Insider may have decided to trade before learning the Material Non-public Information. It also does not matter (in terms of this prohibition) that the Insider may have a reason to trade that is not based on Material Non-public Information. The Insider Trading Laws do not recognize these mitigating circumstances in determining liability.

Additionally, Insiders may not trade in Securities of another company at any time when the Insider has Material Non-public Information about that company or has Material Non-public information that could affect the share price of that company that they obtained in the course of their employment or service to the Company. For purposes of this Section 4.1, another company may include, without limitation, any of the Group's customers, vendors, an acquisition target, or a company in the same industry, sector or subsector, when that information was obtained as a result of the Insider's employment or relationship to the Company.

4.2 Insider Tipping

No Insider may disclose (“tip”) Material Non-public Information to any other person (including family members), and no Insider may make buy or sell recommendations to another person on the basis of Material Non-public Information.

A person does not have to divulge the Material Non-public Information to be guilty of tipping. Simply suggesting to a relative or friend that he or she buy, sell, or hold a Security violates this Policy if the person making the tip is aware of Material Non-public Information regarding such asset when making the suggestion, even if the tipper does not tell the tippee why the tipper is making the suggestion.

“Tipping” can result in liability for both the tipper and the tippee. In addition, Insiders should take care before trading on the recommendation of others to ensure that the recommendation is not the result of an illegal “tip.”

4.3 Gifts of Securities

Gifts of Securities by individuals in possession of Material Non-public Information or during a Blackout Period are prohibited unless the donee expressly agrees it will not make any transaction with the Securities while the donor is in possession of Material Non-public Information.

5. Blackout Periods

The purpose of the Blackout Periods is to help prevent inadvertent violations and to avoid the appearance of an improper transaction when material information may be available but has not yet been disclosed to, and absorbed by, the public. To reduce the risk of claims that Insiders have violated Insider Trading Laws, subject to Section 4.3, Insiders may not trade or otherwise transfer Securities during any “**Blackout Period**” (regardless of whether it is a Regular or Special Blackout Period).

At the beginning of each year, the Ethics and Compliance Officer will post notices of Regular Blackout Periods on its Intranet site. At the beginning and ending of each Regular Blackout Period, the Ethics and Compliance Officer will announce the beginning or ending of the Regular Blackout Period by email to all Officers, Directors and Employees of the Group.

At the beginning and ending of each Special Blackout Period, the Ethics and Compliance Officer will announce the beginning or ending of the Special Blackout Period by email only to those Officers, Directors and Employees of the Group who are covered by the Special Blackout Period.

It is the responsibility and obligation of each Insider to make sure that no Blackout Period, either Regular or Special, is in effect prior to trading in Securities.

Any questions regarding the Blackout Periods should be raised with the Group’s Ethics and Compliance Officer prior to trading in Securities.

5.1 Regular Blackout Periods

The Company maintains four mandatory Regular Blackout Periods each year. Each Regular Blackout Period commences two weeks prior to the official end date of the quarter and ends two business days after the Group’s public release of its quarterly earnings. In other words, trading may not commence before the third business day after the earnings release.

For example, if a scheduled quarterly earnings release date is Wednesday, July 27, the Regular Blackout Period would commence on Thursday, June 16, and is scheduled to end on Friday, July 29. In this example, trading may not commence before Monday, August 1.

Insiders should note that quarterly earnings releases may be delayed beyond the scheduled release date, in which case the actual ending date of a Regular Blackout Period will be extended.

5.2 Special Blackout Periods

From time to time, the Company or the Ethics and Compliance Officer may impose a Special Blackout Period to prohibit some or all Insiders from trading Securities because of material developments, or potentially material developments, known to the Group and not yet disclosed to the public. In such event, all such prohibited Insiders may not engage in any transaction involving the purchase or sale of the Securities and should not disclose to others the imposition of such Special Blackout Period. Any trading in Securities may not occur until the second business day after the Company or the Ethics and Compliance Officer has ended the Special Blackout Period.

5.3 No Trading on Material Non-public Information at Any Time

Even outside a Blackout Period, any Insider who is aware of or possesses Material Nonpublic Information concerning the Group, may not engage in any transactions in the Securities until such information has been known publicly for at least two full trading days. Trading in the Securities outside a Blackout Period should not be considered a “safe harbor,” and all Insiders must use good judgment in determining whether to purchase or sell Securities at all times.

