

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

AMENDMENT NO. 1
TO

FORM F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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)

Turkey
(State or other Jurisdiction of
Incorporation or Organization)

5961
(Primary Standard Industrial
Classification Code Number)

Not Applicable
(I.R.S. Employer
Identification Number)

Kuştepe Mahallesi Mecidiyeköy Yolu
Cadde no: 12 Kule 2 K2
Şişli 34387 İstanbul, Turkey
+90 (0) 212 304 20 00

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Cogency Global Inc.
122 East 42nd Street, 18th Floor
New York, NY 10168
+1 800-221-0102

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Laura Sizemore, Esq.
Era Anagnosti, Esq.
White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom
Tel: + 44 20 7532 1000
Fax: + 44 20 7532 1001

Pierre-Marie Boury, Esq.
David Gottlieb, Esq.
Cleary Gottlieb Steen & Hamilton LLP
2 London Wall
London EC2Y 5AU
United Kingdom
Tel: +44 20 7614 2200
Fax: +44 20 7600 1698

Ömer Çollak
Paksöy Ortak Avukat Bürosu Orjin Maslak,
Eski Büyükdere Caddesi No:27 K:11 Maslak
34485 İstanbul, Turkey
Tel: + 90 212 366 4700
Fax: +90 212 290 2355

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

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 7(a)(2)(B) of the Securities 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.

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered ⁽¹⁾ | Proposed Maximum Aggregate Offering Price ⁽²⁾ | Amount of Registration Fee ⁽³⁾ |
|--|--|---|
| Class B ordinary shares, nominal value TRY 0.20 per share ⁽¹⁾ | US\$100,000,000 | US\$10,910.00 |

(1) All Class B ordinary shares to be sold will be represented by American depositary shares, or ADSs, with each ADS representing one Class B ordinary share. ADSs issuable upon deposit of the ordinary shares registered hereby will be registered under a separate Registration Statement on Form F-6 (Registration No. 333-).

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Includes Class B ordinary shares represented by ADSs that may be purchased by the underwriters pursuant to an option to purchase additional ADSs.

(3) Registration fees totaling \$10,910 were previously paid on May 28, 2021, in connection with the initial filing of this registration statement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the U.S. Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION, DATED _____, 2021

PRELIMINARY PROSPECTUS

hepsiburada

D-MARKET ELECTRONIC SERVICES & TRADING

American Depositary Shares Representing

Class B Ordinary Shares

\$ _____ per ADS

This is the initial public offering of American Depositary Shares (“ADSs”), each representing one Class B ordinary share of D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi (“**Hepsiburada**”), a joint stock company incorporated under the laws of Turkey. Each ADS will represent Class B ordinary shares. We are offering _____ ADSs, and the shareholder identified under “*Principal and Selling Shareholders*” (the “**Selling Shareholder**”) is offering _____ ADSs. We will not receive any proceeds from the sale of ADSs by the Selling Shareholder. Prior to this offering, there has been no public market for our ordinary shares or ADSs. We anticipate the initial public offering price to be between \$ _____ and \$ _____ per ADS.

We intend to apply to list our ADSs on Nasdaq Global Select Market (“**Nasdaq**”) under the symbol “HEPS.”

We are both an “emerging growth company” and a “foreign private issuer” under applicable U.S. Securities and Exchange Commission rules and will be eligible for reduced public company reporting requirements. See “*Prospectus Summary — Implications of Being an ‘Emerging Growth Company’ and a ‘Foreign Private Issuer’.*”

Our Class B ordinary shares have one vote per share. ADSs in this offering will represent Class B ordinary shares. Our Class A shares are shares held by our founder and chairwoman, Hanzade Vasfiye Doğan Boyner (our “**Founder**”), and provide her and her permitted transferees (collectively, the “**Class A Shareholders**”) with fifteen votes per Class A share. Following the completion of this offering our Founder will continue to beneficially own all of our Class A shares and is expected to own _____ % of our Class B ordinary shares, which will represent _____ % of the voting power of all of our Class A shares and Class B ordinary shares voting together as a single class. As a result, we will be a “controlled company” under the Nasdaq listing rules.

Investing in our ADSs involves a high degree of risk. See “**Risk Factors**” beginning on page 24.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

| | Per ADS | Total |
|---|----------|----------|
| Public Offering Price | \$ _____ | \$ _____ |
| Underwriting discount ⁽¹⁾ | \$ _____ | \$ _____ |
| Proceeds to us (before expenses) | \$ _____ | \$ _____ |
| Proceeds to the Selling Shareholder (before expenses) | \$ _____ | \$ _____ |

(1) See “*Underwriting*” for a description of the compensation payable to the underwriters.

The underwriters have a 30-day option to purchase up to an aggregate of _____ additional ADSs from the Selling Shareholder at the offering price, less the underwriting discount. We will not receive any of the proceeds from the sale of such additional ADSs by the Selling Shareholder.

Delivery of the ADSs is expected to be made on or about _____, 2021.

Morgan Stanley

J.P. Morgan

Goldman Sachs & Co. LLC

BofA Securities

UBS Investment Bank

Prospectus dated _____, 2021

The information in this preliminary prospectus is not complete and may be changed. We and the selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

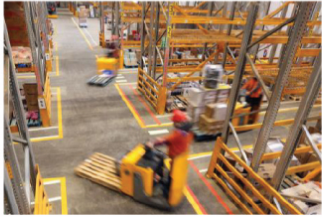
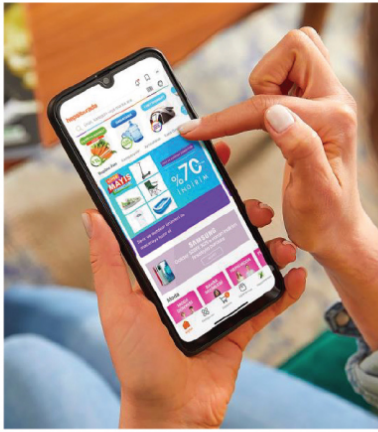


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For investors outside the United States: Neither we, the Selling Shareholder nor the underwriters have taken any action that would permit this offering or possession or distribution of this prospectus in any jurisdiction, other than the United States, where action for that purpose is required. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of our ADSs and the distribution of this prospectus outside the United States.

We are incorporated in Turkey, and a majority of our outstanding securities are owned by non-U.S. residents. Under the rules of the United States Securities and Exchange Commission ("SEC"), we are currently eligible for treatment as a "foreign private issuer." As a foreign private issuer, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic registrants whose securities are registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

We are responsible for the information contained in this prospectus. Neither we nor the Selling Shareholder have authorized anyone to provide you with different information, and neither we nor the Selling Shareholder take responsibility for any other information others may give you. We, the Selling Shareholder and the underwriters are not making an offer to sell, or seeking offers to buy, these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than its date regardless of the time of delivery of this prospectus or of any sale of the ADSs.

ABOUT THIS PROSPECTUS

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 Turkey, together with its consolidated subsidiaries.

All references in this prospectus to “**TRY**” and “**Turkish Lira**” are to the legal currency of Turkey, to “**U.S. dollars**,” “**US\$**” 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 prospectus to “**Turkstat**” are to the Turkish Statistics Institute and to “**BKM**” are to the Turkish Interbank Card Center.

All references in this prospectus 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 the “**Turkey**” are to the Republic of Turkey.

With respect our business and operations:

- all references to “**users**” are to all persons accessing to 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 to 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 purchased an item within the 12-month period preceding the relevant date, including returns and cancellations;
- all references to “**Loyalty Club**” are to our customer loyalty club titled “Efsaneler Kulübü” in Turkish;
- all references to “**Loyalty Club customers**” are to our customers admitted our Loyalty Club, excluding customers that have dropped from the Loyalty Club as of the relevant date;
- 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 the 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 (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 “*Business — Order Fulfillment*,”

- 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; and
- 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 (only applicable to 1P-based Direct Sales operations).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Financial Statements

Our audited consolidated financial statements as of and for the years ended December 31, 2020, 2019 and 2018 included in this prospectus beginning on page F-1 have been prepared and presented in Turkish Lira in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The interim unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2020 and 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. None of the financial statements were prepared in accordance with the generally accepted accounting principles of the United States (“U.S. GAAP”).

Use of Non-IFRS Financial Measures

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

- “**EBITDA**” as profit or loss for the period *plus* taxation on income *less* financial income *plus* financial expenses, *plus* depreciation and amortization;
- “**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 and cash equivalents) minus current liabilities (excluding current bank borrowings and current lease liabilities).

The non-IFRS financial measures included in this prospectus are unaudited supplementary measures that are not required by, or presented in accordance with, IFRS or any other generally accepted accounting principles. See “*Summary Consolidated Financial and Other Data*” for a reconciliation of certain of these non-IFRS measures to the closest IFRS measure set forth in the consolidated financial statements.

Prospective investors should not consider them as: (a) an alternative to operating profit or net profit as determined 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.

These measures are used by our management to monitor the underlying performance of the business and our operations. However, not all companies calculate these measures in an identical manner and, therefore, our presentation may not be comparable with similar measures used by other companies. As a result, prospective investors should not place undue reliance on this data.

Key Operating Performance Indicators

Throughout this prospectus we provide a number of key operating performance indicators used by our management and often used by competitors in our industry. These and other key operating performance indicators are discussed in more detail in the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Indicators of Operating and Financial Performance.*” We define certain terms used in this prospectus 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 our GMV;
- “**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 purchased an item within the 12-month period preceding the relevant date, including returns and cancellations;
- “**Gross Contribution**” as revenues *less* cost of inventory sold; and
- “**Gross Contribution Margin**” as Gross Contribution represented as a percentage of GMV.

Rounding Adjustments

Certain figures included in this prospectus 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 prospectus 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 Arthur D. Little Danışmanlık Hizmetleri Anonim Şirketi ("ADL"), App Annie Inc. ("App Annie"), Euromonitor International Limited ("Euromonitor"), FutureBright Research and GfK Independent Research ("GfK").

In anticipation of this offering, we retained ADL to provide certain e-commerce market assessment services, including an overview of macroeconomic indicators of Turkey, the evolution of Turkey's retail & e-commerce market size and an analysis of its underlying trends over time, relevant demographics, peer country benchmarks, COVID-19 impact and potential growth factors, as well as an assessment of key competitors and evaluation of their and our market position. ADL produced a research report titled "Turkey's e-retail market assessment" dated March 15, 2021. In connection with the preparation of ADL's report, we furnished ADL certain of our historical information and market competitive data. We use the data contained in ADL's report to assist us in describing the nature of our industry and our position in it. Such information is included in this prospectus in reliance on ADL's authority as an expert in such matters. See "Experts."

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 "*Risk Factors — Our operating metrics and competitive information, both internally calculated and provided by third parties and included in this prospectus, 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 prospectus 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 ADL, App Annie, Euromonitor, FutureBright Research and GfK, 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 prospectus, 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 "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in this prospectus.

Some market data and statistical information contained in this prospectus are also based on management's estimates and calculations, which are derived from our review and interpretation of the independent sources, 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 are subject to the same qualifications and uncertainties as other forward looking statements in this prospectus.

TRADEMARKS, SERVICE MARKS AND TRADENAMES

We have proprietary rights to trademarks used in this prospectus that are important to our business, many of which are registered under applicable intellectual property laws.

Solely for convenience, the trademarks, service marks, logos and trade names referred to in this prospectus are without the ® and ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names. This prospectus contains additional trademarks, service marks and trade names of others, which are the property of their respective owners. All trademarks, service marks and trade names appearing in this prospectus are, to our knowledge, the property of their respective owners. We do not intend our use or display of other companies' trademarks, service marks, copyrights or trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

PROSPECTUS SUMMARY

This Prospectus Summary highlights information contained in more detail elsewhere in this prospectus. This Prospectus Summary does not contain all the information that you should consider in making your investment decision. Before deciding to invest in our ADSs, we urge you to read this entire prospectus carefully, including the “*Risk Factors*,” “*Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” sections and our audited consolidated financial statements, including the notes thereto, included in this prospectus.

Our Mission

Our mission is to be the reliable, innovative and sincere companion in people’s daily lives and to make each member of our community feel ‘I am so happy I have Hepsiburada’.

Our Vision

Our vision is to lead digitalization of commerce. To that end, we have evolved from an e-commerce platform into an integrated ecosystem of services centered on making people’s daily lives easier.

Company Overview

We are a leading commerce platform in Turkey and, in 2020, we connected 33 million members, 9 million Active Customers and a fast growing base of approximately 45 thousand Active Merchants. We provide high-quality customer experience by relentlessly focusing on selection, price and delivery:

- **Selection:** As of December 31, 2020 we had over 44 million stock keeping units (“SKUs”), including variants (color, size, etc.) across 32 different categories offered through a hybrid model combining a first-party Direct Sales model (1P model) and a third-party Marketplace model (3P model);
- **Price:** We seek to provide the best value for our customers by offering products at highly competitive prices; and
- **Delivery:** We operate a large, fast and scalable in-house logistics network with robust last-mile delivery capabilities based on a proprietary technology platform.

Founded in 2000, Hepsiburada has been one of the early pioneers of digitalization of commerce in Turkey 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 96% for aided brand awareness (with the two closest competitors in Turkey scoring 95% and 92%, respectively), 78% for spontaneous brand awareness (with the two closest competitors in Turkey scoring 74% and 63%, respectively) and 91% for highest preference score (with the two closest competitors in Turkey scoring 89% and 87%, respectively), according to FutureBright Research Brand Health Report in 2020. Additionally, our brand had a market leading Net Promoter Score (“NPS”) of 66 for the three months ended March 31, 2021 according to the company’s internal reporting and has been named Turkey’s favorite e-commerce brand several times by Mediacats’ Lovemark, a survey which aims to reveal the brands consumers value within a given category. Supported by the strength of our brand, we benefit from substantial organic traffic, with approximately 70% of traffic being unpaid traffic, for the three months ended March 31, 2021.

We believe that our commitment to five central pillars of our business culture is the reason we have risen to become a leader of e-commerce in Turkey as evidenced by our brand awareness track record. The five pillars of our business culture are:

- customer-first mentality;
- entrepreneurial business acumen;
- meticulous execution;
- relentless innovation; and

- social consciousness, diversity and inclusion.

Our aim is for customers of Hepsiburada to come to the platform and be able to do the following:

- **Hepsiburada:** Shop a wide range of products online;
- **HepsiExpress:** Order groceries and essentials to be delivered within 30 to 60 minutes;
- **HepsiGlobal:** Discover and purchase products from international merchants online;
- **HepsiPay:** Use different online payment options; and
- **HepsiFly:** Buy airline tickets online.

We have 20 years of e-commerce experience in Turkey, 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 Turkey.

Since the launch of our Marketplace in 2015, Hepsiburada has become a trustworthy partner for merchants in Turkey by providing access to 33 million members and 9 million Active Customers and comprehensive end-to-end solutions to empower merchants to thrive digitally. In 2020, our 3P-based Marketplace model accounted for approximately 59% of our GMV, following the successful transformation of Hepsiburada from a 1P-based Direct Sales only business to its current hybrid 1P and 3P-based model. Our aim is for Hepsiburada's merchants to enjoy a seamless set of integrated e-commerce solutions:

- **HepsiLojistik:** Fulfillment options across Turkey;
- **HepsiJet:** Last-mile delivery services;
- **HepsiPay:** Online payment solutions; and
- **HepsiAd:** Personalized ads and data insights.

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 price competitiveness, has allowed us to attract a growing total Active Customer base of 9 million in 2020, up from 6.5 million in 2019 and 4.8 million in 2018 and increase the frequency of orders on our platform to 3.9 in 2020, up from 3.5 in 2019 and 3.1 in 2018, which in turn draws more merchants and further enhances our customer value proposition. In addition, our proprietary data and insights collected over the last 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 March 2021, we operate:

- a nationwide infrastructure including six fulfillment centers in strategic locations that encompass a total area of more than 120 thousand square meters;
- our HepsiJet business is one of the fastest growing logistics companies with an on-time delivery performance of 95% in 2020, and operates in 63 cities with 115 cross-docks as of March 31, 2021; and
- our HepsiMat business is a pick-up & drop-off (PUDO) network with more than 950 branded parcel lockers and pick-up points as of March 2021 and has partnership with local stores, gas stations and retailers.

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 ensure a seamless experience for our merchants and customers with our single mobile app that connects our offerings and services.

Our business has experienced a long history of strong growth as a result of our commitment to meticulous execution. Our revenues increased by 66% to TRY 1.4 billion in the three months ended March 31, 2021 from TRY 0.8 billion in the three months ended March 31, 2020 and by 145% to TRY 6.4 billion in 2020 from TRY 2.6 billion in 2019, and by 33% from TRY 2.0 billion in 2018, and our total GMV increased by 95% to TRY 4.5 billion in the three months ended March 31, 2021 from TRY 2.3 billion in the three months ended March 31, 2020, and by 111% to TRY 17.0 billion in 2020 from TRY 8.0 billion in 2019, which was an increase of 56% from TRY 5.1 billion in 2018, fueled by increasing purchase frequency, greater customer loyalty and an expanding pool of Active Customers of 9 million in 2020, up from 6.5 million in 2019 and 4.8 million in 2018, with a compound annual growth rate (“CAGR”) of 38% from 2018 to 2020. We had Free Cash Flow of TRY (158.8) million and TRY 60.5 million in the three months ended March 31, 2021 and 2020 respectively, TRY 341.4 million, TRY 310.4 million and TRY 119.0 million in 2020, 2019 and 2018 respectively.

Our Industry

As a member of the G20, Turkey is the 13th largest economy in the world by gross domestic product (“GDP”) based on purchasing power parity in 2019 according to the IMF World Economic Outlook report dated 2021 and a total GDP of US\$717 billion in current prices for 2020 according to Turkstat. Turkey is one of the fastest growing economies in the world, with real GDP CAGR of 5.2% from 2010 to 2020 based on Turkstat. In 2020, the year marked by the COVID-19 pandemic, Turkey was one of the only two G20 member countries with real GDP growth (1.8% year on year according to Turkstat), along with China. The Turkish economy is expected to grow at a CAGR of 4.1% from 2020 to 2025 supported by fiscal stimulus and recovering consumer and business confidence according to a forecast from ADL.

Turkey is the second most populous country in Europe with a population of 84 million as of December 31, 2020. Turkey benefits from attractive demographics, the second youngest in Europe (after Kosovo) with 46% of the population under the age of 30 according to Turkstat, and an increasing urban population share of approximately 75% based on UN data as of 2018, which is comparable to Germany.

The retail market is one of the largest and fastest growing industries in Turkey. According to ADL, the Turkish retail market grew at a CAGR of 15.3% from 2015 to 2020 and reached TRY 866 billion in 2020. The market is projected to grow at a CAGR of 15.7% from 2020 to 2025 and to approximately TRY 1,798 billion based on the forecast from ADL. Turkey’s e-commerce market (exclusive of services, travel and betting) has grown significantly faster than the broader retail market, at a CAGR of 46.1% from 2015 to 2020, reaching a total market size of TRY 88 billion in 2020 (in terms of gross merchandise value excluding cross-border sales, B2B sales, VAT and services (e.g., food delivery); not excluding returns), according to ADL. ADL’s estimation of the e-commerce market size in Turkey is consistent with the Company’s analysis based on information published by the Turkish Ministry of Trade through ETBIS. E-commerce penetration has more than tripled during the same time period to 10.1% in 2020, from 3.1% of the overall retail market in 2015 according to ADL. Low e-commerce penetration in Turkey suggests significant room for growth when compared to penetration in other large markets, with South Korea at 35.8%, China at 27.3%, closely trailed by the UK with 24.2% and the US with 20.3%, and with Poland at 14.4%, Brazil at 13.9%, Germany at 13.6% and Russia at 10.5% in 2020 based on Euromonitor data.

The strong historical and projected growth of the e-commerce market has been supported by high internet penetration, wide spread usage of credit and debit cards for online payments and well-established logistics infrastructure enabling nationwide delivery of orders. As a result, e-commerce has grown to 10.1% of total retail commerce in Turkey as of 2020 and is expected to continue to grow as a share of total retail through 2025, according to ADL.

Since its founding in the late 1990s, the Turkish e-commerce market has witnessed the shift of traditional brick-and-mortar players online, the establishment of new local e-commerce players and the entrance, either organically or via acquisition, of global e-commerce players. The Turkish e-commerce market today includes traditional brick-and-mortar retailers with omni-channel capabilities, quick delivery players, online

players operating third party marketplace model only, such as N11 and Gittigidiyor, and online players offering hybrid models that combine a third party marketplace with their own first party sales, such as Hepsiburada, Trendyol, Amazon and Morhipo.

Hepsiburada was among the first players to start operations in 2000 and since then, while its competitors either became acquisition targets or adopted a different business model, Hepsiburada has grown to become one of the main players in this space. Hepsiburada has a differentiated consumer proposition in the Turkish e-commerce market compared to the main marketplace competitors Trendyol, N11, Gittigidiyor, and Amazon. Hepsiburada has the most comprehensive offering in the Turkish e-commerce market across assortment, catalogue structure, fulfillment and inhouse logistics solutions (according to ADL), and it is the only marketplace with an e-money and payment service provider license in Turkey (according to the Turkish Central Bank's list of such licensed providers).

As of 2020, Hepsiburada has a market share of approximately 2% in the highly fragmented Turkish retail market which remains dominated by offline retail players according to ADL. As the second largest player by market share in the Turkish e-commerce market, Hepsiburada is well placed to drive the shift from offline to online retail and gain market share as a result. Based on ADL's analysis, Hepsiburada has a market share of approximately 17% of the total e-commerce market as of 2020, which represents an increase of approximately 8 percentage points compared to approximately 9% in 2015, also having increased its market share despite strong competition after the acquisition of Trendyol by Alibaba in 2018 and the entry of Amazon into the Turkish e-commerce market.

Our Strengths

We believe the following strengths are the basis for our success.

Proven Team with Deep Local Know-How and Commitment to our Vision and Mission

Our business is led by an entrepreneurial management team with a strong track record of growth and a clear vision to lead digitalization of commerce. Our management team has a complementary and diversified skill set, with significant e-commerce expertise in multiple geographies backed by diverse backgrounds from technology, retail, banking and operations in Fortune 500 companies.

At the core of our culture is our commitment to our customer-first mentality; entrepreneurial business acumen; meticulous execution; relentless innovation; and social consciousness, diversity and inclusion. To demonstrate to our community that we live up to our values, we lead by example:

- **customer-first mentality** has been a key pillar to our culture and we are committed to continue to be one of the favorite e-commerce brands in Turkey with strong customer satisfaction scoring higher than the industry average;
- **entrepreneurial business acumen** is critical to our business operations and innovations. Our strong relations with suppliers and merchants, strong track record in industry, deep understanding of local insights, cost-conscious management philosophy, and deep commitment to our vision help us better evaluate the business landscape in making strategic decisions;
- **meticulous execution** is indispensable to operate in Turkey, where we operate a 1P and 3P hybrid model and as a result recorded a GMV CAGR of 64% (11.8 times) (to TRY 17.0 billion in 2020 from TRY 1.4 billion in 2015), a growth in the number of Active Customers of 4.4 times from 2015 to 2020 and a GMV per Active Customer growth at a CAGR of 32% from 2018 to 2020;
- **relentless innovation** has been the key driver behind our pioneering achievements including the 1P-3P hybrid model, unified catalogue, customer reviews, new vertical expansions such as on-demand grocery service, last-mile delivery capability, same-day delivery, click & collect, frictionless return pick-up, licensed payment service, and online consumer loans; and
- **social consciousness, diversity and inclusion** have been our focus at every step that we have taken in building our business. We have been actively supporting local merchants and women entrepreneurs through targeted nationwide programs. As an example of our dedication to encourage women entrepreneurs, we launched Technology Empowerment for Woman Entrepreneurs, a program across

Turkey which provides multiple benefits to women entrepreneurs making sales on our platform who elect to participate. Since the launch of this program, we have reached more than 19,000 women entrepreneurs (as of March 31, 2021) from across Turkey over the course of approximately 4 years. In 2020, more than 20% of our Active Merchants were women entrepreneurs. In addition, as of March 2021, women employees represent 49% of our workforce and 33% of our executive roles (excluding Hepsijet).

At Hepsiburada, we bridge Silicon Valley's technical know-how with the local trading culture by merging analytical concepts such as big data analytics, customer segmentation and personalized recommendation with the understanding of local insights, expectations and values. Our globally proven business model, which is based on an e-commerce model that complements a marketplace of third-party sellers with a direct sales online retail business, combined with our local know-how enables us to execute our business strategy seamlessly, as evidenced by our operating and financial results.

The COVID-19 pandemic underscored Hepsiburada's important position in the community and emphasized our critical role in supporting different segments of the society including health workers, small and medium sized enterprises, families in need, and entrepreneurs. As a commitment to our long term vision, we will continue to support our stakeholders and enable Turkey and the broader region to accelerate its digitalization journey.

A Leader of E-Commerce in Turkey with One of the Most Trusted and Popular Digital Platforms for Customers' Everyday Needs

As one of the early pioneers of online retail in Turkey, customer service and experience is our priority and we aim to provide a seamless experience on our platform throughout the entire customer journey. We provide an excellent customer experience on our platform by relentlessly focusing on selection, price and delivery. Our mobile "Super App" is at the center of our value proposition and it acts as a one-stop-shop solution for customers by offering a broad range of products and services and creates a differentiated user experience.

Aiming to offer the largest and highest-quality product selection is one of the key pillars of our value proposition to customers. We offer over 44 million SKUs across 32 different categories including home appliances, books & hobbies, fashion & lifestyle, home & garden, groceries and technology products. Our strong alliances and partnerships with local brands and leading international brands, such as Apple, Casper, Oppo, Tefal, Rowenta, Eczacıbaşı, Spigen, Delta, Dyson, Vestel and Ülker Group help us to expand the variety of products available to our customers as well as partner to offer value-added services, such as trade-in options for, among others, Apple and Samsung products, delivery by appointment for Vestel products and live chat support from live agents from over 40 well-known brands, including Colgate-Palmolive, Apple and L'Oréal.

We seek to provide the best value for our customers by offering products at highly competitive prices. We believe that our large merchant base with approximately 45 thousand Active Merchants in 2020, plays an important role and allows our customers to find the best value for money for products in our platform.

We operate a large, fast and reliable in-house logistics network with scalable and robust last-mile delivery capabilities based on a proprietary technology platform. We are an end-to-end ecosystem with full in-house capabilities across fulfillment, logistics and last-mile delivery in Turkey. We believe that our logistics infrastructure is an important pillar of our success and enables us to improve the customer experience.

Our mobile Super App is at the center of our platform, which acts as a one-stop-shop solution for customers and creates a differentiated user experience and a virtuous demand cycle for our business. Our app is one of the most popular in Turkey with 19 million average monthly app active users on our mobile applications in 2020 and has 37.3 million app downloads since 2018. Our website had more than 250 million monthly visits on average in the three months ended December 31, 2020.

Our distinctive value proposition of a wide selection of products and services at competitive prices with convenient delivery options has resulted in a large, growing and loyal Active Customer base, according to company information, which demonstrated an increase in order frequency and retention on our platform in 2019 and 2020. We had an NPS of 66 for the three months ended March 31, 2021 (according to the

company's internal reporting records), were elected Turkey's favorite e-commerce brand several times by MediaCats' Lovemark and have won several awards since 2015 for our e-commerce platform. Further, we have reduced the rate at which customers raise customer services inquiries through our ticketing system down to 2.6% of orders in the first quarter of 2021 from 5.1% in 2020 and 6.4% in 2019.

Empowering Merchants to Thrive in a Digital Environment with a Comprehensive Suite of End-to-End Solutions

We have one of the largest merchant bases in Turkey with approximately 45 thousand Active Merchants in 2020, and have become the "one-stop-shop" and one of the most attractive digital platforms for merchants to access consumers across Turkey. Our Active Merchant base has more than doubled in 2020 compared to 2019. 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.

Our platform also enables local merchants in Turkey to seamlessly sell their products to nearby countries outside Turkey through the HepsiGlobal app. Today, being listed on Hepsiburada not only helps our merchants manage and grow their businesses through our vast range of capabilities but also has become a source of credibility which they can proudly showcase both in online and offline channels.

We make it easy for our merchants to maximize their success on our platform by providing them with a comprehensive set of advanced tools and services, including:

- Merchant portal and proprietary merchant store management tools;
- Advanced data analytics and advertising services to increase the effectiveness of their marketing efforts through HepsiAd;
- Financing options to more efficiently manage their working capital needs. In 2020, our financing program has grown more than 5 times based on the aggregate value compared to the same period in 2019 and exceeded TRY 1.3 billion in volume, with an 11.4 times growth in merchant and supplier financing from 2018 to 2020;
- Access to our logistics infrastructure through HepsiLojistik, through which we allow them to deliver across Turkey with a superior customer experience; and
- Comprehensive training sessions through our merchant training portal, HepsiAkademi, accelerating our merchants' integration. More than 15,000 training sessions were completed on our platform by our merchants in the three months ended March 31, 2021.

Our technological infrastructure and capabilities also allow our merchants to integrate through our in-house developed single dashboard where merchants can manage inventory and connect directly to our ecosystem using open Application Programming Interface ("API") capabilities and access to advertising monetization tools.

Integrated Ecosystem with Powerful Network Effects

Our leading locally embedded brand, our hybrid commerce model with a unified 1P and 3P catalogue, our broad level of ecosystem services, and our strong customer and merchant value propositions create powerful network effects with increasing supply and increasing demand continuously boosting growth from each other.

Our supply continues to grow, as evidenced by:

- an increasing number of Active Merchants, which has grown to approximately 45 thousand in 2020 from approximately 21 thousand in 2019 and approximately 12 thousand in 2018; and
- in addition to new value-added services such as frictionless return pick-up, trade-in option and 2-hour delivery (for selected mobile device products), our expansion into new verticals such as

HepsiExpress (instant grocery delivery), HepsiFly, and HepsiGlobal (inbound cross-border purchases) strengthens the breadth and depth of our service & product offerings.

Our demand continues to grow, as evidenced by:

- the growth of our already large Active Customer base with a CAGR of 38% from 2018 to 2020, thus reaching 9 million in 2020, compared to 6.5 million and 4.8 million in 2019 and 2018, respectively; and
- a significant increase in the frequency of orders on our platform to 3.9 in 2020, up from 3.5 in 2019 and 3.1 in 2018.

This network effect is underpinned and reinforced by our robust logistics network and technological capabilities which further enhance the value proposition for our customers and merchants.

Large, Fast and Scalable In-House Logistics Network

We are an end-to-end ecosystem with full in-house capabilities across fulfillment, 3P and 1P operations, logistics and last mile delivery in Turkey. We believe that our logistics infrastructure is key to our success and allows us to differentiate ourselves by offering our customers and merchants a variety of convenient delivery options, such as nationwide 24-hour delivery, 2-hour delivery for selected mobile device products, delivery by-appointment and over-the-weekend, in addition to robust services such as return pick-ups from customers' address.

With a nationwide network of six fulfillment centers strategically located across Turkey (Kocaeli, Ankara, Izmir, Adana, Erzurum and Diyarbakir) and a total area of more than 120 thousand square meters, we have one of the largest logistics infrastructures among Turkish pure e-commerce players.

Our logistics infrastructure is complemented by HepsiJet, our in-house last-mile delivery service and one of the fastest growing logistics companies in Turkey, and HepsiMat, our pick-up drop-off (PUDO) network with more than 950 branded parcel lockers and pick-up points throughout Turkey as of March 2021. Providing scalable, crowd-sourced, fast and cost efficient delivery to our customers and merchants, HepsiJet as of March 2021:

- provides next day, same day and 2-hour delivery services for selected products;
- operates 115 cross-docks in 63 cities with approximately 95% population coverage;
- provides last mile delivery service to more than 4,500 merchants;
- delivers approximately 65% of its orders within the next day (based on data for the three months ended March 31, 2021); and
- has a target of 100% nationwide population coverage by June 30, 2021.

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 warehouse automation. Our internally developed technology backbone includes but is not limited to order-management-systems, warehouse-management-systems and demand forecasting tools.

We believe that our nationwide logistics infrastructure gives us a significant competitive edge and will drive our future growth and enhance our service offerings to customers and merchants.

Proprietary Data-driven Technology Platform Underpinned by Continuous In-House Innovation

Technology is at the core of Hepsiburada's business. Our in-house IT infrastructure is central to our ability to execute our business strategy, ensure seamless logistic execution and provide a seamless and comprehensive digital experience to our customers through our Super App. We currently integrate our service offerings through mobile and web applications, which enables us to scale rapidly and deliver a comprehensive experience to our customers and merchants across devices. We have invested significantly in developing our own flexible proprietary technology to support the large and rapidly growing transaction volumes generated on our platform.

We believe we are one of the leading employers for top tech talent in Turkey with our three certified R&D centers in close cooperation with universities and academia across the country. As a result, our technology organization consists of high quality developers, engineers, data scientists and subject matter experts who leverage the latest technologies, our proprietary data and big data analytics to develop innovative in-house solutions which continue to enhance the platform experience.

Our IT engineers (developers, testers, and architects), designers, data analysts and product managers are dedicated to enhancing the customer experience. Our data science and machine learning teams embedded across product function teams analyze the data to identify trends and behaviors that enable us to personalize the customer experience on our platform such as to make more relevant product recommendations.

Our engineering and technology teams focus on security, availability, scalability and performance while providing product features across our websites and mobile applications. Our technology department is essential to our ability to implement our strategy and continue to be at the forefront of innovation in the Turkish e-commerce market.

The success of our technology team in developing almost all of our products in-house and our reliable, secure and scalable tech stack (the set of technologies we use to build our website and mobile applications) is based on three main pillars:

- a product-oriented team structure;
- high stability and availability standards; and
- early adoption and development of cutting edge technologies.

To ensure operational continuity, we have two separate and synched data centers located in Istanbul. We own and operate the server hardware, network, storage devices and backup systems in both data centers and employ redundancy architectures, outage procedures and data protection practices on all our technology systems resulting in 99.9% availability in 2020, 2019 and 2018. Furthermore, we embrace cloud-ready architecture allowing us to utilize the cloud whenever extra capacity is needed, in order to ensure capacity management flexibility.

Our technology teams develop almost all key product functions and features in-house and utilize select third-party tools and technologies to complement our efforts. We design and build products with an emphasis on security, scalability and ability to provide uninterrupted services.

Our ability to scale quickly and efficiently has been tested and we have consistently demonstrated strong performance in peak seasons such as Legendary Friday (which takes place within the month of November) and unexpected demand shifts such as the COVID-19 pandemic. In the weeks of Legendary Friday in 2020 our average daily sales was 4.3 times higher than our average daily sales for the remainder of 2020. In 2020 and 2019, we experienced traffic of approximately 0.8 million and 1 million instantaneous visits (i.e., number of unique users visiting our platform at the same time), respectively, during the Legendary Friday season.

We have a dedicated cybersecurity department which uses various technical means and procedures to protect our technology systems from cyber threats, such as perimeter protection tools, perimeter scanning, user rights restrictions on workstations, antivirus protection, software update controls, code review and anomaly detections. Our IT network is also protected from multilayered external denial-of-service attacks by malicious traffic filtering systems.

We are the first on-site audited and PCI DSS (Payment Card Industry Data Security Standard) certified player in the Turkish e-commerce market and we maintain the ISO 27001 (Information Security Management System) certificate. We have developed a multi-level data security framework and secure data with a mix of analytical processes and development tools. As of the date of this prospectus, we have not experienced any material security breaches.

Highly Attractive Financial Profile with Strong Growth at Scale, High Order Frequency Rates and Attractive Unit Economics

Our business has grown substantially in recent years. Our revenues increased by 66% to TRY 1.4 billion in the three months ended March 31, 2021 from TRY 0.8 billion in the three months ended March 31, 2020

and by 145% to TRY 6.4 billion in 2020 from TRY 2.6 billion in 2019 and by 33% from TRY 2.0 billion in 2018, and our total GMV increased by 95% to TRY 4.5 billion in the three months ended March 31, 2021 from TRY 2.3 billion in the three months ended March 31, 2020, and by 111% to TRY 17.0 billion in 2020 from TRY 8.0 billion in 2019 and by 56% from TRY 5.1 billion in 2018, as we pursued our significant transformation from a 1P-only business to a hybrid commerce model of 1P and 3P. For the three months ended March 31, 2021, and in 2020, 3P accounted for approximately 70% and approximately 59% of our GMV, respectively.

The strong growth we experienced in recent years also enabled us to generate positive annual Free Cash Flow. We had Free Cash Flow of TRY (158.8) million and TRY 60.5 million in the three months ended March 31, 2021 and 2020, respectively and TRY 341.4 million, TRY 310.4 million and TRY 119.0 million in 2020, 2019 and 2018 respectively. We experienced negative Free Cash Flow in the three months ended March 31, 2021 due to higher than usual purchases of inventories, in order to secure supply during the COVID-19 lockdown period in the second quarter of 2021.

The growth has been fueled by several factors, including an increased frequency of orders to 3.9 in 2020, up from 3.5 in 2019 and 3.1 in 2018, and an expanding Active Customer base of 9 million in 2020, up from 6.5 million in 2019 and 4.8 million in 2018.

As we continue to scale up Hepsiburada, we believe that these trends will continue to positively impact our business, with further Active Customer base growth, strong cohort performance and increasing operational efficiency driving improvement in unit economics and profitability.

Our Strategy

Our vision is to lead digitalization of commerce and our mission is to be the reliable, innovative, sincere companion in people's daily lives and to make each and every member of our community feel 'I am so happy I have Hepsiburada'. To this end, we aim to build on our leading position across existing product categories and services, launch new products and initiatives, and continue to scale our business. We plan to achieve this goal by pursuing the following objectives in our strategy:

Attracting More Customers to Our Platform

Turkish online retail market is at the early stage of its development. According to ADL, the Turkish online retail segment is expected to continue to experience strong growth in the coming years. Driven by a sustained consumer shift to e-commerce, online retail in Turkey is projected to have approximately 44 million annual online customers until 2025, according to ADL. We had 9 million Active Customers in 2020 and we plan to attract more customers to our platform and reactivate the existing customer base by continuing to enhance our value proposition through an expanded product catalogue as well as added convenient and affordable delivery options. In addition, we believe our recent expansion into new verticals such as HepsExpress and HepsFly will further support our growth, and consistently improve the overall customer experience. We believe the main drivers for our customer attraction will be increasing focus on hyper-personalization and hyper-localization aspects while scaling the full-fledged Loyalty Club.

Increasing the Frequency of Our Customers on our Platform

One of the main drivers of Hepsiburada's GMV growth has been the increase in our customers' order frequency as we expanded our product and service offerings. We aim to leverage the deep understanding of our customers' preferences which we have been building over the years and our advanced in-house lifecycle management engines powered by AI and deep-learning technologies to drive higher engagement, retention and frequency on our platform. As a result of these initiatives, we increased the frequency of orders on our platform to 3.9 in 2020 from 3.5 in 2019 and 3.1 in 2018.

We also plan to focus on providing our customers an enhanced experience through additional value added services such as trade-in, card splitting option (i.e., ability to pay for a single order via multiple credit cards) and same day delivery services, and additional verticals that will increase the daily interaction of our customers with Hepsiburada Super App by becoming the one-stop-shop of our customers' daily needs. As of March 31, 2021, approximately 5% of orders above TRY 5,000 were paid by card splitting option.

Additionally, our customers applied for our trade-in option for more than 10% of mobile phones sold in the fourth quarter of 2020.

Our Loyalty Club titled “Efsaneler Kulübü” (“**Loyalty Club**”) aims to be one of the growth drivers of Hepsiburada and will expand its offerings with new partnerships and privileges such as the recently launched wallet cashback capability. On average, from the launch of our Loyalty Club in August 2020 to December 31, 2020, members of our Loyalty Club shopped approximately 2.5 times more frequently on a monthly basis compared to our non-Loyalty Club customers.

We believe HepsExpress will be a key enabler to penetrate a wider range of customers through our grocery offerings, increasing retention and order frequencies of our existing customers and providing us with more data points to further benefit from cross-selling opportunities across all of our verticals and categories. According to ADL, of the approximate TRY 866 billion value of total Turkish retail market in 2020, Turkish supermarkets represented approximately TRY 430 billion (or 50%) of the total Turkish retail market, which had less than 4% online penetration. We believe the relatively low online penetration of such a large portion of the Turkish retail market represents an upside potential in the growth in the Turkish online groceries market as online penetration increases.

Attracting More Merchants to our Platform

We plan to attract more merchants to our platform by offering access to an increasing Active Customer base, expanding and continuously improving our fulfillment services, extending merchant financing and launching new tools, alongside recently developed HepsAd solutions. In addition, we launched our HepsLojistik fulfillment service in 2020, which attracts an increasing number of merchants due to our enhanced service offerings and has already built up a strong pipeline of merchants to onboard into our integrated system. Furthermore, HepsGlobal is also expected to help us strengthen our merchant base by expanding to international merchants.

Investing Further into and Leveraging Logistics and Technology as Enablers

We plan to invest further into our nationwide logistics network, to maintain and consistently improve our service levels to our customers and merchants.

- We invested into regional fulfillment centers where we prioritized providing our customers and merchants with the highest level of logistics services across the whole country.
- As of March 31, 2021, we have expanded our logistics footprint with 115 cross-docks, through which we have achieved approximately 95% population coverage for HepsJet.
- In the near and medium term, we plan to focus our efforts on going local with our scalable infrastructure and become the nearest commerce player to our customers and merchants.

Our unified and in-house technology platform has been a major enabler of scalable and reliable operations to support our growth. We plan to constantly innovate and develop new capabilities to improve the experience for merchants and customers and the operational performance of our platform.

Continue Innovation and Expand New Services on the Platform

In 2020, we expanded our commerce platform and developed an ecosystem of services centered on making people’s lives easier. The ecosystem we have been building includes HepsExpress, HepsPay, HepsJet, HepsLojistik, HepsMat, HepsAd, HepsGlobal and HepsFly as of the date of this prospectus. We aim to take advantage of the natural synergies that exist between our services and increase adoption amongst our customer base. We believe that greater utilization of our resources will drive further improvements in our unit economics.

As a testament to our commitment to closely monitor the market and innovate to further address the daily needs of customers, we launched HepsExpress in 2020 to penetrate and lead the fast-growing grocery delivery market through our robust model combining instant and slotted delivery options in a hyper-local fashion. Water and flower delivery services were launched in 2021 as complementary products to provide a one-stop-shop solution to our customers.

In order to further increase our product selection and network effects regionally, we also started to offer an international shopping experience to our customers located in Turkey through the recently launched HepsiGlobal, which allows them to discover products listed by merchants around the world.

In future, HepsiGlobal will also have outbound operations, which will focus on product groups where Turkey has a competitive advantage, such as apparel, fashion, home textile, accessories, food, kitchenware, small domestic appliances and will establish exclusive partnerships with global players for logistics solutions.

In addition, we acquired a tourism agency license in February 2021 and are aiming to fully launch online airline tickets services once COVID-19-related restrictions on travel are lifted. HepsiFly is designed to provide our customers with an option to buy airline tickets with competitive prices. We are aiming to further develop HepsiFly by providing our customers with an option to make hotel bookings, buy package tours, travel insurance and cancellation policies.

Summary of Risk Factors

An investment in our ADSs involves a number of risks that you should be aware of before making an investment decision. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth in the “*Risk Factors*” section of this prospectus in deciding whether to invest in our securities. Among these important risks are the following:

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 profitability going forward.
- Our expansion into new products, services 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, which could materially and adversely affect our business, results of operation and financial condition.
- 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 a highly competitive market, and in the future we may not be able to compete effectively.
- If we fail to attract new and retain current customers or grow or maintain the level of their engagement, our business, financial condition, prospects and results of operations could be materially and adversely affected.
- 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.
- The COVID-19 pandemic has affected and may continue to negatively affect certain of our business activities and results. Any future 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.
- We depend upon our Founder and chairwoman, our senior management, our IT specialists and other talented employees to grow, operate and improve our business; if we fail to retain our Founder as a result of ongoing litigation or if we fail to attract, retain and motivate key personnel, our business could be adversely affected.
- We may use open source code in a manner that could be harmful to our business.

Legal and Regulatory Risks

- 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 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 Turkey's digital service tax.
- We may be subject to administrative fines and our reputation may be harmed if the Turkish Competition Authority were to determine we did not comply with Turkish competition laws and regulations.
- 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 may be subject to product liability claims when people or property are harmed or damaged by the products that are sold on our platform.

Risks Related to Turkey

- We are subject to risks associated with doing business in an emerging market.
- Our headquarters and other operations and facilities are located in Turkey and, therefore, our prospects, business, financial condition and results of operations may be adversely affected by political or economic instability in Turkey.
- Turkey's economy is subject to inflation and risks related to its current account deficit.
- Turkey is subject to internal and external unrest and the threat of future terrorist acts, which may adversely affect us.

Risks Relating to our Initial Public Offering and Ownership of our ADSs

- Our founder and chairwoman has significant influence and voting control and, as a principal shareholder, her interests might conflict with or differ from your interests as a shareholder.
- If you purchase ADSs in this offering, you will suffer immediate and substantial dilution of your investment.
- As a foreign private issuer we are permitted to, and we will, 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.
- Dividends paid to holders of the ADSs who are not tax resident in Turkey will be subject to a 15% withholding tax.

Implications of Being an "Emerging Growth Company" and a "Foreign Private Issuer"

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"). As such, we are eligible, for up to five years, to take advantage of certain exemptions from various reporting requirements that are applicable to other publicly traded entities that are not emerging growth companies. These exemptions include:

- the ability to present more limited financial data, including presenting only two years of audited financial statements and only two years of selected financial data in the registration statement on Form F-1 of which this prospectus is a part;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act");

- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (“**PCAOB**”), regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- not being required to submit certain executive compensation matters to stockholder advisory votes, such as “say-on-pay,” “say-on-frequency” and “say-on-golden parachutes;” and
- not being required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering or such earlier time that we are no longer an emerging growth company. As a result, we do not know if some investors will find the ADSs less attractive. The result may be a less active trading market for the ADSs, and the price of the ADSs may become more volatile.

We will remain an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenue exceeds \$1.07 billion; (ii) the last day of the fiscal year during which the fifth anniversary of the date of this offering occurs; (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of the ADSs that are held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than \$1.00 billion in non-convertible debt securities during any three-year period.

We qualify as a “foreign private issuer” under the U.S. Securities Exchange Act of 1934, as amended, and as such we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specific information, or current reports on Form 8-K, upon the occurrence of specified significant events.

We will file with the SEC, within four months after the end of each fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies (i) the majority of our executive officers or directors are U.S. citizens or residents, (ii) more than 50% of our assets are located in the United States or (iii) our business is administered principally in the United States.

Both emerging growth companies and foreign private issuers are also exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company, but we remain a foreign private issuer, we will continue to be exempt from the more stringent compensation disclosures required of companies that are neither an emerging growth company nor a foreign private issuer. In addition, as a foreign private issuer whose shares will be listed on Nasdaq, we will follow certain Turkish corporate governance practices rather than those of Nasdaq.

Corporate Information

We were incorporated in Turkey on April 11, 2000 under the Turkish Commercial Code as D-MARKET Elektronik Hizmetler ve Ticaret A.Ş. Our registered office is located at Kuştepe Mahallesi Mecidiyeköy Yolu Cadde no: 12 Kule 2 K2 Şişli İstanbul, Turkey. The telephone number at this address 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 prospectus. We have included our website address as inactive textual reference only.

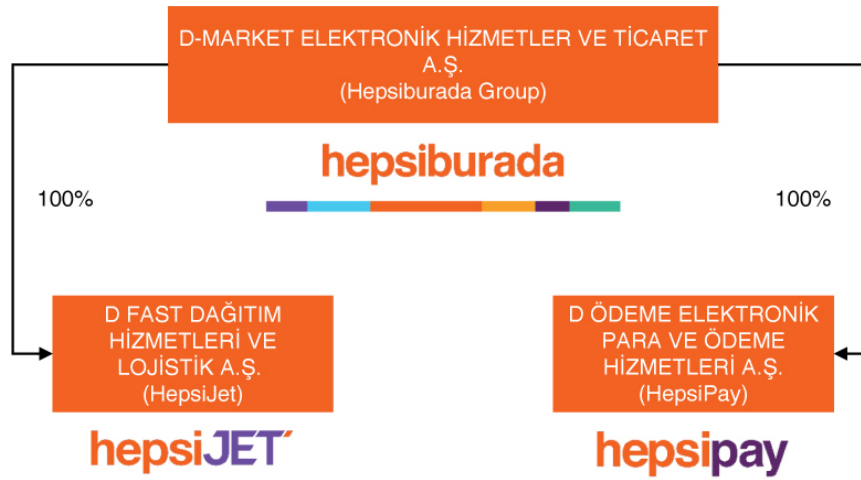
| THE OFFERING | |
|---|--|
| ADSs offered by us | , each representing one Class B ordinary share. |
| ADSs offered by the Selling Shareholder | , each representing one Class B ordinary share. |
| ADSs outstanding immediately after this offering | ADSs. |
| Ordinary shares to be outstanding after this offering | ordinary shares. All descriptions of ordinary shares outstanding immediately after closing of this offering assume completion of the closing mechanics described under “ <i>Underwriting — StockLending Agreement.</i> ” |
| Option to purchase additional ADSs | The Selling Shareholder has granted the underwriters an option to purchase up to additional ADSs from the Selling Shareholder within 30 days of the date of this prospectus. |
| American Depositary Shares | <p>The underwriters will deliver ADSs representing our Class B ordinary shares. Each ADS, which may be evidenced by an American Depositary Receipt (“ADR”), represents an ownership interest in of our ordinary shares. As an ADS holder, we will not treat you as one of our shareholders. The depositary, The Bank of New York Mellon, will be the holder of the ordinary shares underlying your ADSs.</p> <p>You will have ADS holder rights as provided in the deposit agreement. Under the deposit agreement, you may only vote the ordinary shares underlying your ADSs by giving voting instructions to the depositary. The depositary will pay you the cash dividends or other distributions, if any, it receives on our ordinary shares after deducting its fees and expenses and applicable withholding taxes. You may need to pay a fee for certain services, as provided in the deposit agreement.</p> <p>You are entitled to the delivery of the ordinary shares underlying your ADSs upon the surrender of such ADSs, the payment of applicable fees and expenses and the satisfaction of applicable conditions set forth in the deposit agreement.</p> <p>To better understand the terms of the ADSs, you should carefully read “<i>Description of American Depositary Shares.</i>” We also encourage you to read the deposit agreement, the form of which is attached as an exhibit to the registration statement of which this prospectus forms a part. We and the Selling Shareholder are offering ADSs so that our company can be quoted on Nasdaq and investors will be able to trade our securities and receive dividends on them in U.S. dollars.</p> |
| Depository | The Bank of New York Mellon. |
| Use of proceeds | We estimate that the net proceeds to us from this offering will be approximately \$ million, assuming an initial public offering price per ADS of \$, which is the midpoint of the price range set forth on the cover page of |

| | |
|--------------------|--|
| | <p>this prospectus, after deducting the underwriting discounts and commissions and estimated expenses of the offering payable by us. We will not receive any proceeds from the sale of ADSs by the Selling Shareholder.</p> <p>We intend to use the net proceeds we receive from this offering for general corporate purposes. See “<i>Use of Proceeds.</i>”</p> |
| Dividend policy | <p>We do not currently anticipate paying any 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. See “<i>Dividend Policy.</i>”</p> |
| Risk factors | <p>See “<i>Risk Factors</i>” and the other information included in this prospectus for a discussion of factors you should consider before deciding to invest in our ADSs.</p> |
| Lock-up agreements | <p>We have agreed with Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC, as representatives of the several underwriters, subject to certain exceptions, not to sell or dispose of any of our ADSs or securities convertible into ADSs until 180 days after the date of this prospectus, without the prior written consent of Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC. Our existing shareholders have agreed to similar lockup restrictions for a period of 180 days, and our Founder and chairwoman and certain executive officers, including our CEO, CFO and CSBO, have agreed to such restrictions for a period of 365 days. For further details, see “<i>Underwriting.</i>”</p> |
| Pre-emptive rights | <p>Under Turkish law, shareholders have preemptive rights to subscribe to additional share issues <i>pro rata</i> based on their existing shareholding, unless another rate is stipulated under the articles of association (as long as shares are fully paid). See “<i>Description of Share Capital and Articles of Association — Pre-emptive Rights.</i>”</p> |
| Listing | <p>We intend to apply to list our ADSs on Nasdaq under the symbol “HEPS.”</p> |
| | <p>Unless otherwise indicated, all information contained in this prospectus assumes or gives effect to:</p> <ul style="list-style-type: none"> • no exercise by the underwriters of their option to purchase additional ADSs from the Selling Shareholder in this offering; and • an initial public offering price of \$ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus. |
| | <p>Corporate and Capital Structure</p> <p>We are an entity incorporated in Turkey as a joint stock company on April 11, 2000 and currently have two wholly-owned subsidiaries: D Fast Dağıtım Hizmetleri ve Lojistik Anonim Şirketi, which is the operating company for our delivery service business, Hepsijet, and D Ödeme Elektronik Para ve Ödeme Hizmetleri Anonim Şirketi, which company through which we have developed our payment tool, Hepsipay.</p> <p>Our outstanding shares consist of Class A shares and Class B ordinary shares. Holders of Class A shares and holders of Class B ordinary shares have same rights except for voting and conversion rights. Each holder of our Class A shares is entitled to fifteen votes per share, and each holder of our Class B</p> |

ordinary shares is entitled to one vote per share on all matters submitted to them for a vote. Our Class A shares are convertible at any time by the holder thereof into Class B ordinary shares on a one-for-one basis, while Class B ordinary shares are not convertible into Class A shares under any circumstances. Currently, our Founder beneficially owns all of our issued Class A shares and 12.2% of our issued Class B ordinary shares, representing 74.6% of the voting power of all of our Class A shares and Class B ordinary shares voting together as a single class. Following this offering, our Founder will continue to beneficially own all of our issued Class A shares and % of our issued Class B ordinary shares, representing % of the voting power of all of our Class A shares and Class B ordinary shares voting together as a single class. As a result, our Founder will be able to exercise control over all matters requiring approval by our stockholders, including approval of significant corporate transactions. Our Founder’s controlling interest may discourage or prevent a change in control of our company that other holders of our common stock may favor. See “Risk Factors — Our founder and chairwoman has significant influence and voting control and, as a principal shareholder, her interests might conflict with or differ from your interests as a shareholder.”

As a result of the foregoing we will be a “controlled company” under Nasdaq listing rules. 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. See “Management — Corporate Governance” and “Risk Factors — We are a “controlled company” within the meaning of the Nasdaq listing rules. As a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.”

The following diagram illustrates our corporate structure as of the date of this prospectus:



Note: Each company is incorporated under the laws of Turkey. The diagram excludes Evimiz Dekorasyon İnternet Hizmetleri ve Danışmanlık Ticaret A.Ş. (“*Evmanya*”) and Altıncı Cadde Elektronik Ticaret A.Ş. (“*Altıncı Cadde*”), which are dormant companies as of the date of this prospectus. Evmanya and Altıncı Cadde terminated operations on September 4, 2018 and October 7, 2019, respectively. On April 14, 2021, we decided to merge Evmanya and Altıncı Cadde with our fully owned subsidiary, D Fast. As of the date of this prospectus, the merger process is ongoing.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The summary consolidated statement of comprehensive loss, consolidated balance sheet and consolidated statement of cash flows as at and for the three months ended March 31, 2021 and the summary consolidated statement of comprehensive loss and consolidated statement of cash flows for the three months ended March 31, 2020 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statement of comprehensive loss, consolidated balance sheet and consolidated statement of cash flows as of and for the years ended December 31, 2020, 2019 and 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results for any prior period are not necessarily indicative of results expected in any future period.

We present our consolidated financial statements in Turkish Lira.

The summary consolidated financial and other data set forth below should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and notes thereto included elsewhere in this prospectus.

Summary Consolidated Statement of Comprehensive Loss

| | Three months ended March 31, | | Year ended December 31, | | |
|--|------------------------------|---------------------|-------------------------|----------------------|----------------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| | (unaudited) | (unaudited) | (audited) | (audited) | (audited) |
| | (Turkish Lira) | | | | |
| Revenues | 1,385,835,317 | 836,638,395 | 6,375,726,545 | 2,603,735,368 | 1,955,312,749 |
| Cost of inventory sold | (965,458,212) | (603,697,730) | (4,849,148,308) | (1,847,108,983) | (1,519,223,520) |
| Shipping and packaging expenses | (160,974,319) | (71,411,952) | (540,496,136) | (195,352,060) | (132,080,741) |
| Payroll and outsource staff expenses | (227,318,424) | (58,184,977) | (325,232,933) | (180,787,497) | (129,994,224) |
| Advertising expenses | (96,068,436) | (68,265,382) | (646,152,950) | (151,517,076) | (92,685,779) |
| Technology expenses | (12,750,709) | (6,526,280) | (31,717,181) | (21,841,556) | (20,580,102) |
| Depreciation and amortization | (27,146,528) | (19,493,687) | (93,182,568) | (66,286,580) | (78,272,531) |
| Other operating expenses net | (26,940,566) | (13,740,659) | (70,808,148) | (39,726,919) | (34,007,357) |
| Operating (loss)/profit | (130,821,877) | (4,682,272) | (181,011,679) | 101,114,697 | (51,531,505) |
| Financial income | 52,999,166 | 27,669,418 | 102,912,713 | 40,517,901 | 66,616,887 |
| Financial expenses | (159,502,321) | (79,911,871) | (396,416,767) | (273,279,582) | (176,407,785) |
| Loss before income taxes | (237,325,032) | (56,924,725) | (474,515,733) | (131,646,984) | (161,322,403) |
| Taxation on income | — | — | — | — | — |
| Loss for the period | (237,325,032) | (56,924,725) | (474,515,733) | (131,646,984) | (161,322,403) |
| Actuarial losses arising on remeasurement of employment termination benefits | (1,375,301) | (281,588) | (1,983,772) | (1,222,438) | (1,083,478) |
| Total comprehensive loss for the period | (238,700,333) | (57,206,313) | (476,499,505) | (132,869,422) | (162,405,881) |

Summary Consolidated Balance Sheet

| | As of March 31, | As of December 31, | | |
|-------------------------------------|------------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 |
| | (unaudited) | (audited) | (audited) | (audited) |
| | (Turkish Lira) | | | |
| Current assets | 1,373,524,678 | 1,689,830,234 | 779,766,154 | 419,438,638 |
| Non-current assets | 311,478,143 | 275,125,623 | 176,235,030 | 222,028,707 |
| Total assets | 1,685,002,821 | 1,964,955,857 | 956,001,184 | 641,467,345 |
| Current liabilities | 2,622,167,850 | 2,656,144,175 | 1,206,804,621 | 892,023,067 |
| Non-current liabilities | 88,867,194 | 96,143,572 | 60,028,948 | 107,447,252 |
| Equity | (1,026,032,223) | (787,331,890) | (310,832,385) | (358,002,974) |
| Total equity and liabilities | 1,685,002,821 | 1,964,955,857 | 956,001,184 | 641,467,345 |

Summary Consolidated Statements of Cash Flows

| | Three months ended March 31, | | Year ended December 31, | | |
|---|------------------------------|--------------------|-------------------------|--------------------|---------------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| | (unaudited) | (unaudited) | (audited) | (audited) | (audited) |
| | (Turkish Lira) | | | | |
| Cash and cash equivalents at beginning of the period⁽¹⁾ | 592,280,767 | 281,982,151 | 281,982,151 | 136,218,040 | 206,752,032 |
| Net cash provided by/ (used in) operating activities | (122,479,244) | 76,207,178 | 441,361,672 | 363,779,587 | 168,211,257 |
| Net cash used in investing activities | (36,306,382) | (15,739,952) | (99,948,623) | (53,339,961) | (49,216,968) |
| Net cash provided by/ (used in) financing activities | (45,154,150) | 130,337,377 | (18,887,304) | (170,721,086) | (188,349,384) |
| Net increase/(decrease) in cash and cash equivalents | (203,939,776) | 190,804,603 | 322,525,745 | 139,718,540 | (69,355,095) |
| Effects of exchange rate changes on cash and cash equivalents | — | 3,949,437 | (12,227,129) | 6,045,571 | (1,178,897) |
| Cash and cash equivalents at end of the period⁽¹⁾ | 388,340,991 | 476,736,191 | 592,280,767 | 281,982,151 | 136,218,040 |

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

Non-IFRS Financial Measures

| | Three months ended March 31, | | Year ended December 31, | | |
|---------------------------------------|------------------------------|------------|-------------------------|---------------|---------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| | (Turkish Lira) | | | | |
| EBITDA ⁽¹⁾⁽²⁾ | (103,675,349) | 14,811,415 | (87,829,111) | 167,401,277 | 26,741,026 |
| Free Cash Flow ⁽¹⁾⁽³⁾ | (158,785,626) | 60,467,226 | 341,413,049 | 310,439,626 | 118,994,289 |
| Net Working Capital ⁽¹⁾⁽⁴⁾ | (1,133,637,759) | — | (1,160,309,570) | (663,998,273) | (459,490,310) |

(1) 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.”

- (2) 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.

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 prospectus 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 in calculating EBITDA facilitates operating performance comparability across reporting periods by removing the effect of non-cash expenses and non-operating expense/(income). 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.

The following table shows the reconciliation of EBITDA to loss for the period for the periods presented.

| | Three months ended March 31, | | Year ended December 31, | | |
|-------------------------------|------------------------------|-------------------|-------------------------|--------------------|-------------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| | (Turkish Lira) | | | | |
| Loss for the period | (237,325,032) | (56,924,725) | (474,515,733) | (131,646,984) | (161,322,403) |
| Taxation on income | — | — | — | — | — |
| Financial income | (52,999,166) | (27,669,418) | (102,912,713) | (40,517,901) | (66,616,887) |
| Financial expenses | 159,502,321 | 79,911,871 | 396,416,767 | 273,279,582 | 176,407,785 |
| Depreciation and amortization | 27,146,528 | 19,493,687 | 93,182,568 | 66,286,580 | 78,272,531 |
| EBITDA | (103,675,349) | 14,811,415 | (87,829,111) | 167,401,277 | 26,741,026 |

- (3) 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 prospectus 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 operating activities for the periods presented.

| | Three months ended March 31, | | Year ended December 31, | | |
|--|---------------------------------|-------------------|-------------------------|--------------------|--------------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| | (Turkish Lira) | | | | |
| Net cash provided by/ (used in) operating activities | (122,479,244) | 76,207,178 | 441,361,672 | 363,779,587 | 168,211,257 |
| Capital expenditures ^(a) | (36,317,761) | (15,744,289) | (100,108,997) | (53,557,859) | (49,341,153) |
| Proceeds from the sale of property and equipment | 11,379 | 4,337 | 160,374 | 217,898 | 124,185 |
| Free Cash Flow | (158,785,626) | 60,467,226 | 341,413,049 | 310,439,626 | 118,994,289 |

(a) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Cash Flows — Capital Expenditures.”

- (4) References to “**Net Working Capital**” are to current assets (excluding cash and cash equivalents) *minus* current liabilities (excluding current bank borrowings and current lease liabilities). Net Working Capital is presented as of March 31, 2021 and December 31, 2020, 2019 and 2018. 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 prospectus 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.

The following table shows the reconciliation of Net Working Capital to current assets and current liabilities as of the dates indicated:

| | As of March 31, | As of December 31, | | |
|----------------------------|------------------------|------------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 |
| | (Turkish Lira) | | | |
| Current assets | 1,373,524,678 | 1,689,830,234 | 779,766,154 | 419,438,638 |
| Cash and cash equivalents | (388,362,900) | (592,643,009) | (282,303,760) | (136,484,221) |
| Current liabilities | (2,622,167,850) | (2,656,144,175) | (1,206,804,621) | (892,023,067) |
| Bank borrowings, current | 432,617,982 | 347,436,451 | 18,977,287 | 103,576,504 |
| Lease liabilities, current | 70,750,331 | 51,210,929 | 26,366,667 | 46,001,836 |
| Net Working Capital | (1,133,637,759) | (1,160,309,570) | (663,998,273) | (459,490,310) |

Key Operating Performance Indicators

The table below sets forth our operational information which we believe is useful in understanding the performance of our business as of the dates and for the periods indicated:

| | Three months ended March 31, | | Year ended December 31, | | |
|--|------------------------------|-------------|-------------------------|-------------|-------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| GMV (TRY in billions) ⁽¹⁾ | 4.5 | 2.3 | 17.0 | 8.0 | 5.1 |
| Marketplace GMV (TRY in billions) ⁽²⁾ | 3.1 | 1.4 | 10.0 | 5.3 | 3.0 |
| Share of Marketplace GMV (%) ⁽³⁾ | 70 | 63 | 59 | 66 | 58 |
| Gross Contribution (TRY) ⁽⁴⁾ | 420,377,105 | 232,940,665 | 1,526,578,237 | 756,626,385 | 436,089,229 |
| Gross Contribution Margin (%) ⁽⁵⁾ | 9.3 | 10.1 | 9.0 | 9.4 | 8.5 |
| EBITDA as a percentage of GMV (%) ⁽⁶⁾ | (2.3) | 0.6 | (0.5) | 2.1 | 0.5 |
| Number of orders (in millions) ⁽⁷⁾ | 9.2 | 6.0 | 34.9 | 22.3 | 14.9 |
| Active Customers (in millions) ⁽⁸⁾ | — | — | 9.0 | 6.5 | 4.8 |

- (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. For a discussion of GMV and its use, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Components of Our Results of Operations — GMV.*”
- (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 “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Components of Our Results of Operations — GMV.*”
- (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) References to “**Gross Contribution**” are to revenues less cost of inventory sold. Gross Contribution is an indicator of our operational profitability as it reflects direct costs of products sold to our buyers. 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.

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

| | For the three months ended March 31, | | For the year ended December 31, | | |
|---------------------------------------|---|--------------------|---------------------------------|--------------------|--------------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| | (Turkish Lira) | | | | |
| Revenues ^(a) | 1,385,835,317 | 836,638,395 | 6,375,726,545 | 2,603,735,368 | 1,955,312,749 |
| Cost of inventory sold ^(b) | (965,458,212) | (603,697,730) | (4,849,148,308) | (1,847,108,983) | (1,519,223,520) |
| Gross Contribution | 420,377,105 | 232,940,665 | 1,526,578,237 | 756,626,385 | 436,089,229 |

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- (a) See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Components of Our Results of Operations — Revenues.*”
- (b) See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Components of Our Results of Operations — Operating Expenses.*”
- (5) References to “**Gross Contribution Margin**” are to Gross Contribution represented as a percentage of our GMV. Gross Contribution Margin is an indicator of our operational profitability as it reflects direct costs of products sold to our buyers for each Turkish Lira of GMV. Accordingly, we believe that Gross Contribution Margin provides useful information to investors in understanding and evaluating our operating results in the same manner as our management and board of directors.
- (6) References to “**EBITDA as a percentage of GMV**” are to EBITDA represented as a percentage of our GMV. EBITDA as a percentage of GMV is a metric used as a measurement of our operating profit which allows us to assess how much operating cash is generated for each Turkish Lira of GMV earned. Accordingly, we believe that EBITDA as a percentage of GMV provides useful information to investors in understanding and evaluating our operating results in the same manner as our management and board of directors.
- (7) References to “**Number of orders**” are to the number of orders we received through our online platform. Number of orders is a metric used to measure volume. Accordingly, we believe that Number of orders provides useful information to investors in understanding and evaluating our operating results in the same manner as our management and board of directors.
- (8) References to “**Active Customers**” are to the users (both unregistered users and members) who purchased an item within the 12-month period preceding the relevant date, including returns and cancellations. Active Customers is a metric used to understand the size of our engaged customer base and an indicator of our value proposition to merchants. Accordingly, we believe that Active Customers provides useful information to investors in understanding and evaluating our operating results in the same manner as our management and board of directors.

RISK FACTORS

Investing in our ADSs involves a high degree of risk. You should carefully consider the risks described below before making an investment decision. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price and value of our ADSs could decline due to any of these risks, and you may lose all or part of your investment. When determining whether to invest, you should also refer to the other information contained in this prospectus, including our financial statements and the related notes thereto. This prospectus also contains forward-looking statements that involve risks and uncertainties. You should carefully review the “Cautionary Statements 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 prospectus.

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 profitability going forward.

We have historically incurred net losses, including net losses of TRY 237,325,032 and TRY 56,924,725 for the three months ended March 31, 2021 and 2020 and TRY 474,515,733, TRY 131,646,984 and TRY 161,322,403 for the years ended December 31, 2020, 2019 and 2018, respectively, as we invested in the expansion of our core businesses. We will need to generate and sustain increased revenue levels to outpace growing operating and capital expenses in future periods to achieve profitability in our core businesses, and even if we do, we may not be able to maintain or increase profitability. We anticipate that we will continue to incur losses in the near term as a result of expected increases in our operating expenses and continued capital expenditures, including investments to expand fulfillment centers, logistics operations and our core businesses, as we continue to invest in our business in order to grow.

We believe that our ability to generate future profits mainly depends on our strategy of attracting more customers to our platform, increasing the frequency of our customers on our platform, attracting more merchants to our platform, investing further into and leveraging logistics and technology as enablers, continued innovation and expansion of new services on the platform and opportunistic M&A. See “Business — Our Strategy.” These, in turn, depend 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 (see “Business — Our Strengths — Integrated Ecosystem with Powerful Network Effects”). These efforts may prove more expensive than we anticipate, particularly since many of our ongoing revenue generation initiatives remain unproven (for example, our seed investments in new complementary and value-added services, see “Business — Our Value Added Services”). 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 profitability. Additionally, the introduction of new services in connection with our expansion, such as our HepsiExpress services, 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 profitability. As we expand our services to additional customers and merchants in various regions and add new categories of products, our offerings in these markets/categories may be less profitable than those in which we currently operate, which may not offset the costs required to expand into these markets and could impact our ability to achieve or sustain profitability. As a result of the preceding factors, in addition to various other factors that may arise, we may not be able to achieve, maintain or increase profitability in the near term or at all.

Our expansion into new products, services 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 new complementary and value-added services (see “Business — Our Value Added Services”). 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 may place significant demands on our management and key employees, as expansion will increase the complexity of our business and place 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.

As we expand our relationships with third-parties, such as third-party carriers for deliveries or national and local retailers that provide groceries, water, flowers or other goods for HepsiExpress sales, we may need to expend time and money to integrate such parties into our operations. The expansion of our business could exceed the capacities of our partners and other third parties willing to do business with us. For example, retail suppliers for HepsiExpress may not have sufficient supply to keep pace with our growth and alternative or additional retailers may not be available or willing to do business with us. If third-party partners cannot keep pace they may constrain our growth and our operations could be adversely and materially affected.

Expansion of the new services we are offering, such as ticketing services through HepsiFly and our expected expansion of payment solutions through HepsiPay, and any future expansion into cross-border sales through HepsiGlobal, may result in increased or new exposure to regulatory scrutiny and compliance requirements. See “— *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 may fail to maintain or improve our technology infrastructure, which could materially and adversely affect our business, results of operation and financial condition.

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 constantly upgrading our technology to provide improved performance, increased scale and better integration among our core businesses and complementary value-added services (see “*Business — Our Value Added Services*”). Adopting new technologies, 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 recruiting 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. In addition, 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 in 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. Over the long-term, 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 our brand awareness may not outpace marketing and brand building expenses. In addition, our competitors may increase the intensity of their own 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 attract new and retain current customers 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.

In the event that our brand is subject to persistent and material negative publicity, complaints from customers, 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, 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 and our user traffic could decline. If our brand is harmed or we are forced to increase our marketing expenses, 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 and investment in developing programs and technology infrastructure to help customer service representatives carry out their functions. 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 to promote our sites and brands in marketing campaigns. Harm to those celebrities’ reputations, even if not associated with our sites and brands, could also harm our brand image and result in a material decrease in our net sales, which could have a material adverse effect on our business, results of operations and financial condition.

We operate in a highly competitive market, 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 continuously attract and retain merchants and customers, expand the market for our products and services, continue technological innovation and offer new capabilities to such users. We have many competitors not only among other e-commerce companies, but also omni-channel players who are primarily offline retailers and a large and fragmented group of other offline retailers. 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 choosing to shop in offline retail stores once more. Our merchants may also decide to switch to our competitors’ services. Some of our existing or potential competitors may have greater resources to develop stronger capabilities and expertise in management, technology, finance, product development, sales, marketing

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 Turkey, to compete against us.

As a result of these various types of current and potential competitors, we may not be able to maintain our leading position or 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 attract new and retain our existing customers and merchants, and we may be required to increase our spending 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 obtaining customer signatures or otherwise duly identifying the customer. When products are delivered without verification, we may be required to deliver a duplicate product.

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 attract new and retain current customers 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 purchase frequency and customer loyalty, are critical to our success. A significant portion of our value proposition to merchants is their ability to access our 33 million members. Our business and financial performance have been and will continue to be significantly determined by our success in adding, retaining, and engaging Active Customers. We continue to invest significant resources to grow our Active Customers base and increase engagement, whether through innovation, providing new or improved goods or services, marketing efforts or other means. While our customer base has expanded significantly since 2016, our customer base and engagement levels may fail to continue to grow at satisfactory rates, or at all, or may decline. 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 unsuccessful in innovating or introducing new products and services;
- we fail to adapt to changes in user preferences, market trends or advancements in technology;
- technical or other problems prevent us from delivering our products or services in a timely and reliable manner or otherwise affect the user experience;
- 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; or
- there are unexpected changes to the demographic trends or economic development of the markets in which we operate.

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. If we fail to retain or grow our Active Customers base, 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 dilute the value of the outstanding ADSs or prevent us from growing our business.

Our growth strategy and technological infrastructure require significant and 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 initiatives such as HepsiAd, outbound HepsiGlobal and HepsiPay, and expansion of our existing services which will require significant increases in shipping and packaging costs, advertising costs and general and administrative costs. If we raise additional funds through the sale of equity securities, these transactions may dilute the value of the outstanding ADSs. We may also decide to issue securities, including debt securities that have rights, preferences and privileges senior to the ADSs. 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.

To date, our principal sources of liquidity have been equity injections from our shareholders and cash flows from operations and we have entered into short-term financing arrangements with several major Turkish banks (see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Borrowings*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources*” and “*Business — Supplier and Merchant Financing*”). 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.

Changes in our share ownership, including a change of control of our shares, 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 (under which we had outstanding loans of TRY 432.6 million and TRY 347.4 million as of March 31, 2021 and December 31, 2020, respectively), including loans under our supplier and merchant financing where the Company is the borrower (see “*Business — Supplier and Merchant Financing*”) and loans under our short-term financing arrangements with several major Turkish banks (see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Borrowings*”), include 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, a transfer of our shares or change in our issued share capital structure, including as the result of this initial public offering, provide our lenders with the right to accelerate the outstanding debt facilities and may result in events of default that provide our lenders the right to terminate our arrangements. The terms of some of these credit facility arrangements with Turkish banks and the arrangement relating to the loans under our supplier and merchant financing, where the Company is the borrower, also include our undertaking not to distribute dividends during the duration of the agreement, or not to do it in a manner to negatively impact our debt ratios such as debt to equity.

Although, based on our discussions with certain of those banks and their prior practice, our management does not believe it likely that the banks would exercise their rights to acceleration or termination under such clauses or otherwise limit the Company’s ability to distribute dividends, the changes in our shareholding structure as a result of the initial public offering or future share sales in the Company or future distribution of dividends may result in the termination of our general loan agreements or acceleration of our outstanding debt thereunder. If any of the banks were to terminate a loan agreement or accelerate the debt outstanding thereunder, management believes that we have adequate credit lines under our other loan agreements and that the liquidity position of the Company would not require additional financing. However, if one or more of such banks terminate their agreements, or if all of such banks 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 Turkey'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 Turkey'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 Turkey 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.

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, if too many customers access our sites within a short period of time due to increased holiday 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 may reduce the volume of goods we sell and the attractiveness of our products and services. We cannot assure you that such events will not occur 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 mentioned above 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 or decline for any number of reasons, including our inability to attract or retain merchants and customers, decreased customer frequency and spending, increased competition, slowing overall growth of the e-commerce market, the emergence of alternative business models, changes in government policies and general economic conditions. We may also lose customers and merchants for other reasons, such as a failure to deliver satisfactory customer or transaction experience or high-quality services. 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 historically took place during our fourth quarter, and we expect this to continue. 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). This operating cycle results in a corresponding increase in accounts payable, combined with a decrease in inventories, as of December 31. 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. We typically experience our lowest sales during the months of July and August due to decreased frequency and traffic on our platform during the summer vacation months.

Our results of operations and cash flows may fluctuate significantly as a result of a variety of factors, including those described above. 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 fiscal quarter as an indication of our annual results of operations, cash flows or future performance.

The COVID-19 pandemic has affected and may continue to negatively affect certain of our business activities and results. Any future 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.

The World Health Organization characterized COVID-19 as a pandemic in March 2020. As of the date hereof, COVID-19 has spread widely around the world and new variants of the virus have emerged, resulting in the implementation of significant governmental measures in Turkey and globally, including lockdowns of manufacturing and logistics facilities, closures of businesses and offices, quarantines of individuals, and travel bans. Although COVID-19 has generally resulted in a major increase in demand for e-commerce services in Turkey, there are a number of risks which have ensued from operating our businesses during the pandemic.

The virus and the measures to contain its spread have resulted in business and manufacturing disruptions in our markets, impacted the business activities of e-commerce merchants, and other ecosystem participants (such as logistics networks and payment channels in the affected markets) and disrupted the global supply chain. Some of our merchants and partners have reduced or suspended, or may in the future reduce or suspend, their selling activities due to operational constraints or global supply chain disruptions. The scaling and ramp-up of Hepsifly may be slower than expected due to the impact of border and travel restrictions and consequences for the airline industry.

Furthermore, COVID-19's impact on global and local economies may also adversely impact consumer discretionary spending, which may cause our customer demand to decline if the situation continues to worsen. As we roll out relief measures to assist the recovery of certain affected merchants and other ecosystem participants, including, among other things, waiver or reduction of certain transaction-related charges, these measures may have a materially negative impact on our financial results. In addition, we have taken numerous precautionary measures to ensure the wellbeing of our employees and communities (see "Business — Recent Developments") that may result in lower operational efficiency, higher operating costs, and a slowdown in certain of our business activities. Measures taken across our business operations to address health and safety may not always be sufficient to prevent the spread of COVID-19. Our operations could be disrupted if any of our employees or employees of our suppliers or merchants are suspected of contracting COVID-19, as this could require us or our suppliers or merchants to quarantine some or all of these employees and implement disinfection measures to the facilities and premises used for our operations. Relevant authorities could also order a complete suspension or closure of business generally, including our operations, as the pandemic further develops.

The above developments have materially affected, and may continue to materially and negatively affect, certain of our business activities and results. As the COVID-19 situation remains fluid and continues to rapidly evolve, the ultimate impact of COVID-19 on our business, financial condition and results of operations cannot be reasonably estimated at this time. We will continue to monitor the situation and the effects on our business and operations closely. The extent of the impact of COVID-19 on our operational and financial performance will depend on many factors, including the duration and spread of the pandemic and actions taken by authorities and other parties in our ecosystem, as well as the overall size and duration of the impact on the economies of the markets in which we operate. If the pandemic continues to worsen, and measures put in place to curb its spread and to stabilize the economy are not effective, or if we are ordered by any authorities to suspend or close our material operations, there could be a material adverse impact on our business, results of operations and financial condition.

COVID-19 and the measures taken to limit its spread have impacted consumer behavior, including e-commerce shopping trends. During the COVID-19 pandemic, increased numbers of consumers in the Turkish market have shifted to e-commerce as a result of social distancing and other government restrictions, which resulted in the growth for demand for our products and services. However, customers may shift back towards offline retailers as social distancing and government restrictions ease, as a result of which we may experience slower than expected growth. Moreover, as the full impact of the COVID-19 pandemic continues to evolve, it is uncertain what effect the pandemic will have on consumer behavior and the demand for various goods and services may evolve. For instance, e-commerce orders for groceries and other essential products

have increased significantly during the pandemic, and the risk that this trend reverses or otherwise alters in the future cannot be excluded. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Our Financial Condition and Results of Operations — COVID-19 Impact.*” We may not be able to keep pace with shifting trends as they respond to unpredictable changes in the evolution of the pandemic and the measures taken to reduce the spread of the virus.

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. These events could also cause us to close our operating facilities temporarily, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. In addition, our net 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.

Undetected software errors and hacking may cause delays or interruptions on our systems and may reduce the use of our services and damage our brand reputation.

Our online systems, including our websites, mobile apps and our other software applications, products and systems, could contain undetected errors, or “bugs,” that could adversely affect their performance. While we regularly update and enhance our websites and IT platform 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 cyber security breaches may in the future cause delays or other service interruptions on our systems. We may 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. While we employ various antivirus and computer protection software in our operations, we cannot provide any assurance that such protections will successfully prevent all 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 security breaches or inadvertent disclosure of confidential, sensitive or personal information and hinder access to our platform.

We use artificial intelligence solutions to inform our Direct Sales pricing and in the future our prices for Direct Sales may be informed in real-time by machine learning algorithms, 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 publicized, 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 products and services. Such failure to properly respond to cybersecurity incidents 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.

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 and communications is the secure transmission of confidential information 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 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. Despite the security measures we have in place, 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 and liability, subject us to negative publicity, disrupt our operations and harm our business. 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 carry and we do not require our vendors to carry cybersecurity insurance to compensate for any losses that may result from any breach of security. 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.

We are subject to payments-related risks.

We accept payments using a variety of methods, including credit and debit cards, money transfers, and we launched HepsiPay to facilitate payments. For certain payment methods, including credit and debit cards, we pay bank interchange and other fees. These fees may increase over time, which would increase our operating costs and adversely affect our results of operations. We use third parties to provide payment processing services, including the processing of credit and debit cards. 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, like our platforms, 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 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 and certain value-added services, 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. 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 Turkey). 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 and, therefore, face the need of switching to new third-party providers, who may provide services to us at higher prices. While we have backup systems and contingency plans for certain aspects of our operations and business processes (see "*Business — Technology — Technology Infrastructure*") and we have capacity to scale our fulfillment centers when extra capacity is required (see "*Business — Logistics Infrastructure — Fulfillment Center Network*"), our 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 no control.

Our e-commerce services business, other than our Direct Sales, requires the participation of third parties such as merchants who own the content and services offered through our Marketplace. We cannot control the 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. Though we take efforts to conduct security and know-your-customer procedures with respect to our merchants and carefully screen the listings placed by our merchants periodically and upon receipt of complaints (see "*Business — Marketplace — Merchants*"), we cannot be certain that we 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 "intermediary

service provider” under Article 5 of the Law on Internet Crimes and the E-Commerce Law (as each is defined under “*Business — Regulatory Overview*”), respectively, we may nevertheless face compensation claims, administrative fines or even criminal complaints under Turkish laws for content related to counterfeit products, content blocked or prohibited in Turkey or content 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, 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.

We may pursue strategic acquisitions, which could 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.

Historically, we have generally grown organically. We have historically invested in software and technological development, including the acquisition of software licences and rights as well as certain vertical e-commerce websites, but as of the date of this prospectus we have not made any material acquisitions. However, 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. 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. We cannot assure you that our acquisitions or investments will 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, in connection with our technology and services. Original developers of open source code do not provide warranties 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 certain open source code, disclose and freely license all or a portion of our proprietary software code, or discontinue certain aspects of our platform. 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 prospectus, 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 prospectus and which we regularly communicate to the market are calculated by us internally. We also provide industry, market and competitive information (including market share data) in this prospectus based on studies and reports of third parties (see “*Market and Industry Data*”).

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 prospectus 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 (including market share data) included in this prospectus 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 “*Presentation of Financial and Other Information — Key Operating Performance Indicators*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Indicators of Operating and Financial Performance*”

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 investment properties. We expect to continue to maintain our existing insurance coverage and to purchase any additional insurance coverage as necessary for our operations, including social security and health insurance coverage for our employees and executive officers and management liability insurance for our directors and executive officers. However, 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. 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 Founder and chairwoman, our senior management, our IT specialists and other talented employees to grow, operate and improve our business; if we fail to retain our Founder as a result of ongoing litigation or 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 would be 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.

We benefit from the input of our Founder. As discussed in “*Management — Legal Proceedings Relating to Senior Management*,” our Founder formerly served on the board of directors of Petrol Ofisi A.Ş., a major Turkish fuel company. In 2016, she was one of 47 executives subject to an indictment alleging that illegal activity was committed by Petrol Ofisi between 2004 and 2007. As of the date of this prospectus, the criminal proceeding stemming from the 2016 indictment has not progressed beyond the initial stage. In the event of an adverse outcome to this legal proceeding, our Founder could be required to step down from her position as a board member of any company, including Hepsiburada, which could have an adverse impact on our business. Further, although this lawsuit has been in the public domain over the past five years and has received considerable publicity, any negative public opinion relating to the allegations forming the basis of the proceeding, regardless of the legal outcome, may affect our brand and reputation and therefore may have an adverse impact on our business in the future. As of the date of this prospectus, we have not experienced any negative impact from these standing allegations. For more information, see “*Management — Board of Directors — Legal Proceedings*.”

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 may choose 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 Turkey and compete directly with us for the same talent pool, which has a limited number of skilled IT or other professionals.

Training new employees 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 growth, 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 is difficult to determine and detect and could harm our reputation and business.

We face a risk 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. However, any such further misconduct in the future may result in unknown and unmanaged risks and losses. We have internal audit, security and other procedures in place that are designed to monitor our employees' conduct. However, despite these controls and procedures, there can be no assurance that we will discover employee misconduct in a timely and effective manner, if at all. It is not always possible to guard against employee misconduct and ensure full compliance with our risk management and information policies. The direct and indirect costs of employee misconduct 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 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; and
- the development of logistics, payment and other ancillary services associated with e-commerce.

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. However, as of the date of this prospectus, there are no threatened or pending legal proceedings involving the Group alleging last mile delivery service carriers should be classified as employees rather than as independent contractors. We believe that our carriers are independent contractors, as they decide for themselves how best to perform their services and 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. As of the date of this prospectus, there are no threatened or pending legal proceedings initiated by employees of third-party subcontractors alleging the existence of or claiming to establish an employment relationship directly with us.

If courts or government agencies of competent jurisdictions reclassify our self-employed carriers as 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. Further, any such reclassification of our carriers as employees 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 Turkey's digital service tax.

We are subject to a variety of taxes in Turkey including but not limited to corporate income tax, withholding tax, value added tax, payroll taxes and social security taxes, among others. The estimated net result of our business is 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, we may be subject to tax audits by the Turkish tax authority. 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. For the years ended December 31, 2020, 2019 and 2018, we did not pay any corporate income tax, as we recorded losses for such periods. We submitted our books and records to the Turkish tax authority in August 2020, and as of the date of this prospectus, we did not receive any further specific request or notification. Although our management believes this to be a routine and ordinary tax audit and the management does not consider the recognition of any provision is necessary in relation to this investigation, we may divert our efforts and resources and we may be subject to additional tax liabilities and penalties as a result of such investigation. 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 15.0%.

In March 2020, a digital service tax (the "DST") took effect in Turkey 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 Turkey; and (ii) €750 million globally. As of the date of this prospectus, we are not subject to the DST as our global revenues 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.

In addition, the Organization for Economic Cooperation and Development has published proposals to advance international negotiations to ensure large and highly profitable multinational enterprises, including digital companies, pay tax wherever they have significant consumer-facing activities and generate their profits. Certain jurisdictions in the European Union and Latin America have already enacted or are discussing new tax laws, rules and regulations directed at the digital economy and multi-national businesses. 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 digital services tax, sales tax, value-added taxes, withholding taxes, revenue based taxes, 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 may be subject to administrative fines and our reputation may be harmed if the Turkish Competition Authority were to determine that we did not comply with Turkish competition laws and regulations.

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”) for compliance with these laws and regulations. In February 2019, the TCA initiated a preliminary inquiry against us and Anka Mobil Tedarik A.Ş., one of our suppliers, in response to one of our merchant’s complaint that we and Anka Mobil Tedarik A.Ş. violated Turkish competition laws, including the most favored customer clause that applies to all transactions performed with our merchants in our Marketplace operations, price discrimination, restriction of intra-brand competition, refusal to deal, and resale price maintenance in the mobile accessories business. In June 2019, the TCA decided to proceed with a full investigation of the matter. On April 15, 2021, the Competition Board, the executive body of the TCA, concluded its investigation and issued its decision in our favor, indicating that we do not hold a dominant position in the relevant market and that we did not breach the Turkish competition law. No fines were imposed on Hepsiburada as a result of this investigation. The TCA is expected to issue a written reasoned decision by the end of the second quarter of 2021. Following the delivery of the reasoned decision of the TCA, any third party (including the complainer) will have 60 days to object to such decision at the Ankara administrative courts.

We believe that our operations are in material compliance with Turkish competition laws. However, any successful objection to the TCA’s decision, or any investigations that may be conducted by the TCA in the future into our operations or transactions, and the imposition of related fines, sanctions or conditions on us, could have a material adverse effect on our reputation, business, prospects, financial condition and results of operations.

In April 2021, the TCA initiated an investigation against 32 companies (including companies operating in the e-commerce, retail, broadcasting and fast-food industries, but excluding us) to determine whether those entities have violated the Law on the Protection of Competition (the “**Competition Law**”) which prohibits anti-competitive agreements in the labor markets. The TCA’s public announcement makes it clear that the allegations that led to the investigation solely relate to direct or indirect agreements regarding non-solicitation of employees, thus potentially restricting the competition in the labor markets in Turkey. On June 15, 2021, without notice, TCA officials visited our headquarters and reviewed the digital correspondence of a limited number of senior managers and human resources employees. We believe the TCA officials’ actions related to the ongoing April 2021 investigation. Since June 15, 2021, we have not received any formal notification from the TCA that Hepsiburada has become a part of the investigation. However, there can be no guarantee that we will not be formally included as an investigated party as the TCA continues its investigation process and it is not clear when the TCA may make such determination. Based on the procedural timelines provided in the Competition Law, the TCA is not expected to conclude the investigation before the end of 2021. If we are formally included as an investigated party and if at the end of such investigation, the Competition Board determines that we violated Article 4 of the Competition Law, it may impose administrative fines against our company up to a maximum of 10% of our annual revenue for the fiscal year

preceding its decision. In addition, we may be required to incur additional compliance costs or be required to defend against compensation claims (which under applicable regulation may be for triple damages) from interested third parties based on an adverse decision of the Competition Board. Therefore, any adverse ruling by the Competition Board could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as our reputation.

In addition, the TCA, from time to time, conducts sector inquiries focusing on various industries. As of the date of this prospectus, we are aware of an ongoing sector inquiry initiated by the TCA on e-marketplace platforms that commenced in June 2020. The initial report relating to the sector inquiry was published by the TCA in May 2021 and all interested parties are invited to submit opinions until July 2021. The TCA is expected to issue its final report toward the end of 2021. Sector inquiries do not result in company specific administrative fines and penalties. However, if the TCA believes that the e-marketplace platform sector requires additional regulation, we may be required to comply with such regulations.

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 Turkey 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, intellectual property, 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, traffic and transportation regulation and travel regulations.

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. As of the date of this prospectus, we have not yet obtained such a workplace opening and operation permit for either of our İzmir or Adana fulfillment centers, which began operations in the third quarter of 2020. We are in the process of obtaining such permits, and we expect to receive these workplace opening and operation licenses permits by the end of 2021. Although we have not been subject to any administrative fines, sanctions (such as the temporary suspension of our operations at such facilities) or investigations, or received any administrative warnings as of the date of this prospectus, the absence of these permits could result in administrative fines or sanctions such as the temporary suspension of operations of such facilities until such permits are received, which could have a material adverse effect on our business, results of operations and financial condition.

Recent and future expansion in terms of our services and geographic coverage, including the expansion of our ticketing services through HepsFly, our ramp-up of payment solutions through HepsPay and any future expansion into cross-border sales through HepsGlobal, have recently subjected us to, and could further subject us to increased or new regulatory scrutiny and compliance requirements and other risks that may be costly or difficult to comply with, such as new and evolving travel agencies 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.

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 regularly 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.

The provision of financial services through Hepsipay, such as e-wallet and payment facilitation services, are particularly more 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 Turkey (the “Central Bank”). The Central Bank could 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. We have in the past, and may in the future face, additional audits and investigations by such regulators for alleged violations of such requirements. For example, the Financial Crimes Investigation Board (“MASAK”) completed an audit of our Hepsipay services in February 2021, and we paid TRY 193,077 in administrative fines for various breaches (particularly relating to know-your-client procedures required by MASAK regulations) between 2016 and 2018. We amended our internal rules and procedures as a result of the investigation and, as of the date of this prospectus, our management believes that we conduct know-your-client procedures in compliance with MASAK regulations. However, 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 impact our business and financial condition.

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 Turkey 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, including the European Union and the United States. For example, our application filed with the European Union Intellectual Property Office (“EUIPO”) in August 2020 for a figurative EU trademark for our “hepsiglobal” brand (EU trademark application no. 18292598) is currently opposed by PepsiCo, Inc. (“PepsiCo”), on the basis of certain claimed prior rights in respect of its “Pepsi” brand. Discussions with PepsiCo are ongoing and, as we regard the beverages business of PepsiCo as clearly distinct from our business under our brands, we believe that a negotiated resolution with PepsiCo will be achieved that should allow our foregoing EU trademark application to proceed in respect of certain classes of goods and services. There is, however, no certainty that a negotiated resolution will be achieved, or that it will be achieved without delay, or as to the final terms of any such outcome.

Similarly, our application filed with the EUIPO in August 2018 for the word mark “hepsiburada.com” (EU trademark application no. 17941312) is currently opposed by Alpak B.V. (“Alpak”), on the basis of certain claimed prior rights in respect of the “hepsiburada” brand including its EU trademark for the word “hepsiburada” registered in December 2017 under trademark no. 17151796. We believe Alpak applied for

and registered the foregoing trademark in bad faith in an effort to copy our well-known brands and/or to frustrate or delay (or extract compensation for) our protection of these brands in the EU. We are not aware of any commercialization by Alpak of any goods or services under the “hepsiburada” brand, and we are currently pursuing a declaration of invalidity against Alpak’s trademark so that our foregoing trademark for “hepsiburada.com” may proceed to grant. Our initial application for declaration of invalidity was rejected by the Cancellation Division of the EUIPO in March 2021 on grounds with which we do not agree, and we have appealed this decision and plan to appeal it to the highest court available, a process that may take up to four years.

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, 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.

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 may be subject to material litigation.

We have been involved in litigation relating principally to contract disputes, employment, consumer, intellectual property and tax related cases and other matters in the ordinary course of our business. 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. After we become a publicly listed company with a higher profile and in the future through any expansion of our cross-border business through Hepsiglobal, we may face additional exposure to claims and lawsuits inside and outside Turkey.

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 monthly payments to merchants for the products sold rather than immediate payment after the sale of a product. Our standard form agreement with our merchants and suppliers provides that we will directly compensate the 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 and, 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 "intermediary service provider" under Article 5 of the Law on Internet Crimes and the E-Commerce Law (as each is defined under "Business — Regulatory Overview"), respectively, we may nevertheless face compensation claims, administrative fines or even criminal complaints under Turkish laws for content related to counterfeit products, content blocked or prohibited in Turkey or content 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) and may be involved in civil or criminal claims against our merchants or suppliers for any such unlawful activities.

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 value-added services, 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.

If we fail to implement and maintain an 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.

After the completion of this offering, as a public company, we will be subject to the Sarbanes-Oxley Act of 2002, as amended (the “**Sarbanes-Oxley Act**”). Section 404(a) of the Sarbanes-Oxley Act requires that, starting with our annual report for the fiscal year ending December 31, 2022, management evaluate and determine the effectiveness of our internal control over financial reporting, report any material weaknesses in such internal controls and provide a management report on internal control over financial reporting. Although Section 404(b) of the Sarbanes-Oxley Act (“**Section 404(b)**”) requires our Independent Registered Public Accounting Firm to issue an annual report that addresses the effectiveness of our internal control over financial reporting, we have opted to rely on the exemptions provided in the JOBS Act, and consequently will not be required to comply with SEC rules that implement Section 404(b) until such time as we are no longer an emerging growth company.

Under the current rules of the SEC, starting with our annual report for the fiscal year ending December 31, 2022, we will be required to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to assess the effectiveness of our internal controls. Our testing may reveal deficiencies in our internal controls that are deemed to be material weaknesses and render our internal controls over financial reporting ineffective or may reveal significant deficiencies. We expect to incur additional expenses and to spend significant management time in complying with these requirements. In each of the years ended December 31, 2018 and 2019, we had a material weakness in our internal controls over financial reporting relating to information technology general controls. We have implemented several measures in 2020 to address the material weakness, including (i) the implementation of segregation of duties controls in change management processes, (ii) the removal of excessive access rights and (iii) enabling a log mechanism to monitor activities performed by privileged user accounts. Although neither we nor our Independent Registered Public Accounting Firm have performed, nor are obligated to perform, a full assessment and evaluation of our internal control environment, we believe that as of December 31, 2020 we have remediated this material weakness. We cannot assure you that our efforts are sufficient or will be effective in preventing any material weaknesses in the future in our internal controls over financial reporting, whether of a similar or different character to the foregoing. If we fail to maintain effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which could cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a negative impact on 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 delisting from Nasdaq, regulatory investigations and civil or criminal sanctions.

The requirements of being a public company may strain our resources and divert management time, 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 will become 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 will 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, particularly after we are no longer an “emerging growth company.”

The Exchange Act requires that we file annual and current 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 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 experts and the measures we take may not be sufficient to satisfy our obligations as a public company. These additional obligations could have a material adverse effect on our business, financial condition, results of operations and cash flow.

As a public company with ADSs traded on an exchange located in the United States, we will become subject to a broader scope of laws, regulations and standards, and therefore, potentially subject to a broader scope of fines and penalties under U.S. securities laws. In addition, changing 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 as long as we are an 'emerging growth company' under the JOBS Act, our Independent Registered Public Accounting Firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act. We could be an emerging growth company for up to five years. See "*Prospectus Summary — Implications of Being an 'Emerging Growth Company' and a 'Foreign Private Issuer'.*" Furthermore, after the date we are no longer an emerging growth company, our Independent Registered Public Accounting Firm will only be required to attest to the effectiveness of our internal control over financial reporting depending on our market capitalization. Even if our management concludes that our internal controls over financial reporting are effective, our Independent Registered Public Accounting Firm may still 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 may identify deficiencies that we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for 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.

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 anticipated market price of the ADSs in this offering 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 contrary to our belief, we were characterized as a PFIC for the current taxable year or any future year, certain adverse U.S. federal income tax consequences could apply to a U.S. investor who hold 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 “*Material Tax Considerations — Material U.S. Federal Income Tax Considerations for U.S. Holders — Passive Foreign Investment Company Rules.*”

Risks Related to Turkey

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

We mainly operate in Turkey and derive substantially all of our revenue from activities in Turkey. 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 Turkey. Despite Turkey undergoing significant political and economic reform in recent years that increased stability and led to economic growth, Turkey is still considered by international investors to be an emerging market. Emerging markets such as Turkey are subject to greater risk than more developed markets of being perceived negatively by investors based upon external events, and financial turmoil in any emerging market (or global markets generally) could disrupt the business environment in Turkey. Moreover, financial turmoil in one or more emerging market(s) tends to adversely affect prices for securities in other emerging market countries as investors move their money to countries that are perceived to be more stable and economically developed. An increase in the perceived risks associated with investing in emerging economies could dampen capital flows to Turkey and adversely affect the Turkish economy. As a result, investors’ interest in the securities (and thus their market price) might be subject to fluctuations that might not necessarily be related to economic conditions in Turkey or our financial performance. Investors’ interest in Turkey 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 could have a material adverse effect on our business, results of operations and prospects.

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

Substantially all of our revenue is derived from our operations in Turkey, and our headquarters and other operations and facilities are located in Turkey. Accordingly, political and economic conditions in Turkey may directly affect our business.

Prior to its current presidential republic system, Turkey was a parliamentary republic between 1923 and 2018. Unstable coalition governments have been common and, since the establishment of the parliamentary system, Turkey has had over 60 governments, with political disagreements frequently resulting in early elections. Furthermore, although its role has diminished in recent years, the Turkish military establishment historically has played a significant role in Turkish government and politics, intervening in the political process in 1960, 1971 and 1980. Most recently in July 2016, the Turkish government was subject to a failed coup attempt. As a result of the coup attempt, a nationwide state of emergency was imposed until July 2018.

Following a constitutional referendum on April 16, 2017, the parliamentary system and council of ministers were abolished and replaced with executive presidency and a presidential system. In the presidential election held on June 24, 2018, President Erdoğan was re-elected with approximately 52.6% of the vote.

Political uncertainty has affected certain investors’ perception of Turkey and the strength of the Turkish economy. Since 2016, each of Standard & Poor’s, Moody’s and Fitch has repeatedly downgraded Turkey’s sovereign credit rating, although Fitch revised Turkey’s outlook from negative to stable in February 2021.

If new developments that are considered to contribute to instability in Turkey emerge, the value of our ADSs could decline.

Turkey’s economy is subject to inflation and risks related to its current account deficit.

Macroeconomic developments in Turkey, in particular those related to current account deficit and inflationary pressures, also affect our business. The current account deficit in Turkey was 5.3%, (1.1)% and 3.4% of the GDP in 2020, 2019 and 2018, respectively. Turkey’s high current account deficit may reflect both

Turkey'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, Turkey'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 Turkey 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 Turkish economy has also experienced significant inflationary pressures in the past with year-over-year consumer price inflation rates as high as 69.7% in the early 2000s. Consumer price inflation was 14.6% in 2020, 11.8% in 2019 and 20.3% in 2018, year-to-year. Although the Central Bank announced in February 2021 that it intends to maintain its existing tight monetary policy stable through 2023, inflationary pressures may result in Turkish inflation exceeding the Central Bank inflation target of 5%, which may cause the Central Bank to take further measures to control inflation. The Central Bank's policies are subject to change and the possibility of a revision in policies of the Central Bank in this respect cannot be excluded. This tight monetary policy has involved setting high interest rates, thereby restricting the availability of credit and limiting economic growth, which could adversely affect costs associated with our financing. Further, these policies may be incapable of preventing increases in the inflation rate, which could adversely affect economic stability. In the event of an increase in inflation, we may not be able to adjust the prices we charge our customers to offset the effects of inflation on our cost structure, which may adversely affect our business and results of operations. Inflation and government measures to combat inflation that impact macroeconomic stability in Turkey may also lead reductions in purchasing power of our users, consumer confidence, consumer spending, general demand for our products and services, which would have a material adverse effect on our business and results of operations. If these events continue, or if new economic developments emerge that have a similar effect, the value of our ADSs could decline.

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 Turkey, and upon becoming a public company in the United States, we will 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 European Union, 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.

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, 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, 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 have adopted our internal anti-money laundering policy only recently and cannot guarantee that we were previously in compliance with such laws. As a result, we may 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 and U.S. dollars. 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, 2020, 2019 and 2018 we maintained Turkish Lira equivalent assets in U.S. dollars of TRY 280.4 million, TRY 245.4 million and TRY 112.5 million, respectively, primarily consisting of cash and cash equivalents. As of the same periods, we maintained Turkish Lira equivalent liabilities in U.S. dollars of TRY 246.7 million, TRY 155.6 million and TRY 139.2 million, respectively, primarily consisting of trade payables and payables to merchants and due to related parties.

As of December 31, 2020, 2019 and 2018 if the U.S. dollar had strengthened or weakened by 10% against the Turkish Lira, with all other variables held constant, our loss before income taxes would have been TRY 3,374,370 lower/higher, TRY 8,983,025 lower/higher and TRY 2,673,154 lower/higher, respectively, in each case mainly as a result of foreign exchange losses or gains on the translation of U.S. dollar assets and liabilities. We do not currently undertake any currency hedging to manage our exposure in Turkey 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 Turkey, 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 23.6% against the U.S. dollar in 2020 and 12.9% in 2019. Any significant fluctuations in the value of the Turkish Lira relative to U.S. dollars could have an adverse effect on our business, financial condition and results of operations.

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

Turkey is located in a region that has been subject to ongoing political and security concerns. Turkey 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.

Turkey has been subject to a number of bombings, including tourist-focused centers in Istanbul and the city center in Ankara, which have resulted in a number of fatalities. Such incidents may continue to occur periodically, the most recent incident to result in fatalities in a major town occurred in January 2017. 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 may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Turkey 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 Turkey 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 Turkey's international relations, especially resulting from the events which affect Turkey'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 Turkey's relationship with Syria and Iraq

The impact on Turkey of political instability in the Middle East is exemplified by the internal conflict in the region. Turkey 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 Turkey. Given the continuing hostilities in Syria and the number of parties involved, it is very difficult to predict the impact of the continuing tensions on the geopolitical stability in the broader region, including Turkey.

Risks from events affecting Turkey's relationship with Russia

Russia has become Turkey's second largest trading partner and the largest supplier of natural gas to Turkey but tensions between Turkey and Russia have arisen from time to time. Heightened tensions between Turkey and Russia could materially negatively affect the Turkish economy.

Risks from events affecting Turkey's relationship with the European Union

In recent years, several important natural gas reserves have been discovered in the eastern Mediterranean. The European Union ("EU") and Turkey 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 Turkey. Any decision by the EU to abolish the customs union with Turkey, end Turkey's EU accession bid or impose additional sanctions on Turkey might cause a deterioration of the relationship between Turkey and the EU, impede Turkey's access to EU funding and have a material adverse impact on Turkey'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.

Risks from events affecting Turkey's relationship with the United States

The relationship between the US and Turkey has been strained by recent developments in the region, and also by Turkey'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 on Turkey and limited Turkey's ability to acquire fighter jets from the United States. In December 2020, the United States imposed sanctions that targeted the Presidency of Defense Industries (SSB) of Turkey, its chairman and three other employees.

In 2018, a New York federal court found a former executive at Turkey'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 US Department of Justice brought similar allegations against Türkiye Halk Bankası A.Ş., which are ongoing as of the date of this prospectus. As of the date of this prospectus, 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.

Actual or perceived political instability in Turkey, 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 Group's business, financial condition or results of operations or on the market price of the ADSs.

Turkey'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.

In March 2019, the United States announced that imports from Turkey 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 Turkey'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 Turkey's economy and/or the financial condition or one or more industries within Turkey.

In September 2020, the Turkish Treasury and Finance Minister announced a new medium term economic program named the New Economic Program ("**New Economic Program**") for the 2021 to 2023 period. The New Economic Program set GDP growth estimates as 0.3% for 2020, 5.8% for 2021 and 5.0% for each of 2022 and 2023. Furthermore, it has estimated the inflation rate as 10.5%, 8.0%, 6.0% and 4.9% for 2020, 2021, 2022 and 2023, respectively. There can be no assurance that these targets 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 may have a material adverse effect on the Group's business, financial condition, results of operations or prospects*") and the political developments in Turkey (see "*— Our headquarters and other operations and facilities are located in Turkey and, therefore, our prospects, business, financial condition and results of operations may be adversely affected by political or economic instability in Turkey*"). Any of these developments might cause Turkey's economy to experience macro-economic imbalances, which might impair our business strategies and/or have a material adverse effect on our business, financial condition and/or results of operations.

Internet and e-commerce regulation in Turkey is recent and is subject to further development.

In 2007, Turkey 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 Turkey have been enacted since 2007, including amendments to the Internet Law, a law on regulation of e-commerce stipulating the obligations of e-commerce operators (the "**E-commerce Law**"), 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.

Risks Relating to our Initial Public Offering and Ownership of our ADSs

Our founder and chairwoman has significant influence and voting control and, as a principal shareholder, her interests might conflict with or differ from your interests as a shareholder.

As of the date of this prospectus, our founder and chairwoman, Hanzade Vasfiye Doğan Boyner, beneficially owns all of our issued Class A shares and 12.2% of our Class B ordinary shares, representing 74.6% of the voting power of all of our Class A shares and Class B ordinary shares when considered together as a single class. Upon completion of this offering, our Founder will beneficially own all of our issued Class A shares and % of our issued Class B ordinary shares, representing % of the voting power of all of our Class A shares and Class B ordinary shares when considered together as a single class. See “Principal and Selling Shareholders.”

As a result of this, our Founder will have a continuing ability to effectively control our affairs, including with respect to the nomination and election of directors, payment of dividends and consummation of significant corporate transactions.

In certain circumstances, the interests of our Founder 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 or other business combination involving us that increase the amount of indebtedness or outstanding ordinary shares, or the sale of revenue-generating assets; or
- 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.

The dual class structure of our ordinary shares will concentrate voting control with certain shareholders, in particular our founder and chairwoman, Hanzade Vasfiye Doğan Boyner, which will limit your ability to influence corporate matters.

Our Class A shares have fifteen votes per share, and our Class B ordinary shares, which are the ordinary shares we are offering, have one vote per share. Upon completion of this offering, our Founder will beneficially own all of our issued Class A shares and % of our issued Class B ordinary shares, representing % of the voting power of all of our Class A shares and Class B ordinary shares when considered together as a single class. See “Principal and Selling Shareholders.”

Because of the fifteen-to-one voting ratio between our Class A and Class B ordinary shares, the Class A Shareholders (which, as of the date of this offering, will only include our Founder) will continue to control a majority of the combined voting power of our ordinary shares, and therefore will have the ability to control the management and affairs of our company and materially all matters requiring shareholder approval, including election of directors and significant corporate transactions, such as a merger or sale of our company or its assets, so long as the Class A Shareholders hold the majority of the voting rights at any general assembly of shareholders. This concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future.

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

As discussed above, 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, 2021. We would lose our foreign private issuer status if, for example, more than 50% of our total assets are located in the United States as of June 30, 2021. If we lose our foreign private issuer status on this date, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms beginning on January 1, 2022, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we will 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 will incur significant additional legal, accounting and other expenses that we will 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 will relate to, among other things, the obligation to present our financial information in accordance with U.S. GAAP in the future.

We are a “controlled company” within the meaning of the Nasdaq listing rules. As a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Our Founder will control a majority of our voting power. See “Principal and Selling Shareholders.” 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. As a result, investors in our ADSs will not have the same protection as they would if we were not a controlled company.

Following this offering, we intend to rely on these and other exemptions described in more detail under “Management — Corporate Governance.” Accordingly, our Board of Directors and applicable committees will 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.

As a foreign private issuer we are permitted to, and we will, 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.

The Nasdaq corporate governance rules require listed companies to have, among other things, a majority of independent board members and independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer, we are permitted to, and we will, follow home country practice in lieu of the above requirements. Therefore, our Board of Directors approach to governance may be different from that of a board of directors consisting of a majority of independent directors, and, as a result, the management oversight of our Company may be more limited than if we were subject to all of the Nasdaq corporate governance standards.

Following this offering, we intend to rely on these and other exemptions described in more detail under “Management — Corporate Governance.” We may in the future elect to follow home country practices in Turkey 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.

We are an “emerging growth company,” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies make our ADSs less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act, and we take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not

“emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act. We cannot predict if investors will find our ADSs less attractive because we rely on these exemptions. If some investors find our ADSs less attractive as a result, there may be a less active trading market for our ADSs, and the price of our ADSs may be more volatile.

While we currently qualify as an “emerging growth company” under the JOBS Act, if we cease to be an emerging growth company, our costs and the demands placed upon our management will increase.

We will remain an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenue exceeds \$1.07 billion; (ii) the last day of the fiscal year during which the fifth anniversary of the date of the IPO; (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our ADSs that are held by nonaffiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than \$1.00 billion in non-convertible debt securities during any three-year period. Once we lose emerging growth company status, we expect the costs and demands placed upon our management to increase, as we will be required to comply with additional disclosure and accounting requirements. In addition, management time and attention, as well as the engagement of our auditors and/or other consultants, will be required in order for us to prepare to comply with the increased disclosure and accounting standards required of companies who are not emerging growth companies, most notably compliance with Section 404 of the Sarbanes-Oxley Act and related auditor attestation requirements.

There is no existing market for our ADSs, and we do not know if one will develop to provide you with adequate liquidity.

Prior to this offering, there has been no public market for our ADSs. We cannot predict the extent to which investor interest in our Company will lead to the development of an active trading market on Nasdaq or otherwise or how liquid that market might become. If an active trading market does not develop, you may have difficulty selling any of our ADSs that you purchase, and the value of such ADSs might be materially impaired. The initial public offering price for our ADSs will be determined by negotiations between us and the representative of the several underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell your ADSs at prices equal to or greater than the price you paid in this offering.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our ordinary shares. We intend to use the net proceeds from this offering for general corporate purposes. See “Use of Proceeds.” However, our use of these proceeds may differ substantially from our current plans. The failure by our management to apply these funds effectively could result in financial losses that could materially and adversely affect our business, results of operations and financial condition and cause the price of our ADSs to decline. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that causes them to lose value, in part as we undertook not to invest a significant portion of the proceeds of the offering in “investment securities” as defined in the US Investment Company Act of 1940.

If you purchase ADSs in this offering, you will suffer immediate and substantial dilution of your investment.

The initial public offering price of our ADSs is substantially higher than the net tangible book deficit per share. Therefore, if you purchase our ADSs in this offering, you will pay a price per ADS that substantially exceeds our pro forma net tangible book deficit per share after this offering. Based on the initial public offering price of \$ per ADS, you will experience immediate dilution of \$ per ADS, representing the difference between our pro forma net tangible book value per share after giving effect to this offering at the initial public offering price. See “Dilution” for more detail.

We may need to raise additional funds to finance our future capital needs, which may dilute the value of our outstanding ADSs or prevent us from growing our business.

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.

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 may 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;
- additions or departures of key personnel;
- sale of our ADSs by us, our principal shareholders or members of our management;
- general economic conditions;
- changes in interest rates; and
- availability of capital.

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. This litigation, if instituted against us, could result in substantial costs, divert our management's attention and resources, and our business, prospects, financial condition and results of operations could be materially and adversely affected.

Future sales of our ADSs, or the perception in the public markets that these sales may occur, may depress our stock price.

Sales of substantial amounts of our ADSs in the public market after this offering, or the perception that these sales could occur, could adversely affect the price of our ADSs and could impair our ability to raise capital through the sale of additional shares. Upon completion of this offering, we will have ordinary shares outstanding, including ADSs. The ADSs offered in this offering will be freely tradable without restriction under the Securities Act, except for any of our ADSs that may be held or acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

We have agreed, subject to specified exceptions, with the underwriters not to directly or indirectly sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open "put

equivalent position” within the meaning of Rule 16a-1(h) under the Exchange Act, purchase, contract or grant any option, right or warrant to purchase, or otherwise dispose of any of our shares or ADSs, or securities convertible into or exchangeable or exercisable for our shares or ADSs currently or hereafter owned either of record or beneficially; or publicly announce an intention to do any of the foregoing; or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our shares or ADSs or such other securities for a period of 180 days after the date of this prospectus without the prior written consent of Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC. Our Founder and chairwoman, CEO, CFO and CSBO have agreed to similar lockup restrictions for a period of 365 days. Our other existing shareholders have agreed to similar lockup restrictions for a period of 180 days. See “*Underwriting.*”

All of our ADSs outstanding as of the date of this prospectus may be sold in the public market by existing shareholders after the date of this prospectus subject to the foregoing restrictions, subject to applicable limitations imposed under federal securities laws. See “*Shares and American Depositary Shares Eligible for Future Sale*” for a more detailed description of the restrictions on selling our ADSs after this offering.

In the future, we may also issue our securities if we need to raise capital in connection with a capital raise or acquisition. The amount of ADSs issued in connection with a capital raise or acquisition could constitute a material portion of our then-outstanding 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, our stock price and trading volume could decline.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us, our business or our industry. We may have limited, and may never obtain significant, research coverage by securities and industry analysts. If no additional securities or industry analysts commence coverage of our Company, the trading price for our ADSs could be negatively affected. In the event we obtain additional securities or industry analyst coverage, 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 depositary 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 depositary instructions and (iii) a statement as to the manner in which instructions may be given by the holders.

You may instruct the depositary 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 depositary to vote the ordinary shares underlying your ADSs. 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 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, 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 the general meeting 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.

ADSs 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 pay.

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 “— *Changes in our share ownership, including a change of control of our shares, 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. See “*Exchange Rates.*”

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 depository 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 depository 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 Turkey will be subject to a 15% withholding tax.

Dividends payable by a joint stock company that has its legal and/or business center in Turkey to shareholders (both individual and corporate) who are not tax residents of Turkey (i.e., non residents), and who do not have a permanent establishment constituted in Turkey 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 Turkey (which should be already registered for corporate tax in Turkey) are exempt from such withholding tax. There is a presumption that ADSs representing our Class B ordinary shares are being held by non-resident holders that do not have a taxable presence in Turkey 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. Turkey’s tax treaties with different countries may provide reduced dividend withholding taxes such as 5% or 10%; however such reduced tax rates are not usually applicable to portfolio type investments because of minimum shareholding ratio requirements stipulated in most of Turkey’s tax treaties. Therefore, 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 “*Taxation — Material Turkey 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 depository. However, the depository 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 depository may refuse to deliver, transfer or register transfers of your ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository 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 Turkey 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 Turkey. 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 the 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, Turkey 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 Turkey.

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 Turkish Commercial Code No. 6102, (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 "*Management — 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, Turkey 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 Turkey. 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. See "*Description of Share Capital and Articles of Association — Comparison of Turkish Corporate Law and Delaware Corporate Law.*"

From time to time we may grant share based compensation to our management and employees, which may cause their interests to become excessively tied to the trading price of our Class B ordinary shares.

From time to time, we may grant share options 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. In March 2021 we adopted an Incentive Plan (as defined under "*Management — Incentive Plan*") for key executives and employees that will take effect upon the company's listing its Class B ordinary shares or ADSs representing Class B ordinary shares. Under the Incentive Plan, such key executives and employees may be issued cash-based awards, restricted stock units and performance stock units that are conditional on meeting certain vesting conditions. For more information about our Incentive Plan, see "*Management — Incentive Plan.*"

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that relate to our current expectations and views of future events. These forward-looking statements are contained principally in the sections entitled “*Prospectus Summary*,” “*Risk Factors*,” “*Use of Proceeds*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Business*.” These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed under “*Risk Factors*,” 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,” “should,” “anticipate,” “aim,” “intend,” “plan,” “potential,” “continue,” “is/are likely to” or other similar expressions. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our future financial performance, including our revenue, operating expenses and our ability to achieve and maintain 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; and
- our ability to improve our technology platform, customer experience and product offerings to attract and retain merchants and customers.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. 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*” and the following:

- our lack of historical profitability and risks in achieving profitability in the future;
- our ability to effectively manage our growth;
- our ability to maintain and enhance our brand;
- significant competition in our markets;
- our ability to improve our user experience, customer and merchant value propositions and technology to attract and retain customers and merchants;
- further impacts of the COVID-19 pandemic or other health crises affecting our customers, as well as any governmental or international response measures;
- any significant fluctuations in our results of operations and growth rate;
- global or Turkish political and economic stability;
- regulatory concerns;
- our ability to implement and maintain an effective system of internal control over financial reporting;
- our ability to retain and motivate our personnel and attract new talent; and
- as a foreign private issuer, an emerging growth company and a controlled company, we are exempt from a number of rules under the U.S. securities laws and Nasdaq corporate governance rules and are permitted to file less information with the SEC than U.S. companies, which may limit the information available to holders of the ADSs.

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 prospectus relate only to events or information as of the date on which the statements are made in this prospectus. 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 prospectus and the documents that we have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results or performance may be materially different from what we expect.

EXCHANGE RATES

The Turkish Lira has historically been and continues to be a volatile currency. The Turkish Central Bank (the “**Central Bank**”) has adopted a floating exchange rate policy.

The table below sets forth the high, low, period average and end and exchange rates for U.S. dollars announced by the Central Bank, expressed as the number of Turkish Lira per U.S. dollar, for the periods indicated.

| Year ended December 31, | Period end⁽¹⁾ | Period average⁽²⁾ | High | Low |
|--------------------------------|---------------------------------|-------------------------------------|-------------|------------|
| 2018 | 5.2609 | 4.8134 | 6.8798 | 3.7371 |
| 2019 | 5.9402 | 5.6708 | 6.2026 | 5.1945 |
| 2020 | 7.3405 | 7.0090 | 8.4613 | 5.8529 |
| Month: | | | | |
| January 2021 | 7.3723 | 7.3940 | 7.4952 | 7.2733 |
| February 2021 | 7.1924 | 7.0724 | 7.3216 | 6.9150 |
| March 2021 | 8.3260 | 7.6282 | 8.3260 | 7.2670 |
| April 2021 | 8.1753 | 8.1550 | 8.3295 | 8.0362 |

Source: Central Bank U.S. dollar buying rates, based on the indicative exchange rates announced after 15:30, for the following business day

- (1) Represents the Central Bank’s indicative U.S. dollar buying rate announced for the respective period end date,
- (2) Represents the daily average of the Central Bank’s indicative U.S. dollar buying rates announced for the business days in the respective period.

The table below sets forth the high, low, period average and period end exchange rates for Euro announced by the Central Bank, expressed as the number of Turkish Lira per Euro, for the periods indicated.

| Year ended December 31, | Period end⁽¹⁾ | Period average⁽²⁾ | High | Low |
|--------------------------------|---------------------------------|-------------------------------------|-------------|------------|
| 2018 | 6.0280 | 5.6627 | 7.8327 | 4.4840 |
| 2019 | 6.6506 | 6.3477 | 6.9419 | 5.9328 |
| 2020 | 9.0079 | 8.0278 | 10.0279 | 6.5096 |
| Month: | | | | |
| January 2021 | 8.9216 | 9.0081 | 9.1164 | 8.9216 |
| February 2021 | 8.7811 | 8.5562 | 8.8718 | 8.3867 |
| March 2021 | 9.7741 | 9.0913 | 9.7741 | 8.6566 |
| April 2021 | 9.9090 | 9.7339 | 10.0735 | 9.4646 |

Source: Central Bank Euro buying rates, based on indicative exchange rates announced after 15:30, for the following day

- (1) Represents the Central Bank’s indicative Euro buying rate announced for the respective period end date,
- (2) Represents the daily average of the Central Bank’s indicative Euro buying rates announced for the business days in the respective period.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$ _____ million, assuming an initial public offering price per ADS of \$ _____, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated expenses of the offering that are payable by us.

Each \$1.00 increase (decrease) in the assumed initial public offering price per ADS would increase (decrease) our net proceeds, after deducting the estimated underwriting discounts and commissions and expenses, by \$ _____, assuming that the number of ADSs offered by us, as set forth on the cover of this prospectus, remains the same. Each increase (decrease) of 1,000,000 ADSs in the number of ADSs offered by us would increase (decrease) our net proceeds, after deducting the estimated underwriting discounts and commissions and expenses, by approximately \$ _____ million, assuming no change in the assumed initial public offering price per ADS. Expenses of this offering will be paid by us.

We will not receive any proceeds from the sale of ADSs by the Selling Shareholder.

The principal purposes of this offering are to broaden and strengthen our shareholder base, increase financial flexibility and to create a public market for our ADSs. We currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures. We may also use a portion of the net proceeds for acquisitions of, or strategic investments in, complementary businesses, products, services, or technologies. We have not quantified or allocated any specific portion or range of the net proceeds to us for any particular purpose and we do not have any plans or commitments to enter into any material acquisitions or investments at this time. We will have broad discretion over how we use the net proceeds from this offering. We intend to invest, subject to certain limitations, the net proceeds from the offering that are not used as described above in investment-grade, interest-bearing instruments.

The amount and timing of our use of the proceeds for these purposes may vary significantly and will depend on a number of factors, including our future revenue and cash generated by operations and the other factors described in “*Risk Factors*.” Accordingly, our board of directors will have broad discretion using the net proceeds of this offering.

DIVIDEND POLICY

We do not currently anticipate paying any 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. See *“Risk Factors — Risks Related to the ADSs and the Offering — 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.”*

To the extent we declare cash dividends in the future, we will pay those dividends solely in Turkish Lira. Except as otherwise described under *“Description of American Depositary Shares,”* 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. See *“Exchange Rates”*.

For a description of the legal and regulatory framework and the provisions of our articles of association with related to the declaration and payment of dividends, see *“Description of Share Capital and Articles of Association — Articles of Association — Dividends.”*

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. See *“Material Tax Considerations — Material Turkey Tax Considerations.”*

CAPITALIZATION

The table below sets forth our cash and cash equivalents and capitalization as of March 31, 2021:

- on an actual basis; and
- on an as adjusted basis to reflect the issuance and sale of ADSs in this offering at the assumed initial public offering price of \$ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Investors should read this table in conjunction with our audited financial statements included in this prospectus as well as “*Use of Proceeds*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations.*”

| | As of March 31, 2021 | |
|--|-------------------------------|----------------------------|
| | Actual | As adjusted ⁽¹⁾ |
| | (unaudited) (Turkish Lira) | |
| Cash and cash equivalents | 388,362,900 | |
| Bank borrowings current portion | 432,617,982 | |
| Equity: | | |
| Share capital | 56,865,658 | |
| Share premiums | 187,464,832 | |
| Restricted reserves | 1,586,430 | |
| Accumulated deficit | (1,271,949,143) | |
| Total equity ⁽²⁾ | (1,026,032,223) | |
| Total Capitalization | (205,051,341) | |

- (1) Each US\$1.00 increase or decrease in the assumed initial public offering price of \$ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the as adjusted amount of each of cash and cash equivalents, share capital, share premium, total equity and total capitalization by approximately TRY million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. Each increase or decrease of 1,000,000 ADSs in the number of ADSs offered by us, as set forth on the cover page of this prospectus, would increase or decrease, respectively, the as adjusted amount of each of cash and cash equivalents, share capital, share premium, total equity and total capitalization by approximately TRY million, assuming no change in the assumed initial public offering price per ADS and after deducting the estimated underwriting discounts and commissions.
- (2) As adjusted column assumes completion of the closing mechanics described under “*Underwriting — Stock Lending Agreement.*”

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and the as adjusted net tangible book value per share immediately following the consummation of this offering, translated into U.S. dollars at TRY _____ per U.S. dollar.

At March 31, 2021, we had a historical net tangible book value of \$ _____ million, corresponding to a net tangible book value of \$ _____ per share or \$ _____ per ADS based on an ordinary share to ADS ratio of _____. Net tangible book value per share represents the amount of our total assets less our total liabilities, excluding goodwill and other intangible assets, divided by the total number of our ordinary shares outstanding.

After giving effect to the sale by us of ADSs (representing an aggregate of ordinary shares) in this offering at the assumed initial public offering price of \$ _____ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us (and assuming completion of the closing mechanics described in “*Underwriting — Stock Lending Agreement*”), our as adjusted net tangible book value at March 31, 2021 would have been approximately \$ _____ million, representing \$ _____ per share or \$ _____ per ADS. This represents an immediate increase in net tangible book value of \$ _____ per share or \$ _____ per ADS to existing shareholders and an immediate dilution in net tangible book value of \$ _____ per share or \$ _____ per ADS to new investors purchasing ADSs in this offering at the assumed initial public offering price. Dilution in net tangible book value per ADS to new investors is determined by subtracting as adjusted net tangible book value per ADS after this offering from the assumed initial public offering price per ADS paid by new investors.

The following table illustrates this dilution to new investors purchasing ADSs in the offering:

| | |
|---|----------|
| Assumed initial public offering price | \$ _____ |
| As adjusted net tangible book value per ADS as of March 31, 2021 | |
| Increase in net tangible book value per ADS attributable to this offering | |
| As adjusted net tangible book value per ADS after this offering | |
| Dilution per ADS to new investors in this offering | \$ _____ |

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, respectively, would increase or decrease the as adjusted net tangible book value after this offering by \$ _____ per ADS and the dilution per share to new investors in the offering by \$ _____ per ADS, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section entitled “Summary Consolidated Financial and Other Data,” and our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion and analysis contain forward-looking statements that involve numerous risks and uncertainties, including, but not limited to, those described in the “Risk Factors” section of this prospectus. Actual results and timing of events could differ materially from those expressed or implied in any forward-looking statements. See “Cautionary Statement Regarding Forward-Looking Statements” for more information.

Company Overview

We are a leading commerce platform in Turkey and in 2020, we connected 33 million members, 9 million Active Customers and a fast growing base of approximately 45 thousand Active Merchants. We provide high-quality customer experience by relentlessly focusing on selection, price and delivery:

- **Selection:** As of December 31, 2020 we had over 44 million SKUs, including variants (color, size, etc.) across 32 different categories offered through a hybrid model combining a first-party Direct Sales model (1P model) and a third-party Marketplace model (3P model);
- **Price:** We seek to provide the best value for our customers by offering products at highly competitive prices; and
- **Delivery:** We operate a large, fast and scalable in-house logistics network with robust last-mile delivery capabilities based on a proprietary technology platform.

Founded in 2000, Hepsiburada has been one of the early pioneers of digitalization of commerce in Turkey 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 96% for aided brand awareness (with the two closest competitors in Turkey scoring 95% and 92%, respectively), 78% for spontaneous brand awareness (with the two closest competitors in Turkey scoring 74% and 63%, respectively) and 91% for highest preference score (with the two closest competitors in Turkey scoring 89% and 87%, respectively), according to FutureBright Research Brand Health Report in 2020. Additionally, our brand had a market leading NPS of 66 for the three months ended March 31, 2021 according to the company’s internal reporting and has been named Turkey’s favorite e-commerce brand several times by Mediacats’ Lovemark, a survey which aims to reveal the brands consumers value within a given category. Supported by the strength of our brand, we benefit from substantial organic traffic, with approximately 70% of traffic being unpaid traffic, for the three months ended March 31, 2021.

We believe that our commitment to five central pillars of our business culture is the reason we have risen to become a leader of e-commerce in Turkey as evidenced by our brand awareness track record. The five pillars of our business culture are:

- customer-first mentality;
- entrepreneurial business acumen;
- meticulous execution;
- relentless innovation; and
- social consciousness, diversity and inclusion.

Our aim is for customers of Hepsiburada to come to the platform and be able to do the following:

- **Hepsiburada:** Shop a wide range of products online;
- **HepsiExpress:** Order groceries and essentials to be delivered within 30 to 60 minutes;
- **HepsiGlobal:** Discover and purchase products from international merchants online;
- **HepsiPay:** Use different online payment options; and
- **HepsiFly:** Buy airline tickets online.

We have 20 years of e-commerce experience in Turkey, 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 Turkey.

Since the launch of our Marketplace in 2015, Hepsiburada has become a trustworthy partner for merchants in Turkey by providing access to 33 million members and 9 million Active Customers and comprehensive end-to-end solutions to empower merchants to thrive digitally. In 2020, our 3P-based Marketplace model accounted for approximately 59% of our GMV, following the successful transformation of Hepsiburada from a 1P-based Direct Sales only business to its current hybrid 1P and 3P-based model. Our aim is for Hepsiburada's merchants to enjoy a seamless set of integrated e-commerce solutions:

- **HepsiLojistik:** Fulfillment options across Turkey;
- **HepsiJet:** Last-mile delivery services;
- **HepsiPay:** Online payment solutions; and
- **HepsiAd:** Personalized ads and data insights.

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 price competitiveness, has allowed us to attract a growing total Active Customer base of 9 million in 2020, up from 6.5 million in 2019 and 4.8 million in 2018 and increase the frequency of orders on our platform to 3.9 in 2020, up from 3.5 in 2019 and 3.1 in 2018, which in turn draws more merchants and further enhances our customer value proposition. In addition, our proprietary data and insights collected over the last 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 March 2021, we operate:

- a nationwide infrastructure including six fulfillment centers in strategic locations that encompass a total area of more than 120 thousand square meters;
- our HepsiJet business is one of the fastest growing logistics companies with an on-time delivery performance of 95% in 2020, and operates in 63 cities with 115 cross-docks as of March 31, 2021; and
- our HepsiMat business is a pick-up & drop-off (PUDO) network with more than 950 branded parcel lockers and pick-up points as of March 2021 and has partnership with local stores, gas stations and retailers.

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 ensure a seamless experience for our merchants and customers with our single mobile app that connects our offerings and services.

Our business has experienced a long history of strong growth as a result of our commitment to meticulous execution. Our revenues increased by 66% to TRY 1.4 billion in the three months ended March 31, 2021 from TRY 0.8 billion in the three months ended March 31, 2020 and by 145% to TRY 6.4 billion in 2020 from TRY 2.6 billion in 2019 and by 33% from TRY 2.0 billion in 2018, and our total GMV increased by 95% to TRY 4.5 billion in the three months ended March 31, 2021 from TRY 2.3 billion in the three months ended March 31, 2020 and by 111% to TRY 17.0 billion in 2020 from TRY 8.0 billion in 2019 and by 56% from TRY 5.1 billion in

2018, fueled by increasing purchase frequency, greater customer loyalty and an expanding pool of Active Customers of 9 million in 2020, up from 6.5 million in 2019 and 4.8 million in 2018, a CAGR of 38% from 2018 to 2020. We had Free Cash Flow of TRY (158.8) million and TRY 60.5 million in the three months ended March 31, 2021 and 2020, respectively, TRY 341.4 million, TRY 310.4 million and TRY 119.0 million in 2020, 2019 and 2018, respectively.

Key Factors Affecting Our Financial Condition and Results of Operations

General

Our performance and results of operations have been, and will continue to be, affected by a number of key factors, which we believe include the following:

- macroeconomic and demographic factors in Turkey;
- growth and engagement of our customers;
- number of our merchants and the assortment offered on our platform;
- efficiency of our logistics infrastructure;
- our ability to leverage our growing scale;
- COVID-19 impact;
- seasonality; and
- exchange rate volatility.

Macroeconomic and Demographic Factors in Turkey

As a member of the G20, Turkey is the 13th largest economy in the world by GDP based on purchasing power parity in 2019 according to the IMF World Economic Outlook report dated 2021 and a total GDP of U.S. \$717 billion in current prices for 2020 according to Turkstat, which is projected to grow 4.1% CAGR to US\$877 billion in 2025. Turkey is also the largest economy in the Central Eastern Europe (excluding Russia) according to ADL. Turkey is one of the fastest growing economies in the world, with real GDP CAGR of 5.2% from 2010 to 2020 based on Turkstat. In 2020, the year marked by the COVID-19 pandemic, Turkey was one of the only two G20 member countries with real GDP growth (1.8% year on year according to Turkstat), along with China, according to the IMF World Economic Outlook. According to the IMF, Turkey is the second most populous country in Europe with a population of 84 million as of December 31, 2020 and a population growth of 1.3% from 2010 to 2020. Turkey benefits from attractive demographics, the second youngest in Europe (after Kosovo) with 46% of the population under the age of 30 according to Turkstat, and an increasing urban population share of approximately 75% based on UN data as of 2018, which is comparable to Germany.

The retail market is one of the largest and fastest growing industries in Turkey. According to ADL, the Turkish retail market grew at a CAGR of 15.3% from 2015 to 2020 and reached TRY 866 billion in 2020. The market is projected to grow at a CAGR of 15.7% in the period 2020 to 2025 and to approximately TRY 1,798 billion based on a forecast from ADL.

Turkey's e-commerce market (exclusive of services, travel and betting) has grown significantly faster than the broader retail market, at a CAGR of 46.1% from 2015 to 2020, reaching a total market size of TRY 88 billion in 2020 (in terms of gross merchandise value excluding cross-border sales, B2B sales, VAT and services (e.g., food delivery); not excluding returns), according to ADL. E-commerce penetration has more than tripled during the same time period to 10.1% in 2020, from 3.1% of the overall retail market in 2015, according to ADL. Low e-commerce penetration in Turkey suggests significant room for growth when compared to penetration in other similar large markets, with South Korea at 35.8% and China at 27.3%,

closely trailed by the UK with 24.2% and the US with 20.3%, and with Poland at 14.4%, Brazil at 13.9%, Germany at 13.6% and Russia at 10.5% in 2020 based on Euromonitor¹ data. See “*Market and Industry Data.*”

The strong historical and projected growth of e-commerce sector is underpinned by: (1) nationwide internet infrastructure with 78% internet penetration² among the population between the ages of 16 and 74, according to Turkstat, and 77% smartphone penetration, according to Euromonitor³, in 2020; (2) high credit & debit card penetration with 91% credit card penetration and 225% debit card penetration in 2020 according to BKM (where penetration is calculated by dividing the number of credit and debit cards, respectively, by the population of Turkey); (3) well-established logistics infrastructure with high quality highways, railway networks, airports and seaports enabling nationwide delivery of orders (4) based on ADL projections, online e-commerce is projected to grow 35% CAGR from 2020 to 2025, with offline retail projected to grow by only 13% in the same period and as a result, e-commerce has grown to 10.1% of total retail commerce in Turkey as of 2020 and is expected to continue to grow as a share of total retail through 2025.

As internet penetration and proliferation of smartphones increase, the number of consumers shopping online is expected to reach 44 million in 2025 compared with 26 million in 2020, implying 69% of the Turkish population between the ages of 16 and 74 will become online shoppers by that time, resulting in an e-commerce market size of TRY 397 billion (in terms of gross merchandise value excluding cross-border sales, B2B sales, VAT and services (e.g., food delivery); not excluding returns) and e-commerce penetration of 22.1% by 2025 based on ADL’s forecast.

Our results of operations, in particular our GMV, sales of goods revenue and services revenue, as well as our profitability are dependent on the growth in GDP and GDP per capita growth in Turkey in addition to the growth in the Turkish retail market and e-commerce market penetration. The Turkish economy’s real GDP grew at a CAGR of 5.2% from 2010 to 2020 based on data from Turkstat, and the Turkish retail and e-commerce markets grew at a CAGR of 15.3% and 46.1%, respectively, from 2015 to 2020 according to ADL. Supported by the strong macroeconomic landscape, our GMV grew at a CAGR of 82% to TRY 17.0 billion in 2020 from TRY 5.1 billion in 2018, which in turn resulted in a revenue growth at a CAGR of 81% in the same period.

Growth and Engagement of our Customers

Our ability to generate revenues and profits mainly depends on increasing purchase frequency, customer loyalty and expanding our Active Customer base, which depend on our success in improving the customer experience through expanded logistics and fulfillment capabilities, developing and improving our platform and offering new products and services. For the years ended December 31, 2020, 2019 and 2018, our financial results have benefited from customer retention and an increased frequency of orders (3.9, 3.5 and 3.1 purchases per customer, respectively), and we believe our leading brand, hybrid commerce model with a unified 1P and 3P catalogue, and strong customer and merchant value propositions create powerful network effects.

Our increasing selection of products and services, as well as price competitiveness, is another factor that contributes to attract a growing total Active Customer base and increase the frequency of transactions on our platform, which in turn draws more merchants and further enhances our customer value proposition. As of December 31, 2020, there were over 44 million SKUs on our platform (compared to 20.4 million SKUs in 2018) across 32 different categories. As a result of our wide variety of products, we believe we have been able to achieve attractive prices in Turkish e-commerce market. Based on GFK independent consumer research, 77% of online shoppers in Turkey rated our prices favorably (Question asked: “Please rate the following six e-commerce platforms for price from 1 to 5, 5 being the most positive performance”, a response of 4 or 5 is considered favorable). In addition, our proprietary data and insights

¹ Euromonitor, Retailing 2021 ed.

² Internet penetration is defined as the percent of the population between the ages of 16 and 74 that have used the internet within the last 3 months.

³ Euromonitor, Economies and Consumers data, March 2021

collected over the last 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 this network effect.

Thanks to these efforts, we had a market leading 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 66 for the three months ended March 31, 2021 (56, 49, 52 in 2020, 2019 and 2018, respectively), and have been elected Turkey's favorite e-commerce brand several times by MediaCats' Lovemark and have won several other awards since 2015 for our e-commerce platform achievements and in customer excellence, which we believe is an indicator of our strong customer satisfaction. Further, we have reduced the rate at which customers raise customer services inquiries through our ticketing system to 2.6% in the first quarter of 2021, from 5.1% of orders in 2020 and 6.4% in 2019.

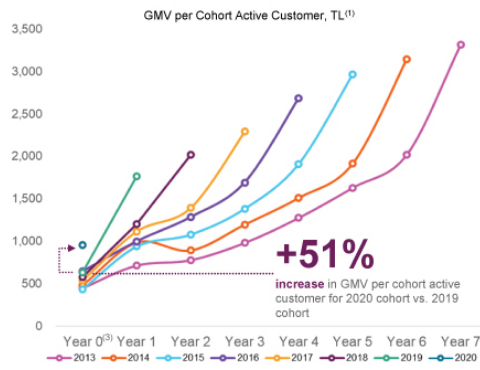
To ensure increased customer retention, we launched our Loyalty Club in August 2020. As of December 31, 2020, we had more than 230 thousand customers admitted to our Loyalty Club since its launch. Admissions to our Loyalty Club are made to create sustainable and recurring revenue, by increasing the purchase frequency of our customers. On average, from the launch of our Loyalty Club in August 2020 to December 31, 2020, members of our Loyalty Club shopped approximately 2.5 times more frequently on a monthly basis compared to our non-Loyalty Club customers. In addition, one of the main drivers of our GMV growth has been the increase in our customers' order frequency as we expanded our product and service offerings. We aim to leverage the deep understanding of our customers' preferences, which we have been building up over the years, 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. Approximately 13% of orders in 2020 included products that were recommended by our proprietary recommendation engine. As a result of these initiatives, in the period under review, we increased the frequency of orders on our platform to 3.9 in 2020, from 3.5 in 2019 and 3.1 in 2018. This increase drove an increase in our GMV, which in turn, during the period under review contributed to an increase in our revenue. In 2020, we observed a frequency increase of 11% which contributed to the increase in our revenues of 144.9%. Similarly, in 2019, we observed a frequency increase of 11% which contributed to the increase in our revenues of 33.2% as compared to 2018.

To track customer growth and engagement, we perform cohort analysis, where we group our Active Customers based on the year of their first purchase through our platform and track GMV generated per cohort customer as well as their order frequency. Since 2013, we observed a growing trend in GMV per cohort Active Customer. In the first year of purchase, our GMV per cohort customer in 2020 increased by 51% as compared to 2019.

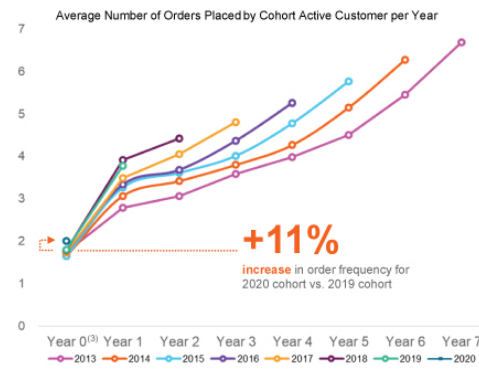
Since 2013, we also observed a growing trend in order frequency per cohort Active Customer. In the first year of purchase, frequency per cohort customer in 2020 increased by approximately 11% compared to 2019.

The figures below indicate the GMV per cohort Active Customer and the average number of orders placed by cohort customer per year:

Increasing Customer Loyalty Reflected in Growing GMV per Cohort...

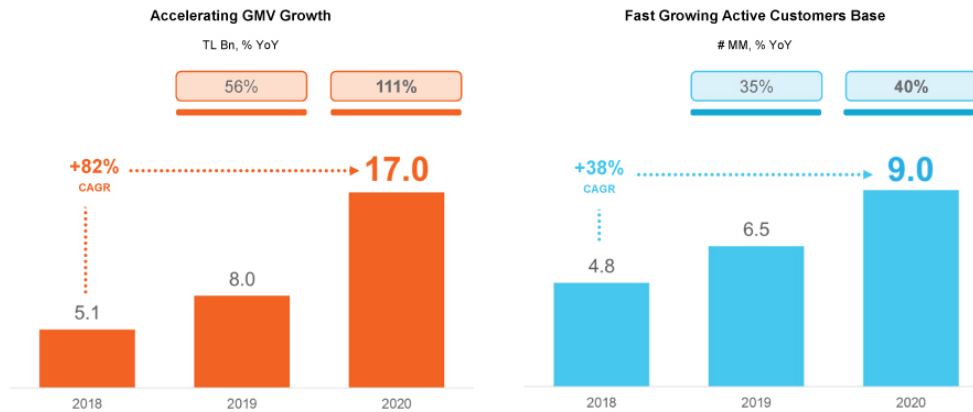


...and Order Frequency⁽²⁾



- (1) Refers to GMV for a particular Active Customer cohort (2013-2020) in the respective year (Years 0-7), divided by the total number of Active Customers in that cohort.
- (2) Order frequency denotes the total number of orders placed by the Active Customer cohort (2013-2020) placed in the respective year (Years 0-7) divided by the total number of Active Customers in that cohort.
- (3) Year 0 is the year in which the Active Customers of each cohort made their first order, while Year 1, Year 2, Year 3, Year 4, Year 5, Year 6 and Year 7 refer to the relevant subsequent years of each Active Customer cohort's life.

The below charts indicate our GMV growth and growth in our Active Customer base from 2018 to 2020:



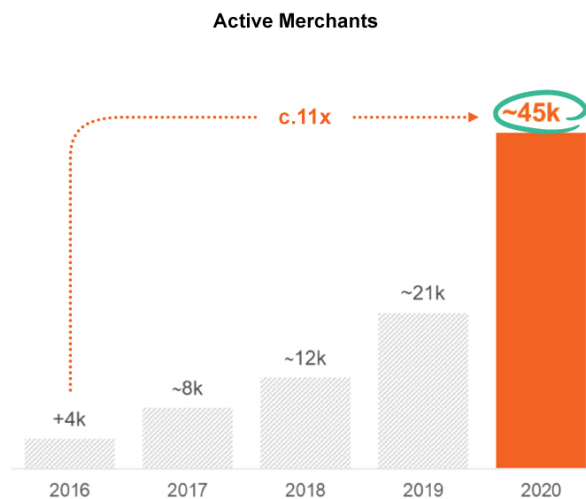
Our results of operations, in particular our GMV, sales of goods revenue and services revenue, as well as our profitability are dependent on our ability to retain and grow our customer base, in addition to our ability to increase our customers' purchase frequency. We continuously strive for growing our customer base while we also target to increase customer retention and frequency to maintain our leading position in Turkey.

Number of Merchants and the Assortment Offered on our Platform

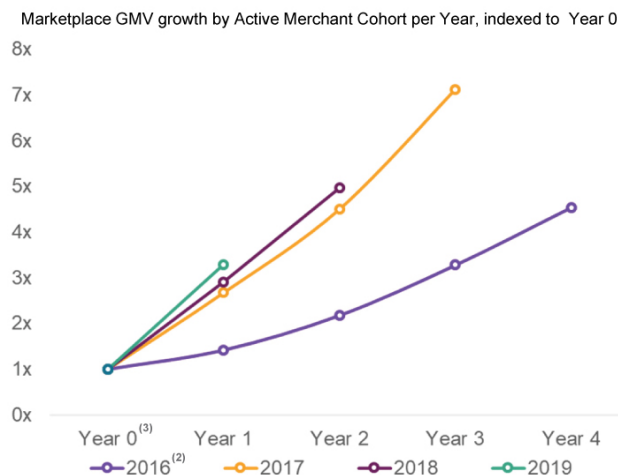
Within our Marketplace operations, we have one of the largest merchant bases in Turkey, with approximately 45 thousand Active Merchants as of December 31, 2020, having become a “one-stop-shop” and one of the most attractive digital platforms for merchants to access consumers across Turkey. As of the three months ended March 31, 2021 and the years ended December 31, 2020, 2019 and 2018, our Marketplace, which is based on a 3P model relying on merchants, represented approximately 70%, 59%, 66% and 58% of our total GMV, respectively. 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.

Our success depends on our ability to continue to innovate and provide products and services that are attractive to existing or new merchants. We are constantly upgrading our technology to provide improved performance, increased scale and better integration among our core businesses and complementary value-added services to our merchants (see “*Business — Our Value Added Services*”). Adopting new technologies, upgrading our online platform and technology infrastructure and maintaining and improving our technology infrastructure require significant investments of time and resources, including adding new hardware, updating software and recruiting and training new engineering personnel, which result in increased operational expenses. On the other hand, these initiatives also enable us to grow our customer base and increase purchase frequency, which results in an increase in our GMV, revenues and accordingly our profit. From 2018 to 2020, our Active Merchant base grew at a CAGR of over 90%. The growth in our Active Merchant base enabled us to increase our product selection with competitive pricing. As a result, we were able to increase our GMV and therefore increase our revenues. In 2020, we observed growth in our Active Merchant base of approximately 111% which contributed to the increase in our revenues of 144.9%. Similarly, in 2019, we observed growth in our Active Merchant base of 73% which contributed to the overall increase in our services revenues of 89.3%.

The below illustration indicates the growth in our Active Merchants from 2016 to 2020.



The below illustration indicates our Marketplace GMV growth by Active Merchant cohort indexed to their first year of sales by Active Merchant cohort from 2016 to 2020.

Marketplace GMV growth by Active Merchant Cohort⁽¹⁾

- (1) Refers to Marketplace GMV for a particular Active Merchant cohort (2016 – 2019) in respective year (Years 0 – 4), divided by the total number of Active Merchants in that cohort, indexed to Year 0.
- (2) 2015 cohort members are added to 2016 cohort members since Marketplace only launched by the end of 2015.
- (3) Year 0 is the year in which the active merchants of each cohort made sold their first order, while Year 1, Year 2, Year 3, Year 4 refer to the relevant subsequent years of each active merchant's cohort's life.

Our results of operations, in particular our GMV, sales of goods revenue and services revenue, as well as our profitability are dependent on our ability to retain and grow our customer base, in addition to our ability to increase our customers' purchase frequency.

To attract and retain merchants, we offer a highly-attractive online platform that had 33 million members, and 9 million Active Customers as of December 31, 2020. 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, 2020, there were over 44 million SKUs on our platform (compared to 20.4 million SKUs in 2018) across 32 different categories.

As of December 31, 2020, of our approximately 45 thousand Active Merchants, approximately 42 thousand were small and medium enterprises ("SMEs"), whereas the remaining approximately 3 thousand were key account merchants. Key account merchants enable us to provide products from top brands, high volumes and quality whereas SMEs provide us with product assortment and variety.

Efficiency of our Logistics Infrastructure

Our logistics infrastructure comprises a network of six fulfillment centers across Turkey, including our Gebze fulfillment center which is one of the largest dedicated e-commerce operation centers in the neighboring region in terms of square meters. Our fulfillment centers, including regional warehouses encompass a total area of more than 120 thousand square meters.

To complement our logistics infrastructure responsible for delivery and fulfillment, we also provide last-mile delivery services. As of March 31, 2021, Hepsijet services were available in 63 cities in Turkey

serving to approximately 95% of Turkey's population. By June 30, 2021, we aim for Hepsijet to serve in all 81 cities in Turkey. As of March 31, 2021, Hepsijet operated 115 cross-docks, with a target to expand to over 150 cross-docks (parcel transfer centers) throughout Turkey with approximately 3,500 carriers by the end of 2021 (carriers increased 13 times from December 2017 to December 2020). All our carriers (i.e., motorcycle and truck carriers) are crowd-sourced (i.e., we subcontract carriers who use their own vehicles for this service). We are an end-to-end ecosystem with full in-house capabilities across fulfillment, logistics and last mile delivery in Turkey.

We believe that our logistics infrastructure is an important pillar of our success and enables us to improve the customer experience. 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 one of the key factors affecting our ability for last-mile delivery services. We believe further expansion of our Hepsijet last-mile services which is supported by our existing logistics infrastructure, will give us an ability to provide fulfillment and delivery services in a more efficient and cost-effective manner, resulting in 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 on our ability to expand our services to adjacent services. In our Marketplace and Direct Sales operations, our ability to retain (i) our leading position based on aided brand awareness of 96% in 2020 (*FutureBright Research Brand Health Report*), (ii) high levels of traffic (179 million average monthly visits in 2020), and (iii) our wide selection of product offering (over 44 million SKUs across 32 different categories in 2020) will affect our results of operations, in particular our GMV, revenue and profitability. 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, growth and data and commercial 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 leading position in the Turkish e-commerce market.