6. Pre-Approval

In addition to the other provisions of this Policy, all Directors, Officers and certain Employees that may have regular or special access to Material Non-public Information that will be notified by the Ethics and Compliance Officer that they are also subject to these pre-approval requirements (“**Other Restricted Persons**”) are prohibited from engaging in any transactions involving Securities without obtaining a pre-approval from the Group’s Ethics and Compliance Officer.

Directors, Officers and Other Restricted Persons intending to trade in Securities must submit a pre-approval request by using the form at Schedule 2 to the Ethics and Compliance Officer at least five business days prior to the date of the proposed transaction. The purpose of this pre-approval form is to document that the proposed transaction does not violate this Policy and Insider Trading Laws. The Ethics and Compliance Officer should review the pre-approval request and return a copy of the completed form to the person requesting pre-approval in due time by indicating the reasons for the decision to approve or disapprove a transaction. Any transaction for which pre-approval was granted must be performed during a period when no Blackout Period is in place (the “**Trading Window**”) and in which it was granted and in any event, within four business days of the date of approval.

Following their receipt of a pre-approval, all Directors, Officers and Other Restricted Persons must complete and submit the form at Schedule 3 to the Ethics and Compliance Officer within five business days following the date of the proposed transaction. This form

should indicate whether they have traded under the pre-approval and the details of any trading.

The Ethics and Compliance Officer is required to keep a permanent record of any Schedule 2 and Schedule 3 forms.

6.1 Prohibited Transactions

No Insider may engage in a short sale of the Securities under any circumstances. A short sale is a sale of Securities not owned by the seller or, if owned, not delivered against such sale within 20 days thereafter. Transactions in certain put and call options for the Securities may in some instances constitute a short sale. To ensure compliance with this Policy and applicable Insider Trading Laws, the Company requires that all

Insiders refrain from investing in derivatives of the Securities, such as puts or call options, at any time. Short sales and investing in other derivatives of the Securities are prohibited by this Policy even when a Trading Window is open.

No Insider may engage in hedging under any circumstances. Hedging or monetization transactions allow Insiders to lock in much of the value of the Securities, often in exchange for all or part of the potential for upside appreciation in the Securities. Such transactions allow Insiders to continue to own Securities, but without the full risks and rewards of ownership (e.g., swaps, collars, prepaid variable forward contracts, exchange funds and other derivative securities).

No Insider may engage in standing orders under any circumstances. Standing orders are orders placed with a broker to sell or purchase Company shares at a specified price that leave the Insider with no control over the timing of the transaction. Transactions pursuant to a standing order – which do not meet the standards of a Trading Plan executed by the broker when the Insider is aware of Material Non-public Information may result in unlawful insider trading.

No Insider may engage in margin accounts or pledging under any circumstances. Directors, Officers and Employees are prohibited from purchasing Securities on margin, borrowing against any account in which Securities are held and pledging Securities as collateral for a loan.

No Insider may engage in any other speculative transactions under any circumstances. A transaction in publicly traded options is, in effect, a bet on the short-term movement of Securities and therefore creates the appearance of trading based on inside information. Short-term trading (i.e., opposite way sales and purchases or purchases and sales within a 6 months period) may improperly focus the Insider on short-term stock performance.

While the general operation of these limitations is straight forward, there may be situations where their applicability is not clear. In these situations, when an Insider has questions concerning any particular transaction, the Insider must call the Group's Ethics and Compliance Officer in advance of making any trade.

7. Exemptions for Trading Plans and Other Specified Transactions

7.1 Rule 10b5-1 Trading Plans

Insiders may elect to trade in Securities pursuant to a written plan or set of instructions to his or her stock broker (a “**Trading Plan**”) that complies with Rule 10b5-1 under the Exchange Act (“**Rule 10b5-1**”). This rule qualifies Insiders for an affirmative defense if they enter into a contract, provide instructions or adopt a written plan for trading securities in good faith when they are not aware of Material Non-public Information and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1. Once a Trading Plan is adopted, trades made pursuant to that Trading Plan that comply with Rule 10b5-1 and the minimum conditions set forth below may occur during a Blackout Period as described above and/or while the Insider is otherwise in possession of Material Non-public Information. The Company strongly encourages the adoption of a Trading Plan by all Insiders who intend to sell shares.