In addition, we expanded our commerce platform in 2020, and developed an ecosystem of services centered on making people's lives easier. The ecosystem we have been building includes HepsijetExpress, HepsijetPay, Hepsijet, HepsijetLojistik, HepsijetMat, HepsijetAd, HepsijetGlobal and HepsijetFly as of the date of this prospectus. We aim to take advantage of the natural synergies that exist between our services and increase adoption amongst our customer base. Greater utilization of our resources will drive further improvements in our unit economics.

As of the date of this prospectus, we have launched HepsijetExpress, Hepsijet, HepsijetLojistik, HepsijetMat, HepsijetGlobal (inbound), HepsijetAd and HepsijetPay. We are currently developing HepsijetGlobal (outbound) and HepsijetFly, with each expected to launch later in 2021.

We launched HepsijetExpress in 2020 as an expansion into grocery and essentials delivery services, embedded within the Hepsiburada application. Our short- to medium-term expansion plan is to reach a team of over 2,000 (including outsourced picking and delivery agents) with coverage of over 50 cities in Turkey, delivering groceries and essentials from more than 100 retailers and more than 3,000 stores. We are planning further expansion to deliver personal care products and goods from pet shops.

We launched Hepsijet in 2017 to provide last-mile delivery logistics. As of March 31, 2021 we operated 115 cross-docks across 63 cities in Turkey, which we aim to expand to more than 150 cross-docks by the end of 2021 and nationwide Hepsijet coverage by June 30, 2021.

As of March 31, 2021, we operated six fulfillment centers with a total area of over 120 thousand square-meters. We launched our 24/7 fulfillment operations as “HepsiLojistik” in 2020. With the launch of HepsiLojistik we expanded our fulfillment operations and made fulfillment services available to merchants in our Marketplace operations for a fee. In the future we aim to scale up HepsiLojistik by enhancing automation at our fulfillment centers. We also rebranded our “click-and-collect” services as HepsiMat in 2020, which provides pick-up and drop-off (“PUDO”) logistics services.

We launched HepsiGlobal in 2020, which is our international cross-border infrastructure that enables cross-border (both inbound and outbound) sales operations. As of December 31, 2020, we launched the inbound limb of our HepsiGlobal, which is integrated within the Hepsiburada application, so that customers in Turkey are now able to purchase long-tail products (i.e., a large variety of hard-to-find items offered to many customers, each in small quantities, as opposed to bulk sales of popular items) that are sold by merchants located outside of Turkey. Our target is to grow to offer approximately one million SKUs through HepsiGlobal by the end of 2021. From 2021 onwards, we aim to launch and reinforce the outbound limb of this service to enable merchants in Turkey to make sales outside of Turkey.

In addition, we are developing HepsiFly, which is designed to provide our customers with an option to make airline ticket and hotel bookings, buy package tours, travel insurance and cancellation policies. For our HepsiFly services, we acquired a tourism agency license in February 2021 and HepsiFly went partially live in April 2021, initially focusing on airline tickets services with its full functionality still under development as travel restrictions related to COVID-19 are relaxed.

We are also developing HepsiAd, which is designed to provide self-service advertising solutions for merchants as a service to promote their sales on our platform. HepsiAd was initially launched in March 2021, but self-service solutions are not yet available as of the date of this prospectus.

Lastly, we launched HepsiPay in June 2021, which is a payment tool that enables instant returns, cancellations and cashback and digital wallet, and will enable, upon further development, instant money transfers between users and payment gateway capabilities. HepsiPay is designed to be a “companion wallet” to mobilize, spend, transfer and save money in a flexible manner across online and offline channels. We target delivering additional core capabilities by the end of 2021 with the goal, over time, of HepsiPay becoming the main payment facilitator for purchases on our platform, while also growing payment volumes in offline channels.

Once these newly-launched services are fully-operational (and services still in development become operational), we expect to leverage our existing customer base to help support the growth of these business initiatives as a function of our overall growth. We expect that among the business initiatives and strategic investments discussed above, HepsiExpress and HepsiGlobal (inbound) to begin to contribute to our GMV in the short to medium-term. While we believe that in the near term these strategic investments are likely to have a negative impact on our margins and cash flow generation given their levels of maturity, growth rates, and scale, in the long term we believe these investments will enhance our market leading position and positively impact our total revenue, Gross Contribution and Free Cash Flow. For a discussion of risks related to these business initiatives and strategic investments, please see “*Risk Factors — 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 profitability going forward.*”

COVID-19 Impact

In the three months ended March 31, 2021 and in 2020, our financial results were positively impacted by a considerable shift to online shopping by Turkish customers in response to the COVID-19 pandemic. GMV grew for the three months ended March 31, 2021 by 95%, compared to the three months ended March 31, 2020, the year ended December 31, 2020 by 111%, compared to the year ended December 31, 2019 and GMV grew 56% for the year ended December 31, 2019 compared to the year ended December 31, 2018. The impact of the COVID-19 pandemic on consumer behavior led to significant increases in GMV growth in the three months ended March 31, 2021 and in 2020, which impacts the comparability of results of operations between the year ended December 31, 2018 and 2019, and the year ended December 31, 2020 and the three months ended March 31, 2020 and in the three months ended March 31, 2021. See “*Market and Industry Data.*”

COVID-19 has led to significant global disruptions that not only which affected our business, but also our customers, merchants and suppliers. See “*Risk Factors — Risks Relating to Our Business and Industry — The COVID-19 pandemic has affected and may continue to negatively affect certain of our business activities and results. Any future 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.*” As of the date hereof, COVID-19 has spread widely around the world and new variants of the virus have emerged, resulting in the implementation of significant governmental measures in Turkey and globally, including lockdowns of manufacturing and logistics facilities, closures of businesses and offices, quarantines of individuals, and travel bans.

Similar to the global trend, the COVID-19 pandemic led consumers in the Turkish market to shift to e-commerce as a result of social distancing measures, with a consequential growth in demand for our products and services. This was primarily supported by the change in customer behavior where consumers have adopted online shopping behavior during the pandemic, which we expect to become permanent. As a result of social distancing, e-commerce orders for groceries and other essential products have also increased significantly.

Although COVID-19 has generally been a significant driver for customer adoption and growth of e-commerce services, the pandemic and the measures to contain its spread have resulted in business and manufacturing disruptions in Turkey, impacted the business activities of our e-commerce suppliers, merchants, and other ecosystem participants (such as logistics networks and payment channels in the affected markets), and disrupted the global supply chain.

We continue to closely monitor the impact of COVID-19 on our business and operations. The pandemic and related actions taken by governments to limit its spread could cause a temporary closure of our operational facilities, interrupt our fulfillment, delivery or logistics systems or severely impact the behavior and operations of our merchants, customers, and suppliers. As COVID-19 continues to evolve, the extent of its impact on our business in future periods remains uncertain.

Seasonality

Our business is affected by seasonality, which historically has resulted in higher sales volume 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 Legendary Friday (*Efsane Cuma*) sales in November. In the weeks of Legendary Friday in 2020, our average daily sales was 4.3 times higher than our average daily sales for the remainder of 2020. 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). This operating cycle results in a corresponding increase in accounts payable, combined with a decrease in inventories, as of December 31. 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. We typical experience our lowest sales during the months of July and August due to decreased frequency and traffic on our platform during the summer vacation months. See “—*Liquidity and Capital Resources*”.

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

Exchange Rate Volatility

We are exposed to foreign exchange rate risks 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, 2020, 2019 and 2018 we maintained Turkish Lira equivalent assets in U.S. dollars of TRY 280.4 million, TRY 245.4 million and TRY 112.5 million, respectively, primarily consisting of cash and cash equivalents. As of the same periods, we maintained Turkish Lira equivalent liabilities in U.S. dollars of TRY 246.7 million, TRY 155.6 million and TRY 139.2 million, respectively, primarily consisting of trade payables and payables to merchants and due to related parties.

As at December 31, 2020, 2019 and 2018, if the U.S. dollar had strengthened or weakened by 10% against the Turkish Lira, with all other variables held constant, loss before income taxes would have been TRY 3,374,370 lower/higher, TRY 8,983,025 lower/higher and TRY 2,673,154 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 Turkey to changes in foreign exchange rates because such hedging strategies are not available on commercially reasonable terms. Consequently, any sudden and significant changes in foreign exchange rates may have an adverse impact on our financial condition, revenue and results of operations.

Segments

Our Company is comprised of one reportable segment, namely e-commerce operations, therefore we do not present any segmental information in our financial statements.

Key Indicators of Operating and Financial Performances

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, some of which are APMs, see “*Summary Consolidated Financial and Other Data — Non-IFRS Financial Measures*”, “*Presentation of Financial and Other Information — Use of Non IFRS Financial Measures*” and “*Presentation of Financial and Other Information — Key Operating Performance Indicators.*”

| | For the three months ended March 31, | | For the year ended December 31, | | |
|-----------------------------------|--------------------------------------|-------------|---------------------------------|---------------|---------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| GMV (TRY in billions) | 4.5 | 2.3 | 17.0 | 8.0 | 5.1 |
| Marketplace GMV (TRY in billions) | 3.1 | 1.4 | 10.0 | 5.3 | 3.0 |
| Share of Marketplace GMV (%) | 70 | 63 | 59 | 66 | 58 |
| Revenues (TRY in billions) | 1.4 | 0.8 | 6.4 | 2.6 | 2.0 |
| Gross Contribution (TRY) | 420,377,105 | 232,940,665 | 1,526,578,237 | 756,626,385 | 436,089,229 |
| Gross Contribution Margin (%) | 9.3 | 10.1 | 9.0 | 9.4 | 8.5 |
| EBITDA (TRY) | (103,675,349) | 14,811,415 | (87,829,111) | 167,401,277 | 26,741,026 |
| EBITDA as a percentage of GMV (%) | (2.3) | 0.6 | (0.5) | 2.1 | 0.5 |
| Free Cash Flow (TRY) | (158,785,626) | 60,467,226 | 341,413,049 | 310,439,626 | 118,994,289 |
| Number of orders (in millions) | 9.2 | 6.0 | 34.9 | 22.3 | 14.9 |
| Active Customers (in millions) | — | — | 9.0 | 6.5 | 4.8 |
| Net Working Capital (TRY) | (1,133,637,759) | — | (1,160,309,570) | (663,998,273) | (459,490,310) |

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 comprising (a) Marketplace commission, (b) transaction fees and (c) other contractual charges to the merchants;
- (iii) delivery services revenue generated under both 3P-model Marketplace and 1P-model Direct Sales operations, as well as delivery services provided to third parties outside our online platform; and
- (iv) other revenue generated from the use of our value-added services.

Sales of goods

We generate revenue from sales of goods in our 1P-model Direct Sales operations, by 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 revenue

Our marketplace revenues consists 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 completion of the order;
- (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 services revenue

The delivery services are charged to our merchants, customers and suppliers, as the case may be, in both Marketplace and Direct Sales operations. Charges for delivery services also include revenue generated from last-mile delivery services to third parties (through our HepsiJet services).

Other services revenue

Other service revenue primarily comprise advertising revenues, and other commission revenues.

GMV

We track our 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 revenue, as a majority of our revenue is a function of our GMV. From time to time, the proportion between the sales through our Direct Sales and Marketplace businesses may change, which does not impact our GMV, however, these variations will impact our revenue. In our Direct Sales business we recognize revenue on a gross basis, net of return and cancellation allowances and in our Marketplace business we recognize revenue on a net basis, representing commission fees earned.

Accordingly, we measure the volume of our operations not on the basis of revenue, 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.

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 and (e) other operating expenses (net); 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 consist of depreciation and amortization costs incurred in relation to our property and equipment, intangible assets and right of use assets;
- (g) *Other operating expenses, net* consists of expenses related to utilities, consultancy, rent expenses, credit card processing, insurance, vehicle fuel, credit card chargebacks, internet line, irrecoverable value added tax, maintenance expenses, stationary, travel, provision for doubtful receivables and other expenses, netted off with other operating income.

Financial income

Financial income consists of foreign currency exchange gains, interest income 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 and other expenses.

Taxation on Income

Taxation on income consists of tax calculated at enacted tax rate, effect of disallowable expenses, 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 its 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, specific allowances). The corporate income tax rate in Turkey was temporarily increased by 200bps to 22.0% to be applicable for the years 2020, 2019 and 2018. As of the date of this prospectus, the corporate income tax rate in Turkey is applied at 25% applicable for taxable corporate income recognized in 2021 and for taxable corporate income recognized in 2022, it will be applied at a rate of 23%.

Results of Operations

Below are our results of operations for the three months ended March 31, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018.

| | Three months ended March 31, | | Year ended December 31, | | |
|--|---------------------------------|---------------------|-------------------------|----------------------|----------------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| | (unaudited) | | (audited) | | |
| | (Turkish Lira) | | | | |
| Revenues | 1,385,835,317 | 836,638,395 | 6,375,726,545 | 2,603,735,368 | 1,955,312,749 |
| Cost of inventory sold | (965,458,212) | (603,697,730) | (4,849,148,308) | (1,847,108,983) | (1,519,223,520) |
| Shipping and packaging expenses | (160,974,319) | (71,411,952) | (540,496,136) | (195,352,060) | (132,080,741) |
| Payroll and outsource staff expenses | (227,318,424) | (58,184,977) | (325,232,933) | (180,787,497) | (129,994,224) |
| Advertising expenses | (96,068,436) | (68,265,382) | (646,152,950) | (151,517,076) | (92,685,779) |
| Technology expenses | (12,750,709) | (6,526,280) | (31,717,181) | (21,841,556) | (20,580,102) |
| Depreciation and amortization | (27,146,528) | (19,493,687) | (93,182,568) | (66,286,580) | (78,272,531) |
| Other operating expenses net | (26,940,566) | (13,740,659) | (70,808,148) | (39,726,919) | (34,007,357) |
| Operating (loss)/profit | (130,821,877) | (4,682,272) | (181,011,679) | 101,114,697 | (51,531,505) |
| Financial income | 52,999,166 | 27,669,418 | 102,912,713 | 40,517,901 | 66,616,887 |
| Financial expenses | (159,502,321) | (79,911,871) | (396,416,767) | (273,279,582) | (176,407,785) |
| Loss before income taxes | (237,325,032) | (56,924,725) | (474,515,733) | (131,646,984) | (161,322,403) |
| Taxation on income | — | — | — | — | — |
| Loss for the period | (237,325,032) | (56,924,725) | (474,515,733) | (131,646,984) | (161,322,403) |
| Items that will not be reclassified to profit or loss: | | | | | |
| Actuarial losses arising on remeasurement of employment termination benefits | (1,375,301) | (281,588) | (1,983,772) | (1,222,438) | (1,083,478) |
| Total comprehensive loss for the period | (238,700,333) | (57,206,313) | (476,499,505) | (132,869,422) | (162,405,881) |

Three months Ended March 31, 2021 compared to three months ended March 31, 2020

Revenue

Below is our revenue, broken down by source, for the three months ended March 31, 2021 and 2020 and as a percentage of total revenue:

| | Period ended March 31, | | | | Change | |
|---------------------------|------------------------------------|--------------------|---------------|---------------|--------------------|-------------|
| | 2021 | 2020 | % of Revenues | % of Revenues | Amount | % |
| | (Turkish Lira, except percentages) | | | | | |
| Sales of goods | 1,056,382,445 | 656,897,675 | 76.2 | 78.5 | 399,484,770 | 60.8 |
| Marketplace revenues | 168,371,453 | 104,078,156 | 12.1 | 12.4 | 64,293,297 | 61.8 |
| Delivery services revenue | 155,236,022 | 68,565,592 | 11.2 | 8.2 | 86,670,430 | 126.4 |
| Other | 5,845,397 | 7,096,972 | 0.4 | 0.8 | (1,251,575) | (17.6) |
| Revenues | 1,385,835,317 | 836,638,395 | 100.0 | 100.0 | 549,196,922 | 65.6 |

Our revenue increased by TRY 549,196,922 or 65.6%, to TRY 1,385,835,317 in the three months ended March 31, 2021, from TRY 836,638,395 in the three months ended March 31, 2020. This increase was primarily attributable to a TRY 399,484,770 or 60.8% increase in our revenues generated from sales of goods,

a TRY 86,670,430 or 126.4% increase in our delivery services revenues and TRY 64,293,297 or 61.8% increase in our marketplace revenues.

The increases in our revenues generated from sales of goods, marketplace revenues and delivery service revenue were primarily attributable to the growth in the number of orders to 9.2 million in the three months ended March 31, 2021 from 6 million in the three months ended March 31, 2020 (representing an increase of 54%). The increase in our delivery services revenue was also attributable to an increase of 239.6% in the revenue generated from our delivery services provided to third parties under our Hepsijet service due to increased expansion of our Hepsijet services.

Operating Expenses

Below are our operating expenses, broken down by category, for the three months ended March 31, 2021 and 2020 and as a percentage of total revenue:

| | Period ended March 31, | | | | Change | |
|--------------------------------------|------------------------|---------------|----------------------|---------------|--------------------|-------------|
| | 2021 | | 2020 | | Amount | % |
| | | % of Revenues | | % of Revenues | | |
| (Turkish Lira, except percentages) | | | | | | |
| Cost of inventory sold | (965,458,212) | 69.7 | (603,697,730) | 72.2 | 361,760,482 | 59.9 |
| Shipping and packaging expenses | (160,974,319) | 11.6 | (71,411,952) | 8.5 | 89,562,367 | 125.4 |
| Payroll and outsource staff expenses | (227,318,424) | 16.4 | (58,184,977) | 7.0 | 169,133,447 | 290.7 |
| Advertising expenses | (96,068,436) | 6.9 | (68,265,382) | 8.2 | 27,803,054 | 40.7 |
| Technology expenses | (12,750,709) | 0.9 | (6,526,280) | 0.8 | 6,224,429 | 95.4 |
| Depreciation and amortization | (27,146,528) | 2.0 | (19,493,687) | 2.3 | 7,652,841 | 39.3 |
| Other operating expenses, net | (26,940,566) | 1.9 | (13,740,659) | 1.6 | 13,199,907 | 96.1 |
| Operating expenses, net | (1,516,657,194) | 109.4 | (841,320,667) | 100.6 | 675,336,527 | 80.3 |

Our net operating expenses increased by TRY 675,336,527 or 80.3% to TRY 1,516,657,194 for the three months ended March 31, 2021, from TRY 841,320,667 for the three months ended March 31, 2020.

This increase was primarily attributable to an increase in our cost of inventory sold, representing an increase of TRY 361,760,482 (or 59.9%). This increase was primarily due to growth in revenues generated from our Direct Sales business.

The increase in our net operating expenses for the three months ended March 31, 2021 was also attributable to an increase in our payroll and outsource staff expenses (TRY 169,133,447 or 290.7%). This was primarily due to TRY 123,739,938 in provisions accounted for as short term employee benefits in connection with the cash-settled portion of our Incentive Plan, which is contingent on, among other things, completion of an initial public offering. See “*Management — Incentive Plan.*”

The increase in our net operating expenses for the three months ended March 31, 2021 was also attributable to an increase in our shipping and packaging expenses (TRY 89,562,367 or 125.4%). The increase in our shipping and packaging expenses was primarily attributable to an increase in the total number of orders placed through our platform to 9.2 million in the three months ended March 31, 2021 from 6 million in the three months ended March 31, 2020.

The increase in our net operating expenses for the three months ended March 31, 2021 was also attributable to an increase in our advertising expenses. The increase in our advertising expenses (TRY 27,803,054 or 40.7%) was mainly attributable to an increase in our digital and offline (TV and outdoor) advertising expenses as a result of increased marketing activities, including launch of a set of TV advertisement campaigns. Our marketing activities in the three months ended March 31, 2021 were part of a

long-term marketing strategy to further strengthen our brand. In addition, the increase in our other operating expenses (TRY 13,199,907 or 96.1%) contributed to the increase in our net operating expenses for the three months ended March 31, 2021. This increase was primarily due to the increase of TRY 10,942,101 in our consultancy expenses, which mainly related to one-off costs for the initial public offering of ADSs.

Financial Income

Our financial income increased by TRY 25,329,748, or 91.5%, to TRY 52,999,166 for the three months ended March 31, 2021 from TRY 27,669,418 for the three months ended March 31, 2020. This increase was primarily attributable to a TRY 17,556,616 or 75.7% increase in foreign exchange gain for the three months ended March 31, 2021. This was due to the appreciation of the U.S. dollar against the Turkish Lira compared to the three months ended March 31, 2020, which resulted in higher foreign exchange gains from our U.S. dollar denominated bank deposits. The increase in our financial income in the three months ended March 31, 2021 was also supported by an increase in our interest income on credit sales to TRY 7,708,120 in the three months ended March 31, 2021 from TRY 2,522,823 in the three months ended March 31, 2020 (representing an increase of 205.5%). This was due to a change in our free of charge installment option policy, enabling us to charge cost of installments to our customers electing to pay with prolonged installments. The increase in interest income on credit sales was also supported by the increase in our GMV.

Financial Expenses

Our financial expenses increased by TRY 79,590,450, or 99.6%, to TRY 159,502,321 for the three months ended March 31, 2021 from TRY 79,911,871 for the three months ended March 31, 2020. This increase was primarily attributable to a TRY 35,678,769 or 87.4% increase in commission expenses due to early collection of credit receivables which was mainly due to the growth in our GMV as well the increase in annual effective interest rates. The increase was also attributable to a TRY 19,376,209 or 143.8% increase in our foreign currency exchange losses for the three months ended March 31, 2021. This was due to the appreciation of the U.S. dollar against the Turkish Lira compared to the three months ended March 31, 2020, which resulted in higher foreign exchange losses from our U.S. dollar denominated trade payables. The increase in our financial expenses in the three months ended March 31, 2021 was also caused by an increase of TRY 16,902,250 or 299.1% in our interest expenses on bank borrowings the three months ended March 31, 2021. This was due to an increase in annual effective interest rates of bank borrowings, as well as increase in the average amount of bank borrowings held in the three months ended March 31, 2021.

Net Loss for the Period

As a result of the factors discussed above, net loss for the year increased by TRY 180,400,307 or 316.9%, to TRY 237,325,032 in the three months ended March 31, 2021, from TRY 56,924,725 in the three months ended March 31, 2020.

Year Ended December 31, 2020 compared to year ended December 31, 2019

Revenue

Below is our revenue, broken down by source, for the years ended December 31, 2020 and 2019 and as a percentage of total revenue:

| | Year ended December 31, | | | | Change | |
|---------------------------|-------------------------|------------------------------------|---------------|---------------|---------------|--------|
| | 2020 | 2020 | 2019 | 2019 | | |
| | % of Revenues | | % of Revenues | | Amount | % |
| | | | | | | |
| | | (Turkish Lira, except percentages) | | | | |
| Sales of goods | 83.2 | 5,301,942,720 | 78.7 | 2,048,020,136 | 3,253,922,584 | 158.9 |
| Marketplace revenues | 9.5 | 603,249,026 | 13.4 | 350,030,814 | 253,218,212 | 72.3 |
| Delivery services revenue | 7.0 | 445,890,930 | 6.8 | 176,292,726 | 269,598,204 | 152.9 |
| Other | 0.4 | 24,643,869 | 1.1 | 29,391,692 | (4,747,823) | (16.2) |

| | Year ended December 31, | | | | Change | |
|-----------------|------------------------------------|----------------------|---------------|----------------------|----------------------|--------------|
| | 2020 | 2020 | 2019 | 2019 | | |
| | % of Revenues | | % of Revenues | | Amount | % |
| | (Turkish Lira, except percentages) | | | | | |
| Revenues | 100.0 | 6,375,726,545 | 100.0 | 2,603,735,368 | 3,771,991,177 | 144.9 |

Our revenue increased by TRY 3,771,991,177 or 144.9%, to TRY 6,375,726,545 in the year ended December 31, 2020, from TRY 2,603,735,368 in the year ended December 31, 2019. This increase was primarily attributable to a TRY 3,253,922,584 or 158.9% increase in our revenues generated from sales of goods and a TRY 253,218,212 or 72.3% increase in our marketplace revenues.

The increases in our revenues generated from sales of goods and marketplace revenues were primarily attributable to the growth in the number of Active Customers to 9 million as of December 31, 2020 from 6.5 million as of December 31, 2019 (representing an increase of 40%), and the increase in their purchase frequency to 3.9 for the year ended December 31, 2020 from 3.5 for the year ended December 31, 2019 (representing an increase of 11%).

The increase in our marketplace revenues was also attributable to the growth in the total value of orders processed through our Marketplace, which was mainly driven by an increase in the number of Active Merchants on our Marketplace by more than 2 times (to approximately 45 thousand, from approximately 21 thousand) for the year ended December 31, 2020 compared to the year ended December 31, 2019.

The increase in our revenues was also attributable to an increase of 152.9% in delivery service revenues to TRY 445,890,930 in 2020 from TRY 176,292,726 in 2019. This increase was due to the increase in the number of orders we received (to 34.9 million in 2020 from 22.3 million in 2019) as well as the increase of 185.7% in the revenue generated from our delivery services provided to third parties under our Hepsijet service.

Operating Expenses

Below are our operating expenses, broken down by category, for the years ended December 31, 2020 and 2019 and as a percentage of total revenue:

| | Year ended December 31, | | | | Change | |
|--------------------------------------|------------------------------------|----------------------|---------------|----------------------|----------------------|--------------|
| | 2020 | 2020 | 2019 | 2019 | | |
| | % of Revenues | | % of Revenues | | Amount | % |
| | (Turkish Lira, except percentages) | | | | | |
| Cost of inventory sold | 76.1 | 4,849,148,308 | 70.9 | 1,847,108,983 | 3,002,039,325 | 162.5 |
| Shipping and packaging expenses | 8.5 | 540,496,136 | 7.5 | 195,352,060 | 345,144,076 | 176.7 |
| Payroll and outsource staff expenses | 5.1 | 325,232,933 | 6.9 | 180,787,497 | 144,445,436 | 79.9 |
| Advertising expenses | 10.1 | 646,152,950 | 5.8 | 151,517,076 | 494,635,874 | 326.5 |
| Technology expenses | 0.5 | 31,717,181 | 0.8 | 21,841,556 | 9,875,625 | 45.2 |
| Depreciation and amortization | 1.5 | 93,182,568 | 2.5 | 66,286,580 | 26,895,988 | 40.6 |
| Other operating expenses, net | 1.1 | 70,808,148 | 1.5 | 39,726,919 | 31,081,229 | 78.2 |
| Operating expenses, net | 102.8 | 6,556,738,224 | 96.1 | 2,502,620,671 | 4,054,117,553 | 162.0 |

Our net operating expenses increased by TRY 4,054,117,553 or 162.0% to TRY 6,556,738,224 for the year ended December 31, 2020, from TRY 2,502,620,671 for the year ended December 31, 2019.

This increase was primarily attributable to an increase in our cost of inventory sold, representing an increase of TRY 3,002,039,325 (or 162.5%). This increase was primarily due to growth in revenues generated from our Direct Sales business.

The increase in our net operating expenses in 2020 was also attributable to an increase in our advertising expenses. The increase in our advertising expenses (TRY 494,635,874 or 326.5%) was mainly attributable to an increase in our digital and offline (TV and outdoor) advertising expenses as a result of increased marketing activities, including launch of a set of TV advertisement campaigns. Our marketing activities in 2020 were part of a long-term marketing strategy to further strengthen our brand. We believe increased marketing activities supported us to expand the number of Active Customers during the period.

The increase in our net operating expenses in 2020 was also attributable to an increase in our shipping and packaging expenses (TRY 345,114,076 or 176.7%). The increase in our shipping and packaging expenses was primarily attributable to an increase in the total number of orders placed through our platform to 34.9 million in 2020 from 22.3 million in 2019, as well as the increase in average shipping prices as a result of engaging local cargo companies with more expensive fees in order to increase customer satisfaction and service quality.

In 2020, an increase in our payroll and outsource staff expenses (TRY 144,445,436 or 79.9%) also contributed to the increase in our net operating expenses. This was primarily due to an increase in the number of personnel working in our call center (to 451 as of December 31, 2020 from 170 as of December 31, 2019), an increase in the number of employees in our Hepsiburada and Hepsijet operations (to 840 as of December 31, 2020 from 330 as of December 31, 2019) and salary increases (average 21.8%) above the inflation rate (2019 annual average 15.2%) and an increase in the annual bonus coefficient.

Financial Income

Our financial income increased by TRY 62,394,812, or 154%, to TRY 102,912,713 for the year ended December 31, 2020 from TRY 40,517,901 for the year ended December 31, 2019. This increase was primarily attributable to a TRY 44,957,054 or 359.3% increase in foreign exchange gain. This was due to the appreciation of the U.S. dollar and the Euro against the Turkish Lira compared to 2019, which resulted in higher foreign exchange gains from our U.S. dollar- and Euro-denominated bank deposits. The increase in our financial income in 2020 was also supported by an increase in our interest income on time deposits to TRY 21,016,415 in 2020 from TRY 10,717,336 in 2019 (representing an increase of 96.1%). This was due to an increase in our TRY-denominated time deposits which was due to increased cash generated from our operations, in particular in the period from March 2020 to June 2020 as a result of the COVID-19 pandemic.

Financial Expenses

Our financial expenses increased by TRY 123,137,185, or 45.1%, to TRY 396,416,767 for the year ended December 31, 2020 from TRY 273,279,582 for the year ended December 31, 2019. This increase was primarily attributable to a TRY 42,170,836 or 172.5% increase in interest expenses on purchases (consisting of interest paid for inventories purchased on deferred settlement terms) which was due to the increase in our Direct Sales compared to 2019. The increase was also attributable to a TRY 40,149,514 or 21.7% increase in commission expenses due to early collection of credit card receivables which was mainly due to the growth in our GMV. The increase in our financial expenses in 2020 was also supported by an increase of TRY 25,446,706 or 131.5% in our foreign currency exchange losses for the year ended December 31, 2020. This was due to higher foreign currency denominated trade payables in 2020 as well as higher foreign currency volatility in 2020 compared to 2019.

Net Loss for the Year

As a result of the factors discussed above, net loss for the year increased by TRY 342,868,749 or 260.4%, to TRY 474,515,733 in 2020, from TRY 131,646,984 in 2019.

Year Ended December 31, 2019 compared to year ended December 31, 2018

Unless the context otherwise requires, in the discussion that follows, references to 2019 and 2018 are to the years ended December 31, 2019 and 2018, respectively.

Revenue

Below is our revenue, broken down by source, for the years ended December 31, 2019 and 2018 and as a percentage of total revenue:

| | Year ended December 31, | | | | Change | |
|------------------------------------|-------------------------|----------------------|---------------|----------------------|--------------------|-------------|
| | 2019 | 2019 | 2018 | 2018 | | |
| | % of Revenues | | % of Revenues | | Amount | % |
| (Turkish Lira, except percentages) | | | | | | |
| Sales of goods | 78.7 | 2,048,020,136 | 85.0 | 1,661,672,546 | 386,347,590 | 23.3 |
| Marketplace revenues | 13.4 | 350,030,814 | 10.3 | 200,648,885 | 149,381,929 | 74.4 |
| Delivery services revenue | 6.8 | 176,292,726 | 4.2 | 83,156,166 | 93,136,560 | 112.0 |
| Other | 1.1 | 29,391,692 | 0.5 | 9,835,152 | 19,556,540 | 198.8 |
| Revenues | 100.0 | 2,603,735,368 | 100.0 | 1,955,312,749 | 648,422,619 | 33.2 |

Our revenue increased by TRY 648,422,619 or 33.2%, to TRY 2,603,735,368 for the year ended December 31, 2019, from TRY 1,955,312,749 for the year ended December 31, 2018. This increase was attributable to a TRY 386,347,590 or 23.3%, increase in our revenues generated from sales of goods, and TRY 149,381,929 or 74.4% in our marketplace revenues. The increase in our revenues generated from sales of goods and marketplace revenues were primarily attributable to the growth in the number of Active Customers to 6.5 million as of December 31, 2019 from 4.8 million as of December 31, 2018 (representing an increase of 35%), and the increase in their purchase frequency to 3.5 for the year ended December 31, 2019 from 3.1 for the year ended December 31, 2018 (representing an increase of 11%).

The increase in our marketplace revenues was also attributable to the growth in the total value of orders processed through our Marketplace, which was mainly driven by an increase in the number of Active Merchants on our Marketplace by more than 1.5 times (to approximately 21 thousand, from approximately 12 thousand) for the year ended December 31, 2019 compared to the year ended December 31, 2018.

The increase in our revenues was also attributable to an increase of 112% in delivery service revenues to TRY 176,292,726 in 2019 from TRY 83,156,166 in 2018. This increase was due to the increase in the number of orders we received (from 14.9 million in 2018 to 22.3 million in 2019).

Operating Expenses

Below are our operating expenses, broken down by category, for the years ended December 31, 2019 and 2018 and as a percentage of total revenue:

| | Year ended December 31, | | | | Change | |
|--------------------------------------|-------------------------|---------------|---------------|---------------|--------------|--------|
| | 2019 | 2019 | 2018 | 2018 | | |
| | % of Revenues | | % of Revenues | | Amount | % |
| (Turkish Lira, except percentages) | | | | | | |
| Cost of inventory sold | 70.9 | 1,847,108,983 | 77.7 | 1,519,223,520 | 327,885,463 | 21.6 |
| Shipping and packaging expenses | 7.5 | 195,352,060 | 6.8 | 132,080,741 | 63,271,319 | 47.9 |
| Payroll and outsource staff expenses | 6.9 | 180,787,497 | 6.6 | 129,994,224 | 50,793,273 | 39.1 |
| Advertising expenses | 5.8 | 151,517,076 | 4.7 | 92,685,779 | 58,831,297 | 63.5 |
| Technology expenses | 0.8 | 21,841,556 | 1.1 | 20,580,102 | 1,261,454 | 6.1 |
| Depreciation and amortization | 2.5 | 66,286,580 | 4.0 | 78,272,531 | (11,985,951) | (15.3) |
| Other operating expenses, net | 1.5 | 39,726,919 | 1.7 | 34,007,357 | 5,719,562 | 16.8 |

| | Year ended December 31, | | | | Change | |
|--------------------------------|------------------------------------|----------------------|---------------|----------------------|--------------------|-------------|
| | 2019 | 2019 | 2018 | 2018 | Amount | % |
| | % of Revenues | | % of Revenues | | | |
| | (Turkish Lira, except percentages) | | | | | |
| Operating expenses, net | 96.1 | 2,502,620,671 | 102.6 | 2,006,844,254 | 495,776,417 | 24.7 |

Our net operating expenses increased by TRY 495,776,417 or 24.7% to TRY 2,502,620,671 in the year ended December 31, 2019, from TRY 2,006,844,254 in the year ended December 31, 2018.

This increase was primarily attributable to an increase in our cost of inventory sold, representing an increase of TRY 327,885,463 (or 21.6%). This increase was primarily due to growth in revenues generated from our Direct Sales business.

The increase in our net operating expenses in 2019 was also attributable to an increase in our shipping and packaging expenses (TRY 63,271,319 or 47.9%). The increase in our shipping and packaging expenses was primarily attributable to an increase in the total number of orders placed through our platform to 22.3 million in 2019 from 14.9 million in 2018. In addition, in the same period, our non-electronic products sales increased resulting in an increase in shipping and packing costs, as shipping and packaging typically costs more in non-electronic products due to item sizes.

The increase in our net operating expenses in 2019 was also attributable to an increase in our advertising expenses. The increase in our advertising expenses (TRY 58,831,297 or 63.5%) was mainly attributable to an increase in our digital and offline (TV and outdoor) advertising expenses as a result of increased marketing activities, including launch of a TV advertisement campaign. We believe increased marketing activities supported us to expand the number of Active Customers during the period.

In 2019, an increase in our payroll and outsource staff expenses (TRY 50,793,273 or 39.1%) also contributed to the increase in our net operating expenses. This was primarily due to an increase in the number of personnel working in our call center (to 170 as of December 31, 2019 from 109 as of December 31, 2018), an increase in the number of employees in our Hepsiburada and Hepsijet operations (to 330 as of December 31, 2019 from 293 as of December 31, 2018), salary increases (average 20.5%) above the inflation rate (2018 annual average 16.3%) and an increase in the annual bonus coefficient.

The increase in our net operating expenses was partially offset by a decrease in our depreciation and amortization expense. The decrease in our depreciation and amortization expense was primarily attributable to the modification in our lease contracts as of January 1, 2019. In 2019, we renegotiated several of our lease contracts which were denominated in foreign currencies with our lessors. As a result of these negotiations, lease contracts were modified and foreign currency denominated lease amounts were amended to TRY denominated lease amounts. Since these amendments have been assessed as a lease modification, we accounted a corresponding adjustment to the right of use assets and lease liabilities amounting to TRY 49,938,883, accordingly the depreciation charge of the fiscal year 2019 remained below the depreciation charges of 2018.

Financial Income

Our financial income decreased by TRY 26,098,986, or 39.2%, to TRY 40,517,901 for the year ended December 31, 2019 from TRY 66,616,887 for the year ended December 31, 2018. This decrease was primarily attributable to a TRY 30,920,998 or 71.2% decrease in foreign exchange gain. This was due to lesser foreign currency volatility in 2019 compared to 2018 when we experienced higher foreign exchange gains due to higher depreciation of the Turkish Lira against the U.S. dollar in 2018. This decrease was partially offset by an increase in our interest income on credit sales (mainly relating to installments interests collected from the customers in respect to additional credit card installment options used by such customers) to TRY 13,544,974 in 2019 from TRY 6,795,302 in 2018 (representing an increase of 99.3%), which was due to our free of charge installment option policy change in 2019 enabling us to charge cost of installments to our customers electing to pay with prolonged installments. The increase in interest income on credit sales was also supported by the increase in our GMV.

Financial Expenses

Our financial expenses increased by TRY 96,871,797, or 54.9%, to TRY 273,279,582 for the year ended December 31, 2019 from TRY 176,407,785 for the year ended December 31, 2018. This increase was primarily attributable to a TRY 86,558,314 or 87.8% increase in commission expenses due to early collection of credit card receivables which was mainly due to the growth in our GMV. This increase was partially offset by a decrease in our foreign currency exchange losses for the year ended December 31, 2019.

Net Loss for the Year

As a result of the factors discussed above, net loss for the year decreased by TRY 29,675,419 or 18.4%, to TRY 131,646,984 in 2019, from TRY 161,322,403 in 2018.

Liquidity and Capital Resources

Overview

As of December 31, 2020, we had cash and cash equivalents of TRY 592,643,009. Our cash and cash equivalents comprise cash in hand, bank deposits and highly liquid assets, whose original maturity is less than three months.

We need cash primarily to meet our working capital needs as well as to fund our expansion plans in accordance with our strategy, as discussed in more detail under “*Business — Strategy*” and “— *Capital Expenditures.*”

Our trade payables and payables to merchants mainly include trade payables to retail suppliers (for merchandises purchased for our 1P-model business) and trade payables to service providers and to merchants (representing payables related with the products delivered by our merchants to our customers). As of December 31, 2020, our trade accounts payable and payables to merchants amounted to TRY 2,025 million.

Our trade receivables mainly include trade receivables related to cheques received through corporate sales and receivables of Hepsijet from its customers, credit card receivables, receivables from suppliers (receivables under rebate invoices issued to the suppliers where if our rebate receivables from a supplier exceed 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 December 31, 2020, our trade receivables amounted to TRY 157.1 million.

As of December 31, 2020, the average maturity of our outstanding trade payables and payables to merchants were 53 days for suppliers and 21 days for merchants.

As of December 31, 2019, the average maturity of our outstanding trade payables and payables to merchants were 66 days for suppliers and 21 days for merchants.

We aim to maintain a negative working capital position. We define working capital as current assets minus current liabilities. The average maturity of our trade payables exceeds the average maturity of our trade receivables and due to our high rate of inventory turnover, we maintain a negative working capital position.

The negative working capital position is mainly due to the use of cash to pay the following:

- operating expenses such as:
 - advertising expenses (TRY 646,152,950, TRY 151,517,076 and TRY 92,685,779 for the years ended December 31, 2020, 2019 and 2018 respectively),
 - shipping and packaging expenses (net of delivery service revenues) (TRY 94,605,206, TRY 19,059,334 and TRY 48,924,575 for the years ended December 31, 2020, 2019 and 2018 respectively),
 - payroll and outsource staff expenses (TRY 325,232,933, TRY 180,787,497 and TRY 129,994,224 for the years ended December 31, 2020, 2019 and 2018 respectively),

- financial expenses (TRY 396,416,767, TRY 273,279,582 and TRY 176,407,785 for the years ended December 31, 2020, 2019 and 2018 respectively), and
- capital expenditures (TRY 100,108,997, TRY 53,557,859 and TRY 49,341,153 for the years ended December 31, 2020, 2019 and 2018 respectively, also see “— *Capital Expenditures*”).

Our principal source of liquidity is the revenue generated from our Marketplace and Direct Sales operations as well as short-term financing from Turkish banking institutions. Our sources of funding, and our ability to fund our operations and capital expenditure requirements, are affected by many factors, some of which are beyond our control, including economic conditions, regulatory developments, and demand for our services and products. Therefore, our funding requirements may extend beyond our expectations. In the event that we require additional funds, we may seek to raise it through private or public financing or other institutions. Historically, we have not had material long-term financing needs due to the high level of cash generated by our business. In order to have access to financing, we maintain credit limits with various Turkish banks. As of December 31, 2020 our total credit limits amounted to TRY 1,793,530,000, available for cash and non-cash (i.e., letters of credit) utilizations as well as supplier and merchant financing operations. See “*Business — Supplier and Merchant Financing*.” As of March 31, 2021 and December 31, 2020, our bank borrowings under these credit limits amounted to TRY 432,617,982 and 347,436,451, respectively, all of which were short-term borrowings. See “— *Borrowings*.”

As of the date of this prospectus, we believe that we have liquidity necessary to meet our commitments for the next 12-month period.

Cash Flows

The following table summarizes our cash flows for the three months ended March 31, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018.

| | Three months ended March 31, | | Year ended December 31, | | |
|---|---------------------------------|--------------------|-------------------------|--------------------|---------------------|
| | 2021 | 2020 | 2020 | 2019 | 2018 |
| | (Turkish Lira) | | | | |
| Cash and cash equivalents at beginning of the period⁽¹⁾ | 592,280,767 | 281,982,151 | 281,982,151 | 136,218,040 | 206,752,032 |
| Net cash provided by / (used in) operating activities | (122,479,244) | 76,207,178 | 441,361,672 | 363,779,587 | 168,211,257 |
| Net cash used in investing activities | (36,306,382) | (15,739,952) | (99,948,623) | (53,339,961) | (49,216,968) |
| Net cash provided by/ (used in) financing activities | (45,154,150) | 130,337,377 | (18,887,304) | (170,721,086) | (188,349,384) |
| Net increase/(decrease) in cash and cash equivalents | (203,939,776) | 190,804,603 | 322,525,745 | 139,718,540 | (69,355,095) |
| Effects of exchange rate changes on cash and cash equivalents | — | 3,949,437 | (12,227,129) | 6,045,571 | (1,178,897) |
| Cash and cash equivalents at end of the period⁽¹⁾ | 388,340,991 | 476,736,191 | 592,280,767 | 281,982,151 | 136,218,040 |

(1) “Cash and cash equivalents at beginning of the period” and “Cash and cash equivalents at end of the period” 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 financial statements included elsewhere in this prospectus.

Net cash provided by/(used in) operating activities

Net cash provided by operating activities decreased by TRY 198,686,422 to net cash used in TRY 122,479,244 in the three months ended March 31, 2021 from net cash provided by TRY 76,207,178 in the three months ended March 31, 2020. This decrease was primarily due to the decrease in changes in working capital, which was due to the decrease in changes in trade payables and payables to merchants of TRY 327,771,533. The decrease in our trade payables and payables to merchants was mainly due to the payments processed in the first quarter of 2021, in respect of the high operating expenses (mainly advertising expenses) occurred in the last quarter of 2020. The decrease in change in trade payables and payable to merchants have been netted off with the increase in change in inventories by TRY 80,327,414; change in other assets and receivables of TRY 33,760,005 and increase in change in trade receivables by TRY 32,368,814.

Net cash provided by operating activities increased by TRY 77,582,085, or 21.3%, to TRY 441,361,672 in 2020 from TRY 363,779,587 in 2019. This increase was primarily due to the increase in changes in working capital, which is primarily due to increase in change in trade payables and payables to merchants of TRY 657,188,967, that is mainly driven by higher sales volume in the last quarter and increase in inventory purchases as well as increase in payables related to the operating expenses (such as advertising expense and shipping and packaging expenses). The increase in change in trade payables and payable to merchants have been netted off with the increase in change in inventories by TRY 254,405,442; change in other assets and receivables of TRY 90,043,502 (mainly due to increase in value added tax receivables as a result of high inventory purchases) and increase in change in trade receivables by TRY 33,962,158.

In 2019, net cash provided by operating activities increased by TRY 195,568,330, or 116.3%, to TRY 363,779,587 from TRY 168,211,257 in 2018. This increase was primarily due to lower losses generated from our operating activities (before changes in working capital). In addition, the increase in changes in working capital was primarily due to increase in change in trade payables and payables to merchants of

TRY 97,688,863, that is mainly driven by higher sales volume in the last quarter, increase in inventory purchases and payables related to the operating expenses. The increase in net cash provided by operating activities in 2019 also related to an increase in change in contract liabilities and merchant advances of TRY 30,313,200 mainly due to an increase in number of orders received. The aforementioned increases have been netted off with the increase in change in inventories by TRY 72,290,992.

Net cash used in investing activities

In the three months ended March 31, 2021, net cash used in investing activities increased by TRY 20,566,430, or 130.7%, to TRY 36,306,382, from TRY 15,739,952 in the three months ended March 31, 2020. This increase was primarily due to an increase in our web site development costs and software acquisitions as a result of our growing operations.

In 2020, net cash used in investing activities increased by TRY 46,608,662, or 87.4%, to TRY 99,948,623, from TRY 53,339,961 in 2019. This increase was primarily due to an increase in our web site development costs and software acquisitions as a result of our growing operations.

In 2019, net cash used in investing activities increased by TRY 4,122,993, or 8.4%, to TRY 53,339,961, from TRY 49,216,968 in 2018. This increase was primarily due to an increase in our web site development costs and software acquisitions as a result of our growing operations.

Net cash used in financing activities

In the three months ended March 31, 2021, net cash provided by financing activities decreased by TRY 175,491,527, or 134.6%, to TRY 45,154,150 of net cash used in financing activities from TRY 130,337,377 of net cash provided by financing activities for three months ended March 31, 2020. This decrease was primarily due to the decrease in proceeds from bank borrowings, as well as increase in interest and commission paid (due to an increase in the average amount of bank borrowings held during the three months ended March 31, 2021 and increase in annual effective interest rates) and increase in commission expenses paid due to early collection of credit card receivables.

In 2020, net cash used in financing activities decreased by TRY 151,833,782, or 88.9%, to TRY 18,887,304 from TRY 170,721,086 in 2019. This decrease was primarily due to an increase in proceeds from borrowings in 2020. This was partially offset by net increase in bank borrowings, lease and interest payments.

In 2019, net cash used in financing activities decreased by TRY 17,628,298, or 9.4%, to TRY 170,721,086 from TRY 188,349,384 in 2018. This decrease was primarily due to an increase in share capital in 2019. This was partially offset by net increase in bank borrowings, lease and interest payments.

Net Working Capital

References to “**Net Working Capital**” are to current assets (excluding cash and cash equivalents) *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 March 31, | | As of December 31, | |
|----------------------------|------------------------|------------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 |
| | (Turkish Lira) | | | |
| Current assets | 1,373,524,678 | 1,689,830,234 | 779,766,154 | 419,438,638 |
| Cash and cash equivalents | (388,362,900) | (592,643,009) | (282,303,760) | (136,484,221) |
| Current liabilities | (2,622,167,850) | (2,656,144,175) | (1,206,804,621) | (892,023,067) |
| Bank borrowings | 432,617,982 | 347,436,451 | 18,977,287 | 103,576,504 |
| Lease liabilities | 70,750,331 | 51,210,929 | 26,366,667 | 46,001,836 |
| Net Working Capital | (1,133,637,759) | (1,160,309,570) | (663,998,273) | (459,490,310) |

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 — Non-IFRS Financial Measures*” and “*Presentation of Financial and Other Information*” more information.

Capital Expenditures

Our capital expenditures primarily relate to the expansion of our business and activities and include, among other things, (i) costs related to the acquisition of software and rights (licenses), (ii) website development costs, (iii) acquisition of motor vehicles, (iv) acquisition of furniture and fixtures, (v) leasehold improvements, and (vi) advances given in relation to purchase of property and equipment.

We have historically financed our capital expenditure requirements primarily through cash and cash equivalents generated from our operating activities. As our business grows, we expect that our capital expenditures will also increase.

The following table summarizes our capital expenditures for the years ended December 31, 2020, 2019 and 2018.

| | Year ended December 31, | | |
|-----------------------------------|-------------------------|-------------------|-------------------|
| | 2020 | 2019 | 2018 |
| | (Turkish Lira) | | |
| Acquired software and rights | 9,607,352 | 13,933,296 | 12,860,812 |
| Website development costs | 62,764,340 | 29,956,774 | 28,280,768 |
| Motor vehicles | 790,351 | 45,000 | — |
| Furniture and fixtures | 24,400,427 | 5,628,074 | 7,535,002 |
| Leasehold improvements | 1,898,184 | 3,876,357 | 356,403 |
| Other | — | 118,358 | 308,168 |
| Advances given | 648,343 | — | — |
| Total capital expenditures | 100,108,997 | 53,557,859 | 49,341,153 |

For the three months ended March 31, 2021 and 2020, our capital expenditures were TRY 36,317,761 and TRY 15,744,289, respectively.

Borrowings

The following table summarizes our borrowings as of March 31, 2021 and December 31, 2020, 2019 and 2018.

| | As of | As of December 31, | | |
|------------------------------|--------------------|--------------------|-------------------|--------------------|
| | March 31, | 2020 | 2019 | 2018 |
| | 2021 | (Turkish Lira) | | |
| Short-term bank borrowings | 432,617,982 | 347,436,451 | 18,977,287 | 103,576,504 |
| Long-term bank borrowings | — | — | — | 518,073 |
| Total bank borrowings | 432,617,982 | 347,436,451 | 18,977,287 | 104,094,577 |

Our short-term bank borrowings are utilized 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 “— *Liquidity and Capital Resources*” and “*Business — Supplier and Merchant Financing*.” As of March 31, 2021 and December 31, 2020, supplier and merchant financing facilities represented TRY 14,273,310 and TRY 39,090,887 of our short-term bank borrowings, respectively, whereas the remainder pertained to other short-term bank borrowings utilized as a resource for liquidity. As of December 31, 2019, all of our short-term bank borrowings pertained to supplier and merchant financing facilities. As of December 31, 2018, TRY 31,062,609 pertained to supplier and merchant financing facilities whereas the remainder pertained to other short-term bank borrowings.

As of March 31, 2021, our short-term borrowings amounted to TRY 418.3 million (excluding supplier & merchant financing loans), of which TRY 340.2 million was utilized under the available limit with Yapı Kredi Bank, TRY 25.5 million was utilized under the available limit with Akbank, TRY 25.9 million was utilized under the available limit with İş Bank and TRY 26.7 million was utilized under the available limit with Garanti Bank. As of December 31, 2020, our short-term borrowings amounted to TRY 308.4 million (excluding supplier and merchant financing loans), of which TRY 181.2 million was utilized under the available limit with Yapı Kredi Bank, TRY 51.2 million was utilized under the available limit with Akbank, TRY 25.5 million was utilized under the available limit with Garanti Bank and TRY 50.5 million was utilized under the available limit with Burgan Bank. We usually draw on short-term loans in the first quarter of the relevant fiscal 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 are not outstanding as of the relevant balance sheet date. However, in 2020, we drew down on short-term loans in the last quarter of 2020 (instead of the first quarter of 2021), to benefit from the lower interest rates available at the time.

All our bank borrowings are denominated in Turkish Lira and are utilized under Turkish law governed general credit agreements with standard terms.

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 and interest rate 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 21 to our financial statements included elsewhere in this prospectus.

Significant Accounting Policies and Estimates

See notes 2.2 and 2.6 to our financial statements included elsewhere in this prospectus.

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer. We evaluate whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned as commissions. When we obtain the control of the goods before they are transferred to the customer, we are subject to inventory risk and have discretion in establishing prices, we are primarily obligated in the transaction and revenues are recorded on a gross basis (“**Retail**”). When we do not obtain the control of the goods before delivery of the goods to the customer, we do not bear the inventory risk, do not have the enforceable right to establish the price, we are not primarily obligated in the transaction and revenues are recorded on a net basis (“**Marketplace**”).

At contract inception, if we expect that the period between the transfer of the promised good or service and the payment is one year or less, we apply the practical expedient and do not make any adjustment for the effect of a significant financing component on the promised amount of consideration.

We launched the Loyalty Club in August 2020, which allows our Loyalty Club customers to benefit from free deliveries, Loyalty Club specific campaigns, discounts and call center priority. Currently the programme does not provide a loyalty point to the customers. As of 31 December 2020, the unused amount of discounts provided to the eligible customers are accounted as a revenue deduction.

Website development costs

Costs that are directly associated with the development of website and identifiable and unique software products controlled by us 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.

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.

We anticipate that our website is capable of generating revenues and satisfy the requirement of future probable economic benefit. The carrying amounts of our intangible assets are reviewed at each reporting date to determine whether there is an indication of impairment, considering the future profit projections.

Website development costs recognized as asset are amortized over their estimated useful lives between 2 and 4 years. 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. We define useful life of its assets in terms of the assets' expected utility to us. This judgment is based on the experience of us with similar assets. In determining the useful life of an asset, we also follow 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. Useful lives are reviewed at each reporting date and adjusted if appropriate.

We estimate the useful life of the website development costs between 2 and 4 years based on the expected technical obsolescence of such assets. 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 TRY 12,418,699 higher/TRY 15,658,311 lower as at 31 December 2020 (2019: TRY 10,641,343 higher/TRY 9,346,799 lower) (2018: TRY 6,689,561 higher/TRY 11,327,281 lower).

Recognition of deferred tax assets

We have not recognized any deferred income tax asset (except to the extent they are covered by taxable temporary differences) in regard to its carry forward tax losses, unused tax incentives and other deductible temporary differences due to the uncertainties as to the realization of such deferred tax assets in the foreseeable future. If actual events differ from our estimates, or to the extent that these estimates are adjusted in the future, changes in the amount of an unrecognized deferred tax asset could materially impact on results of operations.

IFRS 16 application and discount rates used for measurement of lease liability

We, 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. If that rate cannot be readily determined, we use its incremental borrowing rate.

Incremental borrowing rate is the rate of interest that we 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.

We determine 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-cancellations and extension options.

Leases

At the inception of a contract, we assess 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, we account for each lease component within the contract as lease separately from non-lease components of the contract.

We determine 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, we consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option the option to extend the lease, or not to exercise the option to terminate the lease. We revise the lease term if there is a change in the non-cancellable period of lease.

Lease liability

Lease liability is initially recognized 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 incremental borrowing rate.

After initial recognition, the lease liability is measured (a) increasing the carrying amount to reflect interest on lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Where, (a) there is a change in the lease term as a result of reassessment of certainty to exercise an exercise 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, assessed considering the events and circumstances in the context of a purchase option, the we measure the lease liabilities to reflect changes to lease payments by discounting the revised lease payments using a revised discount rate.

We determine 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 its incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

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 change to reflect changes in market rental rates following a market rent review, we measure 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 use revised discount rate that reflects changes in the interest.

Trade receivables

A receivable is our 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 we have 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.

Rebates

We periodically receive consideration from certain suppliers, representing rebates for products sold and rebates that are depending on reaching minimum purchase thresholds for a specified period. We consider those rebates as a reduction to costs of inventory when the amounts are reliably measurable.

Intangible assets and related amortization

Intangible assets are comprised of acquired software and rights. Acquired computer software licenses and rights are capitalized based on the costs of acquiring and bringing the software into operation. The cost of software and rights are amortized over their expected useful lives of 3 to 5 years.

Share based payments

Share-based payment transactions are treated in accordance with IFRS 2. 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 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.

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 Notes 2.6 and 10 to the unaudited financial statements for the three months ended March 31, 2021 included elsewhere in this prospectus, the liability related to cash settled portion of the share based payment plans depends on the valuation of the shares during the initial public offering. Determination of estimated fair value of the Company before it consummates its initial public offering requires complex and subjective judgments. We estimate the Company's enterprise value for purposes of recording share-based compensation, using a combination of an "income approach" and a "market approach." In our valuation analysis, discounted cash flow ("DCF") methodology (which estimates enterprise value based on the net present value of future cash flows), is applied as an "income approach" and includes but is not limited to future revenues and cash flow forecasts. For the DCF methodology, the net present value has been estimated using an appropriate discount rate. In applying the "market approach", we estimate enterprise value using ; i) the market multiples approach by estimating a sustainable level of future earnings for our business and applying a multiple to revenues and EBITDA, and ii) comparable transactions approach by using enterprise value multiples based on transaction values of other similar companies in the same industry.

In our fair value determination, the value range was estimated by giving 20% weight to the income approach and 80% to the market approach. Exercising its judgment in relation to share based payments, management concluded that, as of March 31, 2021, the realization of a successful initial public offering was probable (the nonmarket performance condition) and the valuation of the Company's shares in the offering was estimated to exceed a certain threshold stated in relevant share based payment contracts (the market performance condition).

Related Party Transactions

See "Related Party Transactions."

JOBS Act

We are an emerging growth company, as defined in the JOBS Act. We intend to rely on certain of the exemptions and reduced reporting requirements provided by the JOBS Act. As an emerging growth company, we are not required to, among other things, (i) provide an auditor's attestation report on our system of

internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act, and (ii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis).

INDUSTRY OVERVIEW

Attractive macroeconomic environment

As a member of the G20, Turkey is the 13th largest economy in the world by GDP based on purchasing power parity in 2019 according to the IMF World Economic Outlook report dated 2021 and a total GDP of US\$717 billion in current prices for 2020, according to Turkstat.

Turkey is one of the fastest growing economies in the world, with real GDP CAGR of 5.2% from 2010 to 2020 based on Turkstat. In 2020, the year marked by the COVID-19 pandemic, Turkey was one of the only two G20 member countries with real GDP growth (1.8% year on year according to Turkstat), along with China.

The Turkish economy is expected to grow at a CAGR of 4.1% between 2020 and 2025 supported by fiscal stimulus and recovering consumer and business confidence according to a forecast from ADL.

Large, young and urbanized population

Turkey is the second most populous country in Europe with a population of 84 million as of December 31, 2020. Turkey benefits from attractive demographics, the second youngest in Europe (after Kosovo) with 46% of the population under the age of 30 according to Turkstat, and an increasing urban population share of approximately 75% based on UN data as of 2018, which is comparable to Germany.

Fast-growing retail market with increasing penetration of e-commerce

The retail market is one of the largest and fastest growing industries in Turkey. According to ADL, the Turkish retail market grew at a CAGR of 15.3% from 2015 to 2020 and reached TRY 866 billion in 2020. The market is projected to grow at a similar CAGR of 15.7% from 2020 to 2025 to approximately TRY 1,798 billion based on the forecast from ADL.

Turkey's e-commerce market (exclusive of services, travel and betting) has grown significantly faster than the broader retail market, at a CAGR of 46.1% from 2015 to 2020, reaching a total market size of TRY 88 billion in 2020 (in terms of gross merchandise value, excluding cross-border sales, B2B sales, VAT and services (e.g., food delivery); not excluding returns), according to ADL. ADL's estimation of the e-commerce market size in Turkey is consistent with the Company's analysis based on information published by the Turkish Ministry of Trade through ETBIS. E-commerce penetration has more than tripled during the same time period to 10.1% of the overall retail market in 2020 from 3.1% in 2015, according to ADL. Low e-commerce penetration in Turkey suggests significant room for growth when compared to penetration in other large markets, with South Korea at 35.8% and China at 27.3%, closely trailed by the UK with 24.2% and the US with 20.3%, and with Poland at 14.4%, Brazil at 13.9%, Germany at 13.6% and Russia at 10.5% based on Euromonitor¹ data.

As of December 31, 2020, according to ADL data, there were approximately 100 thousand merchants active in e-commerce and 330 thousand business-to-consumer (B2C) retail companies in Turkey, which represents an available capacity for more than 230 thousand B2C merchants to step into online channels as e-commerce penetration increases.

The strong historical and projected growth of e-commerce sector is underpinned by: (1) nationwide internet infrastructure with 78% internet penetration² among the population between the ages of 16 and 74, according to Turkstat, and 77% smartphone penetration, according to Euromonitor³, in 2020; (2) high credit & debit card usage with 91% credit card penetration and 225% debit card penetration in 2020 according to BKM (where penetration is calculated by dividing the number of credit and debit cards, respectively by

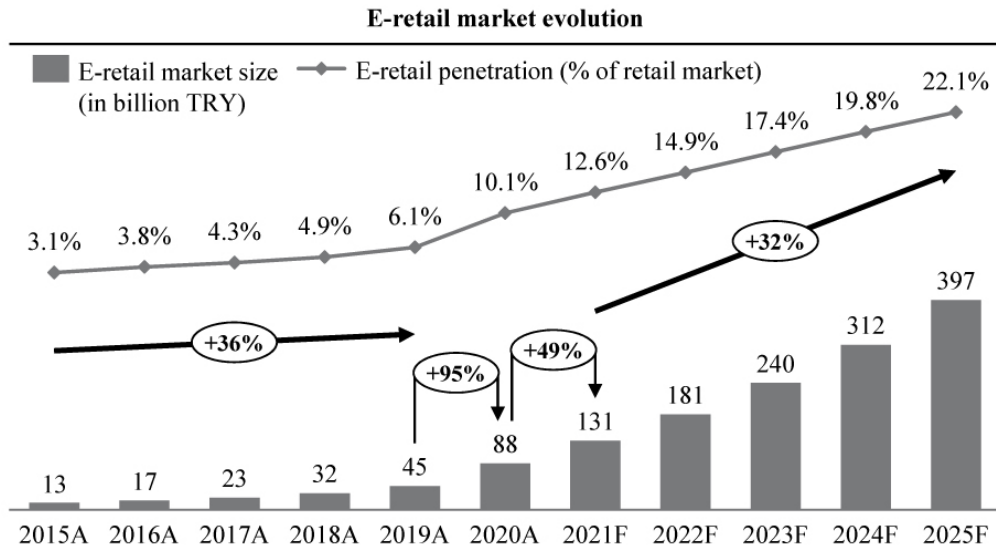
¹ Source: Euromonitor, Retailing 2021 ed.

² Internet penetration is defined as the percent of the population between the ages of 16 and 74 that have used the internet within the last 3 months.

³ Source: Euromonitor, Economies and Consumers data, March 2021.

the population of Turkey); (3) well-established logistics infrastructure with high quality highways, railway networks, airports and seaports enabling nationwide delivery of orders.

As internet penetration and proliferation of smartphones increase, the number of consumers shopping online is expected to reach 44 million in 2025 compared with 26 million in 2020, implying 69% of the Turkish population between the ages of 16 and 74 will become online shoppers by that time, resulting in an e-commerce market growing at a CAGR of 35% to TRY 397 billion and e-commerce penetration of 22.1% by 2025 based on ADL's forecast. The growth of the Turkish e-commerce market in the period 2020 to 2025 is expected to outpace the growth of the offline retail market during the same period by 2.7 times, which demonstrates the offline-to-online shift in the Turkish retail market with e-commerce players expected to capture market share from offline competitors.



Definition: E-retail market value represents gross merchandise value excluding cross-border sales, B2B sales, VAT and services (e.g., food delivery); not excluding returns

Source: ADL

Key players in the e-commerce market

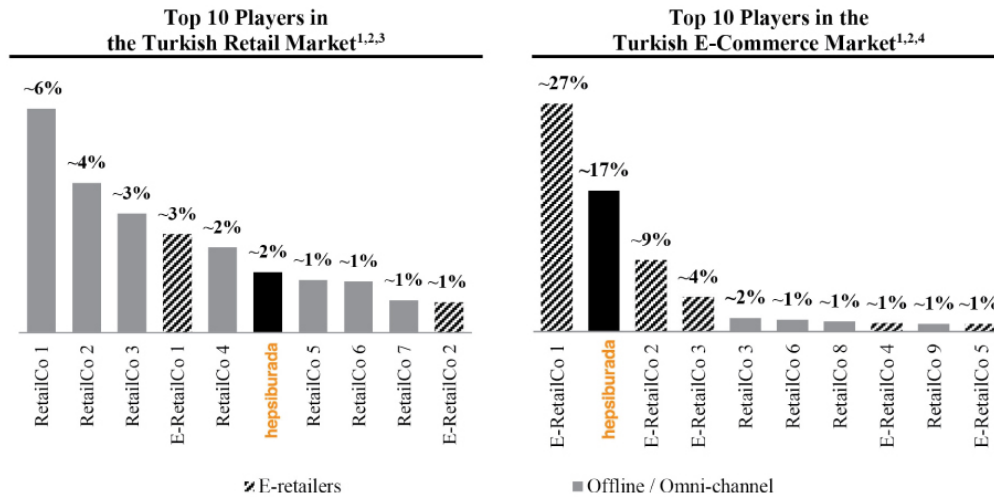
Since its founding in the late 1990s, the Turkish e-commerce market has witnessed the shift of traditional brick-and-mortar players online, the establishment of new local e-commerce players and the entrance, either organically or via acquisition, of global e-commerce players.

Hepsiburada was among the first players to start operations in 2000 and since then, while its competitors either became acquisition targets or adopted a different business model, Hepsiburada has grown to become one of the main players in this space. Gittigidiyor was launched in 2001 and was subsequently acquired by eBay in 2011. Trendyol was founded in 2010 initially as an online fashion web-store but increasingly focused on expanding its product offering across a broader set of categories after Alibaba acquired a majority stake in the company in 2018. N11 (partially owned by SK Group) has been a general e-commerce player since its launch in 2012. Amazon entered the Turkish market in 2018 and remains a relatively smaller player compared to other, similar to Morhipo which was founded in 2011 and is a part of the Boyner Group.

The Turkish e-commerce market today includes traditional brick-and-mortar retailers with omni-channel capabilities, quick delivery players, online players operating third party marketplace model only, such as N11

and Gittigidiyor, and online players offering hybrid models that combine a third party marketplace with their own first party sales, such as Hepsiburada, Trendyol, Amazon and Morhipo.

As of 2020, Hepsiburada has a market share of approximately 2% in the highly fragmented Turkish retail market which remains dominated by offline retail players according to ADL. As the second largest player by market share in the Turkish e-commerce market, Hepsiburada is well placed to drive the shift from offline to online retail and gain market share as a result. Based on ADL's analysis, Hepsiburada has a market share of approximately 17% of the total e-commerce market as of 2020, which represents an increase of approximately 8 percentage points compared to approximately 9% in 2015⁴, also having increased its market share despite strong competition after the acquisition of Trendyol by Alibaba in 2018 and the entry of Amazon into the Turkish e-commerce market.



Source: ADL






- (1) Top 10 players based on total retail gross merchandise value or total e-commerce gross merchandise value, as applicable.(4)
- (2) Market shares of players are based on approximations.
- (3) Retail market is defined as the gross merchandise value of the goods sold in all retail channels to customers, excluding alcohol and tobacco products, sales to enterprise customers (B2B), cross-border sales and VAT.
- (4) E-commerce market is defined as the gross merchandise value of the goods sold through online retail channels to customers, excluding alcohol and tobacco products, sales to enterprise customers (B2B), cross-border sales and VAT.




Mobile application downloads and monthly active application users comparisons data for Turkey underscores Hepsiburada's leading position in the Turkish e-commerce market. Based on mobile application downloads in 2020, Hepsiburada's app is the second most downloaded e-commerce app in Turkey according

⁴ The Gross Merchandise Value definition used by ADL in calculating market share data, including for Hepsiburada, is different from the Company's definition of GMV in that it excludes VAT. See "Risk Factors — Our operating metrics and competitive information, both internally calculated and provided by third parties and included in this prospectus 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."

to App Annie data. In addition, Hepsiburada has one of the most active user bases in Turkey and demonstrated significant growth in monthly active app users since 2018, ranking second based on App Annie.

Hepsiburada has a differentiated consumer proposition in the Turkish e-commerce market compared to the main marketplace competitors Trendyol, N11, Gittigidiyor, and Amazon. Hepsiburada has the most comprehensive offering in the Turkish e-commerce market across assortment, catalogue structure, fulfillment and inhouse logistics solutions (according to ADL), and it is the only marketplace with an e-money and payment service provider license in Turkey (according to the Central Bank's list of such licensed providers).

| | hepsiburada | Competitor 1 | Competitor 2 | Competitor 3 | Competitor 4 |
|---|---|---|---|---|---|
| Monthly Active App Users (Indexed) ¹ | 100 | 133 | 71 | 44 | 24 |
| Assortment ² (number of SKUs) | 44m+ | 30m+ | 18m | 22m | NA |
| Catalogue Quality |  |  |  |  |  |
| In-house Delivery Operations | ✓ | ✓ | ✗ | ✗ | ✗ |
| Fulfillment as a Service | ✓ | ✓ | ✗ | ✗ | ✓ |
| Return from Customer's Address | ✓ | ✗ | ✗ | ✗ | ✗ |
| E-money and Payment Service Provider License | ✓ | ✗ | ✗ | ✗ | ✗ |
| On-Demand Grocery Infrastructure | ✓ | ✓ | ✗ | ✗ | ✗ |

 Full single catalogue structure in all categories
  Partial single catalogue structure (in all / some categories)
  Limited single catalogue structure

Source: Hepsiburada, company websites, App Annie (Indexed Average Smartphone Monthly Active Users in Turkey), ADL (Catalogue Quality, Assortment, In-house Delivery Operations) and the Central Bank (E-money and Payment Service Provider License)

(1) 2020 Q4 Monthly Average, Indexed to Hepsiburada (Hepsiburada = 100)

(2) Indicates the number of unique products offered in the platform

In addition, Hepsiburada differentiates itself from competition through a wide range of new services including grocery, flower and water delivery as well as its offering across HepsiPay, HepsiFly and HepsiGlobal. Hepsiburada also provides multiple value-added services to its customers and merchants including returns from the customer address, trade-in options and customer financing solutions. The suite of additional verticals beyond the core business and value added services, combined with its loyalty program and logistics offering is unmatched by other marketplace operators in Turkey according to ADL.

Key e-commerce customer decision drivers

In Turkey, consumers use three main criteria to choose amongst various e-commerce players: (1) brand image and awareness, (2) product specific purchasing criteria and (3) customer satisfaction and loyalty.

- **Brand image and awareness:** Brand image and awareness are key criteria for a purchase. Based on FutureBright research for the full year 2020, Hepsiburada has market leading metrics of 96% aided brand awareness (with the two closest competitors in Turkey scoring 95% and 92%, respectively), 78% spontaneous brand awareness (with the two closest competitors in Turkey scoring 74% and 63%, respectively) and 91% highest preference score (with the two closest competitors in Turkey scoring

89% and 87%, respectively). Results of the research underscore the importance of a strong, local, trusted brand that drives both spontaneous and aided brand awareness.

- **Product specific purchasing criteria:** In the selection of e-commerce players, customers apply the following product specific selection criteria, in order of importance: price, discounts and promotions, assortment, trustworthiness, delivery and ease of use according to GfK as of March 2021. Hepsiburada has a higher performance rating than the average of its top five competitors across all key purchasing criteria and the differential to the market average is particularly apparent in price, assortment and delivery where Hepsiburada's rating is 22%, 21% and 18% better than the average of its top 5 competitors. This underscores the importance of the hybrid ecommerce model combining the assortment advantages of the marketplace with the customer experience advantage of the first party sales.
- **Customer satisfaction and loyalty:** Customer satisfaction is a key indicator of differentiation between competitors and drives repeat purchase and increased order frequency whilst reducing customer acquisition cost. Hepsiburada achieved an average customer satisfaction score of 8.1 compared to 7.5 for the average of its top five competitors in a survey conducted by GfK in March 2021. This underscores the importance of owned and operated logistics infrastructure in particular around customer service.

BUSINESS

Our Mission

Our mission is to be the reliable, innovative and sincere companion in people’s daily lives and to make each member of our community feel ‘I am so happy I have Hepsiburada’.

Our Vision

Our vision is to lead digitalization of commerce. To that end, we have evolved from an e-commerce platform into an integrated ecosystem of services centered on making people’s daily lives easier.

Company Overview

We are a leading commerce platform in Turkey and in 2020, we connected 33 million members, 9 million Active Customers and a fast growing base of approximately 45 thousand Active Merchants. We provide high-quality customer experience by relentlessly focusing on selection, price and delivery:

- **Selection:** As of December 31, 2020 we had over 44 million SKUs, including variants (color, size, etc.) across 32 different categories offered through a hybrid model combining a first-party Direct Sales model (1P model) and a third-party Marketplace model (3P model);
- **Price:** We seek to provide the best value for our customers by offering products at highly competitive prices; and
- **Delivery:** We operate a large, fast and scalable in-house logistics network with robust last-mile delivery capabilities based on a proprietary technology platform.

Founded in 2000, Hepsiburada has been one of the early pioneers of digitalization of commerce in Turkey 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 96% for aided brand awareness (with the two closest competitors in Turkey scoring 95% and 92%, respectively), 78% for spontaneous brand awareness (with the two closest competitors in Turkey scoring 74% and 63%, respectively) and 91% for highest preference score (with the two closest competitors in Turkey scoring 89% and 87%, respectively), according to FutureBright Research Brand Health Report in 2020. Additionally, our brand had a market leading NPS of 66 for the three months ended March 31, 2021 according to the company’s internal reporting and has been named Turkey’s favorite e-commerce brand several times by Mediacats’ Lovemark, a survey which aims to reveal the brands consumers value within a given category. Supported by the strength of our brand, we benefit from substantial organic traffic, with approximately 70% of traffic being unpaid traffic, for the three months ended March 31, 2021.

We believe that our commitment to five central pillars of our business culture is the reason we have risen to become a leader of e-commerce in Turkey as evidenced by our brand awareness track record. The five pillars of our business culture are:

- customer-first mentality;
- entrepreneurial business acumen;
- meticulous execution;
- relentless innovation; and
- social consciousness, diversity and inclusion.

Our aim is for customers of Hepsiburada to come to the platform and be able to do the following:

- **Hepsiburada:** Shop a wide range of products online;
- **HepsiExpress:** Order groceries and essentials to be delivered within 30 to 60 minutes;
- **HepsiGlobal:** Discover and purchase products from international merchants online;

- **HepsiPay:** Use different online payment options; and
- **HepsiFly:** Buy airline tickets online.

We have 20 years of e-commerce experience in Turkey, 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 Turkey.

Since the launch of our Marketplace in 2015, Hepsiburada has become a trustworthy partner for merchants in Turkey by providing access to 33 million members and 9 million Active Customers and comprehensive end-to-end solutions to empower merchants to thrive digitally. In 2020, our 3P-based Marketplace model accounted for approximately 59% of our GMV, following the successful transformation of Hepsiburada from a 1P-based Direct Sales only business to its current hybrid 1P and 3P-based model. Our aim is for Hepsiburada's merchants to enjoy a seamless set of integrated e-commerce solutions:

- **HepsiLojistik:** Fulfillment options across Turkey;
- **HepsiJet:** Last-mile delivery services;
- **HepsiPay:** Online payment solutions; and
- **HepsiAd:** Personalized ads and data insights.

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 price competitiveness, has allowed us to attract a growing total Active Customer base to 9 million in 2020 from 6.5 million in 2019 and 4.8 million in 2018 and increase the frequency of orders on our platform to 3.9 in 2020, from 3.5 in 2019 and 3.1 in 2018, which in turn draws more merchants and further enhances our customer value proposition. In addition, our proprietary data and insights collected over the last 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 March 2021, we operate:

- a nationwide infrastructure including six fulfillment centers in strategic locations that encompass a total area of more than 120 thousand square meters;
- our Hepsijet business is one of the fastest growing logistics companies with an on-time delivery performance of 95% in 2020, and operates in 63 cities with 115 cross-docks as of March 31, 2021; and
- our Hepsimat business is a pick-up & drop-off (PUDO) network with more than 950 branded parcel lockers and pick-up points as of March 2021 and has partnership with local stores, gas stations and retailers.

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 ensure a seamless experience for our merchants and customers with our single mobile app that connects our offerings and services.

Our business has experienced a long history of strong growth as a result of our commitment to meticulous execution. Our revenues increased by 66% to TRY 1.4 billion in the three months ended March 31, 2021 from TRY 0.8 billion in the three months ended March 31, 2020 and by 145% to TRY 6.4

billion in 2020 from TRY 2.6 billion in 2019 and by 33% from TRY 2.0 billion in 2018 and our total GMV increased by 95% to TRY 4.5 billion in the three months ended March 31, 2021 from TRY 2.3 billion in the three months ended March 31, 2020 and by 111% to TRY 17.0 billion in 2020 from TRY 8.0 billion in 2019 and by 56% from TRY 5.1 billion in 2018, fueled by increasing purchase frequency, greater customer loyalty and an expanding pool of Active Customers of 9 million in 2020, up from 6.5 million in 2019 and 4.8 million in 2018, a CAGR of 38% from 2018 to 2020. We had Free Cash Flow of TRY (158.8) million and TRY 60.5 million in the three months ended March 31, 2021 and 2020, respectively and TRY 341.4 million, TRY 310.4 million and TRY 119.0 million in 2020, 2019 and 2018, respectively.

Our Strengths

We believe the following strengths are the basis for our success.

Proven Team with Deep Local Know-How and Commitment to our Vision and Mission

Our business is led by an entrepreneurial management team with a strong track record of growth and a clear vision to lead digitalization of commerce. Our management team has a complementary and diversified skill set, with significant e-commerce expertise in multiple geographies backed by diverse backgrounds from technology, retail, banking and operations in Fortune 500 companies.

At the core of our culture is our commitment to our customer-first mentality; entrepreneurial business acumen; meticulous execution; relentless innovation; and social consciousness, diversity and inclusion. To demonstrate to our community that we live up to our values, we lead by example:

- **customer-first mentality** has been a key pillar to our culture and we are committed to continue to be one of the favorite e-commerce brands in Turkey with strong customer satisfaction scoring higher than the industry average;
- **entrepreneurial business acumen** is critical to our business operations and innovations. Our strong relations with suppliers and merchants, strong track record in industry, deep understanding of local insights, cost-conscious management philosophy, and deep commitment to our vision help us better evaluate the business landscape in making strategic decisions;
- **meticulous execution** is indispensable to operate in Turkey, where we operate a 1P and 3P hybrid model and as a result recorded a GMV CAGR of 64% (11.8 times) (to TRY 17.0 billion in 2020 from TRY 1.4 billion in 2015), a growth in the number of Active Customers of 4.4 times from 2015 to 2020 and a GMV per Active Customer growth at a CAGR of 32% from 2018 to 2020;
- **relentless innovation** has been the key driver behind our pioneering achievements including the 1P-3P hybrid model, unified catalogue, customer reviews, new vertical expansions such as on-demand grocery service, last-mile delivery capability, same-day delivery, click & collect, frictionless return pick-up, licensed payment service, and online consumer loans; and
- **social consciousness, diversity and inclusion** have been our focus at every step that we have taken in building our business. We have been actively supporting local merchants and women entrepreneurs through targeted nationwide programs. As an example of our dedication to encourage women entrepreneurs, we launched Technology Empowerment for Woman Entrepreneurs, a program across Turkey which provides multiple benefits to women entrepreneurs making sales on our platform who elect to participate. Since the launch of this program, we have reached more than 19,000 women entrepreneurs (as of March 31, 2021) from across Turkey over the course of approximately 4 years. In 2020, more than 20% of our Active Merchants were women entrepreneurs. In addition, as of March 2021, women employees represent 49% of our workforce and 33% of our executive roles (excluding Hepsijet).

At Hepsiburada, we bridge Silicon Valley's technical know-how with the local trading culture by merging analytical concepts such as big data analytics, customer segmentation and personalized recommendation with the understanding of local insights, expectations and values. Our globally proven business model, which is based on an e-commerce model that complements a marketplace of third-party sellers with a direct sales online retail business, combined with our local know-how enables us to execute our business strategy seamlessly, as evidenced by our operating and financial results.

The COVID-19 pandemic underscored Hepsiburada's important position in the community and emphasized our critical role in supporting different segments of the society including health workers, small and medium sized enterprises, families in need, and entrepreneurs. As a commitment to our long term vision, we will continue to support our stakeholders and enable Turkey and the broader region to accelerate its digitalization journey.

A Leader of E-Commerce in Turkey with One of the Most Trusted and Popular Digital Platforms for Customers' Everyday Needs

As one of the early pioneers of online retail in Turkey, customer service and experience is our priority and we aim to provide a seamless experience on our platform throughout the entire customer journey. We provide an excellent customer experience on our platform by relentlessly focusing on selection, price and delivery. Our mobile "Super App" is at the center of our value proposition and it acts as a one-stop-shop solution for customers by offering a broad range of products and services and creates a differentiated user experience.

Aiming to offer the largest and highest-quality product selection is one of the key pillars of our value proposition to customers. We offer over 44 million SKUs across 32 different categories including home appliances, books & hobbies, fashion & lifestyle, home & garden, groceries and technology products. Our strong alliances and partnerships with local brands and leading international brands, such as Apple, Casper, Oppo, Tefal, Rowenta, Eczacıbaşı, Spigen, Delta, Dyson, Vestel and Ülker Group help us to expand the variety of products available to our customers as well as partner to offer value-added services, such as trade-in options for, among others, Apple and Samsung products, delivery by appointment for Vestel products and live chat support from live agents from over 40 well-known brands, including Colgate-Palmolive, Apple and L'Oréal.

We seek to provide the best value for our customers by offering products at highly competitive prices. We believe that our large merchant base with approximately 45 thousand Active Merchants in 2020, plays an important role and allows our customers to find the best value for money for products in our platform.

We operate a large, fast and reliable in-house logistics network with scalable and robust last-mile delivery capabilities based on a proprietary technology platform. We are an end-to-end ecosystem with full in-house capabilities across fulfillment, logistics and last-mile delivery in Turkey. We believe that our logistics infrastructure is an important pillar of our success and enables us to improve the customer experience.

Our mobile Super App is at the center of our platform, which acts as a one-stop-shop solution for customers and creates a differentiated user experience and a virtuous demand cycle for our business. Our app is one of the most popular in Turkey with 19 million average monthly app active users on our mobile applications in 2020 and has 37.3 million app downloads since 2018. Our website had more than 250 million monthly visits on average in the three months ended December 31, 2020.

Our distinctive value proposition of a wide selection of products and services at competitive prices with convenient delivery options has resulted in a large, growing and loyal Active Customer base, according to company information, which demonstrated an increase in order frequency and retention on our platform in 2019 and 2020. We had an NPS of 66 for the three months ended March 31, 2021 (according to the company's internal reporting records), were elected Turkey's favorite e-commerce brand several times by MediaCats' Lovemark and have won several awards since 2015 for our e-commerce platform. Further, we have reduced the rate at which customers raise customer services inquiries through our ticketing system down to 2.6% of orders in the first quarter of 2021, from 5.1% in 2020 and 6.4% in 2019.

Empowering Merchants to Thrive in a Digital Environment with a Comprehensive Suite of End-to-End Solutions

We have one of the largest merchant bases in Turkey with approximately 45 thousand Active Merchants in 2020, and have become the "one-stop-shop" and one of the most attractive digital platforms for merchants to access consumers across Turkey. Our Active Merchant base has more than doubled in 2020 compared to 2019. 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.

Our platform also enables local merchants in Turkey to seamlessly sell their products to nearby countries outside Turkey through the HepsiGlobal app. Today, being listed on Hepsiburada not only helps our merchants manage and grow their businesses through our vast range of capabilities but also has become a source of credibility which they can proudly showcase both in online and offline channels.

We make it easy for our merchants to maximize their success on our platform by providing them with a comprehensive set of advanced tools and services, including:

- Merchant portal and proprietary merchant store management tools;
- Advanced data analytics and advertising services to increase the effectiveness of their marketing efforts through HepsiAd;
- Financing options to more efficiently manage their working capital needs. In 2020, our financing program has grown more than 5 times based on the aggregate value compared to the same period in 2019 and exceeded TRY 1.3 billion in volume, with an 11.4 times growth in merchant and supplier financing from 2018 to 2020;
- Access to our logistics infrastructure through HepsiLojistik, through which we allow them to deliver across Turkey with a superior customer experience; and
- Comprehensive training sessions through our merchant training portal, HepsiAkademi, accelerating our merchants' integration. More than 15,000 training sessions were completed on our platform by our merchants in the three months ended March 31, 2021.

Our technological infrastructure and capabilities also allow our merchants to integrate through our in-house developed single dashboard where merchants can manage inventory and connect directly to our ecosystem using open API capabilities and access to advertising monetization tools.

Integrated Ecosystem with Powerful Network Effects

Our leading locally embedded brand, our hybrid commerce model with a unified 1P and 3P catalogue, our broad level of ecosystem services, and our strong customer and merchant value propositions create powerful network effects with increasing supply and increasing demand continuously boosting growth from each other.

Our supply continues to grow, as evidenced by:

- an increasing number of Active Merchants, which has grown to approximately 45 thousand in 2020 from approximately 21 thousand in 2019 and approximately 12 thousand in 2018; and
- in addition to new value-added services such as frictionless return pick-up, trade-in option and 2-hour delivery (for selected mobile device products), our expansion into new verticals such as HepsiExpress (instant grocery delivery), HepsiFly, and HepsiGlobal (inbound cross-border purchases) strengthens the breadth and depth of our service & product offerings.

Our demand continues to grow, as evidenced by:

- the growth of our already large Active Customer base with a CAGR of 38% from 2018 to 2020, thus reaching 9 million in 2020, compared to 6.5 million and 4.8 million in 2019 and 2018, respectively; and
- a significant increase in the frequency of orders on our platform to 3.9 in 2020, up from 3.5 in 2019 and 3.1 in 2018.

This network effect is underpinned and reinforced by our robust logistics network and technological capabilities which further enhance the value proposition for our customers and merchants.

Large, Fast and Scalable In-House Logistics Network

We are an end-to-end ecosystem with full in-house capabilities across fulfillment, 3P and 1P operations, logistics and last mile delivery in Turkey. We believe that our logistics infrastructure is key to our success and allows us to differentiate ourselves by offering our customers and merchants a variety of convenient

delivery options, such as nationwide 24-hour delivery, 2-hour delivery for selected mobile device products, delivery by-appointment and over-the-weekend, in addition to robust services such as return pick-ups from customers' address.

With a nationwide network of six fulfillment centers strategically located across Turkey (Kocaeli, Ankara, Izmir, Adana, Erzurum and Diyarbakir) and a total area of more than 120 thousand square meters, we have one of the largest logistics infrastructures among Turkish pure e-commerce players.

Our logistics infrastructure is complemented by HepsiJet, our in-house last-mile delivery service and one of the fastest growing logistics companies in Turkey, and HepsiMat, our pick-up drop-off (PUDO) network with more than 950 branded parcel lockers and pick-up points throughout Turkey as of March 2021. Providing scalable, crowd-sourced, fast and cost efficient delivery to our customers and merchants, HepsiJet as of March 2021:

- provides next day, same day and 2-hour delivery services for selected products;
- operates 115 cross-docks in 63 cities with approximately 95% population coverage;
- provides last mile delivery service to more than 4,500 merchants;
- delivers approximately 65% of its orders within the next day (based on data for the three months ended March 31, 2021); and
- has a target of 100% nationwide population coverage by June 30, 2021.

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 warehouse automation. Our internally developed technology backbone includes but is not limited to order-management-systems, warehouse-management-systems and demand forecasting tools.

We believe that our nationwide logistics infrastructure gives us a significant competitive edge and will drive our future growth and enhance our service offerings to customers and merchants.

Proprietary Data-driven Technology Platform Underpinned by Continuous In-House Innovation

Technology is at the core of Hepsiburada's business. Our in-house IT infrastructure is central to our ability to execute our business strategy, ensure seamless logistic execution and provide a seamless and comprehensive digital experience to our customers through our Super App. We currently integrate our service offerings through mobile and web applications, which enables us to scale rapidly and deliver a comprehensive experience to our customers and merchants across devices. We have invested significantly in developing our own flexible proprietary technology to support the large and rapidly growing transaction volumes generated on our platform.

We believe we are one of the leading employers for top tech talent in Turkey with our three certified R&D centers in close cooperation with universities and academia across the country. As a result, our technology organization consists of high quality developers, engineers, data scientists and subject matter experts who leverage the latest technologies, our proprietary data and big data analytics to develop innovative in-house solutions which continue to enhance the platform experience.

Our IT engineers (developers, testers, and architects), designers, data analysts and product managers are dedicated to enhancing the customer experience. Our data science and machine learning teams embedded across product function teams analyze the data to identify trends and behaviors that enable us to personalize the customer experience on our platform such as to make more relevant product recommendations.

Our engineering and technology teams focus on security, availability, scalability and performance while providing product features across our websites and mobile applications. Our technology department is essential to our ability to implement our strategy and continue to be at the forefront of innovation in the Turkish e-commerce market.

The success of our technology team in developing almost all of our products in-house and our reliable, secure and scalable tech stack (the set of technologies we use to build our website and mobile applications) is based on three main pillars:

- a product-oriented team structure;
- high stability and availability standards; and
- early adoption and development of cutting edge technologies.

To ensure operational continuity, we have two separate and synched data centers located in Istanbul. We own and operate the server hardware, network, storage devices and backup systems in both data centers and employ redundancy architectures, outage procedures and data protection practices on all our technology systems resulting in 99.9% availability in 2020, 2019 and 2018. Furthermore, we embrace cloud-ready architecture allowing us to utilize the cloud whenever extra capacity is needed, in order to ensure capacity management flexibility.

Our technology teams develop almost all key product functions and features in-house and utilize select third-party tools and technologies to complement our efforts. We design and build products with an emphasis on security, scalability and ability to provide uninterrupted services.

Our ability to scale quickly and efficiently has been tested and we have consistently demonstrated strong performance in peak seasons such as Legendary Friday (which takes place within the month of November) and unexpected demand shifts such as the COVID-19 pandemic. In the weeks of Legendary Friday in 2020, our average daily sales was 4.3 times higher than our average daily sales for the remainder of 2020. In 2020 and 2019, we experienced traffic of approximately 0.8 million and 1 million instantaneous visits (i.e., number of unique users visiting our platform at the same time), respectively, during the Legendary Friday season.

We have a dedicated cybersecurity department which uses various technical means and procedures to protect our technology systems from cyber threats, such as perimeter protection tools, perimeter scanning, user rights restrictions on workstations, antivirus protection, software update controls, code review and anomaly detections. Our IT network is also protected from multilayered external denial-of-service attacks by malicious traffic filtering systems.

We are the first on-site audited and PCI DSS (Payment Card Industry Data Security Standard) certified player in the Turkish e-commerce market and we maintain the ISO 27001 (Information Security Management System) certificate. We have developed a multi-level data security framework and secure data with a mix of analytical processes and development tools. As of the date of this prospectus, we have not experienced any material security breaches.

Highly Attractive Financial Profile with Strong Growth at Scale, High Order Frequency Rates and Attractive Unit Economics

Our business has grown substantially in recent years. Our revenues increased by 66% to TRY 1.4 billion in the three months ended March 31, 2021 from TRY 0.8 billion in the three months ended March 31, 2020 and by 145% to TRY 6.4 billion in 2020 from TRY 2.6 billion in 2019 and by 33% from TRY 2.0 billion in 2018, and our total GMV increased by 95% to TRY 4.5 billion in the three months ended March 31, 2021 from TRY 2.3 billion in the three months ended March 31, 2020 and by 111% to TRY 17.0 billion in 2020 from TRY 8.0 billion in 2019 and by 56% from TRY 5.1 billion in 2018, as we pursued our significant transformation from a 1P-only business to a hybrid commerce model of 1P and 3P. For the three months ended March 31, 2021, and in 2020, 3P accounted for approximately 70% and approximately 59% of our GMV, respectively.

The strong growth we experienced in recent years also enabled us to generate positive annual Free Cash Flow. We had Free Cash Flow of TRY (158.8) million and TRY 60.5 million in the three months ended March 31, 2021 and 2020, respectively and TRY 341.4 million, TRY 310.4 million and TRY 119.0 million, in 2020, 2019 and 2018, respectively. We experienced negative Free Cash Flow in the three months ended March 31, 2021 due to higher than usual purchases of inventories, in order to be able to secure supply during the COVID-19 lockdown period in the second quarter of 2021.

The growth has been fueled by several factors, including an increased frequency of orders to 3.9 in 2020, up from 3.5 in 2019 and 3.1 in 2018, and an expanding Active Customer base of 9 million in 2020, up from 6.5 million in 2019 and 4.8 million in 2018.

As we continue to scale up Hepsiburada, we believe that these trends will continue to positively impact our business, with further Active Customer base growth, strong cohort performance and increasing operational efficiency driving improvement in unit economics and profitability.

Our Strategy

Our vision is to lead digitalization of commerce and our mission is to be the reliable, innovative, sincere companion in people's daily lives and to make each and every member of our community feel 'I am so happy I have Hepsiburada'. To this end, we aim to build on our leading position across existing product categories and services, launch new products and initiatives, and continue to scale our business. We plan to achieve this goal by pursuing the following objectives in our strategy:

Attracting More Customers to Our Platform

Turkish online retail market is at the early stage of its development. According to ADL, the Turkish online retail segment is expected to continue to experience strong growth in the coming years. Driven by a sustained consumer shift to e-commerce, online retail in Turkey is projected to have approximately 44 million annual online customers until 2025, according to ADL. We had 9 million Active Customers in 2020 and we plan to attract more customers to our platform and reactivate the existing customer base by continuing to enhance our value proposition through an expanded product catalogue as well as added convenient and affordable delivery options. In addition, we believe our recent expansion into new verticals such as HepsExpress and HepsFly will further support our growth, and consistently improve the overall customer experience. We believe the main drivers for our customer attraction will be increasing focus on hyper-personalization and hyper-localization aspects while scaling the full-fledged Loyalty Club.

Increasing the Frequency of Our Customers on our Platform

One of the main drivers of Hepsiburada's GMV growth has been the increase in our customers' order frequency as we expanded our product and service offerings. We aim to leverage the deep understanding of our customers' preferences which we have been building over the years and our advanced in-house lifecycle management engines powered by AI and deep-learning technologies to drive higher engagement, retention and frequency on our platform. As a result of these initiatives, we increased the frequency of orders on our platform to 3.9 in 2020, up from 3.5 in 2019 and 3.1 in 2018.

We also plan to focus on providing our customers an enhanced experience through additional value added services such as trade-in, card-splitting option (i.e., ability to pay for a single order via multiple credit cards) and same day delivery services, and additional verticals that will increase the daily interaction of our customers with Hepsiburada Super App by becoming the one-stop-shop of our customers' daily needs. As of March 31, 2021, approximately 5% of orders above TRY 5,000 were paid by card splitting option. Additionally, our customers applied for our trade-in option for more than 10% of mobile phones sold in the fourth quarter of 2020.

Our Loyalty Club aims to be one of the growth drivers of Hepsiburada and will expand its offerings with new partnerships and privileges such as the recently launched wallet cashback capability. On average, from the launch of our Loyalty Club in August 2020 to December 31, 2020, members of our Loyalty Club shopped approximately 2.5 times more frequently on a monthly basis compared to our non-Loyalty Club customers.

We believe HepsExpress will be a key enabler to penetrate a wider range of customers through our grocery offerings, increasing retention and order frequencies of our existing customers and providing us with more data points to further benefit from cross-selling opportunities across all of our verticals and categories. According to ADL, of the approximate TRY 866 billion value of total Turkish retail market in 2020, Turkish supermarkets represented approximately TRY 430 billion (or 50%) of the total Turkish retail market, which had less than 4% online penetration. We believe the relatively low online penetration of such a large portion of the Turkish retail market represents an upside potential in the growth in the Turkish online groceries market as online penetration increases.

Attracting More Merchants to our Platform

We plan to attract more merchants to our platform by offering access to an increasing Active Customer base, expanding and continuously improving our fulfillment services, extending merchant financing and launching new tools, alongside recently developed HepsiAd solutions. In addition, we launched our HepsiLojistik fulfillment service in 2020, which attracts an increasing number of merchants due to our enhanced service offerings and has already built up a strong pipeline of merchants to onboard into our integrated system. Furthermore, HepsiGlobal is also expected to help us strengthen our merchant base by expanding to international merchants.

Investing Further into and Leveraging Logistics and Technology as Enablers

We plan to invest further into our nationwide logistics network, to maintain and consistently improve our service levels to our customers and merchants.

- We invested into regional fulfillment centers where we prioritized providing our customers and merchants with the highest level of logistics services across the whole country.
- As of March 31, 2021, we have expanded our logistics footprint with 115 cross-docks, through which we have achieved approximately 95% population coverage for HepsiJet.
- In the near and medium term, we plan to focus our efforts on going local with our scalable infrastructure and become the nearest commerce player to our customers and merchants.

Our unified and in-house technology platform has been a major enabler of scalable and reliable operations to support our growth. We plan to constantly innovate and develop new capabilities to improve the experience for merchants and customers and the operational performance of our platform.

Continue Innovation and Expand New Services on the Platform

In 2020, we expanded our commerce platform and developed an ecosystem of services centered on making people's lives easier. The ecosystem we have been building includes HepsiExpress, HepsiPay, HepsiJet, HepsiLojistik, HepsiMat, HepsiAd, HepsiGlobal and HepsiFly as of the date of this prospectus. We aim to take advantage of the natural synergies that exist between our services and increase adoption amongst our customer base. We believe that greater utilization of our resources will drive further improvements in our unit economics.

As a testament to our commitment to closely monitor the market and innovate to further address the daily needs of customers, we launched HepsiExpress in 2020 to penetrate and lead the fast-growing grocery delivery market through our robust model combining instant and slotted delivery options in a hyper-local fashion. Water and flower delivery services were launched in 2021 as complementary products to provide a one-stop-shop solution to our customers.

In order to further increase our product selection and network effects regionally, we also started to offer an international shopping experience to our customers located in Turkey through the recently launched HepsiGlobal, which allows them to discover products listed by merchants around the world.

In future, HepsiGlobal will also have outbound operations, which will focus on product groups where Turkey has a competitive advantage, such as apparel, fashion, home textile, accessories, food, kitchenware, small domestic appliances and will establish exclusive partnerships with global players for logistics solutions.

In addition, we acquired a tourism agency license in February 2021 and are aiming to fully launch online airline tickets services once COVID-19-related restrictions on travel are lifted. HepsiFly is designed to provide our customers with an option to buy airline tickets with competitive prices. We are aiming to further develop HepsiFly by providing our customers with an option to make hotel bookings, buy package tours, travel insurance and cancellation policies.

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 Turkey to collect customers' reviews, which enabled us to pursue a more customer-oriented approach. Although our story began with focusing on the sale of electronic devices, starting from 2010, we increased our focus on non-electronics products (based on our 1P-based Direct Sales model) and started widening the range of products we offer by not only introducing new categories such as home textile, cosmetics and gardening but also increasing product range in non-electronics categories such as fast moving consumer goods (FMCG), fashion and home and garden. See “— *Our Business Model.*” In the same year, we introduced the first “one click shopping” feature 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 and 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 firsts in the Turkish e-commerce market.

By the end of 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. Gebze fulfillment center has significantly expanded in the following years 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 keep and grow 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, thus introducing our own delivery services, 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 Turkey. With the launch of Hepsijet, we began providing last-mile delivery services (inclusive of scheduled same day and next day delivery) and, in the same year, Hepsiburada took leading steps in the Turkish e-commerce market to establish Turkey'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, by which we offer our experience and technology infrastructure to the service of entrepreneurial women by collaborating with non-governmental organizations to strengthen the place of women in business.

In 2018, we achieved in-house product search capability in our online platform. In the same year, to enhance 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 Turkey, which was rebranded to “HepsiMat” in 2020.

We exceeded the mark of US\$1 billion in GMV for the year ended December 31, 2018 (2018 average: U.S. dollar 1.00 = TRY 4.8134). We launched HepsExpress and HepsGlobal (only for inbound sales, *i.e.*, from other countries into Turkey) in 2020. In the same year, we also launched HepsLojistik 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 Turkey, which enabled us to directly source Apple products and sell them on-line to our customers. This strategic partnership was followed by other agreements with leading global and local brands, suppliers and banks. In 2021, we acquired tourism agency license to launch HepsFly and began our efforts to leverage our online platform for enhanced advertisement capabilities by launching HepsAd, which will be further developed as a programmatic advertisement platform by the end of 2021.

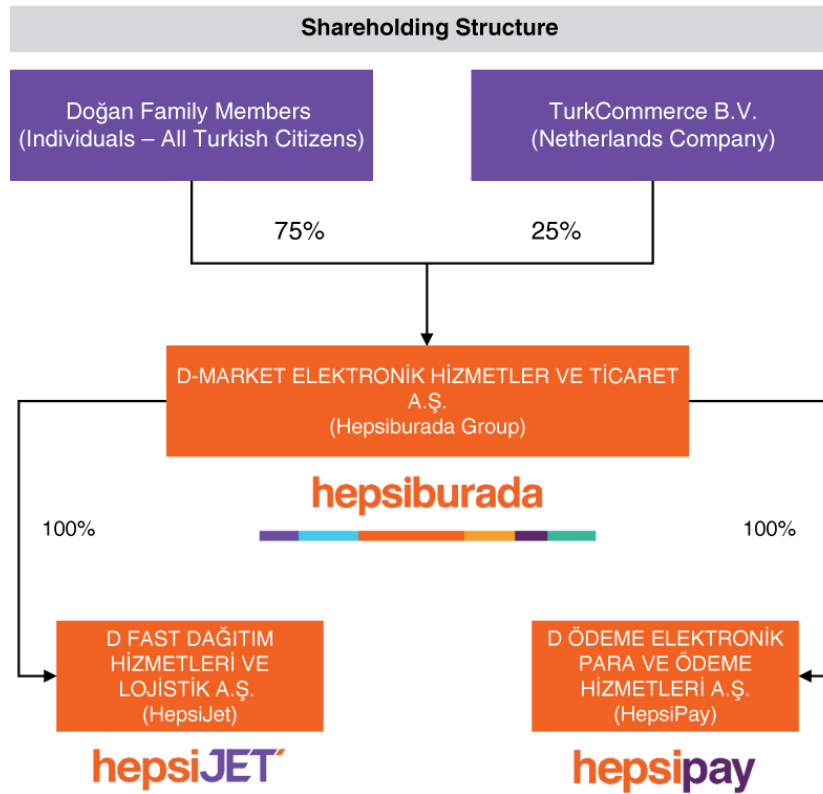
As of the date of this prospectus, the principal market in which we operate is Turkey and for the three months ended March 31, 2021 and for the years ended December 31, 2020, 2019 and 2018 almost all of our revenue was generated from our e-commerce operations performed in Turkey.

Corporate Structure

We are an entity incorporated in Turkey as a joint stock company on April 11, 2000 and currently have two wholly-owned subsidiaries: D Fast Dağıtım Hizmetleri ve Lojistik Anonim Şirketi, which is the operating

company for our delivery service business, Hepsijet, and D Ödeme Elektronik Para ve Ödeme Hizmetleri Anonim Şirketi, company through which we have developed our payment tool, Hepsipay. As of the date of this prospectus, our Founder beneficially owns Class A shares and Class B ordinary shares representing 74.6% of our voting power. TurkCommerce B.V., a special purpose vehicle company managed by Templeton Turkey Fund GP Ltd., beneficially owns Class B ordinary shares representing 8.4% of our voting power as of the date of this prospectus and Vuşlat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ, whom, along with our Founder, are adult siblings, and Işıl Doğan, their mother, beneficially own Class B ordinary shares representing 5.7%, 5.7%, 5.2% and 0.2% of our voting power, respectively. For a detailed ownership structure, see “Principal and Selling Shareholders”.

The following diagram illustrates our corporate structure as of the date of this prospectus:



Note: Each company is incorporated under the laws of Turkey. The diagram excludes Evimiz Dekorasyon İnternet Hizmetleri ve Danışmanlık Ticaret A.Ş. (“*Evmanya*”) and Altıncı Cadde Elektronik Ticaret A.Ş. (“*Altıncı Cadde*”), which are dormant companies as of the date of this prospectus. Evmanya and Altıncı Cadde terminated operations on September 4, 2018 and October 7, 2019, respectively. On April 14, 2021, we decided to merge Evmanya and Altıncı Cadde under our fully owned subsidiary, D Fast. As of the date of this prospectus, the merger process is ongoing.

Recent Developments

COVID-19

To respond to the COVID-19 pandemic, we took strict measures to ensure the wellbeing of our employees and customers from the outset, while maintaining business continuity from a public interest point of view.

rather than a sole business-oriented approach. We accordingly collaborated with the Ministry of Health and Ministry of Internal Affairs and local authorities by donating medical supplies such as masks and gloves and providing food supplies to families in need. In addition, in early 2020, we formed a COVID-19 task force, cancelled all international travel, regularly disinfected our headquarters, fulfillment centers and vehicles used for transportation of our personnel, and switched to remote working for employees that were suitable for remote working.

Similar to the global trend, the COVID-19 pandemic caused consumers in the Turkish market to shift to e-commerce as a result of social distancing measures, which led to growth in demand for our products and services. This was primarily supported by the change in customer behavior, where consumers have adopted online shopping behavior during the pandemic, and which we expect to become permanent. Supported by this shift to online shopping and as a result of social distancing, e-commerce orders for grocery, consumer electronics, home improvement, personal care and other essential products have increased significantly.

Although COVID-19 has generally been a significant driver for customer adoption and growth of e-commerce services, the pandemic and the measures to contain its spread have resulted in business and manufacturing disruptions in Turkey, impacted the business activities of our e-commerce suppliers, merchants, and other ecosystem participants (such as logistics networks and payment channels in the affected markets), and disrupted the global supply chain. To overcome potential negative impacts to our results of operations, we took measures to ensure business continuity and uninterrupted service to customers by launching operational and employee initiatives in our fulfillment centers and optimizing our logistics operations as well as increasing the number of the personnel. We also took measures in relation to inventory availability and on boarded new suppliers. See *“Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Our Financial Condition and Results of Operations — COVID-19 Impact.”*

See *“Risk Factors — The COVID-19 pandemic has affected and may continue to negatively affect certain of our business activities and results. Any future 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.”*

Corporate tax rate change

The Turkish corporate tax rate on corporate earnings was increased from 22% for fiscal year 2020 to 25% and 23% for fiscal years 2021 and 2022, respectively.

Our Business Model

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 the customers (“**Direct Sales**”) (see “— *Direct Sales*”).

We believe we are Turkey’s leading commerce platform, with 96% for aided brand awareness (with the two closest competitors in Turkey scoring 95% and 92%, respectively), 78% for spontaneous brand awareness (with the two closest competitors in Turkey scoring 74% and 63%, respectively) and 91% highest preference score (with the two closest competitors in Turkey scoring 89% and 87%, respectively) in 2020 (source: *FutureBright Research Brand Health Report*). Through our website and shopping app we brought together 33 million members, 9 million Active Customers and approximately 45 thousand Active Merchants as of December 31, 2020. In 2020, we had over 179 million average monthly visits and offered a wide selection of over 44 million SKUs across 32 different 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 Turkey supported by in-house last-mile delivery capabilities and a platform built on proprietary technology. For the year ended December 31, 2020, 3P accounted for approximately 59% of our GMV, following the transformation of Hepsiburada from a 1P only business to its hybrid business model.

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 to our online platform set up their own stores, list and sell their products. As of December 31, 2020, we had approximately 45 thousand Active Merchants operating in our Marketplace. As of March 31, 2021 and December 31, 2020, 2019 and 2018, Marketplace represented approximately 70%, 59%, 66% and 58% 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 allocation of responsibility 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 high quality 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, 2020, 2019 and 2018 we had approximately 45 thousand, 21 thousand and 12 thousand Active Merchants, respectively. As of December 31, 2020, of our approximately 45 thousand Active Merchants, approximately 42 thousand were SMEs, whereas the remaining approximately 3 thousand were key account merchants. Key account merchants enable us to provide products from top brands, high volumes and quality whereas 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 within a certain period (21 days, on average). See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.*” Merchants may also elect to finance the amount payable by using our supplier and merchant financing services to receive payment on 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*”) with their official documents. Becoming a merchant on our Marketplace is designed to be as straightforward as possible, without compromising our necessary security and know-your-customer procedures, in addition to our standard terms and conditions typically applicable to our merchants. Upon clearance, once the merchant’s account is activated it can immediately start listing its products on our platform. Our typical engagements with our merchants, subject to our standard terms and conditions of the engagement, are for indefinite periods. We may unilaterally terminate the agreement without cause or compensation with 15-days’ notice. Our merchants may terminate the agreement with 15 days’ notice in the event that Hepsiburada amends the terms and conditions of the agreement with a unilateral announcement. However, there is no obligation for a merchant to actually upload 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.

We may unilaterally suspend a merchant’s account under certain circumstances, including when the merchant’s service quality (based on customer feedback and delivery performance) has fallen to a level that we determine warrants suspension, the merchant is in default in respect of its payments to us, or their product listings are misleading or inaccurate. We detect misleading or inaccurate listings upon our periodic reviews or receipt of complaints from our customers or trademark/brand owners, as well as upon 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 and 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

website. We also have the right to immediately terminate our agreement with any merchant without giving any notice in case of any breach of our terms of services, including infringements of third party intellectual property rights and the sale of counterfeit products. In addition, we also have the right to terminate our agreement with any merchant by delivering a 15-day notice without cause and compensation.

In our Marketplace, each merchant is individually rated, based on an algorithm combining the customers' feedback, timely dispatch, and fulfillment of merchant's obligations towards us, and their ratings are shown 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, registered email address, and Turkish central commercial registration system (MERSİS) number, as well as the city where their headquarters are located.

We also support non-governmental organizations (NGOs), and particularly women entrepreneurs in our Marketplace and follow a separate procedure for legal entities with 51% or more ownership held by women. These incentives include, among others, (i) free shipping, (ii) free online trainings, (iii) free studio shootings for marketing materials, and (iv) discounted rates applied. Since the launch of our Technology Empowerment for Woman Entrepreneurs program, we have reached more than 19,000 woman entrepreneurs from across Turkey (as of March 31, 2021) enabling more than 10,000 entities within the program to make sales through our platform. As of the same date, approximately 11,000 women entrepreneurs had benefited from the free shipping incentive and more than 13 million products had been listed on our platform within this program. This program has been awarded one national (i.e., Felis Media Cat 2020 Social Responsibility Award) and one international (i.e., U.K. Communicate Magazine's "Gold Award" within the "Best Execution" category) award.

Merchants setting up their stores benefit from our highly-attractive online platform that had 33 million members as of, and 9 million Active Customers for the twelve months ended December 31, 2020.

In addition, our Marketplace merchants benefit from our "integrated ecosystem", which provides the merchants with a wide range of value-added services, namely,

- (i) supplier and merchant financing options, see "*— Supplier and Merchant Financing*";
- (ii) advanced targeting and onsite and offsite advertisement solutions (i.e., HepsAd), see "*— Value Added Services — HepsAd*";
- (iii) economical and seamless last-mile delivery (i.e., HepsJet), see "*— Value Added Services — HepsJet*"; and
- (iv) fulfillment solutions (i.e., HepsLojistik), see "*— Value Added Services — HepsLojistik*."

In addition, merchants in our Marketplace have access to our "Merchant Portal," which has automated campaign management, merchant support center, business intelligence and support, proprietary merchant store management, and online courses features. See "*— Merchant Portal*".

Merchant Portal

Our merchant portal is a merchant 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 (HepsAkademi). 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. For instance, merchants who implemented sponsored advertising through our merchant portal increased clicks by 318% after the sponsored advertisements feature went partially live in March 23, 2021 through April 16, 2021 (compared to February 26, 2021 through March 22, 2021).

Direct Sales

We began our operations with the 1P model Direct Sales in 2000. As of March 31, 2021 and December 31, 2020, 2019 and 2018, Direct Sales represented 30%, 41%, 34% and 42% of our total GMV, respectively.

In 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 the demand for products in each product category on our platform. As our platform presents 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 and third-party merchants on the basis of the same criteria.

For our Direct Sales business, we source products in bulk and aim to leverage our bargaining power as a leading and trustworthy Turkish e-commerce platform. We purchase our inventory for our Direct Sales with a payment term, split between those made on a purchase basis and on either on a consignment or "sell and pay" (i.e., similar to the consignment basis but with due payment date within 30 to 60 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 only after the products have been sold on our platform. The acquisition of inventory on a consignment 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 and consignment basis for acquiring inventory gives us additional financial headroom for better cash management. In our online platform, Hepsiburada appears as the merchant for the products sold via Direct Sales.

We generally engage cargo companies in Turkey to provide long-haul transportation of products between our six fulfillment centers and our nine sorting hubs on an annual basis, which is renewable for further periods. Similar to 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 six fulfillment centers, parcels are delivered to customers through our various last-mile delivery channels (i.e., Hepsijet and other cargo firms).

Suppliers

In our Direct Sales business, we benefit from long-lasting relationships (i.e., more than three years of business relationship with approximately 55% of our suppliers as of December 31, 2020) that we have built with our suppliers, who are either owners or licensees of global and local brands from whom we make direct sourcing or distributors of such brands. Our long-lasting relationships with a wide range of suppliers enable us to have a differentiated selection of products, including private label products. We make strategic procurements based on seasonality and competition. In addition, we benefit from direct procurement from key brands such as Apple, Casper, Oppo, Tefal, Rowenta, Eczacıbaşı, Spigen, Delta, Ülker Group, Dyson, Vestel, both for new launches and existing product portfolio, 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 live chat support from live agents from over 40 well-known brands, including Colgate-Palmolive, Apple and L'Oréal.

We also have access to exclusive products through direct business relationship with key suppliers and brands. In our Direct Sales business, we aim to maintain a cash generating and profitable inventory of products and use prominent forecasting tools to ensure efficient demand planning.

Direct Sales Pricing Strategy

We provide our customers with the best value proposition by offering products at competitive prices on our platform. We track available pricing information to match our prices for products sold through Direct Sales, with the most competitive prices offered for the same or similar products that can be found on the wider Turkish e-commerce market.

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 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.”

We also generate revenues from other services and define them as “other services revenues.”

See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Our Financial Condition and Results of Operations — Revenue.*”

Specifically, for services provided under the Hepsilojistik model, we also charge merchants fees related to the storage and handling of products.

Our variable fee structure seeks to incentivize merchants to better monitor and manage their inventory and improve and maintain the quality of their products and packaging and the accuracy of the listings of their products on our platform.

Product Assortment

In our platform, 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 an intuitive and easy-to-use directory that facilitates the browsing and viewing of listings.

In our Direct Sales line of business, 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, as well as operational capability.

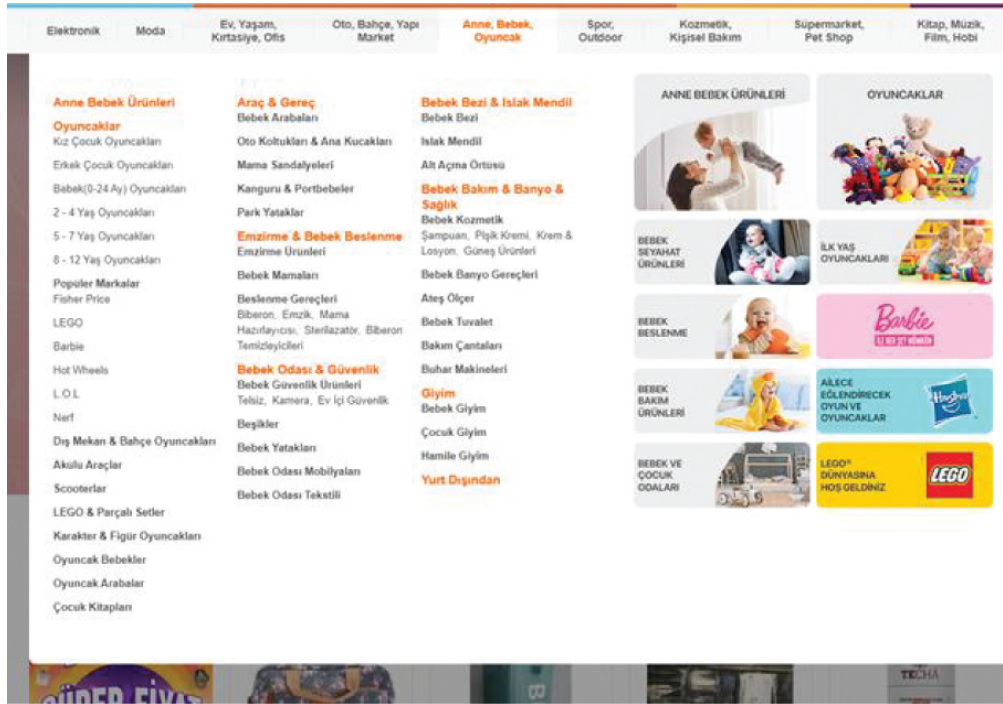
As of December 31, 2020, there were over 44 million SKUs across 32 different categories grouped under 7 major domains on our platform. As of the date of this prospectus, listings on our platform cover the following selection domains:

| | | |
|-----------------------|---|---|
| Mobile | : | This domain includes mobile phones and tablets. |
| Supermarket | : | This domain includes fast moving consumer goods (FMCG), health and beauty, pet shop, cosmetics, and mother and baby products. |
| Appliances | : | This domain includes consumer electronics (CE), major domestic appliances (MDA) and small domestic appliances (SDA). |
| Home and Garden | : | This domain includes home textile, furniture, kitchenware, home improvement products and more. |
| Technology | : | This domain includes computers, camera, PC and automobile accessories and parts. |
| Fashion and Lifestyle | : | This domain includes apparel, shoes and bags, outdoor wear, sports equipment and watches, accessories, sunglasses, and jewelry. |
| Books and Hobbies | : | This domain includes books, toys, stationery, consumer electronics and mobile devices accessories, gaming consoles, games and more. |

The following table sets forth our GMV breakdown by product domain for the year ended December 31, 2020:

| | GMV (TRY billion) | % to total |
|-----------------------|----------------------|------------|
| Mobile | 4.3 | 25 |
| Technology | 3.2 | 19 |
| Appliances | 2.8 | 17 |
| Books and Hobbies | 2.0 | 12 |
| Supermarket | 1.8 | 11 |
| Home and Garden | 1.6 | 9 |
| Fashion and Lifestyle | 1.3 | 7 |
| Total | 17.0 | 100 |

Below is a screenshot from our web platform, indicating the product categories and sub-categories under the Mom, Baby & Toys section.



Single Catalogue (Buy Box)

In our online platform, in order to provide our customers with the best possible quality and value for their money, we established a “Single Catalogue” system where we list and rank all merchants (including Hepsiburada in relation to its Direct Sales business) in the Buy Box. Our Buy Box ranking criteria comprise the sales price of the product, difference between the price of the same product with the lowest price, estimated and actual dispatch time, sales performance based on volume and merchant rating based on customer satisfaction score, cancellation performance (by merchant), merchant’s dispatch performance and customer service feedback from customers.

Our customers have easy access to the Buy Box section, which is located on the right hand side of each product's own page. When a customer proceeds to buy the product through this section, the merchant which is highest ranked by an algorithm at that time will appear as first choice seller.

Below is a screenshot of our Buy Box section, where the highest ranked merchant is listed on top (item 1) and other merchants are listed on bottom of the page (item 2).

The screenshot displays the Hepsiburada website interface. At the top, there is a search bar and navigation links. The main content area shows a product page for 'Maybelline New York Lash Sensational Yalpaze Etkili Siyah Maskara'. The product image is on the left, and the product details are on the right. The price is 51,15 TL, with a 45% discount from the original price of 55,00 TL. A 'Buy Box Winner' label is placed next to the price. Below the product, there is a section for 'Other Sellers' with two alternative offers: one for 55,66 TL and another for 55,71 TL. The 'Buy Box Winner' label is highlighted with a red box and a '1' in a red circle. The 'Other Sellers' section is highlighted with a red box and a '2' in a red circle.

Delivery

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

- standard delivery by (a) our last-mile services (through Hepsijet) see “— Value Added Services — Hepsijet”, which is generally within two calendar days (and on the same-day in metropolitan areas), or (b) through Turkish cargo companies;
- same day/next day delivery through Hepsijet, where our customers pay additional delivery fees and schedule delivery for the same day or next day (in case of Fulfilled by Merchant (or FBM, as defined below), the merchant must be a member to our Hepsijet services); and
- collection from our offline network of pick-up and drop-off (PUDO) points for customers (through Hepsimat), see “— Value Added Services — Hepsimat”.

We also provide return pickup services from customer's address by Hepsijet.

While maintaining a broad range of delivery options and increasing the proportion of customers served by same-day and next-day deliveries, we also dedicate resources towards developing even better instant delivery services for customers' daily needs, such as grocery and water through our Hepsijet services. See “— Value Added Services — Hepsijet”.

For the years ended December 31, 2020, 2019 and 2018 we, as Hepsiburada, delivered approximately 62 million, 37 million and 25 million packages, respectively. This represented a year-to-year increase of 67% from 2019 to 2020 and 46% from 2018 to 2019.

The delivery fee charged to a customer depends on the delivery method, product volume and transaction amount. Delivery fees are waived for orders above TRY 100 (except mobile phones, tablets and computer products) for non-Loyalty Club customers and above TRY 25 for Loyalty Club members as of December 31, 2020. See “— *Loyalty Club*.”

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).

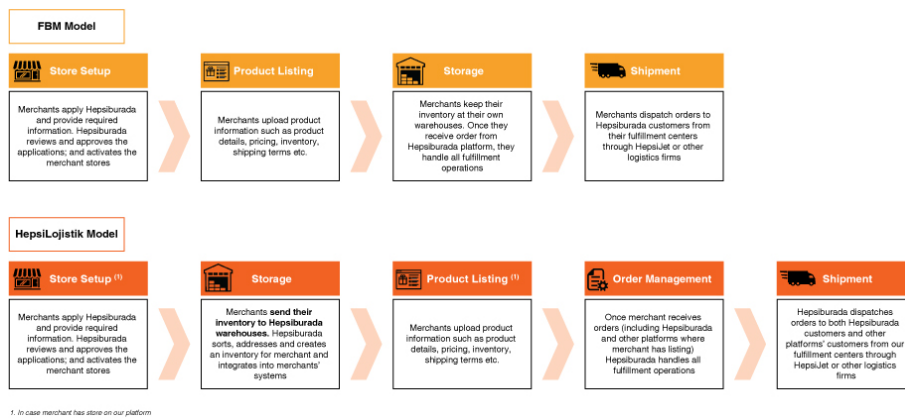
Accordingly, our Marketplace operations run either on a Hepsilojistik model or FBM based fulfillment whereas our Direct Sales operations run either on a Hepsilojistik model or Drop-shipping model based fulfillment.

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 Turkish cargo companies.

We launched the Hepsilojistik model in late 2020 and continue to steadily on-board merchants into this model as of the date of this prospectus. Through the Hepsilojistik model, we provide fulfillment services on behalf of merchants through our fulfillment and logistics infrastructure, using our six fulfillment centers across Turkey and, thus, ensuring a 24/7 fulfillment operations capability. See “— *Value Added Services — Hepsilojistik*.”

Our Hepsilojistik model is typically preferred by merchants who do not have their own storage facilities or who are seeking 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 website or other online platforms where merchants have stores. In addition, merchants making sales through other e-commerce platforms are enabled to perform fulfillment 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 fulfil orders in a faster, 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.



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.

Website and Mobile Application

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 (except for HepsilExpress which is available only on mobile application). All our access channels provide access to the same listings ensuring a consistent offering and user experience.

Our users can browse and search within our unified 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 obtain product details page 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 specific barcode of the product through mobile application, (v) taking and/or uploading a picture of the product through mobile application, and (vi) using speech-to-text feature to search products on our mobile app. From March 15, 2021 to April 15, 2021 we received more than 700 thousand distinct queries on our search engine on a daily average basis.

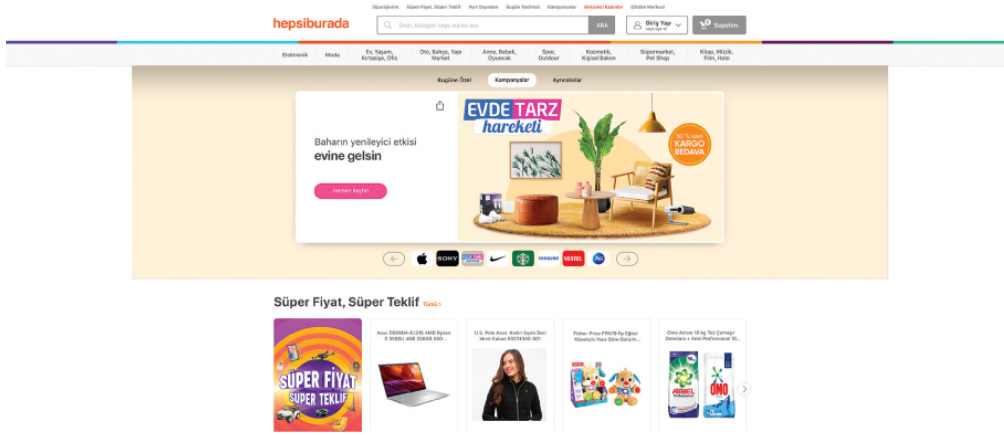
For the three months ended March 31, 2021 and the years ended December 31, 2020, 2019 and 2018, we received 86%, 86%, 83% and 77%, respectively, of total user traffic through mobile access channels (mobile application and mobile website) whereas the remainder pertained to desktop website.

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, provides enhanced subsequent 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.

Below is a screenshot illustrating our website experience in 2021, www.hepsiburada.com.

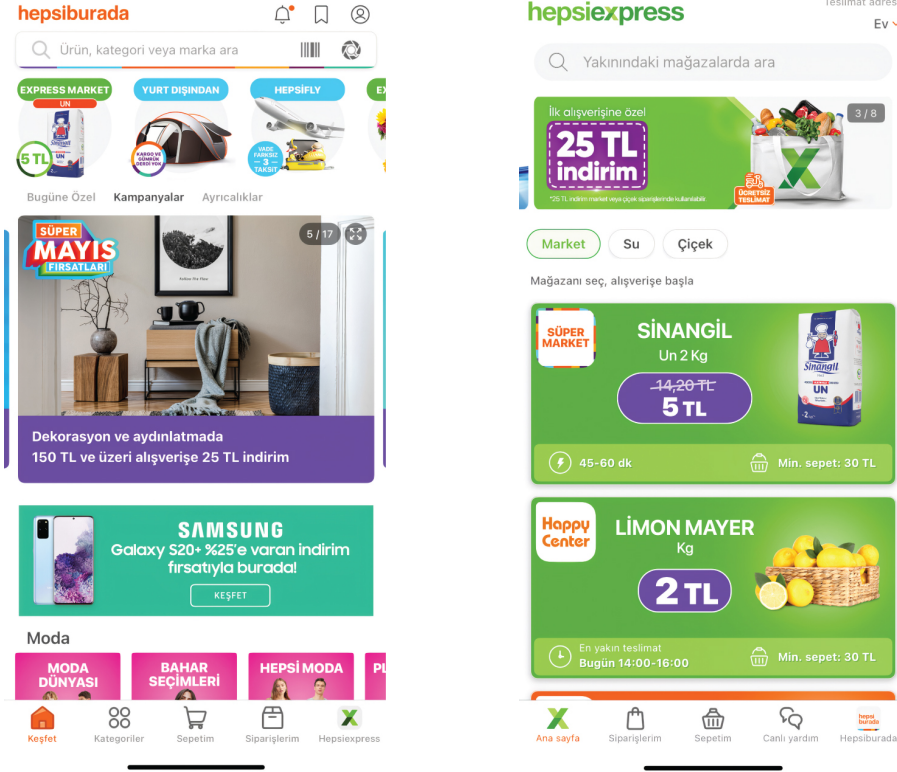


Mobile Channels

In 2011, along with our custom mobile website, we launched our iOS application and Android application. In anticipation of mobile access channels gaining popularity and surpassing our web platform in terms of traffic and page views, we established dedicated in-house teams for mobile application development in 2014. We released our first in-house developed mobile applications in 2014, and since then our internal mobile application teams have developed and released all versions in both iOS and Android platforms. We have enjoyed significant growth in our mobile traffic over the past several years.

In 2020, more than 86% of all sessions originated from mobile channels (i.e., mobile application and mobile website). For the years ended December 2020, 2019 and 2018 our mobile applications were downloaded 22.4 million, 9.1 million and 5.9 million times, respectively and we were recognized by App Annie's Top Publisher Awards as "among Top 10 Turkey Headquartered Overall Publishers" ("Top 10" is based on Turkey's combined iOS AppStore and Google Play overall downloads estimates from App Annie Intelligence for 2020).

Below are screenshots from Hepsiburada and HepsExpress main pages on our iOS application:



Our Value Added Services

In addition to our core business comprising Marketplace and Direct Sales, we offer value-added services to our clients.

HepsExpress

HepsExpress is an on-demand delivery service focusing on delivering everyday needs for our customers, such as grocery and water, with an instant (30 to 60 minutes) and scheduled (within hourly intervals) model.

HepsExpress provides a delivery marketplace platform for major nationwide retail grocery chains and local independent stores where users can place order from nearby stores for their daily needs. As of March 2021, our HepsExpress offering covered 14 cities throughout Turkey covering a population of approximately 30 million. As of the same date, we had 15 business partners with 888 stores, leveraging a courier picker network of more than 900 full-time equivalent (“FTE”) (which is an employee’s scheduled hours divided by the employer’s hours for a full-time workweek) within our HepsExpress offering. HepsExpress serves as one-stop shop for daily needs of our customers. Our HepsExpress services also include (i) water delivery services from Turkey’s major bottled water companies and (ii) flower delivery services through flower shop networks in Turkey.

We charge our customers with a delivery fee based on the merchant and size of the basket and the minimum order value starting from TRY 25 as of March 31, 2021.

HepsExpress will provide “quick-commerce” capabilities (i.e., being able to deliver everyday needs to customers almost instantly (less than 1 hour) whenever and wherever they need them) if and when demand for such service in other product categories occurs.

HepsiJet

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

HepsiLojistik

We believe fulfillment-as-a-service is one of our key assets and a strong proposition to strategic merchants. We launched Hepsilojistik in 2020 and as of the date of this prospectus, we provided fulfillment services to nine companies beginning from December 2020. While expanding our merchant base, we also aim to expand our fulfillment service to provide fulfillment in almost every category. See “*Logistics Infrastructure*”.

HepsiMat

As part of our delivery services, we established a network of customer collection points from which our customers are able to pick-up their purchases. As of March 2021, we have more than 950 Hepsimat points located in 13 cities, including Istanbul, Ankara, İzmir, Bursa and Antalya. Our Hepsimat points are generally located in small local businesses, which provide additional income for these establishments, prominent shopping centers and gas stations.

These collection points are Hepsiburada branded, and are available as long as the local business, shopping center and gas station that such points are located are open for business. We plan to expand the coverage of our Hepsimat points throughout Turkey in the upcoming years, while we also continuously aim to increase density of these points in the existing locations.

HepsiAd

We offer advertisement services through banners placed on our main page and certain sub-sections of our online platform with high traffic for our merchants and strategic partners seeking to place advertisements. To provide an enhanced advertisement offering to our merchants, we are developing our Hepsiad service as an advertisement platform with a demand-side platform and search monetization capabilities for advertiser brands and merchants on our platform. Once fully-launched, Hepsiad will operate as an integrated function of our core business also through the Merchant Portal, providing our strategic partners and merchants with control over their advertisement expenditure with advanced targeting and reporting capabilities.

Our priorities for Hepsiad in 2021 include, establishing merchant onsite (*i.e.*, advertisements within the Hepsiburada platform to users of our app, desktop site or mobile site) and offsite (*i.e.*, advertisements relayed by external digital advertising platforms) advertising and brand onsite and offsite display features, as well as providing a subscription model analytics and insight offering for merchants and data sharing and monetization abilities for brand partners.

HepsiPay

We launched Hepsipay in June 2021, which is a payment tool that enables instant returns, cancellations and cashback and digital wallet, and will enable, upon further development, instant money transfers between users and payment gateway capabilities. Hepsipay is designed to be a “companion wallet” to mobilize, spend, transfer and save money in a flexible manner across online and offline channels. Hepsipay acquired its license as an e-money and payment service provider in Turkey in February 20, 2016 and was the sole e-commerce platform holding such license as of December 31, 2020 (according to the Central Bank’s list of such providers). As of the date of this prospectus, Hepsipay is developed and maintained in-house by an experienced team of Hepsiburada. We target delivering Hepsipay’s additional core capabilities by the end of 2021 with the goal, over time, of Hepsipay becoming the main payment facilitator for purchases on our platform, while also growing payment volumes in offline channels.

HepsiGlobal

Hepsiglobal is designed as an international platform to enable cross-border (both inbound and outbound) sales operations. As of December 31, 2020, we launched the inbound limb of our Hepsiglobal

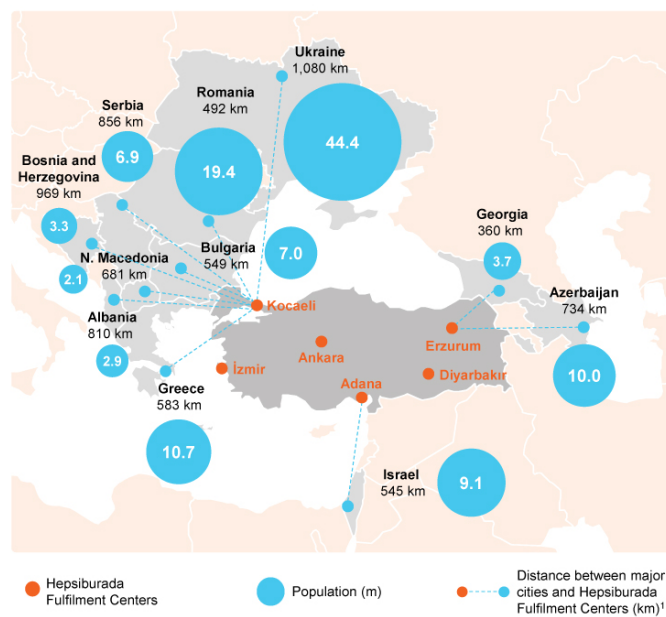
offering where customers in Turkey are able to purchase products that are sold by merchants located outside of Turkey. From 2021 onwards, we are targeting to reinforce the outbound limb of this service to enable merchants in Turkey to make sales outside of Turkey.

HepsiGlobal is based on our Marketplace model and is designed to work as an international platform for merchants located in Turkey to sell their products to proximity geographies while also enabling Turkish customers to reach vast international merchandises offered by large merchant base located outside of Turkey through a platform in the Turkish language and operating in Turkish Lira integrated with logistics partners and customers for faster delivery with close proximity.

With our HepsiGlobal offering, we aim to offer to our customers (i) long tail selection (i.e., offer a large variety of hard-to-find items to many customers, each in small quantities, as opposed to focusing on bulk sales of popular items) with a target of more than 1,000 merchants and 1 million SKUs by the end of 2021, (ii) faster delivery with 80% of orders placed in March 2021 delivered within 10 days, with a further goal to decrease the delivery time to 3-4 days, (iii) transparent order costs with unchanged customs and shipment fees informed to customers at order, (iv) cheaper prices with high quality, compared to substitute goods that are already available in Turkey, and (v) local customer service with multilanguage customer and merchant support features.

The below map indicates our priority markets in relation to our outbound HepsiGlobal offering, with further information on population, distance between major cities and Hepsiburada fulfillment centers.

Outbound Market Opportunity in the Priority Markets



Sources: Google Maps (Distance between major cities and Hepsiburada Fulfillment Centers), World Bank (Population, 2019).

(1) Distance between capital cities of outbound markets and cities that have the closest Hepsiburada fulfillment center. For Israel, the distance between Adana and Tel Aviv is presented.

HepsiFly

HepsiFly is designed to provide travel agency services to our customers with major local and global airlines. HepsiFly is intended to present our customers with an option to buy airline tickets, travel insurance

and cancellation policies with competitive prices. We are aiming to fully launch online airline tickets services once COVID-19-related restrictions on travel are lifted. As a future further development of this product, we are targeting to provide our customers with an option to make hotel bookings, buy package tours, travel insurance and cancellation policies. For our HepsiFly services, we acquired a tourism agency license in February 2021.

Our Customers

We define all persons accessing to our online platform (either through 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, 2020, 2019 and 2018 we had approximately 33 million, 25.1 million and 19.6 million members. As of the same dates, we had 9 million, 6.5 million and 4.8 million Active Customers.

For the three months ended March 31, 2021, 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, NPS, of 66 (according to the company's internal reporting records), which we believe is an indicator of our strong customer satisfaction.

Loyalty Club

In August 2020, we launched our Loyalty Club. As of December 31, 2020, we had more than 230 thousand customers admitted to our Loyalty Club since its launch. Admissions to our Loyalty Club are made to create sustainable and recurring revenue, by the frequency of purchases of our customers. On average, from the launch of our Loyalty Club in August 2020 to December 31, 2020, members of our Loyalty Club shopped approximately 2.5 times more frequently on a monthly basis compared to our non-Loyalty Club customers.

As of March 31, 2021 customers whose purchases (i) exceed TRY 2,000 within the last 90 days (except the last 15 days) and (ii) consist of at least 20 products are automatically admitted to the Loyalty Club as free members. Loyalty Club members are enrolled in the program for 90 days and existing Loyalty Club members who wish to retain their memberships must fulfil these conditions on an ongoing basis. Admission criteria parameters could change as the Loyalty Club program evolves.

Our Loyalty Club benefits include, free delivery for orders exceeding TRY 25, Loyalty Club specific campaigns and discounts and call center priority. In addition, we plan in future to execute partnership deals such as music, streaming and booking services, and also to adopt the wallet integration with cashback feature.

Customer Payment Methods

Customers can pay for their purchases by credit card, debit card, wire-money-transfer, instant money-transfer (enabling transfers through the interfaces of selected banks), digital wallets of selected banks, and Google Pay (for customers using apps on their Android-based mobile phones). Customers purchasing with credit cards are able to pay in installments depending on the bank issuing their credit cards. In addition, 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.

We also facilitate online consumer loans to our customers, where we act as the intermediary between leading Turkish banks that we have agreements with and the customers. As of March 31, 2021, we had agreements with major Turkish banks to act as an intermediary between our customers and such banks. Using this facility, customers instantly apply for consumer 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. This method is available only for baskets between TRY 750 and TRY 25,000 and up to a maturity of 36 months. We receive commission based on the amount of the loan

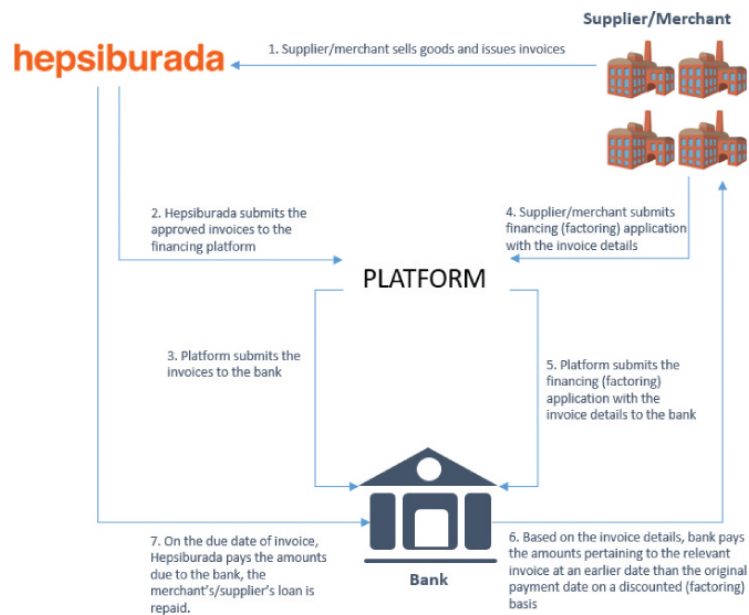
from the banks once the loan is drawn by our customers. Between April 2018 and March 31, 2021, more than 100 thousand customers benefitted from consumer loans that we facilitated.

Between 2016 and March 31, 2021 the number of credit cards stored in our platform for “one-click” check-out increased by 26 times, up to 7.1 million from 0.3 million.

Supplier and Merchant Financing

We facilitate financing to 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. Concomitantly, our platform submits the respective suppliers’ or merchants’ invoices to the relevant bank as evidence of receivables. Until the due dates of the relevant 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 a 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 phases of merchant financing are illustrated in the graphics below.



For the years ended December 31, 2020, 2019 and 2018, total financing volume of merchant and supplier financing amounted to TRY 1,349 million, TRY 236 million and TRY 118 million, each on a revolving basis.

Logistics Infrastructure

Fulfillment Center Network

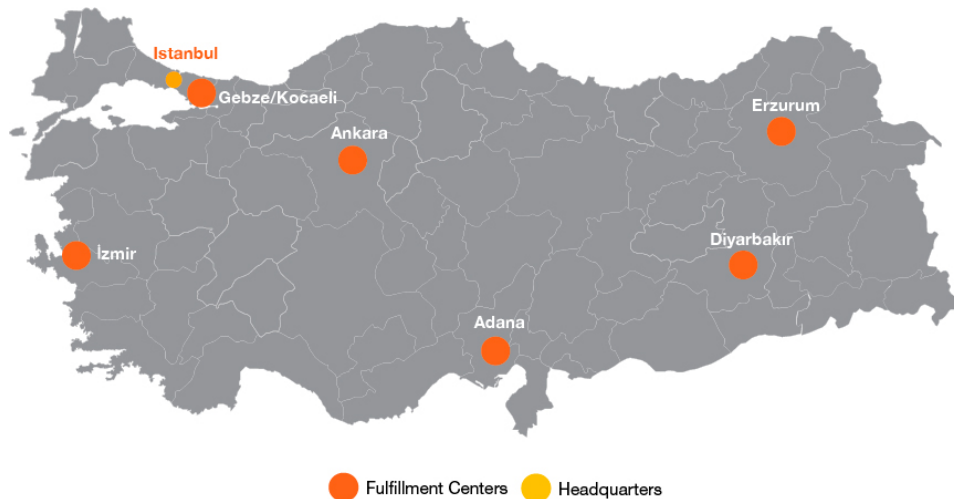
Our logistics infrastructure comprises a network of six fulfillment centers across Turkey, including our Gebze fulfillment center which is one of the largest dedicated e-commerce operation centers in the neighbouring region. Our fulfillment centers, including regional warehouses encompass a total area of more than 120 thousand square meters and more than 90% of the population in Turkey fall within a 250 kilometer radius of our fulfillment centers, according to Turkstat data as of December 31, 2020.

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 such merchants selecting the Hepsilojistik model, we provide storage and fulfillment services. The fulfillment process involves the acceptance, storage, picking, consolidation and packaging of ordered products into parcels at our fulfillment centers located in 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. This is performed by our Hepsilojistik service. See “— Value Added Services — Hepsilojistik.”

For the three months ended March 31, 2021, our logistics infrastructure has enabled us to reach over 95% on time dispatch performance for orders coming from our Gebze fulfillment center. For the year ended December 31, 2020, we had 492 full time equivalent (“FTE”) (which is an employees’ scheduled hours divided by the employer’s hours for a full time workweek) including employees on our payroll as well as outsourced resources, on average (and 1,098 FTEs in the peak time),” working in our fulfillment centers enabling 24/7 operations with fulfillment, shipment and same day, weekend and evening deliveries.

In 2020, our fulfillment centers enabled us to dispatch four times the volume of products at peak times (calculated as the ratio of products handled at Legendary Friday to the average daily number of products handled in 2020). Our fulfillment centers and the ability to quickly setup new temporary fulfillment centers for short periods enabled us to store more than 7 million items at peak times, as of November 2020, with storage at peak times of 1.7 times more than the usual number of items, based on peak volumes in November 2020 compared to the 2020 average.

The below map indicates the locations of our fulfillment centers through Turkey as of December 31, 2020.



We operate the Gebze/Kocaeli’s approximately 85 thousand square meters of fulfillment center space under a lease agreement dated April 2014 with Megeye Lojistik Anonim Şirketi for a ten-year extendable term from May 2015.

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 Yakupođlu Gayrimenkul Yatırımcılıđı for a five-year term, which is automatically renewed for additional one-year period and which we can terminate unilaterally with three months’ written notice.

We operate İzmir’s approximately 15 thousand square meters of fulfillment center space under a lease agreement dated August 28, 2020 (effective as of September 1, 2020) with Üstünkarlı Makine A.Ş. for a two-year term, which is automatically renewed for additional one-year periods unless we terminate with 15-days’ notice prior to termination and which we can terminate unilaterally during the effective period with three months’ written notice.

We operate Erzurum’s approximately 2.3 thousand square meters of fulfillment center space under a lease agreement dated August 7, 2020 with Murat Ozan, Tuđba Ozan, Muhterem Ozan, Fatih Ozan for a one-year term, which is automatically renewed for one-year periods with rent increased with inflation.

We operate Adana’s approximately 4.5 thousand square meters of fulfillment center space under a lease agreement dated August 2020 with Ermenes 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 agree to operate the warehouse as lessee for a minimum five-year term) and is automatically renewed for one-year at the end of the term.

We operate Diyarbakır’s approximately 4.4 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 additional one-year period unless we terminate with one month notice prior to termination.

The terms of our leases for our fulfillment center facilities in İzmir, Adana, Erzurum and Gebze/ Kocaeli permit us to sub-lease these fulfillment warehouse facilities to related parties owned by our Founder, Vuslat Dođan Sabancı, Yaşar Begümhan Dođan Faralyalı and Arzuhan Dođan Yalçındađ and Işıl Dođan.

The below pictures illustrate our fulfillment center located in Gebze, Kocaeli.





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 (in cases of Direct Sales and Marketplace operations run on a HepsiLojistik model basis) or from our merchants' warehouses (in case of Marketplace operations run on a FBM basis). We also serve external third parties (i.e., parties that are not merchants or customers) as a last-mile delivery service (which represented approximately 20% of the total volume handled by HepsiJet in 2020).

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 Turkey and a crowd-sourced model where we subcontract carriers who use their own vehicles for this service. HepsiJet 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 which indirectly supports the Turkish economy.

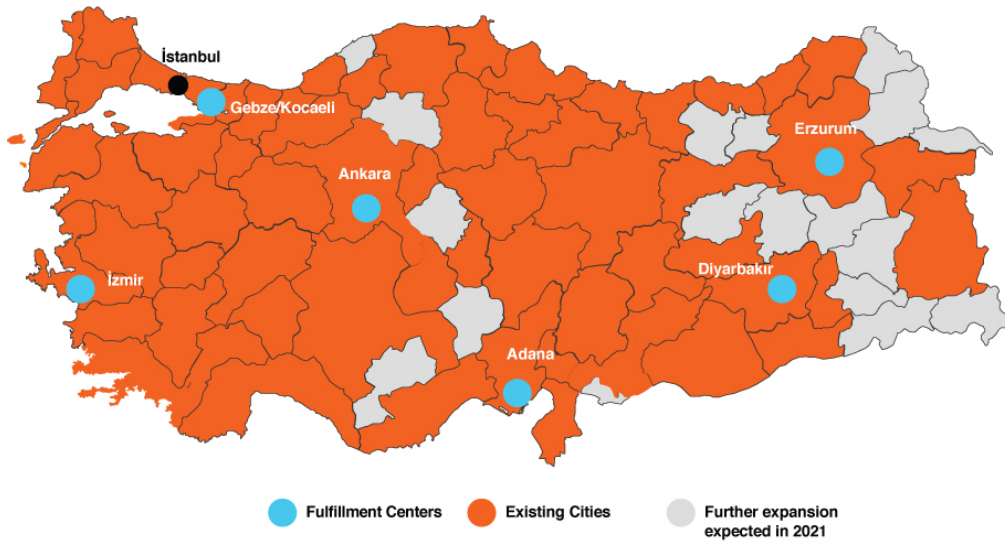
As of March 31, 2021, HepsiJet services were available in 63 cities in Turkey serving to approximately 95% of Turkey's population. By June 30 2021, we target HepsiJet to serve in all 81 cities in Turkey. As of March 31, 2021, HepsiJet operated 115 cross-docks, with a target to expand to over 150 cross-docks with approximately 3,500 carriers by the end of 2021 (noting that our carriers increased 13 times from December 2017 to December 2020). All our carriers (i.e., motorcycle and truck carriers) are crowd-sourced.

For the year ended December 31, 2020, HepsiJet reached 95% on-time delivery performance and we target to improve this to 97% by the end of 2021. For the same period, HepsiJet reached approximately 75% penetration in Direct Sales and 25% in Marketplace sales. Average delivery times for the three months ended March 31, 2021 and for the years ended December 31, 2020 and 2019 were 1.8 , 2.2 and 3.1 days respectively, as compared to the average delivery time of 2.8 days for 2020 among of third party last mile delivery services providers. HepsiJet delivered approximately 65% of its orders within the next day (during the first quarter of 2021).

As of December 31, 2020, Hepsijet was the only last-mile delivery company in Turkey that provided a return pick-up service at customer’s address. Hepsijet also enables us to perform same-day and next-day delivery services in return of an extra delivery fee and by appointment.

We also have plans to initiate the “2-Man Handling” service, which is the service of two-man teams employed to lift and deliver large appliances, furniture, and consumer electronics.

The below map indicates the coverage of Hepsijet in Turkey as of March 31, 2021.



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. 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 leading 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 owners 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 focus on security by design functions where we operate 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 the date of this prospectus, we had approximately 500 employees dedicated for technology operations (approximately 400 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 more than 40 product function teams dedicated to a particular

technology product. Our technology organization is directly supported by our three state-registered research and development centers in strong cooperation with Turkish universities, which 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, Turkey, which are located in the two different sides of the city (Asian side and European side) with view to ensuring 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 99.9% availability in 2020, 2019 and 2018. 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 needed. Within the last 5 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 Turkey. We receive data center and cloud services from Superonline İletişim Hizmetleri A.Ş. (“**Turkcell Superonline**”) and Türk Telekomünikasyon A.Ş. (“**Türk Telekom**”), who together provide over 80% of Turkey’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.

Product

Our technology teams develop almost all key functions and features of our online platform with in-house capabilities, where such teams from time to time benefit from 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. Also, we 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-frontend 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.

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

We have a dedicated cybersecurity team performing application security, cyber defense, security operations, access & data security and governance risk compliance functions. Our cybersecurity team uses various technical means and procedures to protect our technology systems from cyber threats, such as perimeter protection tools, perimeter scanning, user rights restrictions on workstations, antivirus protection, software update controls, code review and anomaly detections. Our technology infrastructure is also protected from multilayered external denial-of-service attacks by malicious traffic filtering systems.

Our data processing operations are in compliance with the Turkish data privacy laws and are regularly screened to avoid or detect data leakages. The changes in the applicable regulatory regimes are constantly monitored to keep our data processing policies and procedures up to date.

We are the first on-site audited and PCI DSS (Payment Card Industry Data Security Standard) certified firm in the Turkish e-commerce market and we maintain the ISO 27001 (Information Security Management System) certificate. We have developed a multi-level data security framework and secure data with a mix of analytical processes and development tools. As of the date of this prospectus, we have not experienced any material security incidents involving data held by us or our technology infrastructure.

Marketing

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, growth and data and commercial marketing functions across teams. Accordingly, our key marketing functions include the following:

- (i) **Brand marketing:** We benefit from our strong brand name with a presence of more than 20 years and leading aided brand awareness (96% in 2020 (Source: *FutureBright Research Brand Health Report*). Our brand marketing capabilities include our efforts across marketing communications, corporate communications, PR, and in-house creative production.
- (ii) **Growth and data marketing:** We benefit from our centralized data science and growth units to constantly improve customer experience and growth decisions. Our growth and data capabilities include performance and mobile growth marketing, data and analytics, user experience, loyalty and lifecycle marketing.
- (iii) **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 organization comprises individual units each dedicated to specific product categories and operates on tailored incentive programs based on key performance indicators driving growth.