To qualify as a Rule 10b5-1 Trading Plan, the contract, instructions or plan must be approved by the Ethics and Compliance Officer and filed with a certification that the plan meets the following criteria:

- (i) the plan is in writing and signed by the person adopting the plan;
- (ii) the plan (x) specifies a fixed number of shares to be purchased or sold, (y) specifies or sets a formula for the amount of stock to be purchased or sold, the dates on which the stock is to be purchased or sold, and the prices at which the stock is to be purchased or sold or (z) does not permit the Insider to exercise any subsequent influence over how, when, or whether to effect purchases or sales; provided, in addition, that any other person who, pursuant to the plan, does exercise such influence is not aware of Material Non-public Information when doing so;
- (iii) the plan is adopted in good faith when the Insider is not aware of Material Non-public Information and not as part of a scheme to evade the prohibitions of Rule 10b5-1;
- (iv) the plan is being adopted, amended or terminated only during an open Trading Window;
- (v) unless approved by the Ethics and Compliance Officer, for all Insiders except Directors and Officers, the first trade made pursuant to a Trading Plan may not take place until at least 30 days have elapsed since the date on which the Trading Plan was adopted; and
- (vi) for Directors and Officers, the first trade made pursuant to a Trading Plan may not take place until the later of: (1) 90 days after the date such Trading Plan is adopted, or (2) two trading days after the public disclosure of the Company’s financial results for the completed fiscal quarter in which the Trading Plan was adopted.

An individual may not enter into multiple Rule 10b5-1 Trading Plans providing for transactions during overlapping periods except with respect to:

- (i) separate contracts with different broker-dealers or other agents acting on behalf of the individual that may be treated as a single Rule 10b5-1 Trading Plan;
- (ii) one later commencing Rule 10b5-1 Trading Plan under which trading is not authorized to begin until after all trades under the earlier commencing Rule 10b5-1 Trading Plan are completed or expire without execution; and
- (iii) a Rule 10b5-1 Trading Plan providing for an “eligible sell-to-cover transaction” as allowed under Rule 10b5-1.

The Company strongly recommends that any person seeking to adopt a Trading Plan consult with his or her U.S. legal counsel prior to the adoption of a Trading Plan.

Each individual adopting the Trading Plan is solely responsible for compliance with Rule 10b5-1 and ensuring that the Trading Plan meets the other conditions set forth above. Insiders also remain individually responsible for compliance with all applicable Insider Trading Laws and remain subject to disciplinary action for any violations of this Policy, regardless of whether a Trading Plan has been adopted. Notwithstanding the conditions set forth above, the Company does not undertake any obligation to ensure that a Trading Plan filed with the Company complies with Rule 10b5-1.

7.2 Performance Stock Units (“PSUs”) and Restricted Stock Units (“RSUs”)

This Policy’s trading restrictions do not apply in the case of the vesting of PSUs or RSUs, or the exercise of a tax withholding right pursuant to which a person elected to have the Company withhold ordinary shares to satisfy tax withholding requirements upon the vesting of any PSUs or RSUs. The Policy does apply, however, to any market sale of ordinary shares of the Company.

8. Whistleblowing

If an Insider becomes aware of another Insider’s conduct that the Insider believes may amount to insider trading or otherwise may be in violation with this Policy, the Insider must promptly inform the Group’s Ethics and Compliance Officer of the matter.

9. Penalties

9.1 Legal Penalties

Punishment for insider trading violations is severe, and could include significant fines and imprisonment. Any Insider who violates the above rules is subject to civil and criminal penalties in the United States under the Federal Insider Trading and Securities Fraud Enforcement Act of 1988, which may include:

- (i) disgorgement of profit made or loss avoided by trading or tipping;
- (ii) payment of the loss suffered by the person who purchased securities from or sold securities to the individual;

- (iii) a civil penalty of up to three times the profit gained or loss avoided;
- (iv) a criminal penalty (no matter how small the profit) of up to US\$5 million; and
- (v) a jail term of up to twenty years.

The penalties for the Group if it fails to take appropriate steps to prevent insider trading include a criminal penalty of up to US\$25 million.

9.2 Group Penalties

In addition to any legal penalties, a violation of this Policy may subject the Insider, if a Director, to removal and, if an Officer or Employee, to disciplinary action by the Group, up to and including termination (of the employment agreement) for cause.

10. Maintaining Confidentiality

All Insiders should avoid communicating non-public information relating to the Group to any person (including family members and friends) unless the person has a “need to know” the information for Group-related reasons. This guideline applies without regard to the materiality of the information. It is the responsibility of each Insider to take whatever practicable steps are appropriate to preserve the confidentiality of non-public information.

If an Insider inadvertently discloses Material Non-public Information, or discovers that someone else inside or outside the Group has, the Insider should immediately report the facts to the Group’s Ethics and Compliance Officer for a decision regarding the appropriate remedial steps.