We allocate a majority of our marketing budget to online marketing channels. For the three months ended March 31, 2021, 81% of our marketing budget was allocated to online marketing channels (e.g., website advertisements), the remainder being allocated to offline marketing channels (e.g., billboards).

Employees

As of March 31, 2021, we had 2,572 employees and more than 6,000 outsourced FTEs supporting our business.

The following table sets forth information on the number of employees by function as of the dates indicated, excluding the outsourced personnel:

| | As of March 31, | As of December 31, | | |
|---------------------------|--------------------|--------------------|--------------|--------------|
| | 2021 | 2020 | 2019 | 2018 |
| Technology | 390 | 385 | 204 | 199 |
| Operations ⁽¹⁾ | 821 | 840 | 330 | 293 |
| Call center | 527 | 451 | 170 | 109 |
| Other ⁽²⁾ | 834 | 756 | 514 | 418 |
| Total | 2,572 | 2,432 | 1,218 | 1,019 |

(1) Operations include Hepsiburada operations team and Hepsijet with its dedicated technology team.

(2) Other includes other departments not specifically mentioned in the table as well as new businesses.

The cost of some employees in technology team who are working on the development of the website are capitalized in our IFRS financial statements.

In 2020, the growth in the number of our employees has been primarily attributable to growth in our sales due to the COVID-19 pandemic, which resulted in a major increase in demand for e-commerce services, as well as our expansion into new services.

We believe that a motivated and well-trained workforce is essential to our business operations. Our employees undergo a training program before their employment commences, and we conduct further training programs on a periodic basis for technical and other specific areas, such as data protection and competition law. In 2020, we provided more than 4,500 hours of training to our employees.

We also believe that our future success depends on our continued 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 have ten people and culture strategic programs in place with over 60 ongoing projects. We believe our targeted talent acquisition approach is responsible for our approximately 90% offer acceptance rate among white collar recruits at our headquarters during 2020.

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.

We encourage high employee performance by offering bonuses and providing other incentives generally based on their contributions to our business operations. Employee well-being and engagement is also an important component of our human resources policy.

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”, “hepsiexpress”, “hepsimat”, and “hepsifly” 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”, “hepsijet.com.tr”, “hepsijet.com”, “hepsiexpress.com.tr”, “hepsiexpress.com”, “hepsifly.com.tr”, “hepsifly.com”, “hepsiglobal.com”, “hepsiglobal.com.tr”, and “hepsiad.com” 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, 2020, we had 100 registered trademarks with the TPTO. 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 Turkey. 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, 2020, we did not own any patents or industrial designs but had a total of five pending patent application.

Facilities

Our principal office is located at Kuştepe Mah. Mecidiyeköy Yolu Cad. Kule 2 Kat:2 No:12 34387 Şişli/Istanbul. All our fulfillment centers are leased from third parties.

The following table provides an overview of our fulfillment centers:

| | Approximate size of total area as of March 31, 2021 (in thousand square meters) |
|---------------|---|
| Gebze/Kocaeli | 85 |
| İzmir | 15 |
| Ankara | 11.5 |
| Adana | 4.5 |
| Diyarbakır | 4.4 |
| Erzurum | 2.3 |
| Total | <u>122.7</u> |

Insurance

We maintain insurance coverage for the IT and logistics infrastructure on which we rely for our operations that we believe is consistent with industry standards. Our insurance policies provide coverage against a number of risks in connection with our operational assets, including certain server hardware, network, and storage devices and back-up facilities in our data centers. Our insurance policies for our logistics infrastructure include fulfillment center policy for fire, earthquake, flooding, storms, traffic accidents and theft. In addition, we maintain insurance coverage for our directors and officers. Our insurance policies usually last for a period of one year and are renewed annually upon expiration. We renewed all of our insurance policies in 2020 for a one year period, and plan to renew our current insurance policies in 2021 on their renewal dates.

We have not been subject to any material natural disasters, accidents or other events that led to a significant repair or replacement expense or permanent interruption of our online services. In addition, we have not experienced any material disputes with our insurance companies in respect of our insurance claims. In 2020, our insurance expenses were approximately TRY 3.9 million (excluding employee health insurance policy expenses). See “*Risk Factors — Risks Related to Our Industry and Business — 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.*”

Regulatory Overview

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

- (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**”), which 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;
- (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**”), which is applicable to all of our online services to the extent our users are qualified 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;
- (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**”) which is applicable to all of our online services to the

extent we act as a hosting services provider — 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;

- (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 our online services to the extent we provide commercial services to our users through our online platform — we are subject to various obligations in relation to notification requirements, commercial communications, and e-mails envisaged under the E-Commerce Law;
- (v) 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**”) which is applicable to all our online services — we are subject to various obligations in relation to notifications, commercial communications, complaints, and e-mails envisaged under the Regulation on Commercial Communication;
- (vi) 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 “**Regulation on Service Providers**”) which is applicable to our online services, we are required to comply with various provisions envisaged under the Regulation on Service Providers; and
- (vii) the Regulation on Distance Contracts published in the Official Gazette dated November 27, 2014 and numbered 29188 (the “**Regulation on Distance Contracts**”) which 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 envisaged under the Regulation on Distance Contracts.

Hepsiburada is defined as a “hosting services provider” according to the Law on Internet Crimes and “intermediary service provider” according to the E-Commerce Law. According to these regulations, we, as a hosting service provider and as intermediary service provider, have no liability in relation to the content listed by third parties as well as 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 related to an illegal activity and/or content (including intellectual property infringement or sale of counterfeit product), we request information and documents from the relevant third party that is subject to the mentioned complaint. As a result of our examination and evaluation process, if we detect a violation, we remove the relevant content from our platform. 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 “— *Merchants*”.

All regulations that are applicable to Hepsiburada are also applicable for HepsExpress, as HepsExpress is a function of our platform enabling instant delivery of products such as water, flowers and meals, with the same operating model.

In addition,

- (a) HepsJet 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) HepsPay 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 of Republic of Turkey;
- (c) HepsFly carries out its activities under the license issued by the Turkish Ministry of Culture and Tourism and is under the regulatory oversight of such governmental authority; and

- (d) HepsiGlobal is subject to consumer protection regulations as well as relevant customs regulations. For its inbound operations, Turkish customs regulations are applied. For its outbound operations (that are targeted to be launched from 2021 onwards) applicable customs regulations of the relevant country will be applicable.

Accordingly, HepsiPay, HepsiJet, HepsiFly and HepsiGlobal 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 (HepsiFly). HepsiPay and HepsiJet are also subject to the Turkish Financial Crimes Investigation Board (MASAK) rules and regulations. Please see “*Risk Factors — 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*”.

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 Information and Communication Technologies Authority of Turkey (“**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.

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.

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

Our board of directors is composed of nine members. The following table sets forth the name, age, position, initial year of appointment and expiration of current term for the current members of our board of directors as of the date of this prospectus. Unless otherwise stated, the business address of all directors is Kuştepe Mahallesi Mecidiyeköy Yolu Cadde no: 12 Kule 2 K2 Şişli İstanbul, Turkey.

| Name ⁽¹⁾ | Age | Position | Expiry of term |
|---|-----|---------------------------------------|----------------|
| Hanzade Vasfiye Doğan Boyner ⁽¹⁾ | 48 | Chairwoman | May 25, 2024 |
| Erman Kalkandelen ⁽²⁾ | 39 | Deputy Chair | May 25, 2024 |
| Mehmet Murat Emirdağ | 42 | Board Member, Chief Executive Officer | May 25, 2024 |
| Halil Korhan Öz | 51 | Board Member, Chief Financial Officer | May 25, 2024 |
| Mehmet Erol Çamur ⁽³⁾ | 55 | Board Member | May 25, 2024 |
| Cemal Ahmet Bozer | 60 | Board Member | May 25, 2024 |
| Vuslat Doğan Sabancı ⁽¹⁾ | 50 | Board Member | May 25, 2024 |
| Mustafa Aydemir ⁽²⁾⁽³⁾ | 44 | Board Member | May 25, 2024 |
| Tolga Babalı | 46 | Board Member | May 25, 2024 |
| Tayfun Bayazıt ⁽⁴⁾ | 64 | Board Member | May 25, 2024 |

- (1) Hanzade Vasfiye Doğan Boyner and Vuslat Doğan Sabancı are siblings.
- (2) Erman Kalkandelen and Mustafa Aydemir are representatives of Franklin Templeton Turkey, and each is also a director of TurkCommerce B.V., one of our principal shareholders. See “*Principal and Selling Shareholders.*”
- (3) Each of Mehmet Erol Çamur and Mustafa Aydemir is expected to resign from his current position on the board of directors subsequent to this offering and each is expected to be replaced by an independent director. One of Mehmet Erol Çamur or Mustafa Aydemir is expected to resign upon completion of this offering to be replaced with Tayfun Bayazıt.
- (4) Appointment as a director subject to the completion of this offering.

The following is a brief summary of the business experience of our directors.

Hanzade Vasfiye Doğan Boyner

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

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

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

Erman Kalkandelen

Erman Kalkandelen has served as a member of our board since August 2020. Mr. Kalkandelen currently serves as the CEO and Chairman of Franklin Templeton Turkey. Since joining Franklin Templeton, Mr. Kalkandelen has focused on small-cap companies in emerging markets and the CEE region. He is a member of the board of directors of Netlog Lojistik, Gözde Girişim, DeFacto, Şok Marketler 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.

Mehmet Murat Emirdağ

Mehmet Murat Emirdağ has served as Chief Executive Officer (CEO) since February 2019 and is a member of our board of directors. From 2017 until becoming CEO, Mr. Emirdağ served as an advisory member of our board.

Prior to Hepsiburada, Mr. Emirdağ held different executive and management roles at leading companies such as Instacart, Zynga, Microsoft and Unilever.

Mr. Emirdağ holds a Master of Business Administration from Columbia Business School and holds degrees in Chemical Engineering and Mechanical Engineering from Bosphorus University in Istanbul. Mr. Emirdağ is currently a member of World Economic Forum's Digital Payments Advisory Committee.

Halil Korhan Öz

Halil Korhan Öz has served as Chief Financial Officer (CFO) and member of the board of directors with Hepsiburada Group Companies since 2014. Prior to Hepsiburada, Mr. Öz worked for Ernst & Young from 1994 to 2003, after which he worked as the CFO for Shell/Bechtel Joint Venture Energy Company, Nokia Networks, Real Estate Investment Fund by Merrill Lynch, Levi Strauss and Media Markt GmbH.

Mr. Öz holds a Economics (BA) degree from Istanbul University Economics and since 2000 has been a member of the Turkish Chartered Public Accountants (CPA). Mr. Öz is the recipient of various awards including being listed as one of the 50 most Forceful CFOs in Turkey three times between 2016 and 2020.

Mehmet Erol Çamur

Mehmet Erol Çamur has been a member of our board of directors since 2015. Mr. Çamur worked for the Ministry of Finance from 1986 to 1995, and held management positions in the private sector for 5 years before joining Doğan Group in 2000. Mr. Çamur has been responsible for finance organizations at several Doğan Group companies. Currently, he serves as the Financial Affairs Coordinator for multiple entities under the Doğan Group.

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

Mr. Çamur is expected to resign from his current position on the board of directors subsequent to this offering and is expected to be replaced by an independent director.

Cemal Ahmet Bozer

Cemal Ahmet Bozer has been a member of our board of directors of since 2016. Mr. Bozer started his career at DeVry Institute of Technology in 1983 as an Assistant Professor. He joined the audit firm Coopers & Lybrand in Atlanta in 1985, serving in a variety of audit, consultancy & management roles. He later joined

Coca-Cola in and served in financial roles from 1990 to 1997. In 1994, he took a leadership role at Coca-Cola Bottlers of Turkey (now Coca-Cola Icecek) as Chief Financial Officer and became its Managing Director, reporting to a board of JV partners. Returning to Coca-Cola in 2000 as Division President, Eurasia, he soon assumed Middle East responsibilities, and in 2007 became Group President for Eurasia. In 2008 Mr. Bozer was named Group President & COO, Eurasia & Africa, where he led business activities in 90 countries and in 2012, he was named as President of Coca-Cola International in more than 200 countries/territories.

Mr. Bozer has a Bachelor's degree in Management from the Middle East Technical University, Ankara, and a Master's degree in Business in Information Systems from Georgia State. While at Coopers & Lybrand Mr. Bozer became a Certified Public Accountant.

Vuslat Doğan Sabancı

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

Ms. Sabancı is the recipient of a lifetime honorary board member of the International Press Institute and in 2006 received UN Grand Award for outstanding achievement for her social justice campaigns. She is Vice President of the non-for-profit Aydın Doğan Foundation and a founding board member of Turkish Businesswomen Association and the not-for-profit organization Endeavor Turkey.

Ms. Sabancı holds a Bachelor's degree in Economics from Bilkent University and completed her graduate studies in International Media and Communications at Columbia University's SIPA.

Mustafa Aydemir

Mustafa Aydemir has served as a member of our board since August 2020. Mr. Aydemir currently serves as the managing director of Franklin Templeton Turkey. From 2014 to 2018, he served as CEO of Gözde Girişim, the largest listed private equity firm in Turkey and he was an executive board member in a number of portfolio companies. Mr. Aydemir has held several managerial roles at Yıldız Holding from 2010 to 2014, and worked at PwC from 2003 to 2010, Mazars from 2001 to 2003 in audit and consulting roles.

Mr. Aydemir is a Chartered Accountant in Turkey and holds a Bachelor's degree in Economics from Middle East Technical University.

Mr. Aydemir is expected to resign from his current position on the board of directors subsequent to this offering and is expected to be replaced by an independent director.

Tolga Babalı

Tolga Babalı has been a member of our board of directors since May 2021. Since 2008 he has held several management roles in Doğan Holding and related companies in the Doğan Group and, since 2017, Mr. Babalı has served as a member of the executive committee of Doğan Holding, with responsibility for financial and operational management. He has also served as board member or chairman of the board of directors of a number of Doğan Group companies.

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

Mr. Babalı holds a Bachelor's degree in Economics from Gazi University, Ankara, and is certified as a Sworn-in Certified Public Accountant and an Independent Auditor.

Tayfun Bayazit

Tayfun Bayazit will join our board of directors upon the completion of this offering. After having received BS degree in Mechanical Engineering (1980) and an MBA from Columbia University, New York, (Finance and International Business - 1983), Mr. Bayazit started his banking career at Citibank in 1983.

He subsequently worked in executive positions within Cukurova 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 Disbank. In 2001 he assumed CEO position at Disbank. In 2003 he was also appointed Chairman and was requested to remain as CEO of Fortis Turkey 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 casual insurance) and Yapı Kredi Emeklilik (private pension and life) for 4 years. Yapı Kredi was the fourth largest high street bank in Turkey with subsidiaries in Holland, Bahrain and Russia, actively involved in mortgage lending among other individual banking activities with strong digital focus.

Mr. Bayazit left this post in August 2011 to set up his own firm “Bayazit Consulting Services.” He was then elected as the Country Chairman for MarshMcLennan Group (Marsh, Mercer and Oliver Wyman exist in Turkey) in September 2012 and serves on the board of directors of MLP Care (healthcare) and Coca Cola Icecek (bottling and distribution) as an independent director. He is also a board member at Aydem Enerji and Boyner companies.

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

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 current member of our senior management as of the date of this prospectus:

| Name⁽¹⁾ | Age | Position |
|---------------------------|------------|--|
| Mehmet Murat Emirdağ | 42 | Chief Executive Officer (CEO) |
| Halil Korhan Öz | 51 | Chief Financial Officer (CFO) |
| Murat Büyümez | 35 | Chief Strategy & Business Officer (CSBO) |
| Galip Furkan Anarat | 35 | Chief Growth & Data Officer (CGDO) |
| Mutlu Erturan | 45 | Chief Commercial Officer (CCO) |
| Gürkan Çoskuner | 43 | Chief Technology Officer (CTO) |
| Esra Beyzadeoğlu | 43 | Chief People & Culture Officer (CPCO) |
| Taner Timirci | 45 | Chief Operating Officer (COO) |

(1) The business address for each of our officers is Kuştepe Mahallesi Mecidiyeköy Yolu Cadde no: 12 Kule 2 K2 Şişli İstanbul, Turkey.

Mehmet Murat Emirdağ,

See above under “Board of Directors.”

Halil Korhan Öz

See above under “Board of Directors.”

Murat Büyümez

Murat Büyümez has served as Hepsiburada’s Chief Strategy & Business Officer (CSBO) since January 2019. Mr. Büyümez was the Chief Investment Officer for Doğan Online in 2018. He started his career at J.P. Morgan in London and later worked for Mid Europa Partners in London and Istanbul offices. During this period, Mr. Büyümez served as a board member for several Mid Europa Partners’ portfolio companies.

Mr. Büyümez holds a Bachelor’s degree in Industrial Engineering from Bilkent University.

Galip Furkan Anarat

Galip Furkan Anarat has served as the Chief Growth & Data Officer (CGDO) since February 2021. Mr. Anarat has more than ten years of experience in developing technology companies and startups. In 2020, Mr. Anarat worked at Al Tayer Group, a UAE based holding company in the Middle East, as Head of Growth. Prior to Al Tayer, Mr. Anarat served as the Head of Customer Growth Engagement from 2016 to 2018 and Director of Customer Growth and Marketing Technologies at Careem from 2018 and 2020, leading Careem’s growth initiatives in 14 countries in MENA-Turkey-Pakistan region and eventual acquisition by Uber. Mr. Anarat also worked at Peak Games, Rocket Internet, Ashmore, Ak Asset Management and Finansbank.

Mr. Anarat holds a Bachelor’s degree in Business Administration from Koc University and a Master’s degree in Financial Engineering from Bosphorus University.

Mutlu Erturan

Mutlu Erturan has served as Chief Commercial Officer (CCO) since March 2019. From 2015 to 2018, Mrs. Erturan served as the Chief Business Officer at Doğan Online. Prior to Hepsiburada, Mrs. Erturan held different executive and management roles at leading technology and finance companies such as IBM and Yapı Kredi Bank.

Mrs. Erturan holds a Master of Business Administration from University of Nottingham and holds a Bachelor’s degree in Economics from the Middle East Technical University in Ankara.

Gürkan Çoskuner

Gürkan Coskuner has served as Chief Technology Officer (CTO) since April 2018. Mr. Coskuner joined Hepsiburada in 2004, and has held various management roles since then, such as Chief Product Officer and Head of Technology and Software Development Manager.

Mr. Coskuner has a Bachelor’s degree in Business Informatics from Marmara University.

Esra Beyzadeoğlu

Esra Beyzadeoglu has served as Chief People & Culture Officer (CPCO) since January 2021. From 2018 to 2021, Mrs. Beyzadeoglu was COO, IT, Digital Banking, CRM and Operations at Aternatifbank. Mrs. Beyzadeoğlu has 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.

Mrs. Beyzadeoğlu holds an Executive Master of Business Administration from Sabanci 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.

Taner Timirci

Taner Timirci has served as Chief Operations Officer (COO) since June 2016. Mr. Timirci started his career at Procter & Gamble (P&G) as a logistics engineer in 1997, where he spent 9 years, serving as Packaging

Department Head as well as Customer Service and Logistics Group Manager in Turkey and South Africa. After his time at P&G, Mr. Timirci transferred to Reckitt Benckiser as a Supply Chain Director, leading the supply chain operation in Turkey and Dubai, UAE, and was also the Supply President of Evyap.

Mr. Timirci received his Bachelor's degree in Industrial Engineering from Bosphorus University.

Board 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. Our board of directors convenes as frequently as necessary, and in any event once in every three months, to discharge its responsibilities. Our board of directors is authorized to appoint our executive officers as it deems appropriate.

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 fulfill all duties of a member of the board of directors on behalf of such legal entity.

According to our articles of association, the board of directors must consist of a minimum of 6 and maximum of 12 directors, at least 1/3 of which shall be independent members bearing the requirements set forth under Communiqué on Corporate Governance Principles promulgated by the Turkish Capital Markets Board, and a requirement which we adopted voluntarily. However, from time to time, we may opt out from the requirement to have a majority of the independent directors as Turkish residents (to be decided as per Turkish tax regulations), and have a majority of our independent directors as residents of other countries. As per our articles of association, to the extent permitted by regulations, the obligation to appoint independent directors will apply starting from the annual general meeting of shareholders to be held in 2022 related to the 2021 fiscal period.

All of the directors will serve for the term fixed by the shareholders or board of directors that appoints such director or until the earlier of his or her death, resignation or removal. Our director's current terms of office will end on May 25, 2024. Our directors do not have a retirement age requirement under our articles of association. If a director resigns from our board of directors for any reason, our board of directors may appoint an interim director to serve until our next scheduled general meeting of shareholders. If approved by the next scheduled general meeting of shareholders, such interim director will continue its duty for the remainder of the term of the original director who resigned. Otherwise, the general meeting of shareholders will elect another replacement director nominee for the remainder of the term of the original director who resigned. A member of our board of directors whose term of duty has expired may be re-elected.

As of the date of this prospectus, the board of directors consists of nine members, one of whom is an independent member. We determined that each of Cemal Ahmet Bozer and Tayfun Bayazit is an "independent" director as that term is used in the Nasdaq's listed company manual. As a "foreign private issuer," and a "controlled company" we may take advantage of exemptions from certain corporate governance requirements of Nasdaq. Accordingly, investors will not have the same protection afforded to shareholders of companies that are subject to all of the Nasdaq's corporate governance requirements. Other than Tayfun Bayazit, who will be appointed by our shareholders in accordance with our articles of association upon the completion of this offering, the current members of the board of directors were appointed at a shareholders' meeting held on May 25, 2021 to serve until their successors are duly elected and qualified. See "*Description of Share Capital and Articles of Association.*"

Director nominees will be elected at our annual general meeting of shareholders. The meeting quorum for such meeting will be the presence of shareholders holding 25% of the shares; the decisions will be taken by the affirmative votes of the holders of simple majority of shares present in the meeting.

Legal Proceedings Relating to Senior Management

Our founder and chairwoman Hanzade Vasfiye Doğan Boyner was a board member at Petrol Ofisi A.Ş. (a major fuel company in Turkey which was listed on Borsa İstanbul until 2014) ("**Petrol Ofisi**") as a

representative of Doğan Şirketler Grubu Holding A.Ş. (“**Doğan Holding**”), a position she only held between May 2007 and December 2010. Following an investigation covering the period between 2004 and 2007, an investigation report was prepared in 2010 by inspectors of the Customs Ministry of the Republic of Turkey (“**2010 Customs Investigation**”) alleging that Petrol Ofisi deliberately misreported information relating to the total value of 56 import units of oil cargo imported between 2004 and 2007 in order to evade value added taxes of a total of approximately \$1.2 million. This amount constituted less than 0.02% of the total taxes paid by Petrol Ofisi in the four years covered by the 2010 Customs Investigation. A total of three of the 56 import units of oil cargo within the scope of the 2010 Customs Investigation were imported during the time in which Ms. Doğan had become a board member of Petrol Ofisi. The alleged tax evasion for such three units of oil cargo corresponded to less than \$15,000 in alleged value added tax evasion.

Approximately six years following the conclusion of Ms. Doğan’s board membership at Petrol Ofisi, in March 2016, an Istanbul prosecutor submitted an indictment (the “**2016 Indictment**”), which was prepared based on the 2010 Customs Investigation. As per the 2016 Indictment, a total of 47 executives and board members, including among others, Aydın Doğan (the honorary chairman of Doğan Holding) and Ersin Özince (the former chairman of İş Bank, one of Turkey’s largest banks), neither of whom had no executive positions at Petrol Ofisi between 2004 and 2007, were accused of establishing an illegal organization for the purpose of engaging in criminal activities and violating Turkish anti-smuggling law (specifically, being involved in and financing an organization linked to claims of evasion of taxes on oil products). Doğan Holding is a family owned Turkish conglomerate, and until its full exit from the industry in May 2018, was one of Turkey’s largest media and broadcasting groups at the time of the 2016 Indictment, founded by Aydın Doğan, the father of our Founder.

In addition, according to publicly available documentation, the defendants also include various senior executives of the OMV Group (an Austrian multinational oil and gas company listed on the Austrian Stock Exchange), which purchased the shares of Petrol Ofisi from Doğan Holding in 2006 and 2010.

Within the scope of the 2016 Indictment, a total of 47 executives have been accused of being members of the alleged illegal organization, including our Founder on the basis that she was a board member at Petrol Ofisi, a position she held between May 2007 and December 2010. Pursuant to Turkish law, all board members of companies allegedly involved in criminal activities can be *ex officio* charged with the crime despite any lack of actual or alleged personal involvement.

In addition to the 2016 Indictment prepared by the Public Prosecutor on the basis of the alleged findings in the 2010 Customs Investigation, five customs offices (at various locations in Turkey into which the 56 units of cargo were imported) notified Petrol Ofisi for the payment of the unpaid value added taxes as well as the penalties. Subsequently, Petrol Ofisi sought to cancel these payment notifications by filing five administrative lawsuits in the relevant courts (“**Tax Lawsuits**”). As of the date of this prospectus, three of Tax Lawsuits have been completed with decisions in favor of Petrol Ofisi and are not subject to further appeal. Ms. Doğan and her legal advisors believe that the remaining two lawsuits are likely also to be resolved in favor of Petrol Ofisi, which would evidence the lack of any breach of tax or customs regulations alleged in the 2010 Customs Investigation (which was the basis of the 2016 Indictment).

As of the date of this prospectus, the hearings relating to the charges contained in the 2016 Indictment continue, and although more than five years have passed since the start of the proceedings, the Istanbul 1st High Criminal Court still has not completed the taking of initial statements from all defendants. Under Turkish law, the initial statements must be taken before the court can proceed. The next hearing of the court is scheduled for December 2021. Ms. Doğan, her legal advisors and our management believe the allegations are entirely without merit. However, in case of an adverse result, she would be required to step down from her position as a director of the Company. See “*Risk Factors — Risks Relating to Our Business and Industry — We depend upon our Founder and chairwoman, our senior management, our IT specialists and other talented employees to grow, operate and improve our business; if we fail to retain our Founder as a result of ongoing litigation or if we fail to attract, retain and motivate key personnel, our business could be adversely affected.*”

Corporate Governance

Matters related to corporate governance in Turkey are regulated by the Turkish Commercial Code, or the “TCC”. As a part of this initial public offering, the Company will not be listed on Borsa Istanbul.

Accordingly, it will not be 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 and such number is confirmed by the attendance of such number of shareholders in person or by proxy at a general assembly of shareholders.

We have chosen to voluntarily adopt, by amending our articles of association and by adopting necessary resolutions at 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:

- 1/3 of the members of the Board of Directors be independent in accordance with the requirements of Turkish Capital Markets Laws and Regulations (we will phase-in our voluntary compliance with such independence requirements such that we will have two independent directors upon completion of the offering, and, on a date subsequent to the offering, an additional will be replaced with an independent directors); and
- The Board of Directors establish an Audit Committee, Risk Committee and Corporate Governance Committee for the effective functioning of the Board of Directors pursuant to the Turkish Capital Markets Board's Communiqué on 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 Corporate Governance Communiqué numbered II 17.1, which was published in the Official Gazette dated January 3, 2014, or the CMB Principles.

The following summarizes the main rules under the Turkish Capital Markets Laws and Regulations:

- The number of independent members in the Board shall not be less than one third of the total number of the members of the board of directors. In calculating the number of independent board members, a fraction would be rounded up to the nearest integer. In any case the number of the independent board members shall not be less than two. The term of office of independent members of the board of directors is up to three years. Such members are eligible to be nominated again and re elected.
- The CMB sets forth certain independence criteria for independent board members.
- The following Board committees shall be established by listed companies:
 - Audit Committee;
 - Corporate Governance Committee; and
 - Risk Committee.
- Each of the corporate governance committee and the risk committee should consist of at least two members and the audit committee should consist of at least three members. It is mandatory that both (in case of two member committees) or the majority of the members of the committees be non-executive board members except 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. The chief executive officer should not hold a position at 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.
 - 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 information. Payment plans, such as stock options or those based on company performance, are not used in the remuneration of independent board members. Remuneration of independent board members must safeguard their level of independence.

- There are rules relating to mandatory tender offer, material transactions and related party transactions or guarantees to third parties, that:
 - require any person acquiring “control” of the Company within the meaning of Turkish Capital Markets Laws and Regulations to make a mandatory tender offer to the minority shareholders;
 - require any person acquiring 5%, 10%, 25%, 33%, 50% and 66 67% of our ordinary shares to notify both our company and 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 by a majority of independent directors;
 - 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 any transactions by a related parties in the same field activity as the field of activity of our Company or our subsidiaries;
 - require the adoption of specified policies and procedures governing the distribution of dividends; and
 - permit the squeeze-out of minority shareholders by any shareholder who holds more than 98% of our outstanding ordinary shares.

These provisions would apply to us from such time as the number of shareholders holding our ordinary shares amounts to 500 or more and such number is confirmed by the attendance of such number of shareholders in person or by proxy at a general assembly of shareholders.

As a foreign private issuer and a controlled company whose ADSs will be listed on Nasdaq, we will 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.

We intend to rely on these exemptions with respect to the following Nasdaq requirements:

- we do not intend to comply with the requirement under Nasdaq Listing Rule 5605(b)(1) that a majority of the members of our board of directors be independent (although all of the members of the audit committee must be independent under the Exchange Act);
- we do not intend to 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 intend to 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 will carry out the functions of a compensation committee, and will consist of a majority of independent directors);
- we do not intend to 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 do not intend to 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 intend to 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

33⅓% 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 exceptionally requires a higher quorum);

- we do not intend to 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 such number is confirmed by the attendance of such number of shareholders in person or by proxy at a general assembly of shareholders); and
- we do not intend to 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 *“Risk Factors — Risks Relating to Our Initial Public Offering and Ownership of the ADSs — As we are a “foreign private issuer” and intend to follow certain home country corporate governance practices, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements”* and *“Risk Factors — We are a “controlled company” within the meaning of the Nasdaq listing rules. As a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.”*

Committees of the Board of Directors

Prior to listing on Nasdaq, our board of directors will have established an audit committee, a risk committee and a corporate governance committee to support it in its decision-making process and intends to adopt a written charter for each of the committees. Each committee’s members and functions are described below.

Audit Committee

Our board of directors is assisted by the Audit Committee. The Audit Committee will consist of a minimum of three independent board members.

The Audit Committee will consist of Cemal Ahmet Bozer, Halil Korhan Öz 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 also establishes procedures for confidential complaints regarding questionable accounting or auditing matters. It is also authorized to obtain independent advice, including legal advice, if this is necessary for 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 will hold meetings at least once every fiscal quarter. The Audit Committee’s members will be appointed by the Board from among the independent directors. Each of our Audit Committee members will be independent under Rule 10A-3 under the Exchange Act and the Nasdaq listing rules, subject to the phase-in described below. The members of our Audit Committee will meet the

requirements for financial literacy under the applicable rules and regulations of the Exchange Act and Nasdaq. Moreover, our board has determined that Cemal Ahmet Bozer is an Audit Committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of Nasdaq. The Audit Committee will operate under a written charter that satisfies the applicable standards of the SEC and Nasdaq. You will be able to view our Audit Committee Charter on the corporate governance section of our website.

Under Rule 10A-3 of the Exchange Act, we are permitted to phase-in our compliance with independent audit committee requirements set forth in Nasdaq Rule 5606(c) and Rule 10A-3 as follows: (1) at least one independent member at the time of listing, (2) a majority of independent members within 90 days of listing and (3) all independent members within one year of listing. Our board of directors has determined that Cemal Ahmet Bozer and Tayfun Bayazit satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act and we are relying on the independence phase-in rules with respect to the other members of the Audit Committee.

Risk Committee

The risk committee will consist of a minimum of two board members, a majority of which shall be independent directors. The members of the risk committee shall be 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. At the time of the completion of this offering, our risk committee will consist of Cemal Ahmet Bozer, Tayfun Bayazit and Tolga Babalı. This committee is responsible for the early detection of risks that pose a threat to the existence, development and continuation of the Company. Our risk committee conducts a review of the Company’s risk management policies at least once a year.

Our board of directors has determined that Cemal Ahmet Bozer and Tayfun Bayazit are independent.

Corporate Governance Committee

The governance committee will consist of a minimum of two board members, a majority of which shall be the independent directors. The members of the governance committee shall be 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. At the time of the completion of this offering, our governance committee will consist of Cemal Ahmet Bozer, Tayfun Bayazit and Tolga Babalı. In addition, our CEO, Mr. Murat Emirdağ, will participate, in meetings of the corporate governance committee as an observer. Our 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 governance committee also carries out the functions of a compensation committee, advising the board on compensation policies for the board and executives.

Our board of directors has determined that Cemal Ahmet Bozer and Tayfun Bayazit are independent.

Code of Business Conduct and Ethics

We expect our board of directors to update our Code of Business Conduct and Ethics applicable to our employees, directors and officers to meet the standards of the Nasdaq. Following adoption, a current copy of the Code of Business Conduct and Ethics will be posted on our website.

Duties of Directors

Pursuant to our articles of association and the TCC, our board of directors is responsible for 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

second 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, unless permitted by the general assembly.

Under Turkish law, 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. Our company has the right to seek damages if our directors breach a duty owed to us.

Compensation of Directors and Officers

Cash Compensation

The compensation for each of our executive officers consists of the following elements: a base salary and a bonus based on the Company's performance. Our current board members, with the exception of our independent non-executive board member, do not receive a fee for their service on our board. We do compensate all 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. We expect that we will compensate each independent director, once appointed, 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. 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, 2020 was TRY 63,165,182.

Incentive Plan Awards Held by Our Officers

We have conditionally granted certain of our officers with awards under the Incentive Plan (as defined below), which may entitle such officers to awards in the form of cash or restricted shares following the completion of this offering, as described under "Incentive Plan" below. Our non-executive directors are not eligible to participate in the Incentive Plan and are not entitled to any share-based awards.

Incentive Plan

General

On March 24, 2021, the board of directors adopted an Incentive Plan ("**Incentive Plan**") for key executives and employees who contribute to our performance. The Incentive Plan will take effect upon the company's listing its ordinary shares or ADSs representing ordinary shares in connection with its initial public offering, with such shares representing at least 20.0% of our capital stock by December 31, 2021 (the "**IPO condition**").

In accordance with the Incentive Plan, key executives and employees as determined by our board of directors, 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*: Key executives and employees who are in the scope of the Incentive Plan and contributed to the works relating to the execution of this initial public offering of our ADSs may be entitled to cash award at the end of the 3rd month following the date of this initial public offering.
- (ii) *Restricted Stock Units ("RSUs")*: Key executives and employees who are in the scope of the Incentive Plan may be entitled to RSUs to encourage them to work in the Company for the periods specified below after the initial public offering.
- (iii) *Performance Stock Units ("PSUs")*: Key executives and employees who are in the scope of the Incentive Plan 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. Following this initial public offering, we expect our board of directors to consult 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.

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 to be determined by the board of directors. As of March 25, 2021, we entered into individual agreements with ten of our key executives granting them the right to participate to the Incentive Plan.

Reserved Pool

As of the date of this prospectus, the board of directors has reserved up to a maximum amount of:

- (i) *Cash pool*: USD 30 million for the cash award consisting of the "Cash Based Award" described above,
- (ii) *Share pool*: 6,500,000 of our Class B 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 2.3% of our share capital prior to the initial public offering, and approximately % of our share capital following the initial public offering.

The maximum amounts specified above are subject to change based on the market capitalization of the Company on the date of the initial public offering.

Vesting schedule

RSUs and PSUs will generally vest in the three-year-period as specified below, following the end of 18 months after the date of the initial public offering:

- *First Period*: In the eighteenth (18th) month following the date of the initial public offering, up to 3,250,000 Class B ordinary shares may be issued;
- *Second Period*: In the twelfth (12th) month following the end of the First Period, up to 1,750,000 Class B ordinary shares may be issued;
- *Third Period*: In the twelfth (12th) month following the end of the Second Period, up to 1,500,000 Class B ordinary shares may be issued.

If fewer shares are issued for a specific period as a result of changes in the number of the Incentive Plan participants, duration of employment of such Incentive 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 award, RSUs and the PSUs) is contingent upon the IPO Condition and on the employee's continuing employment with the Company on the date of payment.

Cash Based Awards

No other specific terms of awards are specified for cash based awards.

RSUs

The RSU award is conditioned on the employee actually working for the Company on the date of payment specified above. At the discretion of the plan administrator, eligible employees 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 employee 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.

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. The Incentive Plan shall automatically expire on the tenth anniversary of the date of the initial public offering. Our board of directors and shareholders may terminate the plan at any time, in whole or in part.

Prior Incentive Plans

We have not implemented any incentive plan for employees until March 2021. We have 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 have been terminated.

Family Relationships

Our Founder, Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı and Arzuhan Doğan Yalçındağ are all siblings and Işıl Doğan is their mother. See “*Principal and Selling Shareholders.*”

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth information relating to the beneficial ownership of our ordinary shares (i) prior to the filing of this prospectus, and (ii) as adjusted to reflect the sale of our ADSs in this offering 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;
- all of our executive officers and members of our board of directors as a group; and
- the Selling Shareholder.

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. There is no agreement or arrangement between the shareholders other than the Pre-IPO SHA (as defined in “*Related Party Transactions — Pre-IPO Shareholders’ Agreement*”).

The percentage of shares beneficially owned before the offering is computed on the basis of Class B ordinary shares outstanding prior to the filing of this prospectus. The percentage of shares beneficially owned after the offering is based on the number of our ordinary shares to be outstanding after this offering, including the of our ADSs representing ordinary shares that the Selling Shareholder is selling in this offering, and assumes no exercise of the underwriters’ option to purchase additional ADSs from the Selling Shareholder. If the underwriters exercise in full their option to purchase additional ADSs, the Selling Shareholder has agreed to sell to the underwriters up to an additional ADSs.

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. Prior to the filing of this prospectus, none of our ordinary shares were held by U.S. record holders. Unless otherwise indicated below, the address for each beneficial owner is Kuştepe Mahallesi Mecidiyeköy Yolu Cadde no: 12 Kule 2 K2 Şişli İstanbul, Turkey.

| Name of shareholder | Shares beneficially owned before the offering | | | | % of total Voting power before the offering | Number of shares offered | Shares beneficially owned after the offering | | | | % of total voting power after the offering |
|--|---|-------------|-------------------------|-------------|---|--------------------------|--|-------------------|-------------------------|----------|--|
| | Class A shares | | Class B ordinary shares | | | | Class A shares | | Class B ordinary shares | | |
| | Number | % | Number | % | | | Number | % | Number | % | |
| Executive Officers and Board Members | | | | | | | | | | | |
| Hanzade Vasfiye Doğan Boyner ⁽¹⁾⁽²⁾ | 40,000,000 | 14.1 | 29,864,015 | 10.5 | 74.6 | — | 40,000,000 | 29,864,015 | — | — | |
| Erman Kalkandelen ⁽³⁾ | — | — | — | — | — | — | — | — | — | — | |
| Tolga Babalı | — | — | — | — | — | — | — | — | — | — | |
| Halil Korhan Öz | — | — | — | — | — | — | — | — | — | — | |
| Mehmet Erol Çamur | — | — | — | — | — | — | — | — | — | — | |
| Cemal Ahmet Bozer | — | — | — | — | — | — | — | — | — | — | |
| Tayfun Bayazıt | — | — | — | — | — | — | — | — | — | — | |
| Vuslat Doğan Sabancı ⁽¹⁾ | — | — | 48,539,180 | 17.1 | 5.7 | — | — | 48,539,180 | — | — | |
| Mustafa Aydemir ⁽³⁾ | — | — | — | — | — | — | — | — | — | — | |
| Mehmet Murat Emirdağ | — | — | — | — | — | — | — | — | — | — | |
| Murat Büyümez | — | — | — | — | — | — | — | — | — | — | |
| Galip Furkan Anarat | — | — | — | — | — | — | — | — | — | — | |
| Mutlu Erturan | — | — | — | — | — | — | — | — | — | — | |
| Gürkan Çoskuner | — | — | — | — | — | — | — | — | — | — | |
| Esra Beyzadeoğlu | — | — | — | — | — | — | — | — | — | — | |
| Taner Timirci | — | — | — | — | — | — | — | — | — | — | |
| All executive officers and board members as a group (persons) | 40,000,000 | 14.1 | 78,403,195 | 27.6 | 80.3 | — | 40,000,000 | 78,403,195 | — | — | |
| Other Principal and Selling Shareholders | | | | | | | | | | | |
| Yaşar Begümhan Doğan Faralyalı ⁽¹⁾ | — | — | 48,539,170 | 17.1 | 5.7 | — | — | 48,539,170 | — | — | |
| Arzuhan Doğan Yalçındağ ⁽¹⁾ | — | — | 44,271,070 | 15.6 | 5.2 | — | — | 44,271,070 | — | — | |
| Işıl Doğan ⁽¹⁾ | — | — | 2,032,785 | 0.7 | 0.2 | — | — | 2,032,785 | — | — | |
| TurkCommerce B.V. ⁽⁴⁾ | — | — | 71,082,070 | 25.0 | 8.4 | — | — | — | — | — | |
| Total | 40,000,000 | 14.1 | 244,328,290 | 85.9 | 100.0 | — | 40,000,000 | — | — | — | |

- (1) Hanzade Vasfiye Doğan Boyner, Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı and Arzuhan Doğan Yalçındağ are all siblings, and Işıl Doğan is their mother. Each of the siblings and their mother is of legal age, is an independent adult with sole voting and dispositive control over her shares and each disclaims any beneficial ownership of the shares reported herein that are held by her relatives.
- (2) Represents 40,000,000 Class A shares with fifteen votes per share and 29,864,015 Class B ordinary shares with one vote per share, in each case directly held by Hanzade Vasfiye Doğan Boyner.
- (3) Erman Kalkandelen and Mustafa Aydemir are representatives of Franklin Templeton Turkey on our board of directors, and each is also a director of TurkCommerce B.V. Each disclaims beneficial ownership of the shares held by TurkCommerce B.V., except to the extent, if any, of his pecuniary interest therein. See footnote (2) below.
- (4) Represents 71,082,070 Class B ordinary shares before the offering, and Class B Shares after the offering, in each case directly held by TurkCommerce B.V., an investment vehicle incorporated under the laws of the Netherlands. As of the time of effectiveness, TurkCommerce B.V. 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., Templeton Turkey Fund, L.P. and Templeton Asset Management Ltd. Each of Erman Kalkandelen and Mustafa Aydemir is a director of TurkCommerce B.V. with the right to vote or dispose of such shares.

Each of the foregoing entities and the individuals, as a result, and by virtue of the relationships described above, may be deemed to beneficially own the shares owned by TurkCommerce B.V. Each of Templeton Turkey Fund GP Ltd., Templeton Asset Management Ltd., Erman Kalkandelen and

Mustafa Aydemir disclaims beneficial ownership of the shares held by TurkCommerce B.V. except to the extent, if any, of its or his pecuniary interest therein.

The address for TurkCommerce B.V. is Amstelveenseweg 760, 1081JK Amsterdam. The address for Templeton Turkey Fund GP Ltd. and Templeton Turkey Fund, L.P. is Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The address for Templeton Asset Management Ltd. is 7 Temasek Boulevard, Suntec Tower One, #38-01, Singapore 038987.

RELATED PARTY TRANSACTIONS

The following is a description of related party transactions we have entered into since January 1, 2018 with any of our members of our board or executive officers and the holders of more than 5% of our ordinary shares.

Transactions with Related Parties

For the three months ended March 31, 2021 and during each of the years ended December 31, 2020, 2019 and 2018, we entered into or were parties to various transactions with companies whose shareholders include (among others) our Founder, Vuslat Doğan Sabancı, a member of our board, and Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan, each of whom are our shareholders (see “*Principal and Selling Shareholders*”). These individuals are relatives and members of the Doğan family (collectively, the “**Doğan family**”).

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. These transactions are on terms and at prices that management believes represent market prices. 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 three months ended March 31, 2021 and the years ended December 31, 2020, 2019 and 2018, 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 3.2 million and TRY 1.3 million for the three months ended March 31, 2021 and 2020, respectively and TRY 7.8 million, TRY 5.6 million and TRY 4.3 million for the years ended December 31, 2020, 2019 and 2018 respectively, and purchases from companies controlled by members of the Doğan family of TRY 22.4 million and TRY 18.4 million for the three months ended March 31, 2021 and 2020, respectively and TRY 67.9 million, TRY 32.2 million and TRY 23.9 million for the years ended December 31, 2020, 2019 and 2018 respectively. As of March 31, 2021 and December 31, 2020, 2019 and 2018, TRY 1.3 million, TRY 3.4 million, TRY 3.3 million and TRY 1.7 million respectively, were due from related entities controlled by members of the Doğan family and TRY 7.0 million, TRY 3.9 million, TRY 2.6 million and TRY 1.5 million, respectively, were 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 14.3 million TRY 35.3 million, TRY 12.2 million and TRY 4.3 million, for the three months ended March 31, 2021 and for each of the years ended December 31, 2020, 2019 and 2018, respectively. 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 3.1 million, TRY 14.9 million, TRY 11.2 million and TRY 2.4 million for the three months ended March 31, 2021 and for the years ended December 31, 2020, 2019 and 2018, respectively under an additional protocol to the lease agreement entered into with D Gayrimenkul Yatırımları on June 14, 2019 (prior to the acquisition of the property by D Gayrimenkul Yatırımları, we previously leased such real estate and office space and purchased office-related services from Ortadoğu Otomotiv Ticaret A.Ş., another company controlled by members of the Doğan family, for TRY 6.2 million in the year ended December 31, 2018 under a lease agreement entered into with Ortadoğu Otomotiv Ticaret A.Ş. on December 24, 2014.). 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 2.0 million which was fully drawn as of March 31, 2021 (see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Borrowings*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources*” and “*Business — Supplier and Merchant Financing*”). 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, consultancy services, fulfillment services and gift checks, and other purchases of inventory for our Direct Sales, vehicle lease services, advertising services and internet data services.

Starting in 2020, we have also received insurance brokerage services from Mesiar Medya Sigorta Aracılık Hizmetleri A.Ş., an insurance brokerage firm owned by the sibling of Işıl Doğan, for TRY 6.9 million for the year ended December 31, 2020.

For additional detail 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 annual financial statements and note 15 to our interim financial statements, each included elsewhere in this prospectus. The related party transactions not specifically discussed in this section, represent transactions immaterial in amount.

Transaction with Executive Officer

In September 2020, we extended a non-interest bearing loan of TRY 1,500,000 to an executive officer. TRY 1,500,000 remained outstanding as of December 31, 2020. The loan was fully repaid by March 5, 2021.

Equity Injection

In June 2019, we completed a private injection of additional capital amounting to TRY 180 million from our shareholders, our Founder, Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan, each a member of the Doğan family, and TurkCommerce B.V., for 10,727,492 ordinary shares.

Shareholder Restructuring

In May 2019, we restructured our shareholders structure through a capital reorganization whereby we merged with our parent entity, D Portal Yatırımları A.Ş., a company that was owned by our Founder, Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan that had no business activity or investments other than its holding in us.

Pre-IPO Shareholder Agreement

In February 2015, the Abraaj Turkey Fund I acquired 25.0% of the Group. In January 2020, Franklin Templeton took over the management of Abraaj Turkey Fund I (which was renamed Templeton Turkey Fund), including the interest in the Group. As a result on August 7, 2020, we entered into a shareholders' agreement (the "**Pre-IPO SHA**") between our Founder, Vuslat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ, Işıl Doğan and TurkCommerce B.V. (which is indirectly owned by Templeton Turkey Fund GP Ltd. and is managed pursuant to a limited partnership agreement).

As of the date of this prospectus, all of our existing shareholders are parties to the Pre-IPO SHA, which sets out rights and obligations of the parties and corporate governance regulations with regard to us and our subsidiaries. The Pre-IPO SHA contains our reporting undertakings towards the shareholders, regulations on composition of the decision-making authorities of the Group, including appointment rights of the shareholders and board level representation, veto rights, customary exit rights (such as tag-along and right of first refusal) and also provisions related to issuance and transfer of our shares. The Pre-IPO SHA will terminate upon the consummation of this offering.

Post-IPO Shareholder Agreement

On 16 June 2021, our Founder, Vuslat Doğan Sabancı, Yasar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ, Işıl Doğan and TurkCommerce B.V. entered into a new Shareholders' Agreement (the "**Shareholders' Agreement**"), the form of which is filed as an exhibit to this Registration Statement. The Shareholders' Agreement will generally come into effect immediately upon the consummation of this offering.

The Shareholders' Agreement provides for certain mutual undertakings of the Selling Shareholder in relation to the allocation of the offering proceeds and expenses. With respect to Vuslat Doğan Sabancı, Yasar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ and Işıl Doğan, the Shareholders' Agreement will terminate within five business days following the offering.

Capital Increases and Restrictions on Share Transfers

Pursuant to the Shareholders' Agreement, the parties agree to exercise their statutory preemptive rights to subscribe to additional share issues in a way 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 includes, among others, a person who has existing links to organized crime, has a non-transparent ownership structure, or has involvement in corruption, bribery, tax evasion or other fraudulent practices).

Under the Shareholders' Agreement, TurkCommerce B.V. is prohibited from transferring its Class B Shares to any Restricted Transferee. In addition, in case of the sale of the Class A Shares, the Class A Shareholder is required to give a notice of such sale to TurkCommerce B.V.

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*" and "*General*"), 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 shall 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 U.S.\$400 million in this offering or any subsequent sale, the Class A Shareholder will procure that each of the decisions listed below shall 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 Turkey Fund GP Ltd will not be engaged with or interested economically or otherwise in a Restricted Competitor. If Templeton Turkey 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 will terminate (i) when TurkCommerce B.V.'s Hepsiburada ownership falls below 7.5% or when Templeton Turkey 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) when in relation to any party when that party no longer holds any shares in our share capital; (iv) in case of breach by Templeton Turkey 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; (v) in case all Class A Shares are reclassified as/converted to Class B Shares, and the Class A Shareholder no longer holds any Class A Shares; or (vi) upon mutual written agreement between the Parties.

DESCRIPTION OF SHARE CAPITAL AND ARTICLES OF ASSOCIATION

General

Our legal and commercial name is D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi. We are a joint stock company incorporated in Turkey in 2000 and organized under the laws of Turkey and our affairs are governed by our articles of association, as amended from time to time, and the TCC. We are registered in the Istanbul Trade Registry under the trade registry number 436165-0. Our principal executive offices are located on Kuştepe Mahallesi Mecidiyeköy Yolu Cadde no: 12 Kule 2 K2 Şişli, Turkey, Istanbul, Turkey and our telephone number at this address is +90 (0) 212 304 20 00. Our agent for service of process in the United States 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.

The following descriptions of share capital and provisions of our articles of association are summaries and are qualified by reference to the articles of association to be effective upon the closing of this offering. Copies of these documents will be filed with the Commission as exhibits to our registration statement, of which this prospectus forms a part. The description of the ordinary shares reflects changes to our capital structure that will occur upon the closing of this offering.

Share Capital

General

As of the date of this prospectus, our share capital consists of 40,000,000 Class A shares and 244,328,290 Class B ordinary shares with a nominal value of TRY 0.20 each. Our articles of association authorize the issuance of up to 1,400,000,000 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. Upon the completion of this offering, we will have 40,000,000 Class A shares and Class B ordinary shares issued and outstanding (and assuming completion of the closing mechanics described in “*Underwriting — Stock Lending Agreement*”). Our share capital is denominated in TRY.

Changes in Our Share Capital During the Last Three Fiscal Years

Since January 1, 2018, our share capital has changed as follows:

- on June 28, 2019, we completed the share issue of 10,727,492 shares, which resulted in an increase in our share capital from 46,138,166 shares up to 56,865,658 shares as of December 31, 2019;
- at the extraordinary general assembly of shareholders on May 25, 2021, we split our shares subdividing each ordinary share of TRY 1.00 into five ordinary shares of TRY 0.20 each (resulting in an increase in our number of shares by five times) and restructured our share classes and privileges attached to them in a manner that resulted in our Founder holding 40,000,000 Class A shares, which resulted in an increase in the number of shares representing our share capital to 40,000,000 Class A shares and 244,328,290 Class B ordinary shares as of the date of this prospectus. (our total paid-in capital amount remained at TRY 56,865,658); and
- on June , 2021, in connection with this offering, our board of directors decided to increase our share capital by Class B ordinary shares to account for the offering.

Listing

We intend to apply to list our ADSs on Nasdaq under the symbol “HEPS”

Transfer Agent and Registrar

Upon the closing of this offering, the transfer agent and depository for the ADSs will be The Bank of New York Mellon.

Share Classes

General

Pursuant to our articles of association, our issued share capital is divided into two share classes, and prior to the Offering and the Capital Increase, namely consist of the following:

- Privileged Class A shares representing 14.1% of our issued share capital, and
- Ordinary Class B shares representing 85.9% of our issued share capital.

Following the Offering, assuming all ADSs are sold, all of our Class A shares and _____ of our Class B ordinary shares will be owned by our Founder. See “*Principal and Selling Shareholders.*” ADSs representing our Class B ordinary shares will be listed and trading on Nasdaq.

Privileges attached to Class A Shares

Holders of our Class A shares are entitled to 15 votes per share.

Holders of our Class B ordinary shares, which is the class of shares that is being offered pursuant to this prospectus and is the only class that will be represented by ADSs that are publicly traded and listed, will be entitled to one vote per share.

Sunset Provisions

Pursuant to our articles of association, our Class A shares may convert into Class B ordinary shares under the circumstances described below. To ensure compliance with Turkish law, the sunset provisions in our articles of association refer to the “holder of Class A shares”, which restricts privileges to be directly granted to specific shareholders and require privileges to be attached to shares. However, as of the date of this prospectus, the totality of our Class A shares are owned by our Founder. Therefore, as of the date of the prospectus, references to “Class A Shareholders” below, refer to our Founder, but may in the future also include Permitted Transferees (as defined below).

The totality of outstanding Class A shares will convert into Class B ordinary shares upon, and our articles of association will be subject to amendment at the first general assembly of shareholders following, the earliest to occur of:

- the date that is the 20th anniversary of this offering;
- the date that is 180 days following the date on which the Class A Shareholders hold shares (including both Class A shares and Class B ordinary shares) that represent 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 our Class A Shareholders; and
- the date that is one calendar year following the date on which:
 - the Class A Shareholders have voluntarily resigned from the board of directors, or
 - the Class A Shareholders have voluntarily decided not to be nominated as director at a general assembly of shareholders, and
 - the date on which the Class A Shareholders have ceased to hold any employment or consultancy positions at the Company.

Class A shares will each convert into Class B ordinary shares upon:

- 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 Shareholders holding such Class A shares for conversion into tradable form (which would only apply in the event that the Company pursues a Borsa İstanbul listing in the future).

The following transactions would not cause the conversion of Class A shares into Class B ordinary shares for the purposes of our articles of association, and therefore, the Class A Shareholders is 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.

Articles of Association

Set forth below is a summary of relevant information concerning our share capital and material provisions of our articles of association and applicable Turkish law. This summary does not contain all the information relating to ADSs that may be important to you, and we urge you to read this summary in conjunction with the “*Description of American Depositary Shares*” included elsewhere in this prospectus, before deciding to invest in the ADSs. This summary does not constitute legal advice regarding those matters and should not be regarded as such. For a description of matters related to our board of directors, see “*Management — Board of Directors*.”

Dividends

The payment of dividends is regulated by Turkish Commercial Code (Law No. 6102) and our articles of association. The following is a description of certain information relating to the payment of dividends, including requirements under the Turkish Commercial Code (Law No. 6102) and our articles of association.

In line with the dividend distribution policy to be determined by our general assembly of shareholders (the “**General Assembly**”) 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 shareholders at the annual (ordinary) General Assembly. 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 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 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 in line with our articles of association may not be revoked.

Shareholders' Meetings

Any shareholder not wishing to attend a general assembly in person may appoint another person as a proxy and may exercise its voting rights through its proxy. Under the TCC, the general assembly of shareholders of a joint stock company must convene for ordinary meetings which must be held within three months after the end of each financial year. If necessary, the general assembly of shareholders of a joint stock company may convene for extraordinary meetings. The general assembly convenes upon notice by the board of directors to our shareholders at least three weeks prior to the date of 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 of general assembly. 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 is to be held at the Company's headquarters, located at Kuştepe Mahallesi Mecidiyeköy Yolu Cadde no: 12 Kule 2 K2 Şişli, Turkey, Istanbul, Turkey, or another location in Istanbul, or another location that is convenient in the city in which the headquarters are located.

Extraordinary meetings of the General Assembly 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 of general assembly. 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, following the offering, our shareholders will be entitled to participate in general assemblies through the electronic platform operated by where such General Assemblies are streamed in real time. Shareholders who request to participate in a general assembly through the electronic platform one day prior to the relevant general assembly 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 general assembly resolution of the company. 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.

Transfer of Shares

Save as otherwise discussed herein, the transfer of shares is permitted under the articles of association and must be made in accordance with the 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. 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 (including Class A 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 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 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. The articles of association, however, may restrict this right. As of the date of this prospectus, no shareholder or class of shareholders are granted preferred shares with regards to liquidation rights.

Voting Rights

The holders of our Class B ordinary shares (or the ADSs representing them, in accordance with the provisions of the Deposit Agreement) are entitled to one vote per share held on all matters submitted to a shareholder vote, whereas the holders of our Class A shares are entitled to fifteen votes per share held on all matters submitted to a shareholder vote.

Reports to Shareholders

Upon completion of this offering, we will become subject to the informational and current reporting requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and 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 shareholders' general assembly. 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.

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.

| | <u>Turkish law</u> | <u>Delaware law</u> |
|----------------------------------|--|---|
| 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 shareholders' meeting convened with such agenda, except a higher voting quorum is set for such removal in the articles of association. If there is cause, any director may be removed without such specific item in the agenda of the shareholders' 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 | Under Turkish law, vacancies | Under Delaware law, vacancies and |

| | <u>Turkish law</u> | <u>Delaware law</u> |
|-----------------------------------|---|---|
| Directors | may be filled by a majority of the directors at the 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 should be approved by the first shareholders' meeting to be convened. | 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. |
| General Meeting | Under Turkish law, extraordinary shareholders' meeting may be called by the board of directors, courts following the shareholder application in certain cases, insolvency practitioners, or shareholders' holding 10% (or less, if set out by the articles of association) of the shares. | 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 of any meeting of the shareholders must be given to each shareholder entitled to vote at the meeting not less than two (2) weeks before the date of the meeting and shall specify the place, date, hour, and agenda of the meeting. | 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 shareholders' meeting, a shareholder may designate another person to act for such shareholder by proxy. The | Under Delaware law, at any meeting of stockholders, a stockholder may designate another person to act for such stockholder by proxy, but no |

| | Turkish law | Delaware law |
|--|---|--|
| | proxy is valid only for one shareholders' meeting, and meetings that are continuation of such shareholders' meeting. | 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 <i>pro rata</i> 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 the usage of the preemptive rights of the existing shareholders in specific share issues. To limit 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. |
| Liability of Directors and Officers | Under Turkish law, directors are personally liable for damages 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 or intentional misconduct. | 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 |

| | Turkish law | Delaware law |
|---|--|---|
| Voting Rights | Turkish law provides that, unless otherwise provided in the articles of association, each shareholder is entitled to one vote for each share of capital share held by such shareholder. | <p>purchases or redemptions; or</p> <ul style="list-style-type: none"> any transaction from which the director derives an improper personal benefit. <p>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.</p> |
| Shareholder Vote on Certain Transactions | <p>Generally, under Turkish law, unless the articles of association provides for the vote of a larger portion of the share capital, merger with another corporation, disposal of all or substantially all of a corporation's assets or dissolution requires</p> <ul style="list-style-type: none"> affirmative vote of the shares representing 75% of the share capital. | <p>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</p> <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.e. 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 protecting the interest of the corporation in good faith. | <p>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> <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 care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must</p> |

| | Turkish law | Delaware law |
|--------------------------|---|---|
| | | <p>inform himself of all material information reasonably available regarding a significant transaction.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| Stockholder Suits | <p>Under Turkish law, a shareholder may initiate an action to claim damages from the directors who are personally liable, against such directors and managers. In such action initiated by a shareholder, the compensation would be nevertheless awarded 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 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</p> | <p>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:</p> <ul style="list-style-type: none"> • state that the plaintiff was a stockholder at the time of the transaction of which the plaintiff complains or that the plaintiff's 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 |

| Turkish law | Delaware law |
|--|---|
| a shareholder or a creditor, the compensation would be nevertheless awarded in favor of the corporation. The conditions of such claims are same as the lawsuits initiated by corporation itself. | <ul style="list-style-type: none">• 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. |

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

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 Class B ordinary share (or a right to receive one Class B ordinary share) deposited with Türkiye İş Bankası A.Ş., as custodian, for the depositary in Turkey. 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 office at which the ADSs will be administered and its principal executive office are located at 240 Greenwich Street, New York, New York 10286. See "Underwriting — Stock Lending Agreement" for a description of certain closing mechanics.

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having uncertificated ADSs registered in your name, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution that is a direct or indirect participant in The Depository Trust Company, also called DTC. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Registered holders of uncertificated ADSs will receive statements from the depositary confirming their holdings.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Turkish law governs shareholder rights. The depositary will be the holder of Class B ordinary shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, 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. New York law governs the deposit agreement and the ADSs.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. Directions on how to obtain copies of those documents are provided under "Where You Can Find More Information."

Dividends and Other Distributions

How will you receive dividends and other distributions on Class B ordinary shares?

The depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, upon payment or deduction of its fees and expenses. You will receive these distributions in proportion to the number of shares your ADSs represent.

- *Cash.* The depositary will convert any cash dividend or other cash distribution we pay on the Class B 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. See "Material Tax Considerations." 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, you may lose some of the value of the distribution.

- *Shares.* The depositary may distribute additional ADSs representing any Class B ordinary shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell Class B ordinary shares which would require it to deliver a fraction of an ADS (or ADSs representing those Class B 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 Class B ordinary shares (or ADSs representing those Class B ordinary shares) sufficient to pay its fees and expenses in connection with that distribution.
- *Rights to Purchase Additional Class B Ordinary Shares.* If we offer holders of our securities any rights to subscribe for additional shares or any other rights, 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, you 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, Class B 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. This means that you may not receive the distributions we make on our Class B ordinary shares or any value for them if it is illegal or impractical for us to make them available to you.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposit Class B ordinary shares or evidence of rights to receive Class B 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 you request 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?

You may surrender your ADSs 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 ordinary shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at your 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 you 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?

You may surrender your ADR to the depositary for the purpose of exchanging your 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 do you 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 your voting instructions (and we are not required to do so), the depositary will notify you of a shareholders' meeting and send or make voting materials available to you. 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 shares or other 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 your voting instructions, you can still send voting instructions, and, in that case, the depositary may try to vote as you instruct, but it is not required to do so.

Except by instructing the depositary as described above, you won't be able to exercise voting rights unless you surrender your ADSs and withdraw the shares. However, you 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 you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your Class B 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 you may not be able to exercise voting rights and there may be nothing you can do if your shares are not voted as you requested.*

In order to give you 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.

Fees and Expenses

| Persons depositing or withdrawing Class B ordinary shares or ADS holders must pay: | For: |
|---|--|
| \$5.00 (or less) per 100 ADSs (or portion of 100 ADSs) | <ul style="list-style-type: none"> • Issuance of ADSs, including issuances resulting from a distribution of Class B ordinary shares or rights or other property • Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement |

| Persons depositing or withdrawing Class B ordinary shares or ADS holders must pay: | For: |
|---|--|
| \$0.05 (or less) per ADS | terminates |
| A fee equivalent to the fee that would be payable if securities distributed to you had been Class B ordinary shares and the Class B ordinary shares had been deposited for issuance of ADSs | <ul style="list-style-type: none"> • Any cash distribution to ADS holders • Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depository to ADS holders |
| \$0.05 (or less) per ADSs per calendar year | <ul style="list-style-type: none"> • Depository services |
| Registration or transfer fees | <ul style="list-style-type: none"> • Transfer and registration of ordinary shares on our share register to or from the name of the depository or its agent when you deposit or withdraw ordinary shares |
| Expenses of the depository | <ul style="list-style-type: none"> • 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 ADS or shares underlying an ADSs, such as stock transfer taxes, stamp duty or withholding taxes, if applicable | 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. 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 depository 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 depository. Where the depository converts currency itself or through any of its affiliates, the depository 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 depository or its affiliate receives when buying or selling foreign currency for its own account. The depository 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 depository's obligation to act without negligence or bad faith. The methodology used to determine exchange rates used in currency conversions made by the depository 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 depository 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 depository may receive dividends or other distributions from the 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 depository 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

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depository may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depository 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.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The depository 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 depository may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the depository as a holder of deposited securities, the depository 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 depository receives new securities in exchange for or in lieu of the old deposited securities, the depository will hold those replacement securities as deposited securities under the deposit agreement. However, if the depository 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 depository 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 depository will continue to hold the replacement securities, the depository may distribute new ADSs representing the new deposited securities or ask you to surrender your 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 depository 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 depository to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depository 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 depository notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your 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 delist our shares from an exchange outside the United States on which they were listed and do not list the shares on another exchange outside the United States;
- the depositary has reason to believe the ADSs have become, or will become, ineligible for registration on Form F-6 under the Securities Act of 1933;
- 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 depositary will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the depositary may sell the deposited securities. After that, the depositary 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 depositary will sell as soon as practicable after the termination date.

After the termination date and before the depositary sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depositary 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 depositary may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depositary will continue to collect distributions on deposited securities, but, after the termination date, the depositary 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 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 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 Depository Actions

Before the depository will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of Class B ordinary shares, the depository 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 Class B 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 depository may refuse to deliver ADSs or register transfers of ADSs when the transfer books of the depository or our transfer books are closed or at any time if the depository or we think it advisable to do so.

Your Right to Receive Class B Ordinary Shares Underlying your 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 depository has closed its transfer books or we have closed our transfer books; (ii) the transfer of Class B ordinary shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our Class B ordinary shares;
- when you owe 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 Class B 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 depository 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 depository 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 depository 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 depository's reliance on and compliance with instructions received by the depository through the DRS/Profile system and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depository.

Shareholder communications; inspection of register of holders of ADSs

The depository will make available for your 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 depository will send you copies of those communications or otherwise make those communications available to you if we ask it to. You 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. You 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.

SHARES AND AMERICAN DEPOSITARY SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our ordinary shares or ADSs, and we cannot assure you that a significant public market for our ADSs will develop or be sustained after this offering. Future sales of substantial amounts of our ADSs in the public market after this offering, or the possibility of these sales occurring, could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of ordinary shares or ADSs will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our ordinary shares or ADSs in the public market after such restrictions lapse. This may adversely affect the prevailing market price of our ADSs and our ability to raise equity capital in the future.

Upon the completion of this offering, we will have ADSs outstanding, representing Class B ordinary shares (assuming completion of the closing mechanics described in “*Underwriting — Stock Lending Agreement*”), and an additional Class B ordinary shares outstanding.

Our ADSs will be available for sale in the public market after the expiration or waiver of the lock-up agreements described below, subject to limitations imposed by U.S. securities laws on resale by our “affiliates,” as that term is defined in Rule 144 under the Securities Act.

We expect that all of our ADSs and Class B ordinary shares will be freely transferable without restriction or registration, except for any ADSs or ordinary shares purchased by one of our existing affiliates. ADSs or Class B ordinary shares purchased by our affiliates may not be resold except pursuant to an effective registration statement or an exemption from registration, including the safe harbor under Rule 144 under the Securities Act, as described below. In addition, following this offering and the expiration or waiver of the lock-up agreements described below, ordinary shares issuable pursuant to awards granted under certain of our equity plans will eventually be freely tradable in the public market.

The remaining Class B ordinary shares and ADSs are “restricted shares” as defined in Rule 144. We expect that substantially all of these restricted shares will be subject to the lock-up agreements described below. These ordinary shares or ADSs may be sold in the public market only if the sale is registered or pursuant to an exemption from registration, such as the safe harbor provided by Rule 144 and Rule 701 under the Securities Act.

Rule 144

In general, under Rule 144 under the Securities Act, as currently in effect, a person who has beneficially owned our ordinary shares that are restricted securities for at least six months would be entitled to sell those ordinary shares, provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (ii) we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned our ordinary shares that are restricted securities for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions that would limit the number of ordinary shares such person would be entitled to sell within any three month period to the greater of either of the following:

- 1% of the number of our ordinary shares then outstanding; or
- the average weekly trading volume of our ordinary shares represented by ADSs on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144 to the extent applicable.

Rule 701

In general, under Rule 701 under the Securities Act, any of our employees, board members, officers, consultants or advisors who purchase ordinary shares or ADSs from us in connection with a compensatory share or option plan or other written agreement before the effective date of this offering is entitled to

resell those securities 90 days after the effective date of this offering in reliance on Rule 701, without having to comply with the holding period requirements or other restrictions contained in Rule 144.

The SEC has indicated that Rule 701 will apply to typical share options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described below, beginning 90 days after the date of this prospectus, may be sold by persons other than “affiliates,” as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by “affiliates” under Rule 144 without compliance with its one-year minimum holding period requirement.

Regulation S

Regulation S under the Securities Act (“**Regulation S**”) provides generally that sales made in offshore transactions are not subject to the registration or prospectus-delivery requirements of the Securities Act.

Lock-up agreements

We have agreed, subject to limited exceptions, not to directly or indirectly sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open “put equivalent position” within the meaning of Rule 16a-1(h) under the Exchange Act, purchase, contract or grant any option, right or warrant to purchase, or otherwise dispose of any of our shares or ADSs, or securities convertible into or exchangeable or exercisable for our shares or ADSs currently or hereafter owned either of record or beneficially; or publicly announce an intention to do any of the foregoing; or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our shares or ADSs or such other securities for a period of 180 days after the date of this prospectus, subject to certain exceptions, without the prior written consent of Morgan Stanley & Co. LLC J.P. Morgan Securities LLC, and Goldman, Sachs & Co. LLC. Our Founder and chairwoman, CEO, CFO and CSBO have agreed to similar lockup restrictions for a period of 365 days. Our other existing shareholders have agreed to similar lockup restrictions for a period of 180 days. See “*Underwriting.*”

MATERIAL TAX CONSIDERATIONS

The following summary contains a description of the material Turkey 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 Turkey 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 Turkey 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 Turkey, if applicable.

Real persons are considered Residents in Turkey, if (i) they are domiciled in Turkey in accordance with the Turkish Civil Code or (ii) excluding temporary departures, they stay in Turkey 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 Turkey if they are incorporated in Turkey under relevant Turkish laws or if their effective places of management are in Turkey despite the fact that they are incorporated outside of Turkey. 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 Turkey. As for capital gains, they are treated as Turkish source income if the transaction leading to the gains is concluded in Turkey, the payment for consideration is made in Turkey or the payment is accounted for in Turkey even if the payment is made outside of Turkey. The term “accounted for” means that a payment is made in Turkey, or if the payment is made abroad, it is recorded in the books in Turkey or is made from the profits of the payer or the person on whose behalf the payment is made in Turkey.

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 Turkey (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 Turkey 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 Turkey by Non-Residents. Non-Residents without any Permanent Establishment in Turkey are not required to file an annual or special tax return for their Turkey-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 Turkey is not subject to withholding tax and is also exempted from corporate income tax at the level of the recipient in Turkey. Non-Resident entities holding shares through their Permanent Establishments in Turkey 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.

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 53,000 for 2021) 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 Turkey and the United States (the “**Turkey-U.S. Treaty**”) applies to all types of income.

Under Article 10 of the Turkey-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 Turkey-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 the U.S. Holders (as defined below) of owning and disposing of ADSs.

This summary applies only to U.S. Holders that acquire ADSs in exchange for cash in this offering, 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 prospectus, 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 prospectus, 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 prospectus 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;
- 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.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL INCOME TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF ADSs.

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 the section entitled “*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 U.S. Holder, 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 Turkey (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, as we intend the ADSs will be. 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, 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 its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of

the value of its 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 in this offering and the current and anticipated composition of the income, assets and operations of us and our subsidiaries, and 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.

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 advisors 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. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN ADSs UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

UNDERWRITING

We are offering the ADSs described in this prospectus through a number of underwriters. Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC are acting as representatives of the underwriters. We, the Selling Shareholder and the underwriters named below have entered into an underwriting agreement with respect to the ADSs being offered. Subject to the terms and conditions of the underwriting agreement, we and the Selling Shareholder have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of ADSs listed next to its name in the following table:

| Underwriters | Number of ADSs |
|----------------------------|-------------------|
| Morgan Stanley & Co. LLC | |
| J.P. Morgan Securities LLC | |
| Goldman, Sachs & Co. LLC | |
| BofA Securities, Inc. | |
| UBS Securities LLC | |
| Total | |

The underwriters are committed to purchase all the ADSs offered by us if they purchase any ADSs. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated. The underwriters propose to offer the ADSs directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of US\$ per ADS. Any such dealers may resell ADSs to certain other brokers or dealers at a discount of up to US\$ per ADS from the initial public offering price. After the initial offering of the ADSs to the public, if all of the ADSs are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. The offering of the ADSs by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part. Sales of any ADSs made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additional ADSs from the Selling Shareholder to cover sales of ADSs by the underwriters which exceed the number of ADSs specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional ADSs. If any ADSs are purchased with this option to purchase additional ADSs, the underwriters will purchase ADSs in approximately the same proportion as shown in the table above. If any additional ADSs are purchased, the underwriters will offer the additional ADSs on the same terms as those on which the ADSs are being offered. The underwriting fee is equal to the public offering price per ADS less the amount paid by the underwriters to us per ADS. The following table shows the per ADS and total public offering price, underwriting discounts and commissions to be paid to the underwriters by us and by the Selling Shareholder, and proceeds before expenses to us and to the Selling Shareholder. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

| | Total | | |
|--|---------|-------------|---------------|
| | Per ADS | No Exercise | Full Exercise |
| | (US\$) | | |
| Initial public offering price | | | |
| Underwriting discounts and commissions to be paid by us | | | |
| Underwriting discounts and commissions to be paid by the Selling Shareholder | | | |
| Proceeds, before expenses, to us | | | |
| Proceeds, before expenses, to the Selling Shareholder | | | |

We estimate that our share of the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding underwriting discounts and commissions, will be approximately US\$. We have agreed to reimburse the underwriters for the expenses related to the Financial Industry Regulatory Authority (“*FINRA*”) incurred by them in connection with this offering.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of ADSs to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the SEC a registration statement under the Securities Act relating to, any ADSs or ordinary shares or securities convertible into or exercisable or exchangeable for any ADSs or ordinary shares, or publicly disclose the intention to make any offer, sale, pledge, loan, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any ADSs or ordinary shares or any such other securities, or publicly disclose the intention to undertake any of the foregoing (regardless of whether any of these transactions are to be settled by the delivery of ADSs or ordinary shares or such other securities, in cash or otherwise), in each case without the prior written consent of Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC for a period of 180 days after the date of this prospectus, other than the ADSs to be sold in this offering.

The restrictions on our actions, as described above, do not apply to certain transactions, including (i) the issuance of ordinary shares or ADSs or securities convertible into or exercisable for ordinary shares or ADSs pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of RSUs (including net settlement), in each case outstanding on the date of the underwriting agreement and described in this prospectus; (ii) grants of stock options, stock awards, restricted stock, RSUs, or other equity awards and the issuance of ordinary shares or ADSs or securities convertible into or exercisable or exchangeable for ordinary shares or ADSs (whether upon the exercise of stock options or otherwise) to our employees, officers, directors, advisors, or consultants pursuant to the terms of an equity compensation plan in effect as of the closing of this offering and described in this prospectus, provided that such recipients enter into a lock-up agreement with the underwriters; or (iii) our filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of the underwriting agreement and described in this prospectus or any assumed benefit plan pursuant to an acquisition or similar strategic transaction.

We, our existing shareholders, our Founder and certain members of management (such persons, the “**lock-up parties**”) have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each lock-up party, with limited exceptions, for a period of 180 days after the date of this prospectus with respect to shareholders and 365 days after the date of this prospectus with respect to our Founder and chairwoman and certain members of management (such period, the “**restricted period**”), may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ADSs or ordinary shares or any securities convertible into or exercisable or exchangeable for our ADSs or ordinary shares (including, without limitation, ADSs or ordinary shares or such other securities which may be deemed to be beneficially owned by such lock-up parties in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant (collectively with the ADSs and ordinary shares, the “**lock-up securities**”)), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of lock-up securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (4) publicly disclose the intention to do

any of the foregoing. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (by any person or entity, whether or not a signatory to such agreement) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph and contained in the lock-up agreements between the underwriters and the lock-up parties do not apply, subject in certain cases to various conditions, to certain transactions, including (a) transfers of lock-up securities: (i) as *bona fide* gifts, or for *bona fide* estate planning purposes, (ii) by will or intestacy, (iii) to any trust for the direct or indirect benefit of the lock-up party or any immediate family member, (iv) to a partnership, limited liability company or other entity of which the lock-up party and its immediate family members are the legal and beneficial owner of all of the outstanding equity securities or similar interests, (v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv), (vi) in the case of a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the lock-up party or its affiliates or (B) as part of a distribution to members or stockholders of the lock-up party; (vii) by operation of law, (viii) to us from an employee upon death, disability or termination of employment of such employee, (ix) as part of a sale of lock-up securities acquired in open market transactions after the completion of this offering, (x) to us in connection with the vesting, settlement or exercise of restricted stock units, options, warrants or other rights to purchase ordinary shares or ADSs (including “net” or “cashless” exercise), including for the payment of exercise price and tax and remittance payments, or (xi) pursuant to a *bona fide* third-party tender offer, merger, consolidation or other similar transaction approved by our board of directors and made to all shareholders involving a change in control, provided that if such transaction is not completed, all such lock-up securities would remain subject to the restrictions in the immediately preceding paragraph; (b) transfer or sale of the lock-up party’s lock-up securities to a third party, including for value, *provided* that (1) the transferee executes and delivers to Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC a lock-up letter in the form of the lock-up agreement (2) the total amount of the undersigned lock-up securities transferred or sold pursuant to this paragraph during the restricted period shall not exceed, in the aggregate, 1% of the total number of class B ordinary shares of the Company outstanding as of the closing of the offering (assuming completion of the closing mechanics described in “— Stock Lending Agreement”) and (3) no filing by any party under the Securities Act, Exchange Act or other applicable law, or the rules and regulations thereunder (including filings on Schedule 13D, Schedule 13G or Form 144), or other public announcement shall be required or made voluntarily in connection with such transfer or sale; (c) exercise of the options, settlement of RSUs or other equity awards, or the exercise of warrants granted pursuant to plans described in in this prospectus, provided that any lock-up securities received upon such exercise, vesting or settlement would be subject to restrictions similar to those in the immediately preceding paragraph; (d) the conversion of outstanding preferred stock, warrants to acquire preferred stock, or convertible securities into ordinary shares or ADSs or warrants to acquire ordinary shares or ADSs, provided that any ordinary shares or ADS or warrant received upon such conversion would be subject to restrictions similar to those in the immediately preceding paragraph; and (e) the establishment by lock-up parties of trading plans under Rule 10b5-1 under the Exchange Act, provided that such plan does not provide for the transfer of lock-up securities during the restricted period.

Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC, in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

Prior to this offering, there has been no public market for the ADSs or our ordinary shares. The initial public offering price will be determined by negotiations between us, the Selling Shareholder and the

representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our ADSs, or that the ADSs will trade in the public market at or above the initial public offering price.

We and the Selling Shareholder have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

We intend to apply to list our ADSs on the Nasdaq Global Select Market under the symbol “HEPS”

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling ADSs in the open market for the purpose of preventing or retarding a decline in the market price of the ADSs while this offering is in progress. These stabilizing transactions may include making short sales of ADSs, which involves the sale by the underwriters of a greater number of ADSs than they are required to purchase in this offering, and purchasing ADSs on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional ADSs referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional ADSs, in whole or in part, or by purchasing ADSs in the open market. In making this determination, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market compared to the price at which the underwriters may purchase ADSs through the option to purchase additional ADSs. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase ADSs in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the ADSs, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase ADSs in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those ADSs as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the ADSs or preventing or retarding a decline in the market price of the ADSs, and, as a result, the price of the ADSs may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and if the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the Nasdaq, in the over the counter market or otherwise.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to

time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Stock Lending Agreement

To facilitate the orderly closing of this offering of ADSs and due to timing considerations related to the technical issuance and registration of new Class B ordinary shares under Turkish law (which require full payment of the purchase price for new shares to the Company before the completion of a trade registry registration of those new shares), under the terms of a Stock Lending Agreement dated June 1, 2021, certain existing shareholders of the Company (the “**Lenders**”) have agreed to loan to Morgan Stanley & Co. LLC and/or its affiliates, acting on behalf of the Underwriters, Class B ordinary shares in a number equal to the number of Class B ordinary shares underlying the ADSs offered by us (the “**Loaned Shares**”), for initial deposit into the ADS program immediately prior to the closing of the Offering.

Following the closing of the Offering, the Company will issue new Class B ordinary shares in an amount equal to the total number of Loaned Shares, which Morgan Stanley & Co. LLC is expected to return to the Lenders.

No fees or other remuneration will be paid by the Underwriters to the Lenders for the loan of these Class B ordinary shares.

Selling Restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Canada

The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), no offer of the ADSs that are subject to this offering may be made to the public in that Relevant State, except that

offers of the ADSs that are subject to this offering may be made under the following exemptions under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”):

- to any legal entity that is a “qualified investor” as defined in Article 2 of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the underwriters for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of ADSs shall result in a requirement for the publication by we, the Selling Shareholder, or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Regulation or of a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to any ADSs that are subject to this offering in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offering and the ADSs that are subject to this offering so as to enable an investor to decide to purchase or subscribe for any such ADSs.

United Kingdom

No offer of ADSs that are subject to this offering may be made to the public in the United Kingdom, except that offers of the ADSs that are subject to this offering may be made under the following exemptions under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”):

- to any legal entity that is a “qualified investor” as defined in Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation), in the United Kingdom, subject to obtaining the prior consent of the underwriters for any such offer; or
- in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (the “**FSMA**”),

provided that no such offer of ADSs that are subject to this offering shall result in a requirement for the publication by we, the Selling Shareholder, or any underwriter of a prospectus pursuant to section 85 of the FSMA or of a supplement to a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to any ADSs that are subject to this offering in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offering and the ADSs that are subject to this offering so as to enable an investor to decide to purchase or subscribe for any such ADSs.

Further, no invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FMSA) can be communicated or caused to be communicated in connection with the issue or sale of the ADSs that are subject to this offering, and all provisions of the FMSA must be observed with respect to any action taken in, from or otherwise involving the United Kingdom in relation to the ADSs.

This prospectus can only be distributed to and is only directed at, and investment or investment activity to which this document relates can be available only to, and be engaged only with persons in the United Kingdom who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, and/or (iii) are persons to whom invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). This prospectus is directed only at relevant

persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this prospectus relates is available only to and will be engaged in only with relevant persons.

Turkey

The ADSs that are subject to this offering shall not be offered, sold or otherwise made available to any retail investor in Turkey. The offering of the ADSs has been authorized by the Capital Markets Board (“CMB”) with its decision dated May 27, 2021 and numbered 27/803 through the approval of the issuance certificate (*ihrac belgesi*) dated May 28, 2021 and numbered 55/HA-803 only for the purpose of the sale of the ADSs outside Turkey in accordance with Article 15(b) of Decree 32 on the Protection of the Value of the Turkish Currency (“Decree 32”) and Article 5/2 of the Prospectus and Issuance Certificate Communiqué No. II-5.1. The ADSs (or beneficial interests therein) have to be offered or sold outside Turkey and the CMB has approved the issuance certificate (*ihrac belgesi*); provided that, following the primary sale of the ADSs, no transaction that may be deemed as a sale of the ADSs (or beneficial interests therein) in Turkey by way of private placement or public offering may be engaged in. Pursuant to Article 15(d)(ii) of Decree 32, there is no restriction on the purchase or sale of the ADSs (or beneficial interests therein) in offshore transactions on an unsolicited basis by residents of Turkey; provided that such sale or purchase is made through banks authorized by the Banking Regulation and Supervisory Agency and/or licensed brokerage institutions authorized pursuant to CMB regulations and the purchase price of the ADSs is transferred abroad through such licensed banks.

There shall be no directed selling efforts within Turkey in connection with the ADSs, nor any form of general solicitation or general advertising in connection with any offer and sale of the ADSs in Turkey, and no disclosure shall be made in Turkey in relation to the issuer, the ADSs or the disclosure documents, save as may be required by applicable law, court order or regulation.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “FIEL”) has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of common stock.

Accordingly, the shares of common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

EXPENSES OF THE OFFERING

We estimate that our expenses in connection with this offering, other than underwriting discounts and commissions, will be as follows:

| Expenses | Amount |
|---------------------------------|---------------|
| SEC registration fee | \$ |
| FINRA filing fee | \$ |
| Stock exchange listing fee | \$ |
| Printing and engraving expenses | \$ |
| Legal fees and expenses | \$ |
| Accounting fees and expenses | \$ |
| Miscellaneous costs | \$ |
| Total | \$ |

All amounts in the table are estimates except the SEC registration fee, the stock exchange listing fee and the FINRA filing fee. We will pay all of the expenses of this offering.

LEGAL MATTERS

Certain legal matters with respect to the offering will be passed upon for us by White & Case LLP as to United States federal law. Certain legal matters relating to Turkish law will be passed upon for us by GKC Partners. Certain legal matters with respect to the offering will be passed upon for the underwriters by Cleary Gottlieb Steen & Hamilton LLP as to United States federal law. Certain legal matters relating to Turkish law will be passed upon for the underwriters by Paksoy Ortak Avukat Bürosu.

EXPERTS

The consolidated financial statements of D-MARKET Elektronik Hizmetler ve Ticaret A.Ş. as of December 31, 2018 and 2019 and for the years then ended included in this prospectus have been so included in reliance on the report of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (“**PwC**”) an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting. The current address of PwC is Süleyman Seba Cad. No: 48 BJK Plaza Kat: 9 Akaretler Beşiktaş İstanbul Turkey.

The consolidated financial statements of D-MARKET Elektronik Hizmetler ve Ticaret A.Ş. at December 31, 2020, and for the year ended December 31, 2020, appearing in this prospectus and registration statement have been audited by GUNEY BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALI MUSAVIRLIK A.S., independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing. GUNEY BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALI MUSAVIRLIK A.S. is located at Orjin Maslak Plaza, Maslak Mahallesi Eski Büyükdere Caddesi No: 27 Kat: 1-5 34485 Sarıyer, İstanbul, Turkey and is registered as a corporate body with the Public Oversight Accounting and Auditing Standards Authority.

Certain statistical data contained herein has been derived from and included herein in reliance upon a research report titled “Turkey’s e-retail market assessment” prepared by ADL, an independent provider of research and analysis, commissioned by us, and issued as of March 15, 2021, upon the authority of said firm as experts with respect to the matters covered by its report. ADL does not have any interest in our securities.

CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

On August 17, 2020, following a resolution of the General Assembly Meeting of the Company, the Company dismissed PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (“PwC”) and appointed GUNEY BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALI MUSAVIRLIK A.S. as its statutory independent auditor. The Company changed its independent audit firm due to the local mandatory independent auditor rotation regulations.

The reports of PwC on the consolidated financial statements of the Company for the fiscal years ended December 31, 2019 and 2018 prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

PwC was reengaged to audit these consolidated financial statements as of and for the years ended December 31, 2019 and 2018 in accordance with PCAOB standards on February 15, 2021 and completed its PCAOB audit on March 17, 2021.

During the fiscal years ended December 31, 2019 and 2018 and the interim period through March 17, 2021, there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that, if not resolved to the satisfaction of PwC, would have caused it to make reference to the subject matter of the disagreements in connection with its report. During the fiscal years ended December 31, 2019 and 2018 and the subsequent period through March 17, 2021, there were no reportable events as described in Item 4(d) of Form F-1, except for the material weakness related to information technology general controls (see “*Risk Factors — If we fail to implement and maintain an 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 Company has requested that PwC furnish it with a letter addressed to the SEC stating whether or not it agrees with the above statements. A copy of such letter, dated May 28, 2021, is filed as Exhibit 16.1 to this registration statement on Form F-1.

GUNEY BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALI MUSAVIRLIK A.S. has served as our independent auditor since 2020. During the two most recent fiscal years ended December 31, 2019 and 2018 prior to 2020, neither we nor anyone on our behalf consulted with GUNEY BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALI MUSAVIRLIK A.S. on the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements or any matter that was the subject of a disagreement, as described in Item 4(d) of Form F-1.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a joint stock company organized under the laws of Turkey. All of our directors and executive officers are resident in Turkey, and all of our assets are located outside the United States, principally in Turkey.

The courts of Turkey will not enforce a judgment obtained in a court established in a country other than Turkey unless:

- there is in effect a treaty between such country and Turkey providing for reciprocal enforcement of court judgments;
- there is *de facto* enforcement in such country of judgments rendered by Turkish courts; or
- there is a provision in the laws of such country that provides for the enforcement of judgments of the Turkish courts.

There is no treaty between the United States and Turkey providing for reciprocal enforcement of judgments. There is no *de facto* reciprocity between the United States and Turkey. Moreover, there is uncertainty as to the ability of a shareholder to bring an original action in Turkey based on U.S. federal or non-Turkish securities laws.

Turkish courts have rendered at least one judgment in the past confirming *de facto* reciprocity between the New York State and Turkey. However, since *de facto* reciprocity is decided by the relevant court on a case-by-case basis, there is uncertainty as to the enforceability of court judgments obtained in the United States by Turkish courts.

In addition, the Turkish courts will not enforce any judgment obtained in a court established in a country other than Turkey if:

- the defendant was not duly summoned or represented;
- the defendant's fundamental procedural rights were not observed and the defendant brings an objection before the Turkish court against the request for enforcement on either of these grounds;
- the judgment in question was rendered with respect to a matter within the exclusive jurisdiction of the Turkish courts;
- the judgment is incompatible with a judgment of a Turkish court between the same parties and relating to the same issues or, as the case may be, with an earlier foreign judgment on the same issue and enforceable in Turkey;
- the judgment is not of a civil nature;
- the judgment is clearly against public policy rules of Turkey;
- the court rendering the judgment did not have jurisdiction to render such judgment;
- the judgment is not final and binding with no further recourse for appeal under the laws of the country where the judgment has been rendered; or
- the judgment was rendered by a foreign court which treated itself as competent even though it had no actual relationship with the parties or the subject matter at hand and the defendant brings an objection before the Turkish court against the request for enforcement on this ground.

Furthermore, to be enforceable under the laws of Turkey, the choice of laws of a foreign jurisdiction or submission to the jurisdiction of the courts of such a foreign jurisdiction should indicate the competent courts with sufficient precision. Therefore, lack of precision while determining the competent court of a foreign jurisdiction may render the choice of foreign court unenforceable. Also, Turkish law enables the parties' ability to choose the law applicable to claims relating to tort and/or unjust enrichment only after the commitment or occurrence of the relevant tortious act or the relevant unjust enrichment.

As a result, it may not be possible to:

- effect service of process outside Turkey upon any of the directors and executive officers named in this offering circular; or
- enforce, in Turkey, court judgments obtained in courts of jurisdictions other than Turkey against us or any of the directors and executive officers named in this offering circular in any action.

In addition, it may be difficult or impossible to enforce, in original actions brought in courts in jurisdictions located outside the United States, liabilities predicated upon securities laws of the United States.

In any suit or action against the Company before the Turkish courts, a foreign plaintiff may be required to deposit security for court costs (*cautio judicatum solvi*); provided, however, that the court may in its discretion waive such requirement for security if the plaintiff is considered to be (i) a national of one of the contracting states of the Convention Relating to Civil Procedures signed at The Hague on 1 March 1954 (ratified by Turkey by Law No. 1574), save for the legal entities incorporated under the laws of such contracting states or (ii) a national of a state that has signed a bilateral treaty with Turkey which is duly ratified and contains, inter alia, a waiver of the *cautio judicatum solvi* requirement on a reciprocal basis.

Also, the Enforcement and Bankruptcy Law No. 2004 prevents a contractual arrangement by which a contractual event of default clause is stipulated to be triggered in case of any application is made by a Turkish company for debt restructuring upon settlement (*uzlaşma yoluyla yeniden yapılandırma*) within the scope of Turkish Enforcement and Bankruptcy Law No. 2004. In addition to this, the contractual termination, default and acceleration clauses of an agreement cannot be triggered in case the debtor makes a concordat application and such application not to constitute a breach of such agreement.

Furthermore, any claim against the Company which is denominated in a foreign currency would, in a bankruptcy situation, only be payable in Turkish Lira. 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 investors than the rate of exchange prevailing at the relevant time.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the U.S. Securities and Exchange Commission a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

Upon completion of this offering, we will become subject to the informational and current reporting requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our board members and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we are required to file with the Securities and Exchange Commission within four months after the end of each fiscal year (which is currently four months from December 31, the end of our fiscal year), or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements, which will be examined and reported on with an opinion expressed by an independent public accounting firm and we intend to submit to the SEC a quarterly report on Form 6-K containing unaudited quarterly financial information for the first three quarters of each fiscal year.

We also maintain a corporate website at <https://www.hepsiburada.com>. Our website and the information contained therein or connected thereto will not be deemed to be incorporated into the prospectus or the registration statement of which this prospectus forms a part, and you should not rely on any such information in making your decision whether to purchase our ordinary shares or ADSs.

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D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE
MONTH ENDED 31 MARCH 2021**

**D-MARKET ELEKTRONİK HİZMETLER VE TİCARET
A.Ş. AND ITS SUBSIDIARIES**

INDEX TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 31 MARCH 2021 AND 31 DECEMBER 2020

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

| | Notes | 31 March 2021 (unaudited) | 31 December 2020 (audited) |
|---------------------------------|-------|------------------------------|-------------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 3 | 388,362,900 | 592,643,009 |
| Trade receivables | | 131,133,263 | 157,106,579 |
| Due from related parties | 15 | 1,326,450 | 3,407,890 |
| Inventories | | 729,711,472 | 770,140,895 |
| Contract assets | | 36,241,230 | 55,736,539 |
| Other current assets | | 86,749,363 | 110,795,322 |
| Total current assets | | 1,373,524,678 | 1,689,830,234 |
| Non-current assets: | | | |
| Property and equipment | 6 | 58,911,857 | 56,950,215 |
| Intangible assets | 7 | 108,676,194 | 89,386,569 |
| Right of use assets | 8 | 139,754,964 | 125,982,600 |
| Other non-current assets | | 4,135,128 | 2,806,239 |
| Total non-current assets | | 311,478,143 | 275,125,623 |
| Total assets | | 1,685,002,821 | 1,964,955,857 |

These interim condensed consolidated financial statements have been approved by Board of Directors on 28 May 2021. The General Assembly has the right to amend these interim condensed consolidated financial statements.

Accompanying notes are an integral part of these interim condensed consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

AS AT 31 MARCH 2021 AND 31 DECEMBER 2020

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

| | Notes | 31 March 2021 (unaudited) | 31 December 2020 (audited) |
|--|-------|------------------------------|-------------------------------|
| LIABILITIES AND EQUITY | | | |
| Current liabilities: | | | |
| Bank borrowings | 4 | 432,617,982 | 347,436,451 |
| Lease liabilities | 8 | 70,750,331 | 51,210,929 |
| Trade payables and payables to merchants | 5 | 1,763,937,736 | 2,024,549,483 |
| Due to related parties | 15 | 7,017,691 | 3,929,923 |
| Provisions | | 3,965,602 | 3,733,610 |
| Employee benefit obligations | 10 | 134,705,492 | 22,807,906 |
| Contract liabilities and merchant advances | | 152,858,819 | 150,698,190 |
| Other current liabilities | | 56,314,197 | 51,777,683 |
| Total current liabilities | | 2,622,167,850 | 2,656,144,175 |
| Non-current liabilities: | | | |
| Lease liabilities | 8 | 84,624,631 | 92,844,526 |
| Employee benefit obligations | | 4,242,563 | 3,299,046 |
| Total non-current liabilities | | 88,867,194 | 96,143,572 |
| Equity: | | | |
| Share capital | | 56,865,658 | 56,865,658 |
| Share premiums | | 187,464,832 | 187,464,832 |
| Restricted reserves | | 1,586,430 | 1,586,430 |
| Accumulated deficit | | (1,271,949,143) | (1,033,248,810) |
| Total equity | | (1,026,032,223) | (787,331,890) |
| Total equity and liabilities | | 1,685,002,821 | 1,964,955,857 |

Accompanying notes are an integral part of these interim condensed consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2021 AND 31 MARCH 2020
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

| | Notes | 1 January – 31 March 2021 (unaudited) | 1 January – 31 March 2020 (unaudited) |
|--|-------|---|---|
| Revenues | 11 | 1,385,835,317 | 836,638,395 |
| Operating expenses | | | |
| Cost of inventory sold | | (965,458,212) | (603,697,730) |
| Shipping and packaging expenses | | (160,974,319) | (71,411,952) |
| Payroll and outsource staff expenses | | (227,318,424) | (58,184,977) |
| Advertising expenses | | (96,068,436) | (68,265,382) |
| Technology expenses | | (12,750,709) | (6,526,280) |
| Depreciation and amortization | | (27,146,528) | (19,493,687) |
| Other operating expenses, net | 12 | (26,940,566) | (13,740,659) |
| Operating loss | | (130,821,877) | (4,682,272) |
| Financial income | 13 | 52,999,166 | 27,669,418 |
| Financial expenses | 14 | (159,502,321) | (79,911,871) |
| Loss before income taxes | | (237,325,032) | (56,924,725) |
| Taxation on income | | — | — |
| Loss for the period | | (237,325,032) | (56,924,725) |
| Basic and diluted loss per share | 16 | (0.83) | (0.20) |
| 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 | | (1,375,301) | (281,588) |
| Total comprehensive loss for the period | | (238,700,333) | (57,206,313) |

Accompanying notes are an integral part of these consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2021 AND 31 MARCH 2020
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

| | Share capital | Share premiums | Restricted reserves | Accumulated deficit | Total equity |
|---|-------------------|--------------------|------------------------|------------------------|------------------------|
| Balance at 1 January 2021 | 56,865,658 | 187,464,832 | 1,586,430 | (1,033,248,810) | (787,331,890) |
| Net loss for the period | — | — | — | (237,325,032) | (237,325,032) |
| Other comprehensive loss for the period | — | — | — | (1,375,301) | (1,375,301) |
| Balance at 31 March 2021 (unaudited) | 56,865,658 | 187,464,832 | 1,586,430 | (1,271,949,143) | (1,026,032,223) |
| Balance at 1 January 2020 | 56,865,658 | 187,464,832 | 1,586,430 | (556,749,305) | (310,832,385) |
| Net loss for the period | — | — | — | (56,924,725) | (56,924,725) |
| Other comprehensive loss for the period | — | — | — | (281,588) | (281,588) |
| Balance at 31 March 2020 (unaudited) | 56,865,658 | 187,464,832 | 1,586,430 | (613,955,618) | (368,038,698) |

Accompanying notes are an integral part of these consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2021 AND 31 MARCH 2020
(Amounts expressed in Turkish Lira (TRY) unless otherwise indicated.)

| | <u>Note</u> | <u>1 January – 31 March 2021 (unaudited)</u> | <u>1 January – 31 March 2020 (unaudited)</u> |
|---|-------------|--|--|
| Loss before income taxes | | (237,325,032) | (56,924,725) |
| Adjustments to reconcile loss before income taxes to cash flows from operating activities: | | 273,285,985 | 89,611,103 |
| Interest and commission expenses | 14 | 126,548,437 | 66,371,360 |
| Depreciation and amortization | 6,7,8 | 27,146,528 | 19,493,687 |
| Interest income on time deposits | 13 | (4,527,020) | (1,946,488) |
| Interest income on credit sales | 13 | (7,708,120) | (2,522,823) |
| Provision for unused vacation liability | | 2,107,269 | 879,664 |
| Provision for share based payment | 10 | 123,739,938 | — |
| Provision for legal cases | | 231,992 | 2,551,552 |
| Provision for doubtful receivables | | 1,048,527 | 2,382,788 |
| Provision for impairment of trade goods, net | | 4,230,315 | 8,758,181 |
| Provision for post-employment benefits | | 428,213 | 217,292 |
| Net foreign exchange differences | | 39,906 | (6,574,110) |
| Changes in net working capital | | | |
| Change in trade payables and payables to merchants | | (260,611,747) | 67,159,786 |
| Change in inventories | | 36,199,108 | (44,128,306) |
| Change in trade receivables | | 22,200,010 | (10,168,804) |
| Change in contract liabilities and merchant advances | | 2,160,629 | 36,598,505 |
| Change in contract assets | | 19,495,309 | (4,280,734) |
| Change in other liabilities | | 6,315,055 | 15,748,057 |
| Change in other assets and receivables | | 22,717,070 | (11,042,935) |
| Change in due from related parties | | 2,081,440 | 3,233,413 |
| Change in due to related parties | | 3,087,768 | 2,043,594 |
| Post-employment benefits paid | | (859,997) | (374,041) |
| Payments for concluded litigation | | — | (805,795) |
| Payments for personnel bonus | 10 | (13,463,563) | (10,433,306) |
| Payments for unused vacation liabilities | | (486,058) | (59,910) |
| Collections of doubtful receivables | | 2,724,779 | 31,276 |
| Net cash provided by / (used in) operating activities | | (122,479,244) | 76,207,178 |
| Investing activities: | | | |
| Purchases of property and equipment and intangible assets | 6,7 | (36,317,761) | (15,744,289) |
| Proceeds from sale of property and equipment | | 11,379 | 4,337 |
| Net cash used in investing activities | | (36,306,382) | (15,739,952) |
| Financing activities: | | | |
| Proceeds from borrowings | | 253,101,724 | 453,758,818 |
| Repayment of borrowings | | (183,514,874) | (256,334,150) |
| Interest and commission paid | | (106,007,716) | (59,362,063) |
| Lease payments | | (21,308,757) | (12,378,325) |
| Interest received on time deposits | | 4,867,353 | 2,130,274 |
| Interest received on credit sales | | 7,708,120 | 2,522,823 |
| Net cash provided by / (used in) financing activities | | (45,154,150) | 130,337,377 |
| Net increase/(decrease) in cash and cash equivalents | | (203,939,776) | 190,804,603 |
| Cash and cash equivalents at 1 January | | 592,280,767 | 281,982,151 |
| Effects of exchange rate changes on cash and cash equivalents | | — | 3,949,437 |
| Cash and cash equivalents at 31 March | | 388,340,991 | 476,736,191 |

Accompanying notes are an integral part of these consolidated financial statements.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS AT 31 MARCH 2021, 31 DECEMBER 2020 AND 31 MARCH 2020
(Amounts expressed in Turkish Lira (“TRY”) 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 March 2021, the ultimate shareholders of D-Market are the members of Doğan Family and TurkCommerce B.V.

As of 31 March 2021, the Group has 2,572 employees (31 December 2020: 2,433). The address of the registered office is as follows:

Kuştepe Mahallesi, Mecidiyeköy Yolu Caddesi
 No: 12 Kule 2 Kat 2
 Şişli, İstanbul — Turkey

Subsidiaries

The Subsidiaries included in these consolidated financial statements are as follows:

- Evimiz Dekorasyon İnternet Hizmetleri ve Danışmanlık Ticaret A.Ş. (“Evimiz”)
- Altıncı Cadde Elektronik Ticaret A.Ş. (“Altıncı Cadde”)
- 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”)

Altıncı Cadde was acquired by the Group on 1 June 2012 and operated as a vertical e-commerce website (www.altincicadde.com). Altıncı Cadde ended its operations as of 11 October 2019.

Evimiz was acquired on 31 March 2012 and operated as a vertical e-commerce website (www.evmany.com) offering a variety of products to its customers mainly in furniture, home textile, house decoration, kitchen appliances, and garden and bathroom categories. Evimiz ended its operations as of 4 September 2018.

D-Ödeme was founded on 4 June 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 Banking Regulation and Supervision Agency of Turkey (“BRSA”) on 20 February 2016. D-Ödeme commenced its first payment service transaction on 15 June 2016. D-Ödeme had very limited operations during the three month periods ended 31 March 2021 and 2020. It has generated net revenues of TRY44,726 and TRY49,373 respectively during the three months period ended 31 March 2021 and 2020.

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 e-commerce websites.

NOTE 2 — BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE PERIODS AT 31 MARCH 2021, 31 DECEMBER 2020 AND 31 MARCH 2020
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 2— BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Going concern

The Group has incurred recurring losses of approximately TRY239 million for the three months period ended 31 March 2021. As of 31 March 2021, the Group had negative working capital of approximately TRY1,249 million, an accumulated deficit of approximately TRY1,272 million, and cash and cash equivalents of approximately TRY388 million. The Group has managed to continue its operations with negative working capital during its rapid growth after 2015, generating positive operating cash flows on an annual basis, due to the fact that the Group’s average days payable significantly exceeds the total average days receivable and inventory turnover days. The negative working capital mainly results from operating expenses such as advertising, shipping, payroll and financial expenses and capital expenditures of the Group.

Based on its current business plan, the Group management expects that the Group will continue to generate positive operating cash flows and 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 for the next twelve months from the issuance date of these consolidated financial statements, through cash on hand, cash generated from operations, available credit lines or a combination thereof, when necessary.

The Group has a capital inadequacy matter as per the Article 376 of the Turkish Commercial Code as of 31 March 2021. Management has taken necessary actions and is currently compliant with such local regulations and does not expect this situation to impact its operations.

The interim condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

2.2 Significant accounting estimates and assumptions

The significant accounting estimates, judgments and assumptions made during the preparation of the interim condensed consolidated financial information are the same as those applied during the preparation of the annual consolidated financial statements for the year ended December 31, 2020, with the exception of the newly added significant accounting estimate and judgment below.

Share based payment

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 10, the liability related to cash settled portion of the share based payment plans depend on the valuation of the shares during the IPO. Determination of estimated fair value of the Company before it is publicly listed requires complex and subjective judgments. The management estimates the Company’s enterprise value for purposes of recording share-based compensation, and the information considered by the Company mainly include but not limited to future revenue and cash flow forecasts. Main judgments exercised by management in relation to share based payments are concluding that the realization of a successful IPO is probable as of March 31, 2021 (non- market performance condition) and the valuation of the Company’s shares in the IPO is estimated to exceed a certain threshold stated in relevant share based payment contracts (market performance condition).

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(Continued)

2.3 Recent accounting pronouncements

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2.4 Seasonality

The Group’s business is affected by seasonality, which historically has resulted in higher sales volume during the second half of the year rather than in the first half. Higher sales during that period are mainly attributed to the increased demand for goods during the peak Black Friday sales in November. The Group recognized 13% of annual revenue during the first quarter of 2020. This information is provided to allow for a better understanding of the results, however, management has concluded that this is not ‘highly seasonal’ in accordance with IAS 34.

2.5 COVID-19

The World Health Organization characterized COVID-19 as a pandemic in March 2020. As of the date hereof, COVID-19 has spread widely around the world and new variants of the virus have emerged, resulting in the implementation of significant governmental measures in Turkey and globally, including lockdowns of manufacturing and logistics facilities, closures of businesses and offices, quarantines of individuals, and travel bans. COVID-19 and the measures taken to limit its spread have impacted consumer behaviour, including e-commerce shopping trends. During the COVID-19 pandemic, increased numbers of consumers in the Turkish market have shifted to e-commerce as a result of social distancing and other government restrictions, which resulted in the growth for demand for the Group’s products and services. As the full impact of the COVID-19 pandemic continues to evolve, it is uncertain what effect the pandemic will have on consumer behaviour and the demand for various goods and services may evolve. Moreover, the mobility restrictions that were introduced during 2020 which is also continued during first quarter of the 2021, which included social distancing, stay-at-home orders and limited quarantine measures, contributed positively to the Group’s revenues in the three months period ended 31 March 2021 compared to the three months period ended 31 March 2020.

2.6 Summary of significant accounting policies

Share based payments

Share-based payment transactions are treated 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 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

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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 10.

NOTE 3— CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 March 2021 and 31 December 2020 are as follows:

| | 31 March 2021 | 31 December 2020 |
|-----------------------------------|---------------------------|-----------------------------|
| Cash | 410 | 410 |
| Banks | | |
| — USD denominated time deposits | 341,675,182 | 269,701,957 |
| — TRY denominated time deposits | 22,946,270 | 296,747,077 |
| — TRY denominated demand deposits | 22,555,830 | 20,338,498 |
| — USD denominated demand deposits | 337,534 | 2,705,045 |
| — Other foreign currency deposits | 847,674 | 3,150,022 |
| | <u>388,362,900</u> | <u>592,643,009</u> |

The weighted average interest rates of time deposits denominated in TRY and USD at 31 March 2021 are 18% per annum and 2% per annum, respectively (31 December 2020: 17% per annum for TRY, 2% per annum for USD).

At 31 March 2021, cash and cash equivalents included interest accrual amounting to TRY21,909 (31 December 2020: TRY362,242) consequently, cash and cash equivalents as reported in the consolidated statement of cash flows amounted to TRY388,340,991 (31 December 2020: TRY592,280,767).

NOTE 4— BANK BORROWINGS

| | 31 March 2021 | 31 December 2020 |
|----------------------------|---------------------------|-----------------------------|
| Short-term bank borrowings | 432,617,982 | 347,436,451 |
| | <u>432,617,982</u> | <u>347,436,451</u> |

As of 31 March 2021, supplier and merchant financing loans make up TRY14,273,310 of the short-term bank borrowings (31 December 2020 supplier and merchant financing loans make up TRY39,090,887 of the short-term bank borrowings).

All bank borrowings are denominated in Turkish Lira. As of 31 March 2021, the average annual effective interest rate for bank borrowings is 20.01% and the average annual effective interest rate for supplier and merchant financing loans 21.92% (31 December 2020: 19.89% for bank borrowings and 19.10% for supplier and merchant financing loans).

The Group’s bank borrowings comprise of fixed interest rate loans. Maturity date of the short-term bank borrowings are less than 12 months as of 31 March 2021 (31 December 2020: less than 3 months).

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NOTE 5 — TRADE PAYABLES and PAYABLES TO MERCHANTS

| | 31 March 2021 | 31 December 2020 |
|--|----------------------|----------------------|
| Payables to retail suppliers and service providers | 1,194,619,462 | 1,418,911,720 |
| Payables to merchants ^(*) | 569,318,274 | 605,637,763 |
| | 1,763,937,736 | 2,024,549,483 |

(*) 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 March 2021, supplier and merchant financing payables, included in payables to retail suppliers and service providers, amounts to TRY14,123,767 (31 December 2020: TRY41,475,492)

As of 31 March 2021, the Group’s average maturity of its outstanding payables is 51 days for retail suppliers and 21 days for merchants (31 December 2020: 53 days for retail suppliers and 21 days for merchants).

NOTE 6 — PROPERTY AND EQUIPMENT

During the three months ended 31 March 2021, the Group acquired property and equipment, mainly furniture and fixtures and leasehold improvements, with a cost of TRY5,892,181 (31 March 2020: TRY1,781,424). Total addition to the accumulated depreciation during the three months ended 31 March 2021 amounts to TRY3,919,160 (31 March 2020: TRY2,759,678).

NOTE 7 — INTANGIBLE ASSETS

During the three months ended 31 March 2021, the Group recognized intangible assets, mainly website development costs, with a cost of TRY30,425,580 (31 March 2020: TRY13,962,865). Total addition to the accumulated depreciation during the three months ended 31 March 2021 amounts to TRY11,135,955 (31 March 2020: TRY10,031,328).

NOTE 8 — LEASES

The Group has lease contracts of office premises, warehouses and vehicles. The increase in right of use assets and lease liabilities at 31 March 2021 compared to 31 December 2020 is mainly related to the renewal of lease contracts of buildings, vehicles and new leases of transfer centres resulting in an increase in right of use assets by TRY13,612,464. The Group has also leased new software and rights and furniture and fixtures resulting in an increase in right of use assets by TRY12,251,313. Total addition to the accumulated depreciation during the three months ended 31 March 2021 amounts to TRY12,091,413 (31 March 2020: TRY6,702,681).

NOTE 9 — COMMITMENTS, CONTINGENT ASSET AND LIABILITIES

Contingent liabilities

In February 2019, the Turkish Competition Authority (the “TCA”) initiated a preliminary inquiry in response to the claim that the Group and one of its supplier violated the Act no. 4054 by means of a most favoured customer clause, discrimination, restriction of intra-brand competition, refusal to deal and resale price maintenance. As a result of the preliminary inquiry, the TCA decided to initiate an investigation into the Group and its supplier. On 15 April 2021, the Competition Board, the executive body of the TCA,

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NOTE 9— COMMITMENTS, CONTINGENT ASSET AND LIABILITIES (Continued)

concluded its investigation and issued its decision in favour of the Group, indicating that the Group did not hold a dominant position in the relevant market and did not breach the Turkish competition law. No fines were imposed to the Group as a result of this investigation. The TCA is expected to issue a written reasoned decision by the end of the second quarter of 2021. Following the delivery of the reasoned decision of the TCA, any third party (including the complainer) will have 60 days to object to such decision at the Ankara administrative courts. Based on market practice and past precedents of similar cases, the management believes the reversal of the decision of the Competition Board is unlikely. No provision has been recognised in these consolidated financial statements in relation to this investigation since a probable outflow of economic benefits is deemed to be unlikely in consideration of the conclusion of the TCA’s executive body in favour of the Group.

In July 2020, the Group received a request from the Turkish tax authority for the initiation of a tax investigation for the years 2018 and 2019. As of the approval date of these financial statements, the Group has not received any further specific request or notification from the tax authority since the submission of the requested information to the tax authority in August 2020. The Group management and its tax advisors believe that the investigation is routine and ordinary. The investigation is at an initial stage and the Group’s tax advisors believe that there is no significant uncertain tax position of the Group for the respective years. Based on these facts and due to the uncertainty as to the final outcome of the investigation, no provision has been recognized in these consolidated financial statements.

Contingent asset

The Group initiated a set of lawsuits against the tax authority in the year 2020 for the collection of previously paid withholding tax amounts in connection with the advertising services received from digital advertising platforms. The lawsuits are driven by the uncertainties and complexities of the application of double tax treaty rules. The primary court has ruled in favour of the Group on February 2021, April 2021 and May 2021 for six litigations amounting to TRY22.3 million out of a total claim amount of approximately TRY75 million. This decision can be appealed by the tax authority, as one of the six favourable decisions was appealed by the tax authority on March 2021. The remaining cases are still in judicial process. Due to the uncertainty for the final outcome, the Group management has not recognized any income accrual in respect to these claims.

Letters of guarantee given

The letters of guarantee provided to public institutions and suppliers are amounting to TRY439,760,778 at 31 March 2021 (31 December 2020: TRY578,803,319).

NOTE 10— PROVISION FOR EMPLOYEE BENEFITS

Short term provision for employee benefits

| | <u>31 March 2021</u> | <u>31 December 2020</u> |
|-----------------------------------|----------------------|-------------------------|
| Provision for share based payment | 123,739,938 | — |
| Provision for personnel bonus | — | 13,463,563 |
| Provision for unused vacation | 10,965,554 | 9,344,343 |
| | <u>134,705,492</u> | <u>22,807,906</u> |

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NOTE 10 — PROVISION FOR EMPLOYEE BENEFITS (Continued)

The movements in provisions for share based payment, personnel bonus and unused vacation for the three month periods ended 31 March 2021 and 31 March 2020 are as follows:

| | 1 January 2021 | Current period charge | Paid during the period | 31 March 2021 |
|-----------------------------------|-------------------|--------------------------|---------------------------|--------------------|
| Personnel bonus | 13,463,563 | — | (13,463,563) | — |
| Unused vacation | 9,344,343 | 2,107,269 | (486,058) | 10,965,554 |
| Provision for share based payment | — | 123,739,938 | — | 123,739,938 |
| | <u>22,807,906</u> | <u>125,847,207</u> | <u>(13,949,621)</u> | <u>134,705,492</u> |
| | 1 January 2020 | Current period charge | Paid during the period | 31 March 2020 |
| Personnel bonus | 10,433,306 | — | (10,433,306) | — |
| Unused vacation | 5,277,720 | 879,664 | (59,910) | 6,097,474 |
| | <u>15,711,026</u> | <u>879,664</u> | <u>(10,493,216)</u> | <u>6,097,474</u> |

Share based payments

On 25 March 2021 the Group granted a new share based payment plan to 10 of its key management personnel which modified the previously created share-based payment plans, adding 2 executives in scope of the plan. Additionally, on 24 March 2021, the Group decided to grant to some of its other employees and directors, 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) will 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 same key management personnel, other employees and directors 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) (graded vesting). Shares will be delivered to key management personnel, other employees and directors 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 key management personnel, other employees and directors 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. The Group estimated the cash outflow (liability) to key management personnel, other employees and directors relating to cash settled part of the plans in the event of a successful IPO as TRY123,739,938. Provision was accounted for this amount in short term employee benefits as of March 31, 2021.

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NOTE 11 — REVENUE

The analysis of revenue for the three month periods ended 31 March 2021, and 2020 is as follows:

| | January 1 – March 31, 2021 | January 1 – March 31, 2020 |
|-------------------------------------|-------------------------------|-------------------------------|
| Sales of goods | 1,056,382,445 | 656,897,675 |
| Marketplace revenues ^(*) | 168,371,453 | 104,078,156 |
| Delivery service revenues | 155,236,022 | 68,565,592 |
| Other | 5,845,397 | 7,096,972 |
| Revenues | <u>1,385,835,317</u> | <u>836,638,395</u> |

(*) Marketplace revenues mainly consists of marketplace commission, transaction fees and other contractual charges to the merchants.

The Group derives revenue from the sales of goods, marketplace revenues and other revenues at a point in time. Delivery service revenues are recognized over time. All contracts are for periods of the expected original duration of one year or less.

The Group’s revenues are generated in Turkey and the Board of Directors evaluates the operational results as a whole as one cash generating unit, therefore no disaggregated geographical information is presented.

NOTE 12 — OTHER OPERATING EXPENSES, NET

The analysis of other operating income and expenses for the three month periods ended 31 March 2021, and 2020 is as follows:

| | January 1 – March 31, 2021 | January 1 – March 31, 2020 |
|------------------------------------|-------------------------------|-------------------------------|
| Other operating expenses: | | |
| Consultancy ^(*) | (12,634,089) | (1,691,988) |
| Credit card processing | (4,984,133) | (1,466,149) |
| Utilities | (4,041,383) | (2,518,988) |
| Rent expenses | (2,969,213) | (2,455,476) |
| Provision for doubtful receivables | (1,048,527) | (2,382,788) |
| Credit card chargebacks | (855,803) | (295,279) |
| Insurance | (795,206) | (339,008) |
| Internet line | (534,933) | (271,056) |
| Maintenance expenses | (413,902) | (218,200) |
| Irrecoverable value added tax | (405,224) | (231,774) |
| Vehicle fuel | (314,427) | (263,913) |
| Stationary | (175,375) | (54,658) |
| Travel | (29,798) | (202,005) |
| Other | (3,403,713) | (2,857,193) |
| | <u>(32,605,726)</u> | <u>(15,248,475)</u> |

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NOTE 12 — OTHER OPERATING EXPENSES, NET (Continued)

| | <u>January 1 – March 31, 2021</u> | <u>January 1 – March 31, 2020</u> |
|---|---------------------------------------|---------------------------------------|
| Other operating income: | | |
| Services charged | 2,335,104 | 459,317 |
| Bank promotion income | 872,960 | 297,737 |
| Grant income | 461,035 | — |
| Income from scrap packaging materials sales | 169,464 | 169,538 |
| Other | 1,826,597 | 581,224 |
| | <u>5,665,160</u> | <u>1,507,816</u> |
| Other operating expenses, net | <u>(26,940,566)</u> | <u>(13,740,659)</u> |

(*) As of 31 March 2021, the consultancy expenses mainly include one off IPO related costs.

NOTE 13 — FINANCIAL INCOME

The analysis of financial income for the three month periods ended 31 March 2021, and 2020 is as follows:

Financial income:

| | <u>January 1 – March 31, 2021</u> | <u>January 1 – March 31, 2020</u> |
|----------------------------------|---------------------------------------|---------------------------------------|
| Foreign currency exchange gains | 40,756,723 | 23,200,107 |
| Interest income on credit sales | 7,708,120 | 2,522,823 |
| Interest income on time deposits | 4,527,020 | 1,946,488 |
| Other | 7,303 | — |
| | <u>52,999,166</u> | <u>27,669,418</u> |

NOTE 14 — FINANCIAL EXPENSES

The analysis of financial expenses for the three month periods ended 31 March 2021, and 2020 is as follows:

Financial expenses:

| | <u>January 1 – March 31, 2021</u> | <u>January 1 – March 31, 2020</u> |
|--|---------------------------------------|---------------------------------------|
| Commission expenses due to early collection of credit card receivables | (76,497,922) | (40,819,153) |
| Foreign currency exchange losses | (32,852,224) | (13,476,015) |
| Interest expenses on bank borrowings | (22,552,668) | (5,650,418) |
| Interest expenses on purchases | (21,555,240) | (15,708,366) |
| Interest expenses on lease liabilities | (5,942,607) | (4,193,423) |
| Other | (101,660) | (64,496) |
| | <u>(159,502,321)</u> | <u>(79,911,871)</u> |

Interest expenses on purchases consist of interest embedded in inventories purchased on deferred settlement terms.

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NOTE 15 — 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 management) for three month periods ended 31 March 2021 and 31 March 2020 are as follows;

| | 31 March 2021 | 31 March 2020 |
|---|------------------|------------------|
| Salaries and other short-term employee benefits | 33,529,816 | 24,691,787 |

As further disclosed in Note 10, the Group has accounted for a share based payment provision amounting to TRY123,739,938 covering its key management personnel.

b) Balances with related parties at 31 March 2021 and 31 December 2020:

All related parties listed below are controlled by the Doğan Family members.

Due from related parties:

| | 31 March 2021 | 31 December 2020 |
|--|------------------|---------------------|
| Doğan Portal ve Elektronik Ticaret A.Ş. (“Doğan Portal”) | 790,116 | — |
| Doğan Dış Ticaret ve Müessellik A.Ş. (“Doğan Dış Ticaret”) | 203,869 | 1,403,868 |
| D Elektronik Şans Oyunları ve Yayıncılık A.Ş. (“Nesine”) | 154,010 | 169,273 |
| Değer Merkezi Hizmetler ve Yönetim A.Ş. | 74,318 | — |
| Mutlu Erturan ^(*) | — | 1,500,000 |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. | — | 178,026 |
| Other | 104,137 | 156,723 |
| | <u>1,326,450</u> | <u>3,407,890</u> |

(*) In September 2020, the Company provided non-interest bearing loan of TRY1,500,000 to an executive officer, Mutlu Erturan. The loan was fully repaid by 5 March 2021.

Amounts due from related parties mainly resulted from sale of trade goods, gift cheques and shared services charges.

Due to related parties:

| | 31 March 2021 | 31 December 2020 |
|--|------------------|---------------------|
| Mesiar Medya Sigorta Aracılık Hizmetleri A.Ş. | 2,760,643 | 1,091,383 |
| Doruk Factoring A.Ş. (“Doruk”) | 1,969,880 | — |
| Doğan Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. | 1,688,089 | 1,744,581 |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. | 203,636 | 259,378 |
| Değer Merkezi Hizmetler ve Yönetim A.Ş. | 33,781 | 491,721 |
| Other | 361,662 | 342,860 |
| | <u>7,017,691</u> | <u>3,929,923</u> |

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NOTE 15 — BALANCES AND TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES (Continued)

Amounts due to related parties mainly resulted from purchase of inventories, advertising services, head quarter rentals and payables related to supplier and merchant financing.

c) Significant sales to and purchases from related parties for the three month periods ended 31 March 2021 and 2020:

All related parties listed below are controlled by the Doğan Family members.

Service and product sales to related parties:

| | 31 March 2021 | 31 March 2020 |
|--|------------------|------------------|
| Doğan Portal ve Elektronik Ticaret A.Ş. (“Doğan Portal”) | 885,307 | 320,166 |
| Nesine | 633,988 | 170,919 |
| Doğan Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. | 442,702 | 421,772 |
| D Gayrimenkul Yatırımları ve Ticaret A.Ş. | 219,493 | 33,136 |
| Glokal Dijital Hizmetler ve Pazarlama A.Ş. | 208,673 | 127,455 |
| Değer Merkezi Hizmetler ve Yönetim A.Ş. | 176,786 | — |
| Trend Motosiklet Pazarlama A.Ş. | 101,695 | — |
| Doğan Dış Ticaret | 83,030 | — |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. | 78,033 | — |
| Milta Turizm İşletmeleri A.Ş. | 63,729 | — |
| Other | 353,494 | 237,193 |
| | <u>3,246,930</u> | <u>1,310,641</u> |

Service and product purchases from related parties:

| | 31 March 2021 | 31 March 2020 |
|--|-------------------|-------------------|
| Doğan Dış Ticaret | 14,271,401 | 9,354,968 |
| D Gayrimenkul Yatırımları ve Ticaret A.Ş. | 3,138,492 | 3,834,077 |
| Mesiar Medya Sigorta Aracılık Hizmetleri A.Ş. | 2,922,787 | 2,508,568 |
| Doğan Egmont Yayıncılık A.Ş. | 1,007,726 | 978,278 |
| Doğan Trend Otomotiv Ticaret Hizmet A.Ş. | 577,209 | — |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. | 160,868 | 70,000 |
| Doğan Portal | 117,915 | 96,258 |
| Değer Merkezi Hizmetler ve Yönetim A.Ş. | 116,597 | 1,369,464 |
| Other | 51,885 | 203,719 |
| | <u>22,364,880</u> | <u>18,415,332</u> |

Doruk Factoring A.Ş. provide supplier and merchant financing services to the Group. Balances due to Doruk are payables related with the invoices transferred to Doruk as part of supplier and merchant financing. Since there is no product or service purchased from Doruk, no figures have been provided in the table above.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE PERIODS AT 31 MARCH 2021, 31 DECEMBER 2020 AND 31 MARCH 2020
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 16—LOSS PER SHARE

Loss per share is disclosed below:

| | 31 March 2021 | 31 March 2020 |
|--|------------------|------------------|
| Loss for the period attributable to equity holders of the Parent Company | (237,325,032) | (56,924,725) |
| Weighted average number of shares with face value of TRY0.2 each | 284,328,290 | 284,328,290 |
| Basic and diluted loss per share | (0.83) | (0.20) |

As further disclosed in Note 17, the number of shares issued has increased from 56,865,658 to 284,328,290. As a result, the loss per share calculation for the periods presented have been performed based on the recent number of shares issued.

NOTE 17—SUBSEQUENT EVENTS

1- 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 April 22, 2021, the corporate tax rate, which was applied at 22% as of 31 December 2020, will be applied at the rate of 25% for the corporate earnings in 2021 and 23% for the corporate earnings in 2022.

2- With the decision of the board of directors dated 14 April 2021, the Group decided to merge Altıncı Cadde and Evimiz companies under D-Fast.

3- At the Extraordinary General Assembly meeting dated 25 May 2021, it was decided to increase the number of shares issued from 56,865,658 to 284,328,290. Nominal value of each share decreased from TRY 1 to TRY0.2.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD FOR THE YEARS ENDED 31 DECEMBER 2020, 2019 and 2018, TOGETHER WITH REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

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 balance sheet of D-Market Elektronik Hizmetler ve Ticaret A.Ş. and its subsidiaries (the Company) as of December 31, 2020, the related consolidated statements of comprehensive loss, changes in equity and cash flows for the year ended December 31, 2020, 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 financial position of the Company at December 31, 2020, and the results of its operations and its cash flows for the year ended December 31, 2020, 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 have served as the Company’s auditor since 2020.

Istanbul, Turkey
May 10, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of D-Market Elektronik Hizmetler ve Ticaret A.Ş.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of D-Market Elektronik Hizmetler ve Ticaret A.Ş. and its subsidiaries (the “Company”) as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, including 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 financial position of the Company as of December 31, 2019 and 2018, 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.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements 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 of these consolidated financial statements 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 consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits 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. We believe that our audits provide a reasonable basis for our opinion.

Istanbul, Turkey

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

/s/ Cenk Uslu

Cenk Uslu
Partner

March 17, 2021

We served as the Company’s auditor from 2007 to 2021.

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2020, 2019 AND 2018
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

| | Notes | 2020 | 2019 | 2018 |
|---------------------------------|-------|-----------------------------|---------------------------|---------------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | 3 | 592,643,009 | 282,303,760 | 136,484,221 |
| Trade receivables | 5 | 157,106,579 | 87,249,109 | 48,664,925 |
| Due from related parties | 20 | 3,407,890 | 3,314,963 | 1,657,302 |
| Inventories | 6 | 770,140,895 | 366,417,776 | 202,541,098 |
| Contract assets | 7 | 55,736,539 | 19,314,182 | 6,974,389 |
| Other current assets | 13 | 110,795,322 | 21,166,364 | 23,116,703 |
| Total current assets | | <u>1,689,830,234</u> | <u>779,766,154</u> | <u>419,438,638</u> |
| Non-current assets: | | | | |
| Property and equipment | 8 | 56,950,215 | 41,660,978 | 42,530,060 |
| Intangible assets | 9 | 89,386,569 | 63,347,847 | 53,393,521 |
| Right of use assets | 10 | 125,982,600 | 65,174,874 | 118,344,498 |
| Other non-current assets | 13 | 2,806,239 | 6,051,331 | 7,760,628 |
| Total non-current assets | | <u>275,125,623</u> | <u>176,235,030</u> | <u>222,028,707</u> |
| Total assets | | <u>1,964,955,857</u> | <u>956,001,184</u> | <u>641,467,345</u> |

These consolidated financial statements have been approved by Board of Directors on 10 May 2021.
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 (Continued)

AT 31 DECEMBER 2020, 2019 AND 2018

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

| | Notes | 2020 | 2019 | 2018 |
|--|-------|----------------------|----------------------|----------------------|
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Bank borrowings | 4 | 347,436,451 | 18,977,287 | 103,576,504 |
| Lease liabilities | 10 | 51,210,929 | 26,366,667 | 46,001,836 |
| Trade payables and payables to merchants | 5 | 2,024,549,483 | 1,013,622,694 | 659,884,872 |
| Due to related parties | 20 | 3,929,923 | 2,582,401 | 1,452,422 |
| Provisions | 11 | 3,733,610 | 1,865,522 | 1,409,214 |
| Employee benefit obligations | 12 | 22,807,906 | 15,711,026 | 8,487,200 |
| Contract liabilities and merchant advances | 7 | 150,698,190 | 111,245,742 | 60,401,256 |
| Other current liabilities | 13 | 51,777,683 | 16,433,282 | 10,809,763 |
| Total current liabilities | | 2,656,144,175 | 1,206,804,621 | 892,023,067 |
| Non-current liabilities: | | | | |
| Bank borrowings | 4 | — | — | 518,073 |
| Lease liabilities | 10 | 92,844,526 | 57,921,910 | 105,552,452 |
| Employee benefit obligations | 12 | 3,299,046 | 1,969,996 | 1,325,961 |
| Other non-current liabilities | | — | 137,042 | 50,766 |
| Total non-current liabilities | | 96,143,572 | 60,028,948 | 107,447,252 |
| Equity: | | | | |
| Share capital | 14 | 56,865,658 | 56,865,658 | 46,138,166 |
| Share premiums | 14 | 187,464,832 | 187,464,832 | 18,152,313 |
| Restricted reserves | 14 | 1,586,430 | 1,586,430 | 1,586,430 |
| Accumulated deficit | | (1,033,248,810) | (556,749,305) | (423,879,883) |
| Total equity | | (787,331,890) | (310,832,385) | (358,002,974) |
| Total equity and liabilities | | 1,964,955,857 | 956,001,184 | 641,467,345 |

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 LOSS

FOR THE YEARS ENDED 31 DECEMBER 2020, 2019 AND 2018

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

| | Notes | 1 January – 31 December 2020 | 1 January – 31 December 2019 | 1 January – 31 December 2018 |
|--|-------|------------------------------------|------------------------------------|------------------------------------|
| Revenues | 15 | 6,375,726,545 | 2,603,735,368 | 1,955,312,749 |
| Operating expenses | | | | |
| Cost of inventory sold | | (4,849,148,308) | (1,847,108,983) | (1,519,223,520) |
| Shipping and packaging expenses | | (540,496,136) | (195,352,060) | (132,080,741) |
| Payroll and outsource staff expenses | | (325,232,933) | (180,787,497) | (129,994,224) |
| Advertising expenses | | (646,152,950) | (151,517,076) | (92,685,779) |
| Technology expenses | | (31,717,181) | (21,841,556) | (20,580,102) |
| Depreciation and amortization | | (93,182,568) | (66,286,580) | (78,272,531) |
| Other operating expenses, net | 16 | (70,808,148) | (39,726,919) | (34,007,357) |
| Operating (loss)/profit | | (181,011,679) | 101,114,697 | (51,531,505) |
| Financial income | 17 | 102,912,713 | 40,517,901 | 66,616,887 |
| Financial expenses | 18 | (396,416,767) | (273,279,582) | (176,407,785) |
| Loss before income taxes | | (474,515,733) | (131,646,984) | (161,322,403) |
| Taxation on income | 19 | — | — | — |
| Loss for the year | | (474,515,733) | (131,646,984) | (161,322,403) |
| Basic and diluted loss per share | 24 | (8.34) | (2.32) | (3.50) |
| 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 | 12 | (1,983,772) | (1,222,438) | (1,083,478) |
| Total comprehensive loss for the year | | (476,499,505) | (132,869,422) | (162,405,881) |

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 2020, 2019 AND 2018
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

| | Share capital | Share premiums | Restricted reserves | Accumulated deficit | Total equity |
|--|-------------------|--------------------|------------------------|------------------------|----------------------|
| Balance at 1 January 2020 | 56,865,658 | 187,464,832 | 1,586,430 | (556,749,305) | (310,832,385) |
| Net loss for the year | — | — | — | (474,515,733) | (474,515,733) |
| Other comprehensive loss for the year | — | — | — | (1,983,772) | (1,983,772) |
| Balance at 31 December 2020 | 56,865,658 | 187,464,832 | 1,586,430 | (1,033,248,810) | (787,331,890) |
| Balance at 1 January 2019 | 46,138,166 | 18,152,313 | 1,586,430 | (423,879,883) | (358,002,974) |
| Capital increase (Note 14) | 10,727,492 | 169,312,519 | — | — | 180,040,011 |
| Net loss for the year | — | — | — | (131,646,984) | (131,646,984) |
| Other comprehensive loss for the year | — | — | — | (1,222,438) | (1,222,438) |
| Balance at 31 December 2019 | 56,865,658 | 187,464,832 | 1,586,430 | (556,749,305) | (310,832,385) |
| Balance at 1 January 2018 | 46,138,166 | 18,152,313 | 1,586,430 | (261,474,002) | (195,597,093) |
| Net loss for the year | — | — | — | (161,322,403) | (161,322,403) |
| Other comprehensive loss for the year | — | — | — | (1,083,478) | (1,083,478) |
| Balance at 31 December 2018 | 46,138,166 | 18,152,313 | 1,586,430 | (423,879,883) | (358,002,974) |

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 2020, 2019 AND 2018
(Amounts expressed in Turkish Lira (TRY) unless otherwise indicated.)

| | Note | 2020 | 2019 | 2018 |
|---|----------|---------------------|----------------------|----------------------|
| Loss before income taxes | | (474,515,733) | (131,646,984) | (161,322,403) |
| Adjustments to reconcile loss before income taxes to cash flows from operating activities: | | 454,591,647 | 305,304,058 | 202,077,271 |
| Interest and commission expenses | 18 | 348,477,659 | 253,773,020 | 145,634,102 |
| Depreciation and amortization | 8, 9, 10 | 93,182,568 | 66,286,580 | 78,272,531 |
| Interest income on time deposits | 17 | (21,016,415) | (10,717,336) | (12,440,066) |
| Interest income on credit sales | 17 | (18,621,563) | (13,544,974) | (6,795,302) |
| Provision for unused vacation liability | 12 | 4,857,977 | 2,101,320 | 1,117,023 |
| Provision for personnel bonus | 12 | 13,463,563 | 10,433,306 | 4,512,604 |
| Provision for legal cases | 11 | 2,673,883 | 1,827,756 | 1,219,361 |
| Provision for doubtful receivables | 5 | 3,374,510 | 703,587 | 36,188 |
| Provision for impairment of trade goods, net | 6 | 14,538,663 | (20,338) | (5,395,933) |
| Provision for post-employment benefits | 12 | 802,814 | 556,989 | 479,069 |
| Net foreign exchange differences | | 12,857,988 | (6,095,852) | (4,562,306) |
| Changes in net working capital | | | | |
| Change in trade payables and payables to merchants | | 1,010,926,789 | 353,737,822 | 256,048,959 |
| Change in inventories | | (418,261,782) | (163,856,340) | (91,565,348) |
| Change in trade receivables | | (73,263,256) | (39,301,098) | (29,884,093) |
| Change in contract liabilities and merchant advances | | 39,452,448 | 50,844,486 | 20,531,286 |
| Change in contract assets | | (36,422,357) | (12,339,793) | (4,366,144) |
| Change in other liabilities | | 37,439,902 | 5,709,795 | 1,029,179 |
| Change in other assets and receivables | | (86,383,866) | 3,659,636 | (12,402,359) |
| Change in due from related parties | | (92,927) | (1,657,661) | (1,408,739) |
| Change in due to related parties | | 1,347,522 | 1,129,979 | (5,714,935) |
| Post-employment benefits paid | 12 | (1,457,536) | (1,135,392) | (1,147,838) |
| Payments for concluded litigation | 11 | (805,795) | (1,371,448) | (756,000) |
| Payments for personnel bonus | 12 | (10,433,306) | (4,512,604) | (2,135,755) |
| Payments for unused vacation liabilities | 12 | (791,354) | (798,196) | (771,824) |
| Collections of doubtful receivables | 5 | 31,276 | 13,327 | — |
| Net cash provided by operating activities | | 441,361,672 | 363,779,587 | 168,211,257 |
| Investing activities: | | | | |
| Purchases of property and equipment and intangible assets | 8, 9 | (100,108,997) | (53,557,859) | (49,341,153) |
| Proceeds from sale of property and equipment | | 160,374 | 217,898 | 124,185 |
| Net cash used in investing activities | | (99,948,623) | (53,339,961) | (49,216,968) |
| Financing activities: | | | | |
| Proceeds from borrowings | 23 | 1,619,216,898 | 903,259,745 | 368,181,218 |
| Repayment of borrowings | 23 | (1,305,404,852) | (991,269,470) | (402,071,016) |
| Interest and commission paid | | (313,931,536) | (235,025,670) | (142,632,593) |
| Lease payments | 23 | (58,365,159) | (51,892,582) | (30,849,552) |
| Interest received on time deposits | | 20,975,782 | 10,661,908 | 12,227,257 |
| Interest received on credit sales | | 18,621,563 | 13,544,974 | 6,795,302 |
| Proceeds from capital increase | 14 | — | 180,000,009 | — |
| Net cash used in financing activities | | (18,887,304) | (170,721,086) | (188,349,384) |
| Net increase/(decrease) in cash and cash equivalents | | 322,525,745 | 139,718,540 | (69,355,095) |
| Cash and cash equivalents at beginning of the year | | 281,982,151 | 136,218,040 | 206,752,032 |
| Effects of exchange rate changes on cash and cash equivalents | | (12,227,129) | 6,045,571 | (1,178,897) |
| Cash and cash equivalents at end of the year | 3 | 592,280,767 | 281,982,151 | 136,218,040 |

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 2020, 2019 AND 2018****(Amounts expressed in Turkish Lira (“TRY”) 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 2020, the ultimate shareholders of D-Market are the members of Doğan Family and TurkCommerce B.V. (Note 14).

As of 31 December 2020, the Group has 2,433 employees (2019: 1,218) (2018: 1,019). The address of the registered office is as follows:

Kuştepe Mahallesi, Mecidiyeköy Yolu Caddesi
No: 12 Kule 2 Kat 2
Şişli, İstanbul — Turkey

Subsidiaries

The Subsidiaries included in these consolidated financial statements are as follows:

- Evimiz Dekorasyon İnternet Hizmetleri ve Danışmanlık Ticaret A.Ş. (“Evimiz”)
- Altıncı Cadde Elektronik Ticaret A.Ş. (“Altıncı Cadde”)
- 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”)

Altıncı Cadde was acquired by the Group on 1 June 2012 and operated as a vertical e-commerce website (www.altincicadde.com). Altıncı Cadde ended its operations as of 11 October 2019.

Evimiz was acquired on 31 March 2012 and operated as a vertical e-commerce website (www.evmanya.com) offering a variety of products to its customers mainly in furniture, home textile, house decoration, kitchen appliances, and garden and bathroom categories. Evimiz ended its operations as of 4 September 2018.

D-Ödeme was founded on 4 June 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 Banking Regulation and Supervision Agency of Turkey (“BRSA”) on 20 February 2016. D-Ödeme commenced its first payment service transaction on 15 June 2016. D-Ödeme had very limited operations during 2020, 2019 and 2018. It has generated net revenues of TRY200,876, TRY553,902 and TRY2,013,801 respectively in 2020, 2019 and 2018.

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 e-commerce websites.

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”). 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 Turkey. These consolidated financial statements are based on the statutory records, which are maintained under the historical cost convention with

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AT 31 DECEMBER 2020, 2019 AND 2018
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 2— BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS issued by the International Accounting Standards Board (“IASB”).

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.

Functional and presentation currency

Items included in the consolidated 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 TRY, which is both the functional currency of all entities in the Group and the presentation currency of the Group.

Going concern

The Group has incurred recurring losses of approximately TRY476 million for the year-ended 31 December 2020. As of 31 December 2020, the Group had negative working capital of approximately TRY966 million, an accumulated deficit of approximately TRY1,033 million, and cash and cash equivalents of approximately TRY593 million. The Group has managed to continue its operations with negative working capital during its rapid growth after 2015, generating positive operating cash flows, due to the fact that the Group’s average days payable significantly exceeds the total average days receivable and inventory turnover days. The negative working capital mainly results from operating expenses such as advertising, shipping, payroll and financial expenses and capital expenditures of the Group.

Based on its current business plan, the Group management expects that the Group will continue to generate positive operating cash flows and 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 for the next twelve months from the issuance date of these consolidated financial statements, through cash on hand, cash generated from operations, available credit lines or a combination thereof, when necessary.

The Group has a capital inadequacy matter as per the Article 376 of the Turkish Commercial Code as of 31 December 2020. Management has taken necessary actions and is currently compliant with such local regulations and does not expect this situation to impact its operations.

The consolidated financial statements have been prepared assuming that the Company 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:

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AT 31 DECEMBER 2020, 2019 AND 2018
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 2— BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (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 based on the criteria that are disclosed in Note 2.6.

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. 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. Useful lives are reviewed at each reporting date and adjusted if appropriate (Note 9).

The Group estimates the useful life of the website development costs between 2 and 4 years based on the expected technical obsolescence of such assets. 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 TRY12,418,699 higher/TRY15,658,311 lower as at 31 December 2020 (2019: TRY10,641,343 higher/TRY9,346,799 lower) (2018: TRY6,689,561 higher/TRY11,327,281 lower).

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 regard to its carry forward tax losses, unused tax incentives and other deductible temporary differences due to uncertainties as to 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 asset 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. 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.

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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 2020, 2019 and 2018:

| <u>Subsidiaries</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|------------------------------|-------------|-------------|-------------|
| Evimiz ^(*) | 100.00% | 100.00% | 100.00% |
| Altıncı Cadde ^(*) | 100.00% | 100.00% | 100.00% |
| D-Ödeme | 100.00% | 100.00% | 100.00% |
| D-Fast | 100.00% | 100.00% | 100.00% |

(*) The operations of Evimiz and Altıncı Cadde ceased on 4 September 2018 and 11 October 2019, respectively. Evimiz and Altıncı Cadde do not represent a material separate major line of business of the Group, consequently, they are not classified as discontinued operations in the respective financial periods.

The balance sheet and statement of comprehensive income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by D-Market and its subsidiaries are 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.

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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 Recent accounting pronouncements

The accounting principles and calculations used in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2019 and have been consistently applied in all periods presented in this report except for the following IFRS amendments, which have been adopted by the Group as of 1 January 2020.

• **Conceptual Framework in IFRS standards**

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

• **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of ‘material’ (Amendments)**

The Amendments clarify the definition of material and how it should be applied. The new definition states that, ‘Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity’. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. Management has assessed that the amendment has no impact on the consolidated financial statements.

• **IFRS 3: Business Combinations (Amendments)**

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. Management has assessed that the amendment has no impact on the consolidated financial statements.

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• **Interest Rate Benchmark Reform — IFRS 9, IAS 39 and IFRS 7 (Amendments)**

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provide temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. Phase two (ED) focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). Management has assessed that the amendment has no impact on the consolidated financial statements.

The Group has not early adopted any other of the following standard, interpretation or amendment that has been issued but is not yet effective

• **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Management has assessed that the amendment has no impact on the consolidated financial statements.

• **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. Management has assessed that the amendment has no impact on the consolidated financial statements.

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• **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements 2018–2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

The amendments have not yet been endorsed by the EU. Management has assessed that the amendment has no impact on the consolidated financial statements.

• **IFRS 16 Leases — Covid 19 Related Rent Concessions (Amendment)**

The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met.

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease.

In March 2021 the IASB extended the relief period by another year, i.e. to apply the practical expedient on rent concessions to a change in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment is effective for annual reporting periods beginning on or after 1 April 2021. Management has assessed that the amendment has no impact on the consolidated financial statements.

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• **Interest Rate Benchmark Reform — Phase 2 — IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**

In August 2020, the IASB published Interest Rate Benchmark Reform — Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. Management has assessed that the amendment has no impact on the consolidated financial statements.

• **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments):**

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. Management has assessed that the amendment has no impact on the consolidated financial statements.

• **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments):**

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. Management has assessed that the amendment has no impact on the consolidated financial statements.

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2.6 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, deposits held at call 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.

Trade receivables

A 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.

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 contract 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, 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 of 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. During the period the Group did not hold any financial assets in the “fair value through profit of loss” and “fair value through other comprehensive income” categories.

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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”, “contract assets” and “cash and cash equivalents” in the consolidated balance sheet.

Impairment

The Group applies the IFRS 9 simplified approach to measuring 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 historical 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 are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

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. 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, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, investments and associated companies 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 products sold and rebates that are depending on reaching minimum purchase thresholds for a specified period. The Group considers those rebates as a reduction to costs of inventory when the amounts are reliably measurable.

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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 income statement.

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).

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 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 – 8 years |
| Leasehold improvements | 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 5 years.

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 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;

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- 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 9).

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.

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.

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The non-lease components are not accounted for within the scope of IFRS 16.

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.

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;

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NOTE 2— BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 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.

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.

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:

| | Useful lives |
|------------------------|---------------------|
| Buildings | 2 – 5 years |
| Furniture and fixtures | 4 – 5 years |
| Software and rights | 3 – 15 years |
| Other | 2 – 3 years |

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 reporting purposes. Currently enacted tax rates are used to determine deferred income taxes.

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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 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.

The current service cost is recognized in the consolidated statement of comprehensive income, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. 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.

Provisions, contingent assets and liabilities*Provisions*

Provisions are recognized when the Group has a present legal or constructive obligation or 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 probable. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

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

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NOTE 2— BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

good 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.

The Group launched its Loyalty Club in August 2020, which allows Loyalty Club customers to benefit from free deliveries, Loyalty Club specific campaigns, discounts and call center priority. Currently the programme does not provide a loyalty point to the customers. As of 31 December 2020, the unused amount of discounts provided to the eligible customers are accounted as 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 cancellation allowances.

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 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 and other commissions).

Marketplace commission

The Group offers a marketplace platform that enables third-party sellers (“merchants”) to sell their products through www.hepsiburada.com. 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.

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.

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Except for some selected product categories, the Group collects shipping fees from its customers for order amounts less than a determined threshold. The Group also charges to its suppliers and merchants shipping fees based on an agreed price per order. 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.

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 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 amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issuance costs and any discount or premium on settlement (Note 4).

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 from the bank 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.

Share based payments

A share-based payment is a transaction in which the Group receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the Group’s shares or other equity instruments of the Group.

IFRS 2 “Share-based payments” makes a distinction between the handling of market performance conditions from non-market performance conditions. Market conditions are those related to the market price of a Group’s equity, such as achieving a specified share price or a specified target based on a comparison of the Group’s share price with an index of share prices of other entities. Market-based performance conditions are included in the grant-date fair value measurement. However, the fair value of the equity instruments is not adjusted to take into consideration non-market performance features. The Group has created a cash-settled share-based payment plan for its key management personnel, which includes non-market performance conditions such as the sale of the Company or the sale of shareholders’ shares. No share-based payment cost has been recognised in these financial statements with respect to those plans since the likelihood of occurrence of such condition was not deemed to be probable during any reporting period.

Capital increases

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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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 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.

2.7 COVID-19

The World Health Organization characterized COVID-19 as a pandemic in March 2020. As of the date hereof, COVID-19 has spread widely around the world and new variants of the virus have emerged, resulting in the implementation of significant governmental measures in Turkey and globally, including lockdowns of manufacturing and logistics facilities, closures of businesses and offices, quarantines of individuals, and travel bans. COVID-19 and the measures taken to limit its spread have impacted consumer behaviour, including e-commerce shopping trends. During the COVID-19 pandemic, increased numbers of consumers in the Turkish market have shifted to e-commerce as a result of social distancing and other government restrictions, which resulted in the growth for demand for the Group’s products and services. As the full impact of the COVID-19 pandemic continues to evolve, it is uncertain what effect the pandemic will have on consumer behaviour and the demand for various goods and services may evolve. Moreover, the mobility restrictions that were introduced during 2020, which included social distancing, stay-at-home orders and limited quarantine measures, contributed positively to the Group’s revenues in the year ended 31 December 2020 compared to the year ended 31 December 2019.

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NOTE 3— CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2020, 2019 and 2018 are as follows:

| | 2020 | 2019 | 2018 |
|-----------------------------------|--------------------|--------------------|--------------------|
| Cash | 410 | 3,000 | 32,578 |
| Banks | | | |
| — USD denominated time deposits | 269,701,957 | 239,892,475 | 107,357,747 |
| — TRY denominated time deposits | 296,747,077 | 31,116,540 | 24,941,206 |
| — TRY denominated demand deposits | 20,338,498 | 10,796,229 | 4,065,322 |
| — USD denominated demand deposits | 2,705,045 | 358,448 | 87,368 |
| — Other foreign currency deposits | 3,150,022 | 137,068 | — |
| | <u>592,643,009</u> | <u>282,303,760</u> | <u>136,484,221</u> |

The weighted average interest rates of time deposits denominated in TRY and USD at 31 December 2020 are 17% per annum and 2% per annum, respectively (2019: 11% per annum for TRY, 2% per annum for USD) (2018: 22.8% per annum for TRY, 4.57% per annum for USD).

At 31 December 2020, cash and cash equivalents included interest accrual amounting to TRY362,242 (2019: TRY321,609) (2018: TRY266,181); consequently, cash and cash equivalents as reported in the consolidated statement of cash flows amounted to TRY592,280,767 (2019: TRY281,982,151) (2018: TRY136,218,040).

NOTE 4— BANK BORROWINGS

| | 2020 | 2019 | 2018 |
|----------------------------|--------------------|-------------------|--------------------|
| Short-term bank borrowings | 347,436,451 | 18,977,287 | 103,576,504 |
| Long-term bank borrowings | — | — | 518,073 |
| | <u>347,436,451</u> | <u>18,977,287</u> | <u>104,094,577</u> |

As of 31 December 2020, supplier and merchant financing loans make up TRY39,090,887 of the short-term bank borrowings (2019: all short-term bank borrowings consist of supplier and merchant financing loans) (2018: supplier and merchant financing loans make up TRY31,062,609 of the short-term bank borrowings).