11. Ethics and Compliance Officer

The duties of the Ethics and Compliance Officer shall include, but not be limited to, the following:

- (1) Performing cross-checks from time to time, as deemed appropriate by the Group’s Ethics and Compliance Officer, of available materials, which may include, officers and directors questionnaires and reports received from the Group’s stock administrator (if any) and transfer agent, to determine trading activity by Directors, Officers and Employees and others who have, or may have, access to Material Non-public Information.
- (2) Circulating the Policy (and/or a summary thereof) to all Directors, Officers and Employees, providing training about the Policy, obtaining certifications from all Directors, Officers and Employees that they have complied with the Policy and will continue to do so on an annual basis and providing the Policy and other appropriate materials including training materials to new Directors, Officers and Employees.

- (3) Coordinating with the Group outside counsel regarding compliance activities with Insider Trading Laws to ensure that the Policy is amended as necessary to comply with such requirements.
- (4) Coordinating the implementation of the pre-approval process for trading activities as set forth in Section 6 of this Policy.
- (5) Coordinating and supervising the implementation of the exemptions set forth under Section 7 of this Policy, including Trading Plans adopted in compliance with Rule 10b5-1; provided, however, that the Ethics and Compliance Officer is not responsible for determining whether such plans are in compliance with Rule 10b5-1.
- (6) Coordinating with the Ethics and Compliance Committee to report to the Board about the implementation of this Policy on a quarterly basis. The reporting shall focus on the Group's compliance efforts with this Policy and Insider Trading Laws including documentation, trainings, certifications and approvals or exemptions provided under this Policy. Its aim is to substantiate the efforts taken by the Group in line with the Insider Trading Laws and this Policy.
- (7) Addressing all questions and reports of Directors, Officers and Employees as to any of the matters discussed in this Policy (including anonymous inquiries) which may be communicated to the Ethics and Compliance Officer by all available means including the ethics reporting and whistleblowing hotline at +90 212 800 34 05 or dol@etikhat.com.

Should the Ethics and Compliance Officer notice any suspicious case as to the potential breach of the Insider Trading Laws and this Policy, upon either on their own efforts or a complaint, the Ethics and Compliance Officer will notify the Internal Audit Department of the relevant situation. The Internal Audit Department is authorized to conduct an investigation or to call an investigation to be conducted, regarding transactions in Securities that have been executed or undertaken by, on the instruction of, or for the benefit of an Insider. The Internal Audit Department should report in writing the results of such investigation to the Corporate Governance Committee. If deemed necessary by the Corporate Governance Committee, the Ethics and Compliance Committee will also be informed of the investigation and it will convene to discuss the investigation and its results. In any event, the Corporate Governance Committee will inform the Chair of the Board (the "**Chair**") of the investigation and its results. Prior to this reporting, the Insider must be given an opportunity to react on the results of the investigation. All Insiders are obliged to collaborate in the investigation. If requested any Insider will instruct his stockbroker or responsible intermediary to provide the Ethics and Compliance Officer with any requested information of the transactions executed in the Securities. Upon the outcome of such investigations, the Corporate Governance Committee will be authorized to apply the relevant sanction as to the breach of the Insider Trading Laws and this Policy.

The individual who is subject to said investigation will be informed of the results of the investigation by the Chair. If the investigation concerns the Chair, the task and responsibilities of the Chair under this clause shall rest with the Company's chief executive officer.

SCHEDULE 1

NON-EXHAUSTIVE LIST OF POTENTIAL “MATERIAL” EVENTS

INVOLVING THE COMPANY

Set forth below is a non-exhaustive list of types of information, whether relating to actual occurrences, known plans or risks relating thereto or significant developments thereon, may be deemed “*material*” and accordingly could qualify as Material Nonpublic Information if not generally available. This list should be viewed solely as a guide for further consideration of the materiality of a particular fact, circumstance or development and no implication should be drawn that a particular event is or is not material by virtue of its inclusion or exclusion from the earnings reports;

- (i) quarterly, semi-annual or annual financial results;
- (ii) proposal or agreements involving a merger, acquisition, divestiture or similar transaction that is of material significance for the business, or other extraordinary corporate event;
- (iii) liquidity concerns;
- (iv) decrease or increase in dividend rate or payment of a special dividend;
- (v) labor problems of material significance for the Group;
- (vi) significant financing transactions;
- (vii) changes of debt ratings;
- (viii) significant offerings of securities (particularly equity offerings);
- (ix) significant change in senior management;
- (x) actual or projected changes in industry circumstances or competitive conditions that could significantly affect the Company’s revenues, earnings, financial position or prospects;
- (xi) major litigation, regulatory developments or government investigations; and
- (xii) a significant cybersecurity incident or identified significant cybersecurity vulnerability involving the Company or a significant customer or business partner of the Company, such as a data breach, or any other significant disruption in the Company’s operations or loss, potential loss, breach or unauthorized access of its property or assets, whether at its facilities or through its information technology infrastructure.