All bank borrowings are denominated in Turkish Lira. As of 31 December 2020, the average annual effective interest rate for bank borrowings is 19.89% and the average annual effective interest rate for supplier and merchant financing loans is 19.10% (2019: 24.85% for supplier and merchant financing loans) (2018: 19.65% for bank borrowings and 32% for supplier and merchant financing loans).

The Group’s bank borrowings comprise fixed interest rate loans. Maturity date of the short-term bank borrowings are less than 12 months as of 31 December 2020 (2019: less than 3 months) (2018: less than 5 months).

The movement schedule of the Group’s bank borrowings is disclosed in Note 23.

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NOTE 5— TRADE RECEIVABLES, TRADE PAYABLES and PAYABLES TO MERCHANTS

Trade receivables

The receivables of the Group mostly consist of receivables from retail suppliers and corporate customers.

| | 2020 | 2019 | 2018 |
|---|--------------------|-------------------|-------------------|
| Trade receivables | 52,884,578 | 48,572,471 | 15,993,470 |
| Credit card receivables(*) | 76,286,916 | 28,311,264 | 27,947,415 |
| Receivables from suppliers(**) | 37,791,335 | 16,878,390 | 10,546,796 |
| Less: Provision for impairment of receivables | (9,856,250) | (6,513,016) | (5,822,756) |
| | <u>157,106,579</u> | <u>87,249,109</u> | <u>48,664,925</u> |

(*) Credit card receivables are due from banks and they are collectable in 39 days on average (2019: in 49 days and 2018: in 38 days on average) whereas they are generally collected in 1-7 days (around 12% out of total, are collected in 28 days) (2019 and 2018: generally collected in 1-7 days) if the Company elects to pay a commission to the banks.

(**) 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 2020, the Group does not have any overdue receivables except those receivables that are provided for (2019: None) (2018: None).

The movements in provision for impairment of receivables for the years ended 31 December 2020, 2019 and 2018 are as follows:

| | 2020 | 2019 | 2018 |
|---------------------------|------------------|------------------|------------------|
| 1 January | 6,513,016 | 5,822,756 | 5,786,568 |
| Additions during the year | 3,374,510 | 703,587 | 36,188 |
| Collections | (31,276) | (13,327) | — |
| 31 December | <u>9,856,250</u> | <u>6,513,016</u> | <u>5,822,756</u> |

Trade payables and payables to merchants

| | 2020 | 2019 | 2018 |
|--|----------------------|----------------------|--------------------|
| Payables to retail suppliers and service providers | 1,418,911,720 | 798,467,719 | 490,783,578 |
| Payables to merchants(*) | 605,637,763 | 215,154,975 | 169,101,294 |
| | <u>2,024,549,483</u> | <u>1,013,622,694</u> | <u>659,884,872</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 2020, supplier and merchant financing payables, included in payables to retail suppliers and service providers, amounts to TRY41,475,492 (2019: TRY20,338,407) (2018: TRY31,149,390).

The Group's average maturity of its outstanding payables is 53 days for retail suppliers and 21 days for merchandise suppliers (2019: 66 days for retail suppliers and 21 days for merchandise suppliers) (2018: 51 days for retail suppliers and 21 days for merchandise suppliers).

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NOTE 6— INVENTORIES

The analysis of inventories at 31 December 2020, 2019 and 2018 is as follows:

| | 2020 | 2019 | 2018 |
|--------------------------------|--------------------|--------------------|--------------------|
| Trade goods | 785,969,013 | 367,707,231 | 203,850,891 |
| Less: Provision for impairment | (15,828,118) | (1,289,455) | (1,309,793) |
| | <u>770,140,895</u> | <u>366,417,776</u> | <u>202,541,098</u> |

The movements in provision for impairment of trade goods were as follows:

| | 2020 | 2019 | 2018 |
|---------------------|--------------------------|-------------------------|-------------------------|
| 1 January | 1,289,455 | 1,309,793 | 6,705,726 |
| Utilized | (1,289,455) | (1,309,793) | (6,705,726) |
| Charge for the year | 15,828,118 | 1,289,455 | 1,309,793 |
| 31 December | <u>15,828,118</u> | <u>1,289,455</u> | <u>1,309,793</u> |

NOTE 7— CONTRACT ASSETS, CONTRACT LIABILITIES AND MERCHANT ADVANCES

| | 2020 | 2019 | 2018 |
|-----------------|------------|------------|-----------|
| Contract assets | 55,736,539 | 19,314,182 | 6,974,389 |

Contract assets represent earned but not invoiced commission income from merchandise sales and delivery services revenue. All contract assets are short-term and their maturities are less than 1 month (2019 and 2018: less than 1 month).

| | 2020 | 2019 | 2018 |
|--|-------------|-------------|------------|
| Contract liabilities and merchant advances | 150,698,190 | 111,245,742 | 60,401,256 |

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, where the Group acts as an agent, which are credited as a payable to the merchant when delivery is complete. Average delivery date varies between 1 – 4 days.

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NOTE 8—PROPERTY AND EQUIPMENT

The movements in property and equipment and related accumulated depreciation during the years ended 31 December 2020, 2019 and 2018 were as follows:

| | 1 January 2020 | Additions | Disposals | 31 December 2020 |
|----------------------------------|---------------------|---------------------|--------------------|---------------------|
| Cost: | | | | |
| Motor vehicles | 397,559 | 790,351 | (52,000) | 1,135,910 |
| Furniture and fixtures | 55,395,259 | 24,400,427 | (20,683) | 79,775,003 |
| Leasehold improvements | 25,086,683 | 1,898,184 | — | 26,984,867 |
| Advances given | — | 648,343 | — | 648,343 |
| Total | 80,879,501 | 27,737,305 | (72,683) | 108,544,123 |
| Accumulated depreciation: | | | | |
| Motor vehicles | (135,369) | (131,687) | 38,134 | (228,922) |
| Furniture and fixtures | (29,917,022) | (8,818,497) | 14,632 | (38,720,887) |
| Leasehold improvements | (9,166,132) | (3,477,967) | — | (12,644,099) |
| Total | (39,218,523) | (12,428,151) | 52,766 | (51,593,908) |
| Net book value | 41,660,978 | | | 56,950,215 |
| | 1 January 2019 | Additions | Disposals | 31 December 2019 |
| Cost: | | | | |
| Motor vehicles | 392,014 | 45,000 | (39,455) | 397,559 |
| Furniture and fixtures | 50,039,132 | 5,628,074 | (271,947) | 55,395,259 |
| Leasehold improvements | 21,999,367 | 3,876,357 | (789,041) | 25,086,683 |
| Total | 72,430,513 | 9,549,431 | (1,100,443) | 80,879,501 |
| Accumulated depreciation: | | | | |
| Motor vehicles | (75,863) | (98,961) | 39,455 | (135,369) |
| Furniture and fixtures | (22,521,911) | (7,667,058) | 271,947 | (29,917,022) |
| Leasehold improvements | (7,302,679) | (2,454,040) | 590,587 | (9,166,132) |
| Total | (29,900,453) | (10,220,059) | 901,989 | (39,218,523) |
| Net book value | 42,530,060 | | | 41,660,978 |
| | 1 January 2018 | Additions | Disposals | 31 December 2018 |
| Cost: | | | | |
| Motor vehicles | 392,014 | — | — | 392,014 |
| Furniture and fixtures | 42,596,469 | 7,535,002 | (92,339) | 50,039,132 |
| Leasehold improvements | 21,642,964 | 356,403 | — | 21,999,367 |
| Total | 64,631,447 | 7,891,405 | (92,339) | 72,430,513 |

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NOTE 8 — PROPERTY AND EQUIPMENT (Continued)

| | 1 January 2018 | Additions | Disposals | 31 December 2018 |
|----------------------------------|---------------------|--------------------|--------------|---------------------|
| Accumulated depreciation: | | | | |
| Motor vehicles | (52,407) | (23,456) | — | (75,863) |
| Furniture and fixtures | (16,576,604) | (5,949,833) | 4,526 | (22,521,911) |
| Leasehold improvements | (5,236,259) | (2,066,420) | — | (7,302,679) |
| Total | (21,865,270) | (8,039,709) | 4,526 | (29,900,453) |
| Net book value | 42,766,177 | | | 42,530,060 |

There is no collateral, pledge or mortgage on tangible assets as of 31 December 2020 (2019 and 2018: None).

NOTE 9 — INTANGIBLE ASSETS

| | 1 January 2020 | Additions | Disposals | 31 December 2020 |
|----------------------------------|----------------------|---------------------|------------------|----------------------|
| Cost: | | | | |
| Acquired software and rights | 80,153,943 | 9,607,352 | — | 89,761,295 |
| Website development costs | 90,013,232 | 62,764,340 | — | 152,777,572 |
| Other | 1,585,571 | — | (140,457) | 1,445,114 |
| Total | 171,752,746 | 72,371,692 | (140,457) | 243,983,981 |
| Accumulated amortization: | | | | |
| Acquired software and rights | (56,836,591) | (11,280,878) | — | (68,117,469) |
| Website development costs | (51,568,308) | (34,911,635) | — | (86,479,943) |
| Total | (108,404,899) | (46,192,513) | — | (154,597,412) |
| Net book value | 63,347,847 | | | 89,386,569 |
| | 1 January 2019 | Additions | Disposals | 31 December 2019 |
| Cost: | | | | |
| Acquired software and rights | 66,242,337 | 13,933,296 | (21,690) | 80,153,943 |
| Website development costs | 60,056,458 | 29,956,774 | — | 90,013,232 |
| Other | 1,481,083 | 118,358 | (13,870) | 1,585,571 |
| Total | 127,779,878 | 44,008,428 | (35,560) | 171,752,746 |
| Accumulated amortization: | | | | |
| Acquired software and rights | (44,137,238) | (12,715,469) | 16,116 | (56,836,591) |
| Website development costs | (30,249,119) | (21,319,189) | — | (51,568,308) |
| Total | (74,386,357) | (34,034,658) | 16,116 | (108,404,899) |
| Net book value | 53,393,521 | | | 63,347,847 |

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NOTE 9 — INTANGIBLE ASSETS (Continued)

| | 1 January 2018 | Additions | Disposals | 31 December 2018 |
|----------------------------------|---------------------|---------------------|-----------------|---------------------|
| Cost: | | | | |
| Acquired software and rights | 53,421,525 | 12,860,812 | (40,000) | 66,242,337 |
| Website development costs | 31,775,690 | 28,280,768 | — | 60,056,458 |
| Other | 1,173,812 | 308,168 | (897) | 1,481,083 |
| Total | 86,371,027 | 41,449,748 | (40,897) | 127,779,878 |
| Accumulated amortization: | | | | |
| Acquired software and rights | (30,994,839) | (13,146,924) | 4,525 | (44,137,238) |
| Website development costs | (13,349,169) | (16,899,950) | — | (30,249,119) |
| Total | (44,344,008) | (30,046,874) | 4,525 | (74,386,357) |
| Net book value | 42,027,019 | | | 53,393,521 |

There is no collateral, pledge or mortgage on intangible assets as of 31 December 2020 (2019 and 2018: None).

NOTE 10 — LEASES**Right of use assets**

| | 1 January 2020 | Additions | Disposals | Remeasurement | 31 December 2020 |
|----------------------------------|---------------------|---------------------|-----------|------------------|----------------------|
| Cost: | | | | | |
| Buildings | 101,274,015 | 22,097,613 | — | 7,131,994 | 130,503,622 |
| Furniture and fixtures | 28,528,529 | 41,346,803 | — | — | 69,875,332 |
| Software and rights | 21,868,337 | 2,281,278 | — | — | 24,149,615 |
| Other | 13,418,776 | 22,511,942 | — | — | 35,930,718 |
| Total | 165,089,657 | 88,237,636 | — | 7,131,994 | 260,459,287 |
| Accumulated amortization: | | | | | |
| Buildings | (71,951,217) | (12,986,176) | — | — | (84,937,393) |
| Furniture and fixtures | (11,825,089) | (10,119,514) | — | — | (21,944,603) |
| Software and rights | (7,442,177) | (5,332,026) | — | — | (12,774,203) |
| Other | (8,696,300) | (6,124,188) | — | — | (14,820,488) |
| Total | (99,914,783) | (34,561,904) | — | — | (134,476,687) |
| Net book value | 65,174,874 | | | | 125,982,600 |

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NOTE 10 — LEASES (Continued)

| | 1 January 2019 | Additions | Disposals | Remeasurement(*) | 31 December 2019 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Cost: | | | | | |
| Buildings | 153,228,341 | 746,831 | (4,349,072) | (48,352,085) | 101,274,015 |
| Furniture and fixtures | 19,933,055 | 8,595,474 | — | — | 28,528,529 |
| Software and rights | 14,225,668 | 7,642,669 | — | — | 21,868,337 |
| Other | 14,847,377 | 2,120,763 | (1,962,566) | (1,586,798) | 13,418,776 |
| Total | 202,234,441 | 19,105,737 | (6,311,638) | (49,938,883) | 165,089,657 |
| Accumulated amortization: | | | | | |
| Buildings | (66,506,413) | (9,489,262) | 4,044,458 | — | (71,951,217) |
| Furniture and fixtures | (6,663,915) | (5,161,174) | — | — | (11,825,089) |
| Software and rights | (3,888,348) | (3,553,829) | — | — | (7,442,177) |
| Other | (6,831,267) | (3,827,598) | 1,962,565 | — | (8,696,300) |
| Total | (83,889,943) | (22,031,863) | 6,007,023 | — | (99,914,783) |
| Net book value | 118,344,498 | | | | 65,174,874 |
| | | 1 January 2018 | Additions | Disposals | 31 December 2018 |
| Cost: | | | | | |
| Buildings | | 101,101,018 | 58,054,404 | (5,927,081) | 153,228,341 |
| Furniture and fixtures | | 16,216,302 | 3,716,753 | — | 19,933,055 |
| Software and rights | | 12,725,001 | 1,500,667 | — | 14,225,668 |
| Other | | 10,602,076 | 4,245,301 | — | 14,847,377 |
| Total | | 140,644,397 | 67,517,125 | (5,927,081) | 202,234,441 |
| Accumulated amortization: | | | | | |
| Buildings | | (38,942,020) | (29,179,929) | 1,615,536 | (66,506,413) |
| Furniture and fixtures | | (2,232,503) | (4,431,412) | — | (6,663,915) |
| Software and rights | | (1,182,006) | (2,706,342) | — | (3,888,348) |
| Other | | (2,963,002) | (3,868,265) | — | (6,831,267) |
| Total | | (45,319,531) | (40,185,948) | 1,615,536 | (83,889,943) |
| Net book value | | 95,324,866 | | | 118,344,498 |

(*) In 2019, the Group has renegotiated several lease contracts which were denominated in foreign currencies with lessors. As a result of these negotiations, lease contracts have been modified and foreign currency denominated considerations have been amended to TRY. Since these amendments have been assessed as a lease modification, the Group accounted for these amendments in accordance with the accounting policies described in Note 2.6 by accounting for a corresponding adjustment to the right of use assets and lease liabilities amounting to TRY49,938,883.

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NOTE 10 — LEASES (Continued)**Lease liabilities**

| | 2020 | 2019 | 2018 |
|------------------------------|--------------------|-------------------|--------------------|
| Short-term lease liabilities | 51,210,929 | 26,366,667 | 46,001,836 |
| Long-term lease liabilities | 92,844,526 | 57,921,910 | 105,552,452 |
| | 144,055,455 | 84,288,577 | 151,554,288 |

Maturity analysis of lease liabilities is disclosed in Note 21 and the movement of lease liabilities is disclosed in Note 23.

Lease liabilities are discounted using the Group’s incremental borrowing rates and implicit rate in the lease (where applicable). As at 31 December 2020, the weighted average annual incremental borrowing rates of the Group for TRY and Euro are 17% and 4.28%, respectively (2019: TRY 24%, USD 7%, Euro 4%) (2018: TRY 23%, USD 3%, Euro 4%).

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 11 — PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES**Short term provisions**

| | 2020 | 2019 | 2018 |
|------------------------------|------------------|------------------|------------------|
| Provision for legal disputes | 3,733,610 | 1,865,522 | 1,409,214 |
| | 3,733,610 | 1,865,522 | 1,409,214 |

Legal disputes mainly comprise labour lawsuits claimed against the Group.

The movements in provisions for legal disputes for the years ended 31 December 2020, 2019 and 2018 are as follows:

| | 1 January 2020 | Current year charge | Paid during the year | 31 December 2020 |
|----------------|-------------------|---------------------------|----------------------------|---------------------|
| Legal disputes | 1,865,522 | 2,673,883 | (805,795) | 3,733,610 |
| | 1,865,522 | 2,673,883 | (805,795) | 3,733,610 |
| | 1 January 2019 | Current year charge | Paid during the year | 31 December 2019 |
| Legal disputes | 1,409,214 | 1,827,756 | (1,371,448) | 1,865,522 |
| | 1,409,214 | 1,827,756 | (1,371,448) | 1,865,522 |

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NOTE 11 — PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES
(Continued)

| | 1 January 2018 | Current year charge | Paid during the year | 31 December 2018 |
|----------------|-------------------|---------------------------|----------------------------|---------------------|
| Legal disputes | 945,853 | 1,219,361 | (756,000) | 1,409,214 |
| | <u>945,853</u> | <u>1,219,361</u> | <u>(756,000)</u> | <u>1,409,214</u> |

Contingent liabilities

In February 2019, the Turkish Competition Authority (the “TCA”) initiated a preliminary inquiry in response to the claim that the Group and one of its supplier violated the Act no. 4054 by means of a most favoured customer clause, discrimination, restriction of intra-brand competition, refusal to deal and resale price maintenance. As a result of the preliminary inquiry, the TCA decided to initiate an investigation into the Group and its supplier. On 15 April 2021, the Competition Board, the executive body of the TCA, concluded its investigation and issued its decision in favour of the Group, indicating that the Group did not hold a dominant position in the relevant market and did not breach the Turkish competition law. No fines were imposed to the Group as a result of this investigation. The TCA is expected to issue a written reasoned decision by the end of the second quarter of 2021. Following the delivery of the reasoned decision of the TCA, any third party (including the complainer) will have 60 days to object to such decision at the Ankara administrative courts. Based on market practice and past precedents of similar cases, the management believes the reversal of the decision of the Competition Board is unlikely. No provision has been recognised in these consolidated financial statements in relation to this investigation since a probable outflow of economic benefits is deemed to be unlikely in consideration of the conclusion of the TCA’s executive body in favour of the Group.

In July 2020, the Group received a request from the Turkish tax authority for the initiation of a tax investigation for the years 2018 and 2019. As of the approval date of these financial statements, the Group has not received any further specific request or notification from the tax authority since the submission of the requested information to the tax authority in August 2020. The Group management and its tax advisors believe that the investigation is routine and ordinary. The investigation is at an initial stage and the Group’s tax advisors believe that there is no significant uncertain tax position of the Group for the respective years. Based on these facts and due to the uncertainty as to the final outcome of the investigation, no provision has been recognized in these consolidated financial statements.

Contingent asset

The Group initiated a set of lawsuits against the tax authority in the year 2020 for the collection of previously paid withholding tax amounts in connection with the advertising services received from digital advertising platforms. The lawsuits are driven by the uncertainties and complexities of the application of double tax treaty rules. The primary court has ruled in favour of the Group on February 2021 and April 2021 for five litigations amounting to TRY21,7 million out of a total claim amount of approximately TRY70 million. This decision can be appealed by the tax authority, as one of the five favourable decisions was appealed by the tax authority on March 2021. The remaining cases are still in judicial process. Due to the uncertainty for the final outcome, the Group management has not recognized any income accrual in respect to these claims.

Letters of guarantee given

The letters of guarantee provided to public institutions and suppliers are amounting to TRY 578,803,319 at 31 December 2020 (2019: TRY111,783,749) (2018: TRY45,135,038).

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NOTE 12 — PROVISION FOR EMPLOYEE BENEFITS**Short term provision for employee benefits**

| | 2020 | 2019 | 2018 |
|-------------------------------|--------------------------|--------------------------|-------------------------|
| Provision for personnel bonus | 13,463,563 | 10,433,306 | 4,512,604 |
| Provision for unused vacation | 9,344,343 | 5,277,720 | 3,974,596 |
| | <u>22,807,906</u> | <u>15,711,026</u> | <u>8,487,200</u> |

The movements in provisions for personnel bonus and unused vacation for the years ended 31 December 2020, 2019 and 2018 are as follows:

| | 1 January 2020 | Current year charge | Paid during the year | 31 December 2020 |
|-----------------|--------------------------|---------------------------|----------------------------|--------------------------|
| Personnel bonus | 10,433,306 | 13,463,563 | (10,433,306) | 13,463,563 |
| Unused vacation | 5,277,720 | 4,857,977 | (791,354) | 9,344,343 |
| | <u>15,711,026</u> | <u>18,321,540</u> | <u>(11,224,660)</u> | <u>22,807,906</u> |

| | 1 January 2019 | Current year charge | Paid during the year | 31 December 2019 |
|-----------------|-------------------------|---------------------------|----------------------------|--------------------------|
| Personnel bonus | 4,512,604 | 10,433,306 | (4,512,604) | 10,433,306 |
| Unused vacation | 3,974,596 | 2,101,320 | (798,196) | 5,277,720 |
| | <u>8,487,200</u> | <u>12,534,626</u> | <u>(5,310,800)</u> | <u>15,711,026</u> |

| | 1 January 2018 | Current year charge | Paid during the year | 31 December 2018 |
|-----------------|-------------------------|---------------------------|----------------------------|-------------------------|
| Personnel bonus | 2,135,755 | 4,512,604 | (2,135,755) | 4,512,604 |
| Unused vacation | 3,629,397 | 1,117,023 | (771,824) | 3,974,596 |
| | <u>5,765,152</u> | <u>5,629,627</u> | <u>(2,907,579)</u> | <u>8,487,200</u> |

Long term provision for employee benefits

| | 2020 | 2019 | 2018 |
|--|-------------------------|-------------------------|-------------------------|
| Provision for post-employment benefits | 3,299,046 | 1,969,996 | 1,325,961 |
| | <u>3,299,046</u> | <u>1,969,996</u> | <u>1,325,961</u> |

Post-employment benefits

Under the Turkish Labour Law, the Company is required to pay termination 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 amount payable consists of one month's salary for each year of service limited to a maximum of TRY7,117.17 for each year of service at 31 December 2020 (2019: TRY6,379.86) (2018: TRY5,434.42).

Post-employment benefit liability is not funded and there is no legal funding requirement.

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NOTE 12 — 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:

| | 2020 | 2019 | 2018 |
|-------------------------------|-------|-------|-------|
| Discount rate (%) | 3.89 | 4.19 | 4.57 |
| Probability of retirement (%) | 81.62 | 81.01 | 87.35 |

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. Since the Group calculates the reserve for post-employment benefits every six months the maximum amount of TRY7,638.96 which is effective from 1 January 2021 (1 January 2020: TRY6,730.15) (1 January 2019: TRY6,017.60) has been taken into consideration in the calculations.

The movements in the provision for the post-employment benefit for the years ended 31 December 2020, 2019 and 2018 are as follows:

| | 2020 | 2019 | 2018 |
|--------------------------|------------------|------------------|------------------|
| At 1 January | 1,969,996 | 1,325,961 | 911,252 |
| Charge for the year | 570,827 | 405,336 | 362,250 |
| Interest cost | 231,987 | 151,653 | 116,819 |
| Actuarial losses | 1,983,772 | 1,222,438 | 1,083,478 |
| Payments during the year | (1,457,536) | (1,135,392) | (1,147,838) |
| At 31 December | 3,299,046 | 1,969,996 | 1,325,961 |

Share based payments

The Group had granted cash settled share-based payment plans to its key management personnel, which included non-market performance conditions such as the sale of the Company or the sale of shareholders’ shares. The plans included no specific timeline for settlement or expiry, while the only service condition was for the employee to remain in service with the Group at the time of sale. The Group considered that the sale event is a performance vesting condition rather than a non-vesting condition. No share-based payment cost has been recognised in these financial statements with respect to those plans since the likelihood of occurrence of a sale was not deemed to be probable during any reporting periods. Subsequent to 31 December 2020, the Group granted new plans to replace the plans in existence as of that date, as described further in Note 25.

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NOTE 13—OTHER ASSETS AND LIABILITIES

The analysis of other current and non-current assets and liabilities at 31 December 2020, 2019 and 2018 is as follows:

| | 2020 | 2019 | 2018 |
|-------------------------------------|---------------------------|--------------------------|--------------------------|
| Other current assets: | | | |
| Value added tax (“VAT”) receivables | 82,394,365 | 3,711,995 | 2,897,854 |
| Advances given | 1,636,843 | 2,700,291 | 3,927,196 |
| Prepaid expenses | 14,071,251 | 9,118,617 | 9,364,081 |
| Prepaid tax | 2,906,630 | 1,764,502 | 1,881,619 |
| Other | 9,786,233 | 3,870,959 | 5,045,953 |
| | <u>110,795,322</u> | <u>21,166,364</u> | <u>23,116,703</u> |

| | 2020 | 2019 | 2018 |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Other non-current assets: | | | |
| Prepaid expenses | 2,583,339 | 434,847 | 388,929 |
| VAT receivables | — | 5,564,098 | 7,339,724 |
| Other | 222,900 | 52,386 | 31,975 |
| | <u>2,806,239</u> | <u>6,051,331</u> | <u>7,760,628</u> |

| | 2020 | 2019 | 2018 |
|-----------------------------------|--------------------------|--------------------------|--------------------------|
| Other current liabilities: | | | |
| Deferred income | 9,684,133 | 2,935,623 | 217,185 |
| Payable to personnel | 16,195,205 | 138,665 | 214,429 |
| Taxes and funds payable | 15,342,033 | 6,718,153 | 6,884,861 |
| Expense accruals | 8,532,319 | 4,514,005 | 2,234,223 |
| Other | 2,023,993 | 2,126,836 | 1,259,065 |
| | <u>51,777,683</u> | <u>16,433,282</u> | <u>10,809,763</u> |

NOTE 14—EQUITY**a) Share capital**

As of 31 December 2020 and 2019, the Group’s authorised and paid-in share capital consists of 56,865,658 (2018: 46,138,166) shares with TRY1 nominal each. As of 31 December 2020, 42,649,244 of the shares consist of A group shares (owned by Doğan family members) and the remaining 14,216,414 shares are B group shares (owned by TurkCommerce B.V).

Owners of A group shares have the right to appoint 6 members of the total 8 members in board of directors (including the chairwoman) and owners of B group shares have the right to appoint the remaining 2 members in the board of directors (including the deputy chair).

The Group B shareholders have the rights, preferences and restrictions attaching to that class for the transactions including, but not limited to financial borrowing or structuring debt, lending a significant amount of loans, purchasing the minority or majority shares, disposing of the shares, resolving to vote for

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NOTE 14—EQUITY (Continued)

changes in the number of board of director members or meeting or resolution quorums, appointing or replacing the company’s auditors.

The details at 31 December 2020, 2019 and 2018 is as follows:

| | 2020 | Share (%) | 2019 | Share (%) | 2018 | Share (%) |
|--------------------------------|-------------------|------------|-------------------|------------|-------------------|------------|
| TurkCommerce B.V. | 14,216,414 | 25.00 | 14,216,414 | 25.00 | 11,534,541 | 25.00 |
| Hanzade Vasfiye Doğan Boyner | 13,972,803 | 24.57 | 13,972,803 | 24.57 | 3,712,120 | 8.05 |
| Vuslat Doğan Sabancı | 9,707,836 | 17.07 | 9,707,836 | 17.07 | 3,712,120 | 8.05 |
| Yaşar Begümhan Doğan Faralyalı | 9,707,834 | 17.07 | 9,707,834 | 17.07 | 3,712,119 | 8.05 |
| Arzuhan Doğan Yalçındağ | 8,854,214 | 15.57 | 8,854,214 | 15.57 | 2,942,576 | 6.38 |
| Işıl Doğan | 406,557 | <1 | 406,557 | <1 | 541 | <1 |
| D Portal Yatırımları A.Ş. | — | — | — | — | 20,524,149 | 44.48 |
| | 56,865,658 | 100 | 56,865,658 | 100 | 46,138,166 | 100 |

b) Share premiums

| | 2020 | 2019 | 2018 |
|----------------|--------------------|--------------------|-------------------|
| Share premiums | 187,464,832 | 187,464,832 | 18,152,313 |
| | 187,464,832 | 187,464,832 | 18,152,313 |

Increase in share capital and share premiums

On General Assembly dated 24 June 2019, the shareholders have decided to increase the share capital of the Company through injection of additional capital amounting to TRY180,000,009. Shareholders have paid TRY10,727,492 for 10,727,492 shares with TRY1 nominal value each as a result of issuance of new shares. TRY169,272,517 have been paid as a premium on issued shares.

In 2019, D Portal Yatırımları A.Ş. which was owned by the members of Doğan Family has been merged with the Company and the shareholding structure of the Company has changed accordingly. Such merger had no significant impact on the Group’s financial statements since D Portal Yatırımları A.Ş. was only acting as the parent entity of the Company with no business activity or any other investment. As a result of the merger, TRY40,002 has been accounted for as a share premium increase in 2019.

c) Restricted reserves

| | 2020 | 2019 | 2018 |
|---------------------|------------------|------------------|------------------|
| Restricted reserves | 1,586,430 | 1,586,430 | 1,586,430 |
| | 1,586,430 | 1,586,430 | 1,586,430 |

The restricted (“legal”) reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

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NOTE 15 — REVENUE

The analysis of revenue for the years ended 31 December 2020, 2019 and 2018 is as follows:

| | January 1 – December 31, 2020 | January 1 – December 31, 2019 | January 1 – December 31, 2018 |
|---------------------------|----------------------------------|----------------------------------|----------------------------------|
| Sales of goods | 5,301,942,720 | 2,048,020,136 | 1,661,672,546 |
| Marketplace revenues(*) | 603,249,026 | 350,030,814 | 200,648,885 |
| Delivery service revenues | 445,890,930 | 176,292,726 | 83,156,166 |
| Other | 24,643,869 | 29,391,692 | 9,835,152 |
| Revenues | <u>6,375,726,545</u> | <u>2,603,735,368</u> | <u>1,955,312,749</u> |

(*) Marketplace revenues mainly consists of marketplace commission, transaction fees and other contractual charges to the merchants.

The Group derives revenue from the sales of goods, marketplace revenues and other revenues at a point in time. Delivery service revenues are recognized over time. All contracts are for periods of the expected original duration of one year or less.

The Group’s revenues are generated in Turkey and the Board of Directors evaluates the operational results as a whole as one cash generating unit, therefore no disaggregated geographical information is presented.

NOTE 16 — OTHER OPERATING EXPENSES, NET

The analysis of other operating income and expenses for the years ended 31 December 2020, 2019 and 2018 is as follows:

| | January 1 – December 31, 2020 | January 1 – December 31, 2019 | January 1 – December 31, 2018 |
|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Other operating expenses: | | | |
| Credit card processing | (18,595,712) | (5,278,866) | (3,511,865) |
| Utilities | (14,395,738) | (7,797,849) | (5,878,856) |
| Consultancy | (11,193,843) | (5,423,767) | (7,275,141) |
| Rent expenses | (3,059,359) | (1,733,948) | (42,527) |
| Provision for doubtful receivables | (3,374,510) | (703,587) | (36,188) |
| Insurance | (2,869,493) | (1,212,424) | (591,013) |
| Vehicle fuel | (1,139,864) | (1,192,793) | (1,191,178) |
| Credit card chargebacks | (1,990,429) | (983,573) | (1,053,274) |
| Internet line | (1,532,939) | (564,765) | (459,935) |
| Irrecoverable value added tax | (1,134,176) | (553,409) | (512,093) |
| Maintenance expenses | (1,044,420) | (655,916) | (455,155) |
| Stationary | (698,776) | (807,138) | (527,111) |
| Travel | (279,147) | (752,001) | (1,855,964) |
| Other | (17,353,406) | (13,882,332) | (12,746,154) |
| | <u>(78,661,812)</u> | <u>(41,542,368)</u> | <u>(36,136,454)</u> |

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NOTE 16 — OTHER OPERATING EXPENSES, NET (Continued)

| | January 1 – December 31, 2020 | January 1 – December 31, 2019 | January 1 – December 31, 2018 |
|---|----------------------------------|----------------------------------|----------------------------------|
| Other operating income: | | | |
| Services charged | 1,838,340 | — | — |
| Bank promotion income | 1,597,492 | 1,470,304 | 990,730 |
| Grant income | 951,912 | 215,176 | — |
| Income from scrap packaging materials sales | 820,088 | — | — |
| Other | 2,645,832 | 129,969 | 1,138,367 |
| | <u>7,853,664</u> | <u>1,815,449</u> | <u>2,129,097</u> |
| Other operating expenses, net | <u>(70,808,148)</u> | <u>(39,726,919)</u> | <u>(34,007,357)</u> |

NOTE 17 — FINANCIAL INCOME

The analysis of financial income for the years ended 31 December 2020, 2019 and 2018 is as follows:

Financial income:

| | January 1 – December 31, 2020 | January 1 – December 31, 2019 | January 1 – December 31, 2018 |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Foreign currency exchange gains | 57,469,178 | 12,512,124 | 43,433,122 |
| Interest income on time deposits | 21,016,415 | 10,717,336 | 12,440,066 |
| Interest income on credit sales | 18,621,563 | 13,544,974 | 6,795,302 |
| Other | 5,805,557 | 3,743,467 | 3,948,397 |
| | <u>102,912,713</u> | <u>40,517,901</u> | <u>66,616,887</u> |

NOTE 18 — FINANCIAL EXPENSES

The analysis of financial expenses for the years ended 31 December 2020, 2019 and 2018 is as follows:

Financial expenses:

| | January 1 – December 31, 2020 | January 1 – December 31, 2019 | January 1 – December 31, 2018 |
|--|----------------------------------|----------------------------------|----------------------------------|
| Commission expenses due to early collection of credit card receivables | (225,242,358) | (185,092,844) | (98,534,530) |
| Interest expenses on purchases | (66,615,853) | (24,445,017) | (8,092,870) |
| Interest expenses on bank borrowings | (36,583,393) | (25,502,175) | (31,807,197) |
| Foreign currency exchange losses | (44,804,280) | (19,357,574) | (30,664,800) |
| Interest expenses on lease liabilities | (20,036,055) | (18,732,984) | (7,199,505) |
| Other | (3,134,828) | (148,988) | (108,883) |
| | <u>(396,416,767)</u> | <u>(273,279,582)</u> | <u>(176,407,785)</u> |

Interest expenses on purchases consist of interest embedded in inventories purchased on deferred settlement terms.

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NOTE 19 — TAXATION ON INCOME

The tax on the Group’s 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 2020, 2019 and 2018 as follows:

| | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|
| Loss before income taxes | (474,515,733) | (131,646,984) | (161,322,403) |
| Tax calculated at enacted tax rate of 22% | 104,393,461 | 28,962,336 | 35,490,929 |
| Effect of disallowable expenses | (6,242,644) | (1,377,486) | (3,217,773) |
| Deferred income tax assets not recognized | (98,150,817) | (27,584,850) | (32,273,156) |
| Income tax credit/(expense) | — | — | — |

Current income tax

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%. Within the scope of the “Law on Amendments to Certain Tax Laws and Some Other Laws” numbered 7061, which was published in the Official Gazette dated 5 December 2017, the corporate tax rate for the years 2018, 2019 and 2020 was increased from 20% to 22%.

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 Turkey, 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 22% on their corporate income. 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 Turkey, 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.

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.

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NOTE 19 — TAXATION ON INCOME (Continued)

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.

As of 31 December 2020, the Group has not accounted for deferred income tax assets on its tax losses, unused tax incentives (although such incentives have no expiry date) and other deductible temporary differences amounting to TRY154,245,189 (2019: TRY70,106,093) (2018: TRY49,718,688), TRY23,879,360 (2019: TRY14,486,616) (2018: TRY7,491,254) and TRY16,179,502 (2019: TRY12,879,408) (2018: TRY7,700,702), respectively, due to the uncertainties as to the realization of such deferred tax assets in the foreseeable future.

| | Total temporary differences | | | Deferred income tax assets/(liabilities) | | |
|--|-----------------------------|--------------------|---------------------|--|--------------------|--------------------|
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| Deferred income tax assets: | | | | | | |
| Carry forward tax losses | 771,225,947 | 350,530,465 | 248,593,440 | 154,245,189 | 70,106,093 | 49,718,688 |
| Tax incentives | 119,396,798 | 72,433,082 | 37,456,270 | 23,879,360 | 14,486,616 | 7,491,254 |
| Right of use assets and related lease liabilities | 33,040,021 | 38,594,793 | 40,992,130 | 6,608,004 | 7,718,959 | 8,198,426 |
| Provision for impairment of trade goods | 10,462,135 | 778,995 | 1,309,791 | 2,092,427 | 171,379 | 288,154 |
| Accrued expenses, contract liabilities and merchant advances | 12,670,097 | 27,992,402 | 12,679,799 | 2,534,123 | 6,117,286 | 2,789,556 |
| Property and equipment and intangible assets | 23,577,850 | 1,673,570 | — | 4,715,570 | 462,356 | — |
| Other | 2,909,985 | — | — | 581,997 | — | — |
| Total | 973,282,833 | 492,003,307 | 341,031,430 | 194,656,670 | 99,062,689 | 68,486,078 |
| Deferred income tax liabilities: | | | | | | |
| Prepaid expenses | (1,763,095) | (1,885,464) | (1,135,550) | (352,619) | (414,802) | (249,821) |
| Trade payables and payables to merchants | — | (5,344,409) | (4,928,827) | — | (1,175,770) | (1,084,342) |
| Property and equipment and intangible assets | — | — | (11,476,275) | — | — | (2,241,271) |
| Total | (1,763,095) | (7,229,873) | (17,540,652) | (352,619) | (1,590,572) | (3,575,434) |
| Non recoverable deferred tax assets | | | | (194,304,051) | (97,472,117) | (64,910,644) |
| Deferred income tax assets, net | | | | — | — | — |

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NOTE 19 — TAXATION ON INCOME (Continued)

The expiration dates of tax losses which the Group has not recognised any deferred income tax asset are as follows:

| | 2020 | 2019 | 2018 |
|--------------|---------------------------|---------------------------|---------------------------|
| 2020 | — | 11,384,605 | 11,384,605 |
| 2021 | 32,444,763 | 32,444,763 | 32,444,763 |
| 2022 | 59,590,604 | 59,590,604 | 59,590,604 |
| 2023 | 145,173,467 | 145,173,467 | 145,173,467 |
| 2024 | 101,937,027 | 101,937,027 | — |
| 2025 | 432,080,086 | — | — |
| Total | <u>771,225,947</u> | <u>350,530,466</u> | <u>248,593,439</u> |

NOTE 20 — 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 management) for the years ended 31 December 2020, 2019 and 2018 are as follows;

| | 2020 | 2019 | 2018 |
|---|------------|------------|------------|
| Salaries and other short-term employee benefits | 63,165,182 | 36,444,669 | 31,963,266 |

b) Balances with related parties at 31 December 2020, 2019 and 2018:

All related parties listed below are controlled by the Doğan Family members.

Due from related parties:

| | 2020 | 2019 | 2018 |
|--|-------------------------|-------------------------|-------------------------|
| Mutlu Erturan ^(*) | 1,500,000 | — | — |
| Doğan Dış Ticaret ve Müessellik A.Ş. (“Doğan Dış Ticaret”) | 1,403,868 | 1,605,476 | 656,093 |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. | 178,026 | — | — |
| D Elektronik Şans Oyunları ve Yayıncılık A.Ş. (“Nesine”) | 169,273 | 1,574,673 | 292,788 |
| Other | 156,723 | 134,814 | 708,421 |
| | <u>3,407,890</u> | <u>3,314,963</u> | <u>1,657,302</u> |

(*) In September 2020, the Company provided non-interest bearing loan of TRY1,500,000 to an executive officer, Mutlu Erturan. The loan was fully repaid by 5 March 2021.

Amounts due from other related parties mainly resulted from sale of trade goods and non-interest bearing loan provided to an executive officer.

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NOTE 20 — BALANCES AND TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES (Continued)

Due to related parties:

| | 2020 | 2019 | 2018 |
|--|------------------|------------------|------------------|
| Doğan Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. | 1,744,581 | 1,240,630 | 714,857 |
| Mesiar Medya Sigorta Aracılık Hizmetleri A.Ş. | 1,091,383 | — | — |
| Değer Merkezi Hizmetler ve Yönetim A.Ş. | 491,721 | 259,972 | 309,364 |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. | 259,378 | — | — |
| Doruk Factoring A.Ş. | — | 873,200 | — |
| Other | 342,860 | 208,599 | 428,201 |
| | <u>3,929,923</u> | <u>2,582,401</u> | <u>1,452,422</u> |

Amounts due to related parties mainly resulted from purchase of inventories, advertising services and head quarter rentals.

c) Significant sales to and purchases from related parties for the years ended 31 December 2020, 2019 and 2018:

All related parties listed below are controlled by the Doğan Family members.

Service and product sales to related parties:

| | 2020 | 2019 | 2018 |
|--|------------------|------------------|------------------|
| Nesine | 1,692,054 | 1,700,298 | 1,367,199 |
| Aydın Doğan Vakfı | 1,226,267 | 151,943 | — |
| Doğan Egmont Yayıncılık ve Yapımcılık Ticaret A.Ş. | 1,065,978 | 1,027,321 | — |
| Glokal Dijital Hizmetler ve Pazarlama A.Ş. | 618,446 | 302,405 | 522,770 |
| Doğan Portal ve Elektronik Ticaret A.Ş. (“Doğan Portal”) | 595,235 | 969,028 | 579,585 |
| Suzuki Motorlu Araçlar Pazarlama A.Ş. | 559,595 | 128,624 | 54,615 |
| Değer Merkezi Hizmetler ve Yönetim A.Ş. | 393,180 | 384,038 | — |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. | 248,149 | 70,070 | — |
| Ortadoğu Otomotiv Ticaret A.Ş. | 178,212 | 29,403 | 1,328,263 |
| Doğan Dış Ticaret | 146,218 | 353,088 | 6,061 |
| Other | 1,114,526 | 492,153 | 408,527 |
| | <u>7,837,860</u> | <u>5,608,371</u> | <u>4,267,020</u> |

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NOTE 20 — BALANCES AND TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES (Continued)

Service and product purchases from related parties:

| | 2020 | 2019 | 2018 |
|--|-------------------|-------------------|-------------------|
| Doğan Dış Ticaret | 35,293,650 | 12,160,126 | 4,334,168 |
| D Gayrimenkul Yatırımları ve Ticaret A.Ş. | 14,923,488 | 11,173,805 | 2,397,303 |
| Mesiar Medya Sigorta Aracılık Hizmetleri A.Ş. | 6,867,979 | 237,667 | — |
| Doğan Egmont Yayıncılık A.Ş. | 6,136,589 | 3,910,969 | 2,082,748 |
| Değer Merkezi Hizmetler ve Yönetim A.Ş. | 3,354,939 | 3,275,324 | — |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. | 457,358 | 536,462 | 592,000 |
| Doğan Portal | 362,138 | 649,650 | 289,568 |
| Ortadoğu Otomotiv Ticaret A.Ş. | 2,881 | 232 | 6,158,162 |
| Etkin Gayrimenkul Geliştirme Yönetim ve Danışmanlık A.Ş. | — | 158,179 | 1,680,771 |
| Doğan İnternet Yayıncılığı ve Yatırım A.Ş. | — | — | 3,142,877 |
| Other | 460,641 | 135,025 | 3,232,509 |
| | 67,859,663 | 32,237,439 | 23,910,106 |

NOTE 21 — 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 focuses 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.

Foreign currency risk

The table below summarizes the Group’s exposure to foreign exchange rate risk at 31 December 2020, 2019 and 2018 in terms of TRY equivalents of foreign currency denominated assets and liabilities.

| | As of 31 December 2020 | | | | |
|--|------------------------|------------------|---------------|----------------|--------------------|
| | US Dollar | Euro | GBP | CHF | Total |
| Assets: | | | | | |
| Cash and cash equivalents | 272,407,002 | 3,074,470 | 12,438 | 63,114 | 275,557,024 |
| Trade receivables and due from related parties | 1,585,112 | 1,193,728 | — | — | 2,778,840 |
| Other current assets | 6,415,840 | 811,090 | — | 774,558 | 8,001,488 |
| Total assets | 280,407,954 | 5,079,288 | 12,438 | 837,672 | 286,337,352 |

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NOTE 21 — FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

| | As of 31 December 2020 | | | | |
|---|------------------------|----------------------|--------------------|--------------------|----------------------|
| | US Dollar | Euro | GBP | CHF | Total |
| Liabilities: | | | | | |
| Trade payables and payables to merchants and due to related parties | (246,664,255) | (1,386,637) | — | (1,033,545) | (249,084,437) |
| Lease liabilities | — | (7,383) | — | — | (7,383) |
| Total liabilities | (246,664,255) | (1,394,020) | — | (1,033,545) | (249,091,820) |
| Net foreign currency position | 33,743,699 | 3,685,268 | 12,438 | (195,873) | 37,245,532 |
| | As of 31 December 2019 | | | | |
| | US Dollar | Euro | GBP | CHF | Total |
| Assets: | | | | | |
| Cash and cash equivalents | 240,250,923 | 80,939 | 20,955 | 35,174 | 240,387,991 |
| Trade receivables and due from related parties | 1,224,659 | 82,637 | — | — | 1,307,296 |
| Other current assets | 3,940,398 | 1,266,964 | — | 628,322 | 5,835,684 |
| Total assets | 245,415,980 | 1,430,540 | 20,955 | 663,496 | 247,530,971 |
| Liabilities: | | | | | |
| Trade payables and payables to merchants and due to related parties | (154,931,919) | (939,011) | — | (513,027) | (156,383,957) |
| Lease liabilities | (653,810) | (1,444,803) | — | — | (2,098,613) |
| Total liabilities | (155,585,729) | (2,383,814) | — | (513,027) | (158,482,570) |
| Net foreign currency position | 89,830,251 | (953,274) | 20,955 | 150,469 | 89,048,401 |
| | As of 31 December 2018 | | | | |
| | US Dollar | Euro | | | Total |
| Assets: | | | | | |
| Cash and cash equivalents | | 107,445,115 | — | | 107,445,115 |
| Trade receivables and due from related parties | | 723,726 | 323,535 | | 1,047,261 |
| Other current assets | | 4,325,438 | 1,676,513 | | 6,001,951 |
| Total assets | | 112,494,279 | 2,000,048 | | 114,494,327 |
| Liabilities: | | | | | |
| Trade payables and payables to merchants and due to related parties | | (131,274,675) | (3,611,519) | | (134,886,194) |
| Lease liabilities | | (7,747,281) | (1,648,323) | | (9,395,604) |
| Other current liabilities | | (203,860) | — | | (203,860) |
| Total liabilities | | (139,225,816) | (5,259,842) | | (144,485,658) |
| Net foreign currency position | | (26,731,537) | (3,259,794) | | (29,991,331) |

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NOTE 21 — FINANCIAL AND CAPITAL RISK MANAGEMENT (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 2020, 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 TRY3,374,370 lower/higher (2019: Loss before tax would have been TRY8,983,025 lower/higher) (2018: Loss before tax would have been TRY2,673,154 higher/lower), mainly as a result of foreign exchange losses/gains on the translation of US Dollar assets and liabilities.

At 31 December 2020, if the Euro had strengthened/weakened by 10% against the TRY with all other variables held constant, loss before income taxes would have been TRY368,527 higher/lower (2019: Loss before tax would have been TRY95,327 higher/lower) (2018: Loss before tax would have been TRY325,979 higher/lower), mainly as a result of foreign exchange losses/gains on the translation of Euro assets and liabilities.

At 31 December 2020, if the GBP and CHF had strengthened/weakened by 10% against the TRY with all other variables held constant, loss before income taxes would have been TRY1,244 and TRY19,587 lower/higher, mainly as a result of foreign exchange losses/gains on the translation of GBP and CHF assets and liabilities (2019: Loss before tax would have been TRY2,096 and TRY15,047 lower/higher).

Credit risk

The Group operates as an e-commerce website offering its customers a wide selection of merchandise. The substantial portion of sales is through the customers’ 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.

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.

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 positive operating cash flows as a result of its operating model. The table below shows the Group’s liquidity risk arising from financial liabilities.

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NOTE 21 — FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

| 2020 | Carrying value | Contractual undiscounted cash flow | Up to 3 months | 3–12 months | 1–5 years | Over 5 years |
|--|----------------------|------------------------------------|----------------------|--------------------|--------------------|------------------|
| Non-derivative financial instruments: | | | | | | |
| Trade payables and payables to merchants | 2,024,549,483 | 2,035,687,548 | 2,035,687,548 | — | — | — |
| Lease liabilities | 144,055,455 | 181,997,716 | 13,526,192 | 48,360,287 | 120,111,237 | — |
| Bank borrowings | 347,436,451 | 368,069,809 | 368,069,809 | — | — | — |
| Due to related parties | 3,929,923 | 3,929,923 | 3,929,923 | — | — | — |
| | <u>2,519,971,312</u> | <u>2,589,684,996</u> | <u>2,421,213,472</u> | <u>48,360,287</u> | <u>120,111,237</u> | <u>—</u> |
| 2019 | | | | | | |
| | Carrying value | Contractual undiscounted cash flow | Up to 3 months | 3–12 months | 1–5 years | Over 5 years |
| Non-derivative financial instruments: | | | | | | |
| Trade payables and payables to merchants | 1,013,622,694 | 1,018,967,101 | 1,018,967,101 | — | — | — |
| Lease liabilities | 84,288,577 | 99,915,677 | 7,695,848 | 23,559,199 | 68,660,630 | — |
| Bank borrowings | 18,977,287 | 18,977,287 | 18,977,287 | — | — | — |
| Due to related parties | 2,582,401 | 2,582,401 | 2,582,401 | — | — | — |
| | <u>1,119,470,959</u> | <u>1,140,442,466</u> | <u>1,048,222,637</u> | <u>23,559,199</u> | <u>68,660,630</u> | <u>—</u> |
| 2018 | | | | | | |
| | Carrying value | Contractual undiscounted cash flow | Up to 3 months | 3–12 months | 1–5 years | Over 5 years |
| Non-derivative financial instruments: | | | | | | |
| Trade payables and payables to merchants | 659,884,872 | 664,813,701 | 664,813,701 | — | — | — |
| Lease liabilities | 151,554,288 | 180,308,195 | 9,875,211 | 38,678,321 | 122,989,432 | 8,765,231 |
| Bank borrowings | 104,094,577 | 107,234,982 | 33,209,162 | 73,467,755 | 558,065 | — |
| Due to related parties | 1,452,422 | 1,452,422 | 1,452,422 | — | — | — |
| | <u>916,986,159</u> | <u>953,809,300</u> | <u>709,350,496</u> | <u>112,146,076</u> | <u>123,547,497</u> | <u>8,765,231</u> |

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.

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NOTE 21 — FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

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 2020, 2019 and 2018 were as follows:

| | 2020 | 2019 | 2018 |
|---------------------------------|---------------|---------------|---------------|
| Net debt (Note 23) | (101,151,103) | (179,037,896) | 119,164,644 |
| Total equity | (787,331,890) | (310,832,385) | (358,002,974) |
| Net debt to equity ratio | 13% | 58% | (33)% |

NOTE 22 — 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 balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets and liabilities carried at 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.

NOTE 23 — CASH FLOW INFORMATION

Movement in net debt for the year ended 31 December 2020, 2019 and 2018 is as follows;

| 2020 | Lease liabilities | Bank borrowings | Total |
|---|--------------------|--------------------|----------------------|
| 1 January | 84,288,577 | 18,977,287 | 103,265,864 |
| Increase in lease liabilities | 97,602,173 | — | 97,602,173 |
| Cash inflows | — | 1,619,216,898 | 1,619,216,898 |
| Cash outflows | (58,365,159) | (1,305,404,852) | (1,363,770,011) |
| Other non-cash movements ^(*) | 20,529,864 | 14,647,118 | 35,176,982 |
| 31 December | 144,055,455 | 347,436,451 | 491,491,906 |
| Less: cash and cash equivalents | | | (592,643,009) |
| Net debt | | | (101,151,103) |

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AT 31 DECEMBER 2020, 2019 AND 2018
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 23 — CASH FLOW INFORMATION (Continued)

| 2019 | Lease liabilities | Bank borrowings | Total |
|---|--------------------|--------------------|----------------------|
| 1 January | 151,554,288 | 104,094,577 | 255,648,865 |
| Increase in lease liabilities | 17,759,967 | — | 17,759,967 |
| Cash inflows | — | 903,259,745 | 903,259,745 |
| Cash outflows | (51,892,582) | (991,269,470) | (1,043,162,052) |
| Other non-cash movements ^(*) | (33,133,096) | 2,892,435 | (30,240,661) |
| 31 December | 84,288,577 | 18,977,287 | 103,265,864 |
| Less: cash and cash equivalents | | | (282,303,760) |
| Net debt | | | (179,037,896) |
| <hr/> | | | |
| 2018 | Lease liabilities | Bank borrowings | Total |
| 1 January | 131,939,906 | 127,982,422 | 259,922,328 |
| Increase in lease liabilities | 68,044,609 | — | 68,044,609 |
| Cash inflows | — | 368,181,218 | 368,181,218 |
| Cash outflows | (30,849,552) | (402,071,016) | (432,920,568) |
| Other non-cash movements ^(*) | (17,580,675) | 10,001,953 | (7,578,722) |
| 31 December | 151,554,288 | 104,094,577 | 255,648,865 |
| Less: cash and cash equivalents | | | (136,484,221) |
| Net debt | | | 119,164,644 |

(*) Other non-cash movements consist of interest expense, disposals and remeasurement of contractual lease liabilities.

NOTE 24 — LOSS PER SHARE

Loss per share is disclosed below:

| | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|
| Loss for the period attributable to equity holders of the Parent Company | (474,515,733) | (131,646,984) | (161,322,403) |
| Weighted average number of shares with face value of TRY1 each | 56,865,658 | 56,865,658 | 46,138,166 |
| Basic and diluted loss per share | (8.34) | (2.32) | (3.50) |

NOTE 25 — SUBSEQUENT EVENTS

- On 25 March 2021 the Group granted a new share based payment plan to 10 of its key management personnel which modified the previously created share-based payment plans, adding 2 executives in scope of the plan. Additionally, on 24 March 2021, the Group decided to grant to some of its other employees and directors, 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

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 25 — SUBSEQUENT EVENTS (Continued)

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). The cash settlement (which depends on the valuation of the shares during the IPO) will 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 same key management personnel and executives will be entitled to receive Company’s shares based on the value of the shares in the IPO (20% of the total share based payment award for each year starting from 18 months after the IPO for the next 3 years (graded vesting). Shares will be delivered to key management personnel, directors and managers 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 key management personnel, directors and managers in terms of Company’s shares based on Company’s meeting certain key performance indicators as of respective years (non-market performance condition). The Group estimated the cash outflow (liability) to key management personnel and other executives relating to cash settled part of the plans in the event of a successful Initial Public Offering IPO reach to a maximum of USD 30 million depending on the valuation to be realized in the IPO. No provision has been provided in financial statements, as of December 31, 2020 with respect to the subsequent event explained above.

- 2- 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 April 22, 2021, the corporate tax rate, which is applied at 22% as of 31 December 2020, will be applied at the rate of 25% for the corporate earnings in 2021 and 23% for the corporate earnings in 2022.
- 3- With the decision of the board of directors dated 14 April 2021, the Group decided to merge Altıncı Cadde and Evimiz companies under D-Fast.

hepsiburada

American Depositary Shares

Representing Ordinary Shares

PROSPECTUS

, 2021

Morgan Stanley

J.P. Morgan

Goldman Sachs & Co. LLC

BofA Securities

UBS Investment Bank

Through and including , 2021 (25 days after the date of this prospectus), all dealers that buy, sell or trade our ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Part II
Information Not Required in the Prospectus

Item 6. Indemnification of directors and officers

The underwriting agreement filed as Exhibit 1.1 to this registration statement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the U.S. Securities Act of 1933, but only to the extent that these liabilities are caused by information relating to the underwriters that was furnished to us by the underwriters in writing expressly for use in this registration statement and certain other disclosure documents.

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.

Item 7. Recent sales of unregistered securities

During the past three years, we issued securities that were not registered under the Securities Act as set forth below. Set forth below is information regarding share issuances made by us within the past three years. Also included is the consideration, if any, received by us for such shares and information relating to the section of the Securities Act, or rule of the SEC, under which exemption from registration was claimed.

Share issuance

In June 2019, we issued an aggregate of 10,727,492 ordinary shares to our existing shareholders, Hanzade Vasfiye Doğan Boyner, Vuşlat Doğan Sabancı, Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ, Işıl Doğan and TurkCommerce B.V. in the aggregate amount of TRY 10,727,492 . The issuance of these shares was made outside the U.S. pursuant to Regulation S.

Item 8. Exhibits

(a) The exhibits to this registration statement are listed in the exhibit index attached hereto and are incorporated by reference herein .

(b) Financial Statement Schedules. All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the consolidated financial statements and related notes thereto.

Item 9. Undertakings

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby further undertakes that:

(i) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(ii) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Exhibit Index

The following documents are filed as part of this registration statement:

| Description |
|---|
| 1.1 Form of Underwriting Agreement |
| 3.1* Articles of Association of the Registrant |
| 4.1 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 |
| 4.2 Form of American Depositary Receipt (included in Exhibit 4.1) |
| 4.3 Form of Shareholder's Agreement, between Hanzade Vasiye Doğan Boyner, Yusuat Doğan Sabancı Yaşar Begümhan Doğan Faralyalı, Arzuhan Doğan Yalçındağ, Işıl Doğan and TurkCommerce B.V. |
| 5.1 Form of opinion of GKC Partners, counsel to the Registrant, as to the validity of the ordinary shares (including consent) |
| 10.1†* English translation of the Lease Agreement between Megeye Lojistik Anonim Şirketi as lessor and the Registrant, as lessee, dated April 2014 |
| 10.2† English translation of the Lease Agreement between A. Vedat Yakupoğlu Gayrimenkul Yatırımcılığı as lessor and the Registrant, as lessee, dated August 10, 2020 |
| 10.3†* English translation of the Lease Agreement between Murat Ozan, Tugba Ozan, Muhterem Ozan and Fatih Ozan as lessors and the Registrant, as lessee, dated August 7, 2020 |
| 10.4†* 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 |
| 10.5†* English translation of the Lease Agreement between Ermenes Orman Ürünleri Sanayi ve Ticaret Ltd. Şti. as lessor and the Registrant, as lessee, dated August 2020 |
| 10.6†* English translation of the Lease Agreement between Üstünkarlı Makine A.Ş. as lessor and the Registrant, as lessee, dated August 28, 2020 |
| 10.7†* English translation of the Lease Agreement between Ortadoğu Otomotiv Ticaret A.Ş. as lessor and the Registrant, as lessee, dated December 24, 2014 |
| 10.8* English translation of the financing agreement between Doruk Faktoring A.Ş. and the Registrant, dated November 11, 2020 |
| 10.9†* English translation of the server hosting service agreement between Türk Telekomünikasyon A.Ş. and the Registrant, dated June 19, 2017 |
| 10.10†* English translation of the framework agreement for various hosting-related services between Superonline İletişim Hizmetleri A.Ş. and the Registrant, dated May 24, 2021 |
| 10.11* Incentive Plan dated March 24, 2021 |
| 10.12†* 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 |
| 10.13* 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 |
| 10.14* 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 |
| 10.15* 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 |
| 16.1* Letter from PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. dated as of May 28, 2021 regarding change in the Registrant's certifying accountant |
| 21.1* List of subsidiaries of the Registrant |

| | <u>Description</u> |
|-------|--|
| 23.1 | <u>Consent of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. independent registered public accounting firm</u> |
| 23.2 | <u>Consent of GUNEY BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALI MUSAVIRLIK A.S., independent registered public accounting firm</u> |
| 23.3 | <u>Consent of GKC Partners (included in Exhibit 5.1)</u> |
| 23.4* | <u>Consent of Arthur D. Little Danışmanlık Hizmetleri A.Ş.</u> |
| 23.5* | <u>Consent of FutureBright Research</u> |
| 24.1* | <u>Power of Attorney (included in signature page to Registration Statement)</u> |
| 99.1 | <u>Consent of Director Nominee Tayfun Bayazıt</u> |

* Previously filed.

† Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K under the Securities Act of 1933, as amended, because they are both (i) not material and (ii) would likely cause competitive harm to the Registrant if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the U.S. Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Istanbul, Turkey on this th day of June, 2021.

**D-MARKET ELECTRONIC SERVICES &
TRADING**

By: /s/ MEHMET MURAT EMIRDAĞ

Name: Mehmet Murat Emirdağ

Title: *Chief Executive Officer*

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons on June , 2021 in the capacities indicated:

| Name | Title |
|--|---|
| /s/ MEHMET MURAT EMİRDAĞ Mehmet Murat Emirdağ | Chief Executive Officer and Board Member (principal executive officer) |
| /s/ HALİL KORHAN ÖZ Halil Korhan Öz | Chief Financial Officer and Board Member (principal financial officer and principal accounting officer) |
| * Hanzade Vasfiye Doğan Boyner | Chairwoman |
| * Erman Kalkandelen | Deputy Chair |
| * Mehmet Erol Çamur | Board Member |
| * Cemal Ahmet Bozer | Board Member |
| * Vuslat Doğan Sabancı | Board Member |
| * Mustafa Aydemir | Board Member |
| * Tolga Babalı | Board Member |

*By: /s/ MEHMET MURAT EMİRDAĞ

Mehmet Murat Emirdağ
Attorney-in-Fact

Signature of Authorized U.S. Representative of Registrant

Pursuant to the requirements of the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi has signed this registration statement on June , 2021.

Cogency Global, Inc.

By: /s/ COLLEEN A. DE VRIES

Name: Colleen A. De Vries

Title: *Senior Vice President on behalf of
Cogency Global Inc.*

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi

[●] Class B Shares
and an option to purchase up to [●] additional Class B Shares to cover over-allotments
each Class B Share represented by one American Depositary Share

Underwriting Agreement

June [●], 2021

Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
Goldman, Sachs & Co. LLC
As Representatives of the several
Underwriters listed in Schedule 1 hereto.

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o Goldman, Sachs & Co. LLC
200 West Street,
New York, New York 10282

Ladies and Gentlemen:

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi, a Turkish corporation (the “Company”), proposes to issue and sell to the several underwriters listed in Schedule 1 hereto (the “Underwriters”), for whom you are acting as representatives (the “Representatives”), an aggregate of [●] class B ordinary shares of the Company, with par value of TRY 0.20 per class B ordinary share (“Class B Shares”) in the form of [●] American Depositary Shares (“ADSs”), and the stockholder of the Company named in Schedule 2 hereto (the “Selling Stockholder”) propose to sell to the several Underwriters an aggregate of [●] Class B Shares in the form of ADSs (collectively, the “Underwritten Securities”). In addition, the Selling Stockholder proposes to sell, at the option of the Underwriters, up to an additional [●] Class B Shares (the “Option Securities”). The Underwritten Securities and the Option Securities are herein referred to as the “Securities”. The shares of the Company to be outstanding after giving effect to the sale of Securities are referred to herein as the “Stock”.

The ADSs will be issued pursuant to the Deposit Agreement, dated June [●], 2021 (the “Deposit Agreement”), entered into among the Company, The Bank of New York Mellon, as depository (the “Depository”) and all holders from time to time of the ADSs (as hereinafter defined). Each ADS will represent one Class B Share. The Company shall deposit, on behalf of the Underwriters, the Underlying Shares represented by such Securities with [●], acting through an office located [●] (the “Depository Custodian”), as custodian for the Depository or its nominee, which shall deliver such Securities to the Representatives for the account of the several Underwriters for subsequent delivery to the other several Underwriters or the investors, as the case may be.

Unless the context otherwise requires, (i) the term “Underlying Shares” shall mean the Class B Shares deposited with the Depository (whether by the Company or the Selling Stockholder or pursuant to the Stock Lending Agreement (as defined below)) and represented by the ADSs, and sold to the Underwriters in accordance herewith, and (ii) the terms “Underwritten Securities,” “Option Securities” and “Securities” shall be deemed to include, in each case, the applicable ADSs, such ADSs’ respective Underlying Shares and any ADRs evidencing such ADSs.

The Company and the Selling Stockholder hereby confirm their agreement with the several Underwriters concerning the purchase and sale of the Securities, as follows:

1. **Registration Statement.** The Company has prepared and filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Securities Act”), a registration statement (File No. 333-256654), including a prospectus, relating to the Securities. Such registration statement, as amended at the time it became effective, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Securities Act to be part of the registration statement at the time of its effectiveness (“Rule 430 Information”), is referred to herein as the “Registration Statement”; and as used herein, the term “Preliminary Prospectus” means each prospectus included in such registration statement (and any amendments thereto) before effectiveness, any prospectus filed with the Commission pursuant to Rule 424(a) under the Securities Act and the prospectus included in the Registration Statement at the time of its effectiveness that omits Rule 430 Information, and the term “Prospectus” means the prospectus in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Securities Act) in connection with confirmation of sales of the Securities. If the Company has filed an abbreviated registration statement pursuant to Rule 462(b) under the Securities Act (the “Rule 462 Registration Statement”), then any reference herein to the term “Registration Statement” shall be deemed to include such Rule 462 Registration Statement. A registration statement on Form F-6 (file number [●]) relating to the ADSs has been filed with the Commission, including, if applicable, one or more amendments thereto (“ADR Registration Statement”). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Registration Statement and the Prospectus.

At or prior to the Applicable Time (as defined below), the Company had prepared the following information (collectively with the pricing information set forth on Annex A, the “Pricing Disclosure Package”): a Preliminary Prospectus dated [●], 2021 and each “free-writing prospectus” (as defined pursuant to Rule 405 under the Securities Act) listed on Annex A hereto.

“Applicable Time” means [●] [A/P].M., New York City time, on June [●], 2021.

2. Purchase of the Securities. (a) The Company agrees to issue and sell, and the Selling Stockholder agrees to sell, the Underwritten Securities to the several Underwriters as provided in this underwriting agreement (this “Agreement”), and each Underwriter, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase at a price per ADS of \$[●] (the “Purchase Price”) from the Company the respective number of Underwritten Securities set forth opposite such Underwriter’s name in Schedule 1 hereto and from the Selling Stockholder the number of Underwritten Securities (to be adjusted by you so as to eliminate fractional ADSs) determined by multiplying the aggregate number of Underwritten Securities to be sold by the Selling Stockholder as set forth opposite its name in Schedule 2 hereto by a fraction, the numerator of which is the aggregate number of Underwritten Securities to be purchased by such Underwriter as set forth opposite the name of such Underwriter in Schedule 1 hereto and the denominator of which is the aggregate number of Underwritten Securities to be purchased by all the Underwriters from the Selling Stockholder hereunder.

In addition, the Selling Stockholder agrees, as and to the extent indicated in Schedule 2 hereto, to sell, the Option Securities to the several Underwriters as provided in this Agreement, and the Underwriters, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, shall have the option to purchase, severally and not jointly, from the Selling Stockholder the Option Securities at the Purchase Price less an amount per ADS equal to any dividends or distributions declared by the Company and payable on the Underwritten Securities but not payable on the Option Securities. If any Option Securities are to be purchased, the number of Option Securities to be purchased by each Underwriter shall be the number of Option Securities which bears the same ratio to the aggregate number of Option Securities being purchased as the number of Underwritten Securities set forth opposite the name of such Underwriter in Schedule 1 hereto (or such number increased as set forth in Section 12 hereof) bears to the aggregate number of Underwritten Securities being purchased from the Company and the Selling Stockholder by the several Underwriters, subject, however, to such adjustments to eliminate any fractional Securities as the Representatives in their sole discretion shall make. Any such election to purchase Option Securities shall be made in proportion to the maximum number of Option Securities to be sold by the Selling Stockholder as set forth in Schedule 2 hereto.

The Underwriters may exercise the option to purchase Option Securities at any time in whole, or from time to time in part, on or before the thirtieth day following the date of the Prospectus, by written notice from the Representatives to the Company and the Attorneys-in-Fact (as defined below). Such notice shall set forth the aggregate number of Option Securities as to which the option is being exercised and the date and time when the Option Securities are to be delivered and paid for, which may be the same date and time as the Closing Date (as hereinafter defined) but shall not be earlier than the Closing Date nor later than the tenth full business day (as hereinafter defined) after the date of such notice (unless such time and date are postponed in accordance with the provisions of Section 12 hereof). Any such notice shall be given at least two business days prior to the date and time of delivery specified therein.

(b) The Company and the Selling Stockholder understand that the Underwriters intend to make a public offering of the Securities outside Turkey, and initially to offer the Securities on the terms set forth in the Pricing Disclosure Package. The Company and the Selling Stockholder acknowledge and agree that the Underwriters may offer and sell Securities outside Turkey to or through any affiliate of an Underwriter.

(c) (i) Payment for the Securities shall be made by wire transfer in immediately available funds to the accounts specified by the Company and the Attorneys-in-Fact or any of them (with regard to payment to the Selling Stockholder), to the Representatives at the offices of Cleary Gottlieb Steen & Hamilton LLP, 2 London Wall Place, London, EC2Y 5AU, UK at 9:00 A.M. New York City time on [●], 2021, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representatives, the Company and the Attorneys-in-Fact may agree upon in writing, or, in the case of the Option Securities, on the date and at the time and place specified by the Representatives in the written notice of the Underwriters' election to purchase such Option Securities. The time and date of such payment for the Underwritten Securities is referred to herein as the "Closing Date", and the time and date for such payment for the Option Securities, if other than the Closing Date, is herein referred to as the "Additional Closing Date".

(ii) Subject to paragraph (c)(iii), payment for the Securities to be purchased on the Closing Date or the Additional Closing Date, as the case may be, shall be made against delivery to the Representatives for the respective accounts of the several Underwriters of the Securities to be purchased on such date or the Additional Closing Date, as the case may be, with any transfer taxes payable in connection with the sale of such Securities duly paid by the Company and the Selling Stockholder, as applicable. Delivery of the Securities shall be made through the facilities of The Depository Trust Company ("DTC") unless the Representatives shall otherwise instruct. The certificates for the Securities will be made available for inspection and packaging by the Representatives at the office of DTC or its designated custodian not later than 1:00 P.M., New York City time, on the business day prior to the Closing Date or the Additional Closing Date, as the case may be.

(iii) The parties hereto agree that to facilitate the orderly closing of the offering of Securities contemplated hereby and due to timing considerations related to the technical issuance and registration of new Class B Shares under Turkish law:

(1) Under the terms of a stock lending agreement dated as of the date hereof (the "Stock Lending Agreement"), certain existing shareholders of the Company (the "Lenders") have agreed to loan to Morgan Stanley & Co. LLC and/or its affiliates, acting on behalf of the Underwriters, Class B Shares in a number equal to the number of Class B Shares underlying the ADSs being offered by Company (the "Loaned Shares").

(2) The Loaned Shares will be deposited with the Depository Custodian on the Closing Date, against which the ADSs to be offered and sold by the Company will be issued.

(3) Following the Closing Date, the Company will issue new Class B Shares in an amount equal to the total number of Loaned Shares, which Morgan Stanley & Co. LLC is expected to return to the Lenders in accordance with the terms of the Stock Lending Agreement.

(d) Each of the Company and the Selling Stockholder acknowledges and agrees that the Representatives and the other Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company and the Selling Stockholder with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company, the Selling Stockholder or any other person. Additionally, neither the Representatives nor any other Underwriter is advising the Company, the Selling Stockholder or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company and the Selling Stockholder shall consult with their own advisors concerning such matters and each shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representatives nor any other Underwriter shall have any responsibility or liability to the Company or the Selling Stockholder with respect thereto. Any review by the Representatives and the other Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representatives and the other Underwriters and shall not be on behalf of the Company or the Selling Stockholder. Moreover, the Selling Stockholder acknowledges and agrees that, although the Representatives may be required or choose to provide the Selling Stockholder with certain Regulation Best Interest and Form CRS disclosures in connection with the offering, the Representatives and the other Underwriters are not making a recommendation to the Selling Stockholder to participate in the offering, enter into a "lock-up" agreement, or sell any Securities at the price determined in the offering, and nothing set forth in such disclosures is intended to suggest that any of the Representatives or any Underwriter is making such a recommendation.

3. Representations and Warranties of the Company. The Company represents and warrants to each Underwriter and the Selling Stockholder that:

(a) *Preliminary Prospectus.* No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus included in the Pricing Disclosure Package, at the time of filing thereof, complied in all material respects with the Securities Act, and no Preliminary Prospectus, at the time of filing thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(b) *Pricing Disclosure Package.* The Pricing Disclosure Package as of the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof. No statement of material fact included in the Prospectus has been omitted from the Pricing Disclosure Package and no statement of material fact included in the Pricing Disclosure Package that is required to be included in the Prospectus has been omitted therefrom.

(c) *Issuer Free Writing Prospectus.* Other than the Registration Statement, the ADR Registration Statement, the Preliminary Prospectus and the Prospectus, the Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any “written communication” (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an “Issuer Free Writing Prospectus”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A hereto, each electronic road show and any other written communications approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complies in all material respects with the Securities Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Securities Act (to the extent required thereby) and does not conflict with the information contained in the Registration Statement, the ADR Registration Statement or the Pricing Disclosure Package, and, when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus or Preliminary Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Issuer Free Writing Prospectus or Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(d) *Emerging Growth Company.* From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication undertaken in reliance on Section 5(d) of the Securities Act) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the Securities Act (an “Emerging Growth Company”). “Testing-the-Waters Communication” means any oral or written communication with potential investors undertaken in reliance on either Section 5(d) of, or Rule 163B under, the Securities Act.

(e) *Testing-the-Waters Materials.* The Company (i) has not engaged in any Testing-the-Waters Communications other than Testing-the-Waters Communications with the consent of the Representatives (x) with entities that are qualified institutional buyers (“QIBs”) within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act (“IAIs”) and otherwise in compliance with the requirements of Section 5(d) of the Securities Act or (y) with entities that the Company reasonably believed to be QIBs or IAIs and otherwise in compliance with the requirements of Rule 163B under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications by virtue of a writing substantially in the form of Exhibit A hereto. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications other than those listed on Annex B hereto. “Written Testing-the-Waters Communication” means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act. Any individual Written Testing-the-Waters Communication does not conflict with the information contained in the Registration Statement, the ADR Registration Statement or the Pricing Disclosure Package, complied in all material respects with the Securities Act, and when taken together with the Pricing Disclosure Package as of the Applicable Time, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) *Registration Statement and Prospectus.* The Registration Statement and the ADR Registration Statement have been declared effective by the Commission. No order suspending the effectiveness of the Registration Statement or the ADR Registration Statement has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or related to the offering of the Securities has been initiated or threatened by the Commission; as of the applicable effective date of the Registration Statement and the ADR Registration Statement and any post-effective amendment thereto, the Registration Statement and the ADR Registration Statement and any such post-effective amendment complied and will comply in all material respects with the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will comply in all material respects with the Securities Act and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the ADR Registration Statement and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(c) hereof.

(g) *The American Depositary Shares.* Upon issuance by the Depository of ADSs evidenced by ADRs against deposit of Underlying Shares in accordance with the provisions of the Deposit Agreement and the Stock Lending Agreement, such ADRs will be duly and validly issued and persons in whose names the ADRs are registered will be entitled to the rights specified in the ADRs and in the Deposit Agreement; and upon the sale and delivery to the Underwriters of the ADSs, and payment therefor, pursuant to this Agreement, the Underwriters will acquire good, marketable and valid title to such ADSs, free and clear of all pledges, liens, security interests, charges, claims or encumbrances of any kind.

(h) *Financial Statements.* The financial statements (including the related notes thereto) of the Company and its consolidated subsidiaries included in the Registration Statement, the Pricing Disclosure Package and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and present fairly in all material respects the financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in conformity with the International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) applied on a consistent basis throughout the periods covered thereby, and any supporting schedules included in the Registration Statement present fairly in all material respects the information required to be stated therein; and the other financial information included in the Registration Statement, the Pricing Disclosure Package and the Prospectus has been derived from the accounting records of the Company and its consolidated subsidiaries and presents fairly in all material respects the information shown thereby; all disclosures included in the Registration Statement, the Pricing Disclosure Package and the Prospectus regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Securities Act, to the extent applicable.