SCHEDULE 2

TRADING PRE-APPROVAL FORM

The undersigned hereby informs the Ethics and Compliance Officer that the undersigned intends to engage in a transaction involving Securities or which may otherwise fall within the scope of the Company's Insider Trading Policy and requests a pre-approval for this transaction in accordance with the Group's Insider Trading Policy.

General Nature of the Transaction: (Short description of the transaction subject to the pre-approval request (i.e., open market purchase of 100 HEPS American Depository Shares through Nasdaq))

Date of Transaction: (Date of the proposed transaction in dd/mm/yyyy format)

Other Information: (Boxes to be checked as appropriate by the undersigned)

Blackout Periods	
<input type="checkbox"/>	A Regular Blackout Period is not in effect at the time of the submission of this form.
<input type="checkbox"/>	A Regular Blackout Period will not be in effect at the date of transaction.
<input type="checkbox"/>	A Special Blackout Period is not applicable to the undersigned at the time of the submission of this form.
<input type="checkbox"/>	A Special Blackout Period will not be applicable to the undersigned at the date of transaction.
Material Non-public Information	
<input type="checkbox"/>	The undersigned is not in possession of any information not generally available, ³ that a reasonable investor would consider important in a decision to buy, hold or sell a security.
	If you are unsure whether you are in possession of material, non-public information, please write down your reasons below.
	<i>Click or tap here to enter text.</i>

The undersigned is not in possession of any Material Non-public Information at the time of submitting this pre-approval form and undertakes not to engage in any trading in the event the undersigned becomes aware of any Material Non-public information in the time period between the submission of this form and the abovementioned date of transaction.

Submitted by:

Signed:

³ Any information that has not been made public or disclosed to, and absorbed by, the marketplace by the Company shall be considered not generally available or "non-public". The SEC takes the view that it takes two full trading days for information to be absorbed by the market. Thus, information about the Group that has not been in general circulation for more than two trading days should be considered non-public. For example, if the information is released on Wednesday, July 27, then the information will be considered in general circulation before the market opens on Monday, August 1.

Date:
Reasons for approval/disapproval: (to be completed by the Ethics and Compliance Officer)
Ethics and Compliance Officer:
Signed:
Date:

SCHEDULE 3

DISCLOSURE OF TRADING UNDER PRE-APPROVAL FORM

The undersigned hereby informs the Ethics and Compliance Officer that the undersigned did not engage in any trading under the pre-approval provided by the Ethics and Compliance Officer on (date in dd/mm/yyyy format).

OR

The undersigned hereby informs the Ethics and Compliance Officer that the undersigned has engaged in trading in accordance with the pre-approval provided by the Ethics and Compliance Officer on (date in dd/mm/yyyy format), as per the details given below:

<u>Date</u> (<u>dd/mm/yyyy</u>)	<u>Nature of Trade</u>	<u>Number of Shares</u>

Submitted by:

Signed:

Date:

**Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Nilhan Gökçetekin, Chief Executive Officer of D-MARKET ELECTRONIC SERVICES & TRADING (the "Company"), certify that:

1. I have reviewed this annual report on Form 20-F of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: April 30, 2025

By: /s/ Nilhan Gökçetekin
Name: Nilhan Gökçetekin
Title: Chief Executive Officer

**Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, M. Seçkin Köseoğlu, Chief Financial Officer of D-MARKET ELECTRONIC SERVICES & TRADING (the "Company"), certify that:

1. I have reviewed this annual report on Form 20-F of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: April 30, 2025

By: /s/ M. Seçkin Köseoğlu
Name: M. Seçkin Köseoğlu
Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report on Form 20-F of D-MARKET Electronic Services & Trading (the "Company") for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nilhan Gökçetekin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2025

By: /s/ Nilhan Gökçetekin
Nilhan Gökçetekin
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

In connection with the Annual Report on Form 20-F of D-MARKET Electronic Services & Trading (the "Company") for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Seçkin Köseoğlu, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2025

By: /s/ M. Seçkin Köseoğlu

M. Seçkin Köseoğlu

Chief Financial Officer

(Principal Financial and Accounting Officer)