(i) *No Material Adverse Change.* Since the date of the most recent financial statements of the Company included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (i) there has not been any change in the capital stock (other than (1) as described in the section headed “Description of Share Capital and Articles of Association—Share Capital—Changes in Our Share Capital During the Last Three Fiscal Years” in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the stock split pursuant the amendment of the Company’s Articles of Association and the implementation of the dual class share structure and (2) the issuance of shares of the Company upon exercise of stock options and warrants described as outstanding in, and the grant of options and awards under equity incentive plans described in the section headed “Management—Incentive Plan” in the Registration Statement, the Pricing Disclosure Package and the Prospectus), short-term debt or long-term debt of the Company or any of its subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, financial position, stockholders’ equity, results of operations or prospects of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any loss or interference with its business that is material to the Company and its subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(j) *Organization and Good Standing.* The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, properties, management, financial position, stockholders’ equity, results of operations or prospects of the Company and its subsidiaries taken as a whole or on the performance by the Company of its obligations under the Transaction Documents (as defined below) (a “Material Adverse Effect”). The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21 to the Registration Statement. The subsidiaries listed in Schedule 3 to this Agreement are the only significant subsidiaries of the Company.

(k) *Capitalization.* The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading “Capitalization”; all the outstanding shares of capital stock of the Company (including the Securities to be sold by the Selling Stockholder) have been duly and validly authorized and issued and are fully paid and non-assessable; except as described in or expressly contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no outstanding rights (including, without limitation, pre-emptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in the Company or any of its subsidiaries, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock of the Company or any such subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options; the capital stock of the Company conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and all the outstanding shares of capital stock or other equity interests of each subsidiary owned, directly or indirectly, by the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(l) *Stock Options.* There are no stock options or other equity awards granted or otherwise currently outstanding pursuant to any stock based compensation plans of the Company and/or its subsidiaries.

(m) *Due Authorization.* The Company has full right, power and authority to execute and deliver this Agreement, the Stock Lending Agreement and the Deposit Agreement (collectively, the “Transaction Documents”) and to perform its obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization, execution and delivery by it of the Transaction Documents and the consummation by it of the transactions contemplated hereby and thereby has been duly and validly taken. The issuance and sale of the Securities by the Company is being made in accordance with all applicable law, including, without limitation, Article 15(b) of Decree 32 on the Protection of the Value of the Turkish Currency and Article 5/2 of the Prospectus and Issuance Certificate Communiqué No. II-5.1. of the Capital Markets Board of Turkey.

(n) *Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(o) *The Securities.* The Securities to be issued and sold by the Company hereunder have been duly authorized by the Company and, when issued and delivered and paid for as provided herein and pursuant to the terms of the Deposit Agreement and the Stock Lending Agreement, will be duly and validly issued, will be fully paid and nonassessable and will conform in all material respects to the descriptions thereof in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and the issuance of the Securities by the Company is not subject to any preemptive or similar rights other than those preemptive rights which have been disappplied in connection with the offering and sale of Securities contemplated hereby.

(p) *Deposit Agreement.* The Deposit Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the Depositary, constitutes a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

(q) *Descriptions of the Transaction Documents.* Each Transaction Document conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(r) *No Violation or Default.* Neither the Company nor any of its subsidiaries is (i) in violation of its articles of associations (*esas sözleşme*); (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property or asset of the Company or any of its subsidiaries is subject; or (iii) in violation of any law or statute applicable to the Company or its subsidiaries or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company or any of its subsidiaries, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(s) *No Conflicts.* The execution, delivery and performance by the Company of each of the Transaction Documents, the issuance and sale of the Securities by the Company and the consummation by the Company of the transactions contemplated by the Transaction Documents or the Pricing Disclosure Package and the Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property, right or asset of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the articles of associations (*esas sözleşme*) of the Company or any of its subsidiaries or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(t) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company of each of the Transaction Documents, the issuance and sale of the Securities, and the consummation of the transactions contemplated by the Transaction Documents, except for (i) the issuance certificate (*ihraç belgesi*) received from the Capital Markets Board of Turkey on [●] and dated [●], (ii) the approval of the Capital Markets Board of Turkey on the updated issuance certificate with its letter dated [●] and numbered [●], (iii) the registration of the Securities under the Securities Act and such consents, approvals, authorizations, orders and registrations or qualifications as may be required by the Financial Industry Regulatory Authority, Inc. ("FINRA") and under applicable state securities laws in connection with the purchase and distribution of the Securities by the Underwriters and (iv) the approval for listing on the Nasdaq Market (as defined below).

(u) *Legal Proceedings.* There are no legal, governmental or regulatory investigations, actions, demands, claims, suits, arbitrations, inquiries or proceedings ("Actions") pending to which the Company or any of its subsidiaries is or, to the knowledge of the Company, may become a party or to which any property of the Company or any of its subsidiaries is or, to the knowledge of the Company, may become subject that, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to have a Material Adverse Effect; no such Actions are threatened or, to the knowledge of the Company, contemplated by any governmental or regulatory authority or threatened by others; and (i) there are no current or pending Actions that are required under the Securities Act to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and (ii) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement or described in the Registration Statement, the ADR Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the ADR Registration Statement, the Pricing Disclosure Package and the Prospectus.

(v) *Independent Accountants.* PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (“PwC”) and Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (“EY”), who have certified certain financial statements of the Company and its subsidiaries, is each an independent registered public accounting firm with respect to the Company and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(w) *Title to Real and Personal Property.* The Company and its subsidiaries have good and marketable title to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries or (ii) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(x) *Intellectual Property.* (i) The Company and its subsidiaries own or have the right to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, domain names and other source indicators, copyrights and copyrightable works, know-how, trade secrets, systems, procedures, proprietary or confidential information and all other worldwide intellectual property, industrial property and proprietary rights (collectively, “Intellectual Property”) used or necessary for the conduct of their respective businesses as currently conducted or as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus (the “Company Intellectual Property”), except where such failure to own or possess rights would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) to the knowledge of the Company, the Company’s and its subsidiaries’ conduct of their respective businesses does not infringe, misappropriate or otherwise violate any Intellectual Property of any third party; (iii) except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company and its subsidiaries have not received any written notice of any claim relating to any Intellectual Property, and there is no pending or, to the Company’s knowledge, threatened action, suit, proceeding or claim by any third party against the Company or its Subsidiaries challenging the validity, scope, enforceability, use or ownership of any Company Intellectual Property; (iv) to the knowledge of the Company, the Intellectual Property of the Company and its subsidiaries is not being infringed, misappropriated or otherwise violated by any third party; and (v) the Company and its subsidiaries have taken all commercially reasonable steps to maintain the confidentiality of all trade secrets and other confidential information owned by the Company or any of its subsidiaries that the Company in its reasonable business judgment wishes to maintain as trade secrets and all trade secrets received from third parties under conditions of confidentiality.

(y) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, stockholders, customers, suppliers or other affiliates of the Company or any of its subsidiaries, on the other, that is required by the Securities Act to be described in each of the Registration Statement and the Prospectus and that is not so described in such documents and in the Pricing Disclosure Package.

(z) *Investment Company Act.* The Company is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof received by the Company as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, will not be required to register as an “investment company” or an entity “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Investment Company Act”).

(aa) *Taxes.* The Company and its subsidiaries have paid all federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof; and except as otherwise disclosed in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, there is no tax deficiency that has been, or could reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets, that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Any waiver, relief, concession or preferential treatment relating to taxes granted to the Company or any subsidiary by any Turkish taxing authority is valid and in full force and effect.

(bb) *Licenses and Permits.* The Company and its subsidiaries possess all licenses, sub-licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities having jurisdiction over the Company and its subsidiaries that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, except where the failure to possess or make the same would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and neither the Company nor any of its subsidiaries has received notice of any revocation or modification of any such license, sub-license, certificate, permit or authorization or has any reason to believe that any such license, sub-license, certificate, permit or authorization will not be renewed in the ordinary course, except where such revocation, modification or non-renewal would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(cc) *No Labor Disputes.* No labor disturbance by or dispute with employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of cancellation or termination with respect to any collective bargaining agreement to which it is a party.

(dd) *Certain Environmental Matters.* (i) The Company and its subsidiaries (x) are in compliance with all, and have not violated any, applicable federal, state, local and foreign laws (including common law), rules, regulations, requirements, decisions, judgments, decrees, orders and other legally enforceable requirements relating to pollution or the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"); (y) have received and are in compliance with all, and have not violated any, permits, licenses, certificates or other authorizations or approvals required of them under any Environmental Laws to conduct their respective businesses; and (z) have not received notice of any actual or potential liability or obligation under or relating to, or any actual or potential violation of, any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such matter as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) except as described in each of the Pricing Disclosure Package and the Prospectus, (x) there is no proceeding that is pending, or that is known to be contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceeding regarding which it is reasonably believed no monetary sanctions of \$100,000 (or Turkish Lira equivalent) or more will be imposed, (y) the Company and its subsidiaries are not aware of any facts or issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that could reasonably be expected to have a material effect on the capital expenditures, earnings or competitive position of the Company and its subsidiaries, and (z) none of the Company or its subsidiaries anticipates material capital expenditures relating to any Environmental Laws.

(ee) *Compliance with ERISA.* (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), for which the Company or its subsidiaries have any liability (contingent or otherwise) (each, a “Plan”) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code and (ii) neither the Company nor any of its subsidiaries has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guarantee Corporation, in the ordinary course and without default) in respect of a Plan (including a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA), except in each case with respect to the events or conditions set forth in (i) and (ii) hereof, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(ff) *Disclosure Controls.* The Company and its subsidiaries maintain an effective system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) of the Exchange Act) that complies with the requirements of the Exchange Act and that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company’s management as appropriate to allow timely decisions regarding required disclosure.

(gg) *Accounting Controls.* The Company and its subsidiaries maintain systems of “internal control over financial reporting” (as defined in Rule 13a-15(f) of the Exchange Act) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, their respective 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. The Company and its subsidiaries maintain internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no material weaknesses in the Company’s internal controls over financial reporting. The Company’s auditors and the Board of Directors of the Company have been advised of: (i) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which have adversely affected or are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal controls over financial reporting.

(hh) *Insurance.* The Company and its subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks which the Company reasonably believes are adequate to protect the Company and its subsidiaries and their respective businesses; and neither the Company nor any of its subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

(ii) *Cybersecurity; Data Protection.* The information technology assets and equipment, computers, systems, networks, servers, hardware, software, websites, applications, and databases used in the Company's and its subsidiaries' business (collectively, "IT Systems") are adequate for, and operate and perform in all material respects as required in connection with the operation of such business as currently conducted, and such IT Systems are free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Company and its subsidiaries have implemented and maintained commercially reasonable controls, policies, procedures, and safeguards to maintain and protect their material confidential information and the integrity, continuous operation (including commercially reasonable disaster recovery), redundancy and security of all IT Systems and data (including any personally identifiable information and regulated data) maintained, processed or stored by the Company or its subsidiaries, and any such data processed or stored by third parties on behalf of the Company or its subsidiaries (collectively, "Company Data"), and there have been no breaches, incidents, violations, outages or unauthorized use, access or disclosure or other compromise to the IT Systems or the Company Data, except for those that have been remedied without material cost or liability. The Company and its subsidiaries are presently in compliance with all applicable laws and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal or publicly posted policies of the Company and its subsidiaries, and contractual obligations, in each case, relating to the privacy, protection or security of IT Systems or Company Data ("Privacy Legal Obligations") or to the collection, processing, sharing, transfer, usage, disposal or storage of Company Data. Neither the Company nor any of its subsidiaries has received any notice, request or other communication from any governmental or regulatory authority or claim from any person, or has been subject to any enforcement action, in each case, relating to a breach or alleged breach of Privacy Legal Obligations, except as would not, individual or in the aggregate reasonably be expected to have a Material Adverse Effect.

(jj) *No Unlawful Payments.* Neither the Company nor any of its subsidiaries, nor any director or officer of the Company or any of its subsidiaries nor, to the knowledge of the Company, any employee, agent, affiliates, representative or other person associated with or acting on behalf of the Company or any of its subsidiaries, or any agent or representative of the Company's affiliates has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, payment, promise, authorization or approval of any direct or indirect unlawful payment, giving or receipt of money, property, gifts or benefit or anything else of value, directly or indirectly, to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office ("Governmental Official") in order to influence official action, or to any person in violation of any applicable anti-corruption laws; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Company and its subsidiaries and affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures reasonably designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws and with the representations and warranties contained in this paragraph. Neither the Company nor any of its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(kk) *Compliance with Anti-Money Laundering Laws.* The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the “Anti-Money Laundering Laws”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(ll) *No Conflicts with Sanctions Laws.* Neither the Company nor any of its subsidiaries, directors, officers or employees, nor, to the knowledge of the Company, any agent, affiliate, representative or other person associated with or acting on behalf of the Company or any of its subsidiaries, is an individual or entity (“Person”), or is owned or controlled by one or more Persons that are, (A) currently the subject or the target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council (“UNSC”), the European Union, Her Majesty’s Treasury (“HMT”) or other relevant sanctions authority (collectively, “Sanctions”), or (B) located, organized or resident in a country or territory that is the subject or target of Sanctions, including currently, without limitation, Crimea, Cuba, Iran, North Korea and Syria (each, a “Sanctioned Country”); and the Company will not directly or indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise) of Sanctions. The Company and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in and will not engage in any dealings or transactions with any Person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or that at the time of the dealing or transaction is or was any Sanctioned Country.

(mm) *No Restrictions on Subsidiaries.* No subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock or similar ownership interest, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(nn) *No Broker's Fees.* Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(oo) *No Registration Rights.* No person has the right to require the Company or any of its subsidiaries to register any securities for sale under the Securities Act by reason of the filing of the Registration Statement with the Commission with respect to the issuance and sale of the Securities by the Company or the sale of the Securities to be sold by the Selling Stockholder hereunder.

(pp) *No Stabilization.* Neither the Company nor any of its subsidiaries, nor, to the knowledge of the Company, any affiliate of the Company has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(qq) *Margin Rules.* Neither the issuance, sale and delivery of the Securities nor the application of the proceeds thereof by the Company as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(rr) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in any of the Registration Statement, the Pricing Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ss) *Statistical and Market Data.* Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects.

(tt) *Sarbanes-Oxley Act.* To the extent applicable to the Company on the date hereof, there is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(uu) *Status under the Securities Act.* At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Securities and at the date hereof, the Company was not and is not an "ineligible issuer", as defined in Rule 405 under the Securities Act. The Company has paid the applicable registration fee for the offering of Securities contemplated hereby under the Securities Act within the period required therein and in any event prior to the Closing Date.

(vv) *No Ratings.* There are (and prior to the Closing Date, will be) no debt securities, convertible securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries that are rated by a "nationally recognized statistical rating organization", as such term is defined in Section 3(a)(62) under the Exchange Act.

(ww) *Stamp Taxes.* Except for any net income, capital gains or franchise taxes imposed on the Underwriters by Turkey or any political subdivision or taxing authority thereof or therein as a result of any present or former connection (other than any connection resulting from the transactions contemplated by this Agreement and the other Transaction Documents) between the Underwriters and the jurisdiction imposing such tax [and any potential stamp taxes in Turkey on the Agreement], no stamp duties or other issuance, transfer, or withholding taxes or duties are payable by or on behalf of the Underwriters in Turkey, the United States or any political subdivision or taxing authority thereof solely in connection with (A) the execution, delivery and performance of the Transaction Documents (including, without limitation, the deposit with the Depository of the Underlying Shares against issuance of the ADSs or the ADRs evidencing the ADSs), (B) the creation, allotment, issuance and delivery of the Securities in the manner contemplated by this Agreement and the Prospectus, or (C) the initial resale and delivery by the Underwriters of the Securities as contemplated herein and in the Prospectus.

(xx) *No Immunity.* Neither the Company nor any of its subsidiaries or their properties or assets has immunity under Turkish, U.S. federal or New York state law from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of Turkish, U.S. federal or New York state court, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court with respect to their respective obligations, liabilities or any other matter under or arising out of or in connection herewith; and, to the extent that the Company or any of its subsidiaries or any of its properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings arising out of, or relating to the transactions contemplated by the Transaction Documents, may at any time be commenced, the Company has, pursuant to Section 18(e) of this Agreement, waived, and it will waive, or will cause its subsidiaries to waive, such right to the extent permitted by law.

(yy) *Enforcement of Foreign Judgments.* Any final judgment for a fixed or determined sum of money rendered by any U.S. federal or New York state court located in the State of New York having jurisdiction under its own laws in respect of any suit, action or proceeding against the Company based upon any of the Transaction Documents would be recognized and declared enforceable against the Company by the courts of Turkey, without reconsideration or reexamination of the merits. The Transaction Documents are in proper form under the laws of Turkey for the enforcement thereof against the Company, and to ensure the legality, validity, enforceability or admissibility into evidence in Turkish courts of the Transaction Documents.

(zz) *Valid Choice of Law.* The choice of laws of the State of New York as the governing law of the Transaction Documents is a valid choice of law under the laws of Turkey and will be honored by the courts of Turkey, subject to the restrictions described under the caption "Enforceability of Civil Liabilities" in the Registration Statement, the Pricing Disclosure Package and the Prospectus. The Company (i) has the power to submit, and pursuant to Section 18(c) of this Agreement, has legally, validly, effectively and irrevocably submitted, to the personal jurisdiction of each New York state and United States federal court sitting in the City of New York and has validly and irrevocably waived any objection to the laying of venue of any suit, action or proceeding brought in such court; and (ii) has the power to designate, appoint and empower, and pursuant to Section 18(c), has legally, validly and effectively designated, appointed and empowered an agent for service of process in any suit or proceeding based on or arising under the Transaction Documents in any of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York.

(aaa) *Indemnification and Contribution.* The indemnification and contribution provisions set forth in Section 9 hereof do not contravene the laws of Turkey or public policy.

(bbb) *Passive Foreign Investment Company.* The Company does not expect to be a “passive foreign investment company” (“PFIC”) as defined in Section 1297 of the Code in its current taxable year or for the foreseeable future.

(ccc) *Dividends.* No consent, approvals, authorization or order of, or qualification with, any court or governmental agency or body in Turkey are currently required in order for the Company to pay dividends or other distributions declared by the Company to the holders of Class B Shares. Under current laws and regulations of Turkey and any political subdivision thereof, any amount payable with respect to the Class B Shares upon liquidation of the Company or upon redemption thereof and dividends and other distributions declared and payable on the share capital of the Company may be paid by the Company or the Depositary, as the case may be, in Turkish Lira and freely transferred and remitted out of Turkey, and in the case of dividends paid to the Depositary, may be converted into, transferred out of Turkey and paid by the Depositary to the holders of ADSs in United States dollars, in accordance with the Deposit Agreement, in each case without there being required any consent, approval, authorization or order of, or qualification with, any court or governmental agency or body in Turkey; and except as disclosed in the Registration Statement, the ADR Registration Statement, the Pricing Disclosure Package and the Prospectus, no such payments made to the holders thereof or therein who are non-residents of Turkey will be subject to income, withholding or other taxes under laws and regulations of Turkey or any political subdivision or taxing authority thereof or therein and without the necessity of obtaining any governmental authorization in Turkey or any political subdivision or taxing authority thereof or therein.

(ddd) *Legality.* The legality, validity, enforceability or admissibility into evidence of any of the Registration Statement, the ADR Registration Statement, the Pricing Disclosure Package, the Prospectus, this Agreement or the Securities in any jurisdiction in which the Company is organized or does business is not dependent upon such document being submitted into, filed or recorded with any court or other authority in any such jurisdiction on or before the date hereof or that any tax, imposition or charge be paid in any such jurisdiction on or in respect of any such document, provided that, to ensure the admissibility in evidence of them before the courts in Turkey, a translation thereof into Turkish certified by a notary public or General Consulate of Turkey is necessary at the time of admission.

(eee) *Legal Action.* A holder of the Securities and each Underwriter are each entitled to sue as plaintiff in the court of the jurisdiction of formation and domicile of the Company for the enforcement of their respective rights under this Agreement and the Securities and such access to such courts will not be subject to any conditions which are not applicable to residents of such jurisdiction or a company incorporated in such jurisdiction except that plaintiffs not residing in Turkey may be required to guarantee payment of a possible order for payment of costs or damages at the request of the defendant. It is not necessary under the laws of Turkey (i) to enable the Underwriters to enforce their rights under this Agreement, *provided* that they are not otherwise engaged in business in Turkey, or (ii) solely by reason of the execution, delivery or consummation of the Transaction Documents or the offering or sale by the Company or the Selling Stockholder of the Securities, for any of the Underwriters to be qualified or entitled to carry out business in Turkey.

(fff) *Foreign Private Issuer.* The Company is a “foreign private issuer” as defined in Rule 405 under the Securities Act.

4. Representations and Warranties of the Selling Stockholder. The Selling Stockholder represents and warrants to each Underwriter and the Company that:

(a) *Required Consents; Authority.* All consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement and the Custody Agreement and Power of Attorney (the “Custody Agreement and Power of Attorney”) hereinafter referred to, and for the deposit of the Underlying Shares with the Depository in accordance with the terms of the Deposit Agreement and the Custody Agreement and Power of Attorney, and the sale and delivery of the Securities to be sold by such Selling Stockholder hereunder, have been obtained, except for the registration of the Securities under the Securities Act, such consents, approvals, authorizations and orders as may be required by FINRA and under applicable state securities laws in connection with the purchase and distribution of the Securities by the Underwriters and the approval for listing on the Nasdaq Market; and such Selling Stockholder has full right, power and authority to enter into this Agreement, the Custody Agreement and Power of Attorney, to deposit the Underlying Shares with the Depository in accordance with the terms of the Deposit Agreement and the Custody Agreement and Power of Attorney, and to sell, assign, transfer and deliver the Securities to be sold by such Selling Stockholder hereunder; this Agreement, the Custody Agreement and Power of Attorney have each been duly authorized, executed and delivered by such Selling Stockholder.

(b) *No Conflicts.* The execution, delivery and performance by such Selling Stockholder of this Agreement, the Custody Agreement and Power of Attorney, deposit of the Underlying Shares with the Depository in accordance with the terms of the Deposit Agreement and the Custody Agreement and Power of Attorney, the sale of the Securities to be sold by such Selling Stockholder and the consummation by such Selling Stockholder of the transactions contemplated herein or therein will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of such Selling Stockholder pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property, right or asset of such Selling Stockholder is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of such Selling Stockholder, as applicable, or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory agency, except in the case of the foregoing clauses (i) and (iii) above, as would not, individually or in the aggregate, reasonably be expected to material impact the Selling Shareholder’s ability to perform its obligations under this Agreement or the Custody Agreement and Power of Attorney.

(c) *Title to Securities.* Such Selling Stockholder has good and valid title to the Underlying Shares to be sold by such Selling Stockholder hereunder at the Closing Date or the Additional Closing Date, as the case may be, free and clear of all liens, encumbrances, equities or adverse claims; such Selling Stockholder will have, immediately prior to the Closing Date or the Additional Closing Date, as the case may be, good and valid title to the Underlying Shares to be sold at the Closing Date or the Additional Closing Date, as the case may be, by such Selling Stockholder, free and clear of all liens, encumbrances, equities or adverse claims; and, upon delivery of and payment for the Securities pursuant hereto and to the terms of the Deposit Agreement, good and valid title to such Securities, free and clear of all liens, encumbrances, equities or adverse claims, will pass to the several Underwriters.

(d) *No Stabilization.* Such Selling Stockholder has not taken and will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(e) *Pricing Disclosure Package.* The Pricing Disclosure Package, at the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that such Selling Stockholder's representation under this Section 4(c) shall only apply to any such statement or omission made in reliance upon and in conformity with information relating to the Selling Stockholder furnished to the Company in writing by such Selling Stockholder expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by the Selling Stockholder consists of (A) the legal name and address of the Selling Stockholder, the number and class of shares held by the Selling Stockholder and the percentages of voting power, and the other information about the Selling Stockholder set forth in the footnote relating to the Selling Stockholder under the table under the caption "Principal and Selling Shareholders" (collectively, the "Selling Stockholder Information").

(f) *Issuer Free Writing Prospectus.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, such Selling Stockholder (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any Issuer Free Writing Prospectus or Written Testing-the-Waters Communication, other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A or Annex B hereto, each electronic road show and any other written communications approved in writing in advance by the Company and the Representatives.

(g) *Registration Statement and Prospectus.* As of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that such Selling Stockholder's representation under this Section 4(g) shall only apply to any such statement or omission made in reliance upon and in conformity with the Selling Stockholder Information.

(h) *Material Information.* As of the date hereof and as of the Closing Date and as of the Additional Closing Date, as the case may be, that the sale of the Securities by such Selling Stockholder is not and will not be prompted by any material information concerning the Company which is not set forth in the Registration Statement, the Pricing Disclosure Package or the Prospectus.

(i) *No Unlawful Payments.* Neither such Selling Stockholder nor any of its subsidiaries or affiliates, nor any director, officer or employee of such Selling Stockholder or any of its subsidiaries or affiliates nor, to the knowledge of such Selling Stockholder, any agent, representative or other person associated with or acting on behalf of such Selling Stockholder or any of its subsidiaries or affiliates has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, payment, promise, authorization or approval of any direct or indirect unlawful payment, giving or receipt of money, property, gifts or benefit or anything else of value, directly or indirectly, to any Governmental Official in order to influence official action, or to any person in violation of any applicable anti-corruption laws; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. Such Selling Stockholder and its subsidiaries and affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures reasonably designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws and with the representations and warranties contained herein. Neither the Selling Stockholder nor any of its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(j) *Compliance with Anti-Money Laundering Laws.* The operations of such Selling Stockholder and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable money laundering statutes of all jurisdictions where such Selling Stockholder or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the “Anti-Money Laundering Laws”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving such Selling Stockholder or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of such Selling Stockholder, threatened.

(k) *No Conflicts with Sanctions Laws.* Neither such Selling Stockholder nor any of its subsidiaries, directors, or officers or employees, nor, to the knowledge of such Selling Stockholder, any agent, or affiliate of such Selling Stockholder or its subsidiaries, is an individual or entity (“Person”), or is owned or controlled by one or more Persons that are, (A) currently the subject or the target of any Sanctions, or (B) located, organized or resident in a Sanctioned Country; and such Selling Stockholder will not directly or indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise) of Sanctions. Such Selling Stockholder and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in and will not engage in any dealings or transactions with any Person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(l) *Organization.* Such Selling Stockholder has been duly organized in the Netherlands for an indefinite period, is capable of suing and being sued in its own name, has full statutory power and authority, corporate capacity and legal right to carry on its business in the manner contemplated by its organizational documents and to own and deal with property, has been in continuous and unbroken existence since the date of its incorporation and is validly existing under the laws of its respective jurisdiction of organization.

(m) *ERISA*. Such Selling Stockholder is not (i) an employee benefit plan subject to Title I of ERISA, (ii) a plan or account subject to Section 4975 of the Code or (iii) an entity deemed to hold “plan assets” of any such plan or account under Section 3(42) of ERISA, 29 C.F.R. 2510.3-101, or otherwise.

(n) *Stamp Taxes*. Except for any net income, capital gains or franchise taxes imposed on the Underwriters by Turkey, the Netherlands or any political subdivision or taxing authority thereof or therein as a result of any present or former connection (other than any connection resulting from the transactions contemplated by this Agreement) between the Underwriters and the jurisdiction imposing such tax [and any potential stamp taxes in Turkey on the Agreement], no stamp duties or other issuance, transfer, or withholding taxes or duties are payable by or on behalf of the Underwriters in Turkey, the Netherlands, the United States or any political subdivision or taxing authority thereof solely in connection with (A) the execution, delivery and performance of the Transaction Documents by the Selling Stockholder (including, without limitation, the deposit with the Depository of the Underlying Shares against issuance of the ADSs or issuance of the ADRs evidencing the ADSs), (B) the sale and delivery of the Securities by such Selling Stockholder to the Underwriters in the manner contemplated by this Agreement and the Prospectus, or (C) the initial resale and delivery by the Underwriters of the Securities sold by the Selling Stockholder as contemplated herein and in the Prospectus.

(o) *Enforcement of Foreign Judgments*. Any final judgment for a fixed or determined sum of money rendered by any U.S. federal or New York state court located in the State of New York having jurisdiction under its own laws in respect of any suit, action or proceeding against such Selling Stockholder based upon any of the Transaction Documents would be recognized and declared enforceable against such Selling Stockholder by the courts of Turkey, without reconsideration or reexamination of the merits. The Transaction Documents are in proper form under the laws of Turkey and the Netherlands, as applicable, for the enforcement thereof against the Selling Stockholders, and to ensure the legality, validity, enforceability or admissibility into evidence in Turkish and Dutch courts of the Transaction Documents.

(p) *Valid Choice of Law*. The Selling Stockholder (i) has the power to submit, and pursuant to Section 18(c) of this Agreement, has legally, validly, effectively and irrevocably submitted, to the personal jurisdiction of each New York state and United States federal court sitting in the City of New York and has validly and irrevocably waived any objection to the laying of venue of any suit, action or proceeding brought in such court; and (ii) has the power to designate, appoint and empower, and pursuant to Section 18(c) hereof, has legally, validly and effectively designated, appointed and empowered an agent for service of process in any suit or proceeding based on or arising under the Transaction Documents in any of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York.

(q) *Currency.* To the extent any payment is to be made by such Selling Stockholder pursuant to the Transaction Documents, such Selling Stockholder has access, subject to the laws of Turkey, to the internal currency market in Turkey and, to the extent necessary, valid agreements with Turkish commercial banks for purchasing U.S. dollars to make payments of amounts which may be payable under any Transaction Document.

(r) *Custody Arrangements.* The Selling Stockholder represents and warrants that certificates in negotiable form representing all of the Securities to be sold by such Selling Stockholder hereunder have been placed in custody under a Custody Agreement and Power of Attorney relating to such Securities, in the form heretofore furnished to you, duly executed and delivered by such Selling Stockholder to the Company, acting as custodian for the Selling Stockholder (“SSH Custodian”), and that such Selling Stockholder has duly executed and delivered Powers of Attorney, in the form heretofore furnished to you, appointing the person or persons indicated in Schedule 2 hereto, and each of them, as such Selling Stockholder’s Attorneys-in-fact (the “Attorneys-in-Fact” or any one of them the “Attorney-in Fact”) with authority to execute and deliver this Agreement on behalf of such Selling Stockholder, to determine the purchase price to be paid by the Underwriters to the Selling Stockholder as provided herein, to authorize the delivery of the Securities to be sold by such Selling Stockholder hereunder and otherwise to act on behalf of such Selling Stockholder in connection with the transactions contemplated by this Agreement and the Custody Agreement and Power of Attorney.

The Selling Stockholder specifically agrees that the Securities represented by the certificates held in custody for such Selling Stockholder under the Custody Agreement and Power of Attorney, are subject to the interests of the Underwriters hereunder, and that the arrangements made by such Selling Stockholder for such custody, and the appointment by such Selling Stockholder of the Attorneys-in-Fact by the Custody Agreement and Power of Attorney, are to that extent irrevocable. The Selling Stockholder specifically agrees that the obligations of such Selling Stockholder hereunder shall not be terminated by operation of law, whether by the death or incapacity of any individual Selling Stockholder, or, in the case of an estate or trust, by the death or incapacity of any executor or trustee or the termination of such estate or trust, or in the case of a partnership, corporation or similar organization, by the dissolution of such partnership, corporation or organization, or by the occurrence of any other event. If any individual Selling Stockholder or any such executor or trustee should die or become incapacitated, or if any such estate or trust should be terminated, or if any such partnership, corporation or similar organization should be dissolved, or if any other such event should occur, before the delivery of the Securities hereunder, certificates representing such Securities shall be delivered by or on behalf of such Selling Stockholder in accordance with the terms and conditions of this Agreement and the Custody Agreement and Power of Attorney, and actions taken by the Attorneys-in-Fact pursuant to the Powers of Attorney shall be as valid as if such death, incapacity, termination, dissolution or other event had not occurred, regardless of whether or not the SSH Custodian, the Attorneys-in-Fact, or any of them, shall have received notice of such death, incapacity, termination, dissolution or other event.

5. Further Agreements of the Company. The Company covenants and agrees with each Underwriter that:

(a) *Required Filings.* The Company will file the final Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any Issuer Free Writing Prospectus to the extent required by Rule 433 under the Securities Act; and the Company will furnish copies of the Prospectus and each Issuer Free Writing Prospectus (to the extent not previously delivered) to the Underwriters in New York City prior to 10:00 A.M., New York City time, on the business day next succeeding the date of this Agreement in such quantities as the Representatives may reasonably request.

(b) *Delivery of Copies.* The Company will deliver, without charge, (i) to the Representatives, [four signed copies] of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith; and (ii) to each Underwriter (A) a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) and (B) during the Prospectus Delivery Period (as defined below), as many copies of the Prospectus (including all amendments and supplements thereto and each Issuer Free Writing Prospectus) as the Representatives may reasonably request. As used herein, the term "Prospectus Delivery Period" means such period of time after the first date of the public offering of the Securities as in the opinion of counsel for the Underwriters a prospectus relating to the Securities is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Securities by any Underwriter or dealer.

(c) *Amendments or Supplements, Issuer Free Writing Prospectuses.* Before making, preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement, the ADR Registration Statement, the Pricing Disclosure Package or the Prospectus, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not make, prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object.

(d) *Notice to the Representatives.* The Company will advise the Representatives promptly, and confirm such advice in writing, (i) when the Registration Statement and the ADR Registration Statement have become effective; (ii) when any amendment to the Registration Statement or the ADR Registration Statement has been filed or becomes effective; (iii) when any supplement to the Pricing Disclosure Package, the Prospectus, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication or any amendment to the Prospectus has been filed or distributed; (iv) of any request by the Commission for any amendment to the Registration Statement or the ADR Registration Statement or any amendment or supplement to the Prospectus or the receipt of any comments from the Commission relating to the Registration Statement, the ADR Registration Statement or any other request by the Commission for any additional information including, but not limited to, any request for information concerning any Testing-the-Waters Communication; (v) of the issuance by the Commission or any other governmental or regulatory authority of any order suspending the effectiveness of the Registration Statement or the ADR Registration Statement, or preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package, the Prospectus or any Written Testing-the-Waters Communication or the initiation or threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (vi) of the occurrence of any event or development within the Prospectus Delivery Period as a result of which the Prospectus, any of the Pricing Disclosure Package, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the Pricing Disclosure Package, any such Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication is delivered to a purchaser, not misleading; and (vii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company will use its reasonable best efforts to prevent the issuance of any such order suspending the effectiveness of the Registration Statement or the ADR Registration Statement, preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package or the Prospectus or any Written Testing-the-Waters Communication or suspending any such qualification of the Securities and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Ongoing Compliance.* (1) If during the Prospectus Delivery Period (i) any event or development shall occur or condition shall exist as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Prospectus to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law and (2) if at any time prior to the Closing Date (i) any event or development shall occur or condition shall exist as a result of which the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Pricing Disclosure Package to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate, such amendments or supplements to the Pricing Disclosure Package as may be necessary so that the statements in the Pricing Disclosure Package as so amended or supplemented will not, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, be misleading or so that the Pricing Disclosure Package will comply with law.

(f) *Blue Sky Compliance.* The Company will qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and will continue such qualifications in effect so long as required for distribution of the Securities; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(g) *Earning Statement.* The Company will make generally available to its security holders and the Representatives as soon as practicable an earning statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the “effective date” (as defined in Rule 158) of the Registration Statement, provided that the Company will be deemed to have complied with such requirements by furnishing such earning statement on the Commission’s Electronic Data Gathering, Analysis, and Retrieval system (or any successor system) (“EDGAR”).

(h) *Clear Market.* For a period of 180 days after the date of the Prospectus (“Lock-up Period”), the Company will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the Commission a registration statement under the Securities Act relating to, any shares of Stock, ADSs or any securities convertible into or exercisable or exchangeable for Stock or ADSs, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock, ADSs or any such other securities, or publicly disclose the intention to undertake any of the foregoing, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or ADSs or such other securities, in cash or otherwise, without the prior written consent of the Representatives, other than the Securities to be sold hereunder. The Company will not facilitate the conversion of the any shares of Stock held by any of the Lock-up Parties (as defined below) to ADSs during the Lock-up Period and will not release the Depository from the obligations set forth in, or otherwise amend, terminate or fail to enforce, the Depository Side Letter (as defined below) without the prior written consent of each of the Representatives during the Lock-up Period.

The restrictions described above do not apply to (i) the issuance of shares of Stock or securities convertible into or exercisable for shares of Stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of restricted stock units (including net settlement), in each case outstanding on the date of this Agreement and described in the Prospectus; (ii) grants of stock options, stock awards, restricted stock, restricted stock units, or other equity awards and the issuance of shares of Stock or ADSs or securities convertible into or exercisable or exchangeable for shares of Stock or ADSs (whether upon the exercise of stock options or otherwise) to the Company's employees, officers, directors, advisors, or consultants pursuant to the terms of an equity compensation plan in effect as of the Closing Date and described in the Prospectus, provided that such recipients enter into a lock-up agreement with the Underwriters; or (iii) the filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of this Agreement and described in the Prospectus or any assumed benefit plan pursuant to an acquisition or similar strategic transaction.

If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 8(l) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver substantially in the form of Exhibit B hereto at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver substantially in the form of Exhibit C hereto through a major news service at least two business days before the effective date of the release or waiver.

(i) *Use of Proceeds.* The Company will apply the net proceeds from the sale of the Securities as described in each of the Registration Statement, the ADR Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading "Use of Proceeds". The Company will not directly or indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to a subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject of target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(j) *No Stabilization.* Neither the Company nor its subsidiaries or affiliates will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Stock.

(k) *Exchange Listing.* The Company will use its reasonable best efforts to list for quotation the ADSs on the [Nasdaq Global Select Market] (the "Nasdaq Market").

(l) *Reports.* During a period of three years from the effective date of the Registration Statement, the Company will furnish to the Representatives, as soon as they are available, copies of all reports or other communications (financial or other) furnished to holders of the Securities, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; provided the Company will be deemed to have furnished such reports and financial statements to the Representatives to the extent they are filed on EDGAR.

(m) *Record Retention.* The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

(n) *Filings.* The Company will file with the Commission such reports as may be required by Rule 463 under the Securities Act.

(o) *Emerging Growth Company; Foreign Private Issuer.* The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company or a foreign private issuer, as defined in Rule 405 under the Securities Act, at any time prior to the later of (i) completion of the distribution of Securities within the meaning of the Securities Act and (ii) completion of the 180-day restricted period referred to in Section 5(h) hereof.

(p) *Tax Indemnity.* The Company will indemnify and hold harmless the Underwriters against any documentary, stamp, registration or similar issuance tax, including any interest and penalties, on (A) the execution, delivery and performance of the Transaction Documents by the Company and/or the Underwriters, (B) the creation, allotment, issuance and delivery of the Securities sold by the Company and/or the Underwriters in the manner contemplated by this Agreement and the Prospectus, (C) the deposit with the Depository of the Underlying Shares against issuance of the ADSs or the ADRs evidencing the ADSs sold by the Company, or (D) the initial sale and delivery by the Underwriters of the Securities sold by the Company to purchasers thereof as contemplated herein, in the Stock Lending Agreement and in the Prospectus, in the case of each of (B), (C) and (D), in the manner contemplated by this Agreement, the Stock Lending Agreement and the Prospectus. All indemnity payments to be made by the Company hereunder in respect of this Section 5(p) shall be made without withholding or deduction for or on account of any present or future Turkish taxes, duties or governmental shares whatsoever unless the Company is compelled by law to deduct or withhold such taxes, duties or charges. In that event, except for any net income, capital gains or franchise taxes imposed on the Underwriters by Turkey or the United States or any political subdivision of taxing authority thereof or therein as a result of any present or former connection (other than any connection resulting from the transactions contemplated by this Agreement) between the Underwriters and the jurisdiction imposing such withholding or deductions, the Company shall pay such additional amounts as may be necessary in order to ensure that the net amounts received after such withholding or deductions shall equal the amounts that would have been received if no withholding or deduction had been made.

(r) *Deposit of Shares.* The Company will deposit the Underlying Shares being sold by the Company with the Depository in accordance with the provisions of the Deposit Agreement and otherwise comply with the Deposit Agreement so that Underwritten Securities or Option Securities, as the case may be, will be issued by the Depository against receipt of such Underlying Shares and delivered to the Underwriters on the Closing Date or the Additional Closing Date, as the case may be.

6. Further Agreements of the Selling Stockholder. The Selling Stockholder covenants and agrees with each Underwriter that:

(a) *No Stabilization.* Such Selling Stockholder will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Stock.

(b) *Tax Form.* It will deliver to the Representatives prior to or at the Closing Date a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by the Treasury Department regulations in lieu thereof) in order to facilitate the Underwriters' documentation of their compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated.

(c) *Tax Indemnity.* It will indemnify and hold harmless the Underwriters against any documentary, stamp, issue, registration, sales, transfer, income, capital gains or similar issuance tax, including any interest and penalties, on (A) the execution, delivery and performance of the Transaction Documents by the Selling Stockholder and/or the Underwriters, (B) the sale and delivery of the Securities sold by the Selling Stockholder and/or the Underwriters in the manner contemplated by this Agreement and the Prospectus, (C) the deposit with the Depositary of the Underlying Shares against issuance of the ADSs or the ADRs evidencing the ADSs sold by the Selling Stockholder, or (D) the resale and delivery by the Underwriters of the Securities sold by the Selling Stockholder as contemplated herein and in the Prospectus. All indemnity payments to be made by such Selling Stockholder hereunder in respect of this Section 6(c) shall be made without withholding or deduction for or on account of any present or future Turkish taxes, duties or governmental shares whatsoever unless such Selling Stockholder is compelled by law to deduct or withhold such taxes, duties or charges. In that event, except for any net income, capital gains or franchise taxes imposed on the Underwriters by Turkey or the United States or any political subdivision of taxing authority thereof or therein as a result of any present or former connection (other than any connection resulting from the transactions contemplated by this Agreement) between the Underwriters and the jurisdiction imposing such withholding or deductions, such Selling Stockholder shall pay such additional amounts as may be necessary in order to ensure that the net amounts received after such withholding or deductions shall equal the amounts that would have been received if no withholding or deduction has been made.

(d) *Use of Proceeds.* Each Selling Stockholder will not directly or indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to a subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject of target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(e) *Deposit of Shares.* The Selling Stockholder will take all measures required from it to allow the Company to deposit the Underlying Shares represented by the ADSs with the Depository in accordance with the provisions of the Deposit Agreement and otherwise comply with the Deposit Agreement so that Underwritten Securities or Option Securities, as the case may be, are issued by the Depository against receipt of such Underlying Shares and delivered to the Underwriters on the Closing Date or the Additional Closing Date, as the case may be.

7. Certain Agreements of the Underwriters. Each Underwriter hereby severally represents and agrees that:

(a) It has not and will not use, authorize use of, refer to or participate in the planning for use of, any “free writing prospectus”, as defined in Rule 405 under the Securities Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that contains no “issuer information” (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed on Annex A or prepared pursuant to Section 3(c) or Section 4(f) above (including any electronic road show), or (iii) any free writing prospectus prepared by such underwriter and approved by the Company in advance in writing (each such free writing prospectus referred to in clauses (i) or (iii), an “Underwriter Free Writing Prospectus”).

(b) It has not and will not, without the prior written consent of the Company, use any free writing prospectus that contains the final terms of the Securities unless such terms have previously been included in a free writing prospectus filed with the Commission; provided that Underwriters may use a term sheet substantially in the form of Annex C hereto without the consent of the Company; provided further that any Underwriter using such term sheet shall notify the Company, and provide a copy of such term sheet to the Company, prior to, or substantially concurrently with, the first use of such term sheet.

(c) It is not subject to any pending proceeding under Section 8A of the Securities Act with respect to the offering (and will promptly notify the Company and the Selling Stockholder if any such proceeding against it is initiated during the Prospectus Delivery Period).

8. Conditions of Underwriters’ Obligations. The obligation of each Underwriter to purchase the Underwritten Securities on the Closing Date or the Option Securities on the Additional Closing Date, as the case may be, as provided herein is subject to the performance by the Company and the Selling Stockholder of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Registration Compliance; No Stop Order.* No order suspending the effectiveness of the Registration Statement or the ADR Registration Statement shall be in effect, and no proceeding for such purpose pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission; the Prospectus and each Issuer Free Writing Prospectus shall have been timely filed with the Commission under the Securities Act (in the case of an Issuer Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act) and in accordance with Section 5(a) hereof; and all requests by the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representatives.

(b) *Representations and Warranties.* The respective representations and warranties of the Company and the Selling Stockholder contained herein shall be true and correct on the date hereof and on and as of the Closing Date or the Additional Closing Date, as the case may be; and the statements of the Company and its officers and the Selling Stockholder and their officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date or the Additional Closing Date, as the case may be.

(c) *No Material Adverse Change.* No event or condition of a type described in Section 3(i) hereof shall have occurred or shall exist, which event or condition is not described in the Pricing Disclosure Package (excluding any amendment or supplement thereto) and the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

(d) *Officer's Certificate.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, (x) a certificate of the chief financial officer or chief accounting officer of the Company and one additional senior executive officer of the Company who is satisfactory to the Representatives (i) confirming that such officers have carefully reviewed the Registration Statement, the ADR Registration Statement, the Pricing Disclosure Package and the Prospectus and, to the knowledge of such officers, the representations of the Company set forth in Sections 3(b), 3(c) and 3(f) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company in this Agreement are true and correct and that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or the Additional Closing Date, as the case may be, and (iii) to the effect set forth in paragraphs (a) and (c) above; and (y) a certificate of the Selling Stockholder, in form and substance reasonably satisfactory to the Representatives, (A) confirming that the representations of such Selling Stockholder set forth in Sections 4(e) and 4(g) hereof is true and correct and (B) confirming that the other representations and warranties of such Selling Stockholder in this agreement are true and correct and that the such Selling Stockholder has complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to such Closing Date.

(e) *Comfort Letters.* (i) On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, each of PwC and EY shall have furnished to the Representatives, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in each of the Registration Statement the Pricing Disclosure Package and the Prospectus; provided, that the letter delivered on the Closing Date or the Additional Closing Date, as the case may be, shall use a "cut-off" date no more than two business days prior to such Closing Date or such Additional Closing Date, as the case may be.

(ii) On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives a certificate, dated the respective dates of delivery thereof and addressed to the Underwriters, of its chief financial officer with respect to certain financial data contained in the Pricing Disclosure Package and the Prospectus, providing “management comfort” with respect to such information, in form and substance reasonably satisfactory to the Representatives.

(f) *Opinion and 10b-5 Statement of Counsel for the Company.* White & Case LLP, counsel for the Company as to U.S. federal law, shall have furnished to the Representatives, at the request of the Company, their written opinion and 10b-5 statement, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives. Further, GKC Partners (Devrim Güniz Gökçe Avukatlık Bürosu), counsel for the Company as to certain matters of Turkish law, shall have furnished to the Representatives, at the request of the Company, their written opinion, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(g) *Opinion of Counsel for the Selling Stockholder.* (i) White & Case LLP, counsel for the Selling Stockholder as to U.S. federal law, shall have furnished to the Representatives, at the request of the Selling Stockholder, their written opinion, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives; (ii) Van Campen Liem, counsel for the Selling Stockholder as to certain matters of Dutch law, shall have furnished to the Representatives, at the request of the Selling Stockholder, their written opinion, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(h) *Opinion and 10b-5 Statement of Counsel for the Underwriters.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, (i) an opinion and 10b-5 statement, addressed to the Underwriters, of Cleary Gottlieb Steen & Hamilton LLP, counsel for the Underwriters as to U.S. federal law, and (ii) an opinion, addressed to the Underwriters, of Paksoy Ortak Avukat Bürosu, counsel for the Underwriters as to certain matters of Turkish law, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(i) *No Legal Impediment to Issuance and/or Sale.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Securities by the Company or the sale of the Securities by the Selling Stockholder; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Securities by the Company or the sale of the Securities by the Selling Stockholder.

(j) *Good Standing.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, satisfactory evidence of the good standing of the Company and its subsidiaries in their respective jurisdictions of organization and their good standing in such other jurisdictions as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate governmental authorities of such jurisdictions.

(k) *Exchange Listing.* The Securities to be delivered on the Closing Date or the Additional Closing Date, as the case may be, shall have been approved for listing on the [Nasdaq Market], subject to official notice of issuance.

(l) *Lock-up Agreements.* The “lock-up” agreements, each substantially in the form of Exhibit D hereto, between you and certain shareholders, officers and directors of the Company, including the Selling Stockholder and the persons listed on Schedule 4 (“Lock-up Parties”), relating to sales and certain other dispositions of shares of Stock or certain other securities, delivered to you on or before the date hereof, shall be full force and effect on the Closing Date or the Additional Closing Date, as the case may be.

(m) *Additional Documents.* On or prior to the Closing Date or the Additional Closing Date, as the case may be, the Company and the Selling Stockholder shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request, including but not limited to (i) a notarized copy of the resolution of the board of directors of the Company authorizing the execution and performance of this Agreement, the offering of the Securities and related matters, (ii) certified copies of articles of association and circular of authorized signatories of the Company, (iii) a certificate of activity and a concordat and bankruptcy certificate taken from the relevant trade registry, (iv) copies of share certificates representing Class B Shares of the Company endorsed and/or issued in the name of Depositary, (v) a copy of the Company’s notarized share ledger together with the notarized copy of the resolution of the board of directors of the Company regarding annotation of the Company’s new shareholding to the share ledger, (vi) notarized copy of the resolution of the board of directors of the Company regarding registration and announcement of the Company’s new shareholding in accordance with Article 198 of Turkish Commercial Code, (vii) notarized power of attorneys issued for the endorsement and delivery of the share certificates on behalf of the Selling Shareholders, (viii) delivery receipt letter regarding the transfer of possession of Class B Shares assigned on behalf of the Selling Stockholder and the Depositary Custodian on behalf of the Depositary, and (viii) a copy of all necessary approvals and authorizations of the Capital Markets Board of Turkey.

(n) *Deposit Agreement.* The Deposit Agreement shall be in full force and effect and the Company and the Depositary shall have taken all action necessary to permit the deposit of the Underlying Shares and the issuance of the Underwritten Securities in accordance with the Deposit Agreement. The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, an opinion, addressed to the Underwriters, of Emmet, Marvin & Martin, LLP, counsel for the Depositary, in form and substance reasonably satisfactory to the Representatives.

(o) *Depositary Certificate.* The Depositary shall have furnished or caused to be furnished to the Representatives a certificate satisfactory to the Representatives evidencing the deposit with the Depositary Custodian of the Underlying Shares in respect of which ADSs to be purchased by the Underwriters on such Closing Date or Additional Closing Date, as the case may be, are to be issued, and the execution, issuance, countersignature (if applicable) and delivery of the ADRs evidencing such ADSs pursuant to the Deposit Agreement and such other matters related thereto as the Representatives may reasonably request.

(p) *Depositary Side Letter.* The Company shall have entered into a side letter agreement with the Depositary (the "Depositary Side Letter"), instructing the Depositary, for a period of [180] days after the date of the Prospectus, not to accept any shares of Stock for deposit under the Deposit Agreement for the purpose of issuance of ADSs or take any measures to establish any additional ADS facility for any other securities relating to the Company unless the Company has consented to such deposit. The Company covenants that it will not release the Depositary from the obligations set forth in, or otherwise amend, terminate, fail to enforce or provide any consent under, the Depositary Side Letter during the Lock-up Period without the prior written consent of the Representatives.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

9. Indemnification and Contribution.

(a) *Indemnification of the Underwriters by the Company.* The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the ADR Registration Statement or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Securities Act, any Written Testing-the-Waters Communication, any road show as defined in Rule 433(h) under the Securities Act (a "road show") or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in paragraph (c) below.

(b) *Indemnification of the Underwriters by the Selling Stockholder.* The Selling Stockholder agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred) that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with the Selling Stockholder Information; provided that, the liability of the Selling Stockholder pursuant to this Section 9(b) shall not exceed the product of the number of ADSs sold by such Selling Stockholder (including any Option Securities) and the price per ADSs reference in Section 2 hereof (each such amount, the "Selling Stockholder Proceeds").

(c) *Indemnification of the Company and the Selling Stockholder.* Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and the Selling Stockholder, to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred) that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the ADR Registration Statement, the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the name of each Underwriter and the information contained in the first paragraph, the concession and reallowance figures appearing in the second paragraph, and the fifteenth, sixteenth and seventeenth paragraphs all under the caption "Underwriting."

(d) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to the preceding paragraphs of this Section 9, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under the preceding paragraphs of this Section 9. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred and documented. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be paid or reimbursed as they are incurred and documented. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by the Representatives and any such separate firm for the Company, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company and any such separate firm for the Selling Stockholder shall be designated in writing by the Attorneys-in-Fact or by it. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(e) *Contribution.* If the indemnification provided for in paragraphs (a), (b) or (c) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholder, on the one hand, and the Underwriters on the other, from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Selling Stockholder, on the one hand, and the Underwriters on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholder, on the one hand, and the Underwriters on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company and the Selling Stockholder from the sale of the Securities and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of the Securities. The relative fault of the Company and the Selling Stockholder, on the one hand, and the Underwriters on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Stockholder or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(f) *Limitation on Liability.* The Company, the Selling Stockholder and the Underwriters agree that it would not be just and equitable if contribution pursuant to paragraph (e) above were determined by pro rata allocation (even if the Selling Stockholder or the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (e) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (e) above shall be deemed to include, subject to the limitations set forth above, any documented legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of paragraphs (e) and (f), in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Securities exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. Notwithstanding any other provisions of paragraphs (e) and (f), no Selling Stockholder shall be required to contribute any amount in excess of the amount by which the Selling Stockholder Proceeds exceeds the amount of any damages that the Selling Stockholder has other been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to paragraphs (e) and (f) are several in proportion to their respective purchase obligations hereunder and not joint.

(g) *Non-Exclusive Remedies.* The remedies provided for in this Section 9 paragraphs (a) through (f) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

10. Effectiveness of Agreement. This Agreement shall become effective as of the date first written above.

11. Termination. This Agreement may be terminated in the absolute discretion of the Representatives, by notice to the Company and the Selling Stockholder, if after the execution and delivery of this Agreement and on or prior to the Closing Date or, in the case of the Option Securities, prior to the Additional Closing Date (i) trading generally shall have been suspended or materially limited on or by any of the New York Stock Exchange or The Nasdaq Stock Market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representatives, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

12. Defaulting Underwriter.

(a) If, on the Closing Date or the Additional Closing Date, as the case may be, any Underwriter defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder on such date, the non-defaulting Underwriters may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Company and the Selling Stockholder on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Securities, then the Company and the Selling Stockholder shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Securities on such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Underwriter, either the non-defaulting Underwriters or the Company and the Selling Stockholder may postpone the Closing Date or the Additional Closing Date, as the case may be, for up to five full business days in order to effect any changes that in the opinion of counsel for the Company, counsel for the Selling Stockholder or counsel for the Underwriters may be necessary in the Registration Statement, the ADR Registration Statement and the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement, the ADR Registration Statement and the Prospectus that effects any such changes. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 12, purchases Securities that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters, the Company and the Selling Stockholder as provided in paragraph (a) above, the aggregate number of Securities that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, does not exceed one-eleventh of the aggregate number of Securities to be purchased on such date, then the Company and the Selling Stockholder shall have the right to require each non-defaulting Underwriter to purchase the number of Securities that such Underwriter agreed to purchase hereunder on such date plus such Underwriter's pro rata share (based on the number of Securities that such Underwriter agreed to purchase on such date) of the Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters, the Company and the Selling Stockholder as provided in paragraph (a) above, the aggregate number of Securities that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, exceeds one-eleventh of the aggregate amount of Securities to be purchased on such date, or if the Company and the Selling Stockholder shall not exercise the right described in paragraph (b) above, then this Agreement or, with respect to any Additional Closing Date, the obligation of the Underwriters to purchase Securities on the Additional Closing Date, as the case may be, shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 12 shall be without liability on the part of the Company, except that the Company and the Selling Stockholder will continue to be liable for the payment of expenses as set forth in Section 13 hereof and except that the provisions of Section 9 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company, the Selling Stockholder or any non-defaulting Underwriter for damages caused by its default.

13. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company will pay or cause to be paid all costs and expenses incidental to the performance of the Company's and the Selling Stockholder's obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection; (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the ADR Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, any Pricing Disclosure Package and the Prospectus (including all exhibits, amendments and supplements thereto) and the distribution thereof; (iii) the fees and expenses of the Company's counsel and independent accountants; (iv) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Representatives may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of counsel for the Underwriters); (v) the cost of preparing stock certificates; (vi) the costs and charges of any transfer agent and any registrar; (vii) all expenses and application fees incurred in connection with any filing with, and clearance of the offering by, FINRA; provided that the reasonable and documented fees of counsel for the Underwriters related to subclauses (iv) and (vii) shall not exceed \$25,000 in the aggregate; (viii) all expenses incurred by the Company in connection with any "road show" presentation to potential investors; and (ix) all expenses and application fees related to the listing of the Securities on the [Nasdaq Market].

(b) If (i) this Agreement is terminated pursuant to Section 11 hereof, (ii) the Company or the Selling Stockholder for any reason fail to tender the Securities for delivery to the Underwriters (other than by reason of default by any Underwriter, which default shall have no adverse impact on the ability of any non-defaulting Underwriter to have their expenses reimbursed pursuant hereto) or (iii) the Underwriters decline to purchase the Securities for any reason permitted under this Agreement, the Company and the Selling Stockholder agree to reimburse the Underwriters for all out-of-pocket costs and expenses (including the fees and expenses of their counsel) reasonably incurred by the Underwriters in connection with this Agreement and the offering contemplated hereby.

(c) All sums payable by the Company or the Selling Stockholder under this Agreement shall be paid free and clear of and without deductions or withholdings of any present or future taxes or duties, unless the deduction or withholding is required by law, in which case the Company or the Selling Stockholder, as the case may be, shall pay such additional amount as will result in the receipt by each Underwriter of the full amount that would have been received had no deduction or withholding been made.

(d) All sums payable to an Underwriter shall be considered exclusive of any value added or similar taxes. Where the Company or, as the case may be, a Selling Stockholder is obliged to pay value added or similar tax on any amount payable hereunder to an Underwriter, the Company or the Selling Stockholder, as the case may be, shall in addition to the sum payable hereunder pay an amount equal to any applicable value added or similar tax.

14. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to herein and the affiliates of each Underwriter referred to in Section 9 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

15. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company, the Selling Stockholder and the Underwriters contained in this Agreement or made by or on behalf of the Company, the Selling Stockholder or the Underwriters pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company, the Selling Stockholder or the Underwriters or the directors, officers, controlling persons or affiliates referred to in Section 9 hereof.

16. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act; and (d) the term "significant subsidiary" has the meaning set forth in Rule 1-02(w) of Regulation S-X under the Exchange Act.

17. Compliance with USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company and the Selling Stockholder, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

18. Miscellaneous.

(a) Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Underwriters shall be given to the Representatives c/o [(i) Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036 (fax: [●]); Attention: [Equity Syndicate Desk, with a copy to the Legal Department]; (ii) J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358); Attention: Equity Syndicate Desk; and (iii) Goldman, Sachs & Co. LLC, 200 West Street, New York, New York 10282 (fax: [●]); Attention: [Registration Department]]. Notices to the Company shall be given to it at Kuştepe Mahallesi Mecidiyeköy Yolu Caddesi No: 12 Trump Towers Kule:2 Kat:2 Şişli/İstanbul (fax: +90 212 397 26 08), Attention: Halil Korhan Öz (e-mail: hukuk@dol.com.tr). Notices to the Selling Stockholder shall be given to Ferko Signature Plaza Esentepe Mah. Buyukdere Cad. No:175 34394 Sisli / Istanbul (fax: +90 212 291 52 23), Attention: Erman Kalkandelen (e-mail: erman.kalkandelen@franklintempleton.com).

(b) Governing Law. This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(c) *Submission to Jurisdiction.* Each of the Company and the Selling Stockholder hereby submit to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the Company and the Selling Stockholder waive any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. Each of the Company and the Selling Stockholder agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Company and the Selling Stockholder, as applicable, and may be enforced in any court to the jurisdiction of which Company and the Selling Stockholder, as applicable, is subject by a suit upon such judgment. Each of the Company and the Selling Stockholder irrevocably appointed Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, New York 10168, United States, as its authorized agent in the Borough of Manhattan in The City of New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such authorized agent, and written notice of such service to the Company or any such Selling Stockholder, as the case may be, by the person serving the same to the address provided in this Section 18(c), shall be deemed in every respect effective service of process upon the Company and such Selling Stockholder in any such suit or proceeding. Each of the Company and the Selling Stockholder hereby represent and warrant that such authorized agent has accepted such appointment and has agreed to act as such authorized agent for service of process. Each of the Company and the Selling Stockholder further agree to take any and all action as may be necessary to maintain such designation and appointment of such authorized agent in full force and effect for a period of six years from the date of this Agreement.

(d) *Judgment Currency.* The Company and the Selling Stockholder agree to indemnify each Underwriter, its directors, officers, affiliates and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any loss incurred by such Underwriter as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the “judgment currency”) other than U.S. dollars and as a result of any variation as between (i) the rate of exchange at which the U.S. dollar amount is converted into the judgment currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such indemnified person is able to purchase U.S. dollars with the amount of the judgment currency actually received by the indemnified person. The foregoing indemnity shall constitute a separate and independent obligation of the Company and the Selling Stockholder and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term “rate of exchange” shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

(e) *Waiver of Immunity.* To the extent that the Company or the Selling Stockholder has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court of (i) Turkey, or any political subdivision thereof, (ii) the United States or the State of New York, (iii) the Netherlands, or any political subdivision thereof, (iv) any jurisdiction in which it owns or leases property or assets or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, set-off or otherwise) with respect to themselves or their respective property and assets or this Agreement, the Company and the Selling Stockholder hereby irrevocably waive such immunity in respect of its obligations under this Agreement to the fullest extent permitted by applicable law.

(f) *Waiver of Jury Trial.* Each of the parties hereto hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement.

(g) *Recognition of the U.S. Special Resolution Regimes.*

(i) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(ii) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 18(g):

“BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

(h) *Taxes.* If any sum payable by the Company or the Selling Stockholder under the Transaction Documents is subject to tax in the hands of an Underwriter or taken into account as a receipt in computing the taxable income of that Underwriter (excluding net income taxes on underwriting commissions payable hereunder), the sum payable to the Underwriter under this Agreement shall be increased to such sum as will ensure that the Underwriter shall be left with the sum it would have had in the absence of such tax; except to the extent that such tax was imposed due to an Underwriter having any present or former connection with such jurisdiction other than solely as a result of the execution and delivery of, or performance of, its obligations under this Agreement or receipt of any payments or enforcement of rights hereunder.

(i) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument. The words “execute,” “signed,” “signature,” and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, if any, shall include images of manually executed signatures transmitted by electronic format (including, without limitation, “pdf,” “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign, AdobeSign and any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or any other applicable law). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

(j) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(k) *Headings.* The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi

By: _____
Name:
Title:

TURKCOMMERCE B.V.

By: _____
Name:
Title:

By: _____
Name:
Title:

As Attorneys-in-Fact acting on
behalf of the Selling
Stockholders named in
Schedule 2 to this Agreement.

Accepted: As of the date first written above

MORGAN STANLEY & CO. LLC

For itself and on behalf of the
several Underwriters listed
in Schedule 1 hereto.

By: _____
Authorized Signatory

J.P. MORGAN SECURITIES LLC

For itself and on behalf of the
several Underwriters listed
in Schedule 1 hereto.

By: _____
Authorized Signatory

GOLDMAN, SACHS & CO. LLC

For itself and on behalf of the
several Underwriters listed
in Schedule 1 hereto.

By: _____
Authorized Signatory

Underwriter

Number of Underwritten Securities

Morgan Stanley & Co. LLC

J.P. Morgan Securities LLC

Goldman, Sachs & Co. LLC

BofA Securities, Inc.

UBS Securities LLC

Total

Sch. 1-1

| Selling Stockholder: | Number of Underwritten Securities: | Number of Option Securities: |
|----------------------|---------------------------------------|---------------------------------|
| TurkCommerce B.V. | | |

Sch. 2-1

List of significant subsidiaries of the Company

| Legal Name of Subsidiary | Jurisdiction of Organization |
|--|------------------------------|
| D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş. | Turkey |
| D Fast Dağıtım Hizmetleri ve Lojistik A.Ş. | Turkey |

Names of the Parties Signing a Lock-Up Agreement

[Subject to a 365 days Lock-up Period:

Hanzade Vasfiye Dođan Boyner
Mehmet Murat Emirdađ
Halil Korhan Öz
Murat Büyümez

Subject to a 180 days Lock-up Period:

TurkCommerce B.V.
Yaşar Begümhan Dođan Faralyalı
Arzuhan Dođan Yalçındađ
Işıl Dođan
Vuslat Dođan Sabancı]

a. Pricing Disclosure Package

[List each Issuer Free Writing Prospectus to be included in the Pricing Disclosure Package (including a pricing term sheet, if applicable)]

b. Pricing Information Provided Orally by Underwriters

- The initial public offering price per ADS is US\$[●]; and
- The aggregate number of ADSs purchased by the Underwriters is [●].

Written Testing-the-Waters Communications

[•]

Annex B-1

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi

Pricing Term Sheet

Annex C-1

Form of Testing the Waters Authorization

TESTING-THE-WATERS AUTHORIZATION

[Date], 20__

J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

To Whom It May Concern:

In reliance on Rule 163B under the Securities Act of 1933, as amended (the "Act"), D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi (the "Issuer") hereby authorizes each of J.P. Morgan Securities LLC ("J.P. Morgan") and its affiliates and their respective employees, Morgan Stanley & Co. LLC ("Morgan Stanley") and its affiliates and their respective employees and Goldman Sachs & Co. LLC ("Goldman Sachs") and its affiliates and their respective employees, to engage on behalf of the Issuer in oral and written communications with potential investors that are reasonably believed to be "qualified institutional buyers", as defined in Rule 144A under the Act, or institutions that are "accredited investors", within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7), (a)(8), (a)(9), (a)(12) or (a)(13) under the Act, to determine whether such investors might have an interest in the Issuer's contemplated initial public offering ("Testing-the-Waters Communications"). A "Written Testing-the Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act. Each of J.P. Morgan, Morgan Stanley and Goldman Sachs, individually and not jointly, agrees that it shall not distribute any Written Testing-the-Waters Communication that has not been approved by the Issuer, provided, however, that no such approval shall be required for any written communication that is administrative in nature (i.e., scheduling meetings) or that solely contains information already contained in a communication previously approved by the Issuer.

The Issuer represents that (i) except as disclosed to J.P. Morgan, Morgan Stanley and Goldman Sachs, it has not alone engaged in any Testing-the-Waters Communication and (ii) it has not authorized anyone other than J.P. Morgan, Morgan Stanley and Goldman Sachs together with their respective affiliates and employees to engage in Testing-the-Waters Communications. The Issuer agrees that it shall not authorize any other third party to engage on its behalf in oral or written communications with potential investors without the written consent of J.P. Morgan, Morgan Stanley and Goldman Sachs.

If at any time following the distribution of any Written Testing-the-Waters Communication there occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Issuer will promptly notify J.P. Morgan, Morgan Stanley and Goldman Sachs and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

Nothing in this authorization is intended to limit or otherwise affect the ability of J.P. Morgan and its affiliates and their respective employees, Morgan Stanley and its affiliates and their respective employees and Goldman Sachs and its affiliates and their respective employees to engage in communications in which they could otherwise lawfully engage in the absence of this authorization, including, without limitation, any written communication containing only one or more of the statements specified under Rule 134(a) under the Act. This authorization shall remain in effect until the Issuer has provided to J.P. Morgan, Morgan Stanley and Goldman Sachs a written notice revoking this authorization.

All notices as described herein shall be sent by email to the attention of the following:

J.P. Morgan Securities LLC:
Ismail Iraqi (ismail.iraqi@jpmorgan.com)

Morgan Stanley & Co. LLC:
Natasha Sanders (Natasha.Sanders@morganstanley.com)

Goldman Sachs & Co. LLC:
ECM: Laura Vincent (Laura.Vincent@gs.com)
Legal: Adam T. Greene (adam.greene@gs.com)

Sincerely,

D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi

By: _____

Name:

Title:

Date: _____

Form of Waiver of Lock-up

**MORGAN STANLEY & CO. LLC
J.P. MORGAN SECURITIES LLC
GOLDMAN, SACHS & CO. LLC**

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi
Public Offering of Class B Shares represented by American Depositary Shares

, 20__

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi (the “Company”) of [●] class B ordinary shares of the Company, with \$[●] par value (“Class B Shares”), in the form of American Depositary Shares (“ADSs”) (the “Securities”), of the Company and the lock-up letter dated _____, 20__ (the “Lock-up Letter”), executed by you in connection with such offering, and your request for a [waiver] [release] dated _____, 20__, with respect to _____ Securities (the “Released Securities”).

[Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC] hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Released Securities, effective _____, 20__¹; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

¹ Date of anticipated waiver or release should not be less than three business days after the date of this letter.

Yours very truly,

[Signature and Name of Morgan Stanley & Co. LLC Representatives]

[Signature and name of J.P. Morgan Securities LLC Representatives]

[Signature and Name of Goldman, Sachs & Co. LLC Representatives]

cc: Company

Form of Press Release

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi

[Date]

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi ("Company") announced today that [Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, and Goldman, Sachs & Co. LLC,] the lead book-running managers in the Company's recent public sale of class B of ordinary shares in the form of American Depositary Shares, is [waiving] [releasing] a lock-up restriction with respect to class B of ordinary shares of the Company held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on _____, 20__, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

FORM OF LOCK-UP AGREEMENT

_____, 2021

MORGAN STANLEY & CO. LLC
J.P. MORGAN SECURITIES LLC
GOLDMAN, SACHS & CO. LLC
As Representatives of
the several Underwriters listed in
Schedule 1 to the Underwriting
Agreement referred to below

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

c/o Goldman, Sachs & Co. LLC
200 West Street
New York, New York 10282

Re: D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi --- Public Offering

Ladies and Gentlemen:

The undersigned understands that you, as Representatives of the several Underwriters, propose to enter into an underwriting agreement (the "Underwriting Agreement") with D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi, a Turkish joint stock company (the "Company") and the Selling Stockholder listed on Schedule 2 to the Underwriting Agreement, providing for the public offering (the "Public Offering") by the several Underwriters named in Schedule 1 to the Underwriting Agreement (the "Underwriters"), of class B ordinary shares of the Company in the form of American Depositary Shares ("ADSs") (the "Securities"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Underwriting Agreement.

In consideration of the Underwriters' agreement to purchase and make the Public Offering of the Securities, and for other good and valuable consideration receipt of which is hereby acknowledged, the undersigned hereby agrees that, without the prior written consent of Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC on behalf of the Underwriters, the undersigned will not, and will not cause any direct or indirect affiliate to, during the period beginning on the date of this letter agreement (this "Letter Agreement") and ending at the close of business [180/365] days after the date of the final prospectus relating to the Public Offering (the "Prospectus") (such period, the "Restricted Period"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any class B ordinary shares, TRY 0.20 per share par value, class A ordinary shares, TRY 0.20 per share par value, or any other shares of common stock or any ADSs of the Company (the "Common Stock") or any securities convertible into or exercisable or exchangeable for Common Stock (including without limitation, Common Stock or such other securities which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and securities which may be issued upon exercise of a stock option or warrant) (collectively with the Common Stock, the "Lock-Up Securities"), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the Lock-Up Securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Lock-Up Securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any Lock-Up Securities, or (4) publicly disclose the intention to do any of the foregoing. The undersigned acknowledges and agrees that the foregoing precludes the undersigned from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (whether by the undersigned or any other person) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any Lock-Up Securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Lock-Up Securities, in cash or otherwise. The undersigned further confirms that it has furnished Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC with the details of any transaction the undersigned, or any of its affiliates, is a party to as of the date hereof, which transaction would have been restricted by this Letter Agreement if it had been entered into by the undersigned during the Restricted Period.

Notwithstanding the foregoing, the undersigned may:

(a) transfer the undersigned's Lock-Up Securities:

(i) as a bona fide gift or gifts, or for bona fide estate planning purposes,

(ii) by will or intestacy,

(iii) to any immediate family of the undersigned or trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, or if the undersigned is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust (for purposes of this Letter Agreement, "immediate family" shall mean any relationship by blood, current or former marriage, domestic partnership or adoption, not more remote than first cousin),

(iv) to a partnership, limited liability company or other entity of which the undersigned and the immediate family of the undersigned are the legal and beneficial owner of all of the outstanding equity securities or similar interests,

(v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv) above,

(vi) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the undersigned or affiliates of the undersigned (including, for the avoidance of doubt, where the undersigned is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (B) as part of a distribution to members, limited partners, general partners, subsidiaries or affiliates or shareholders of the undersigned,

(vii) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement,

(viii) to the Company from an employee of the Company upon death, disability or termination of employment, in each case, of such employee,

(ix) as part of a sale of the undersigned's Lock-Up Securities acquired in open market transactions after the closing date for the Public Offering,

(x) to the Company in connection with the vesting, settlement, or exercise of restricted stock units, options, warrants or other rights to purchase shares of Common Stock (including, in each case, by way of "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted stock units, options, warrants or rights, provided that any such shares of Common Stock received upon such exercise, vesting or settlement shall be subject to the terms of this Letter Agreement, and provided further that any such restricted stock units, options, warrants or rights are held by the undersigned pursuant to an agreement or equity awards granted under a stock incentive plan or other equity award plan, each such agreement or plan which is described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, or

(xi) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors of the Company and made to all holders of the Company's capital stock involving a Change of Control (as defined below) of the Company (for purposes hereof, "Change of Control" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transfer, such person or group of affiliated persons would hold at least [a majority] of the outstanding voting securities of the Company (or the surviving entity)); provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the undersigned's Lock-Up Securities shall remain subject to the provisions of this Letter Agreement;

provided that (A) in the case of any transfer or distribution pursuant to clause (a)(i), (ii), (iii), (iv), (v), (vi) and (vii), such transfer shall not involve a disposition for value and each donee, devisee, transferee or distributee shall execute and deliver to the Representatives a lock-up letter in the form of this Letter Agreement, (B) in the case of any transfer or distribution pursuant to clause (a) (i), (ii), (iii), (iv), (v), (vi), (ix) and (x), no filing by any party (donor, donee, devisee, transferor, transferee, distributor or distributee) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or other public announcement shall be required or shall be made voluntarily in connection with such transfer or distribution (other than a filing on a Form 5 made after the expiration of the Restricted Period referred to above) and (C) in the case of any transfer or distribution pursuant to clause (a)(vii) and (viii) it shall be a condition to such transfer that no public filing, report or announcement shall be voluntarily made and if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of Common Stock in connection with such transfer or distribution shall be legally required during the Restricted Period, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer;

(b) transfer or sell the undersigned's Lock-Up Securities to a third party, including for value, provided that (1) the transferee shall execute and deliver to the Representatives a lock-up letter in the form of this Letter Agreement; (2) the total amount of the undersigned Lock-Up Securities transferred or sold pursuant to this paragraph during the Restricted Period shall not exceed, in the aggregate, 1% of the total number of class B ordinary shares of the Company outstanding as of the Closing Date; and (3) no filing by any party under the Securities Act, Exchange Act or other applicable law, or the rules and regulations thereunder (including filings on Schedule 13D, Schedule 13G or Form 144), or other public announcement shall be required or made voluntarily in connection with such transfer or sale;

(c) exercise outstanding options, settle restricted stock units or other equity awards or exercise warrants pursuant to plans described in the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided that any Lock-Up Securities received upon such exercise, vesting or settlement shall be subject to the terms of this Letter Agreement;

(d) convert outstanding preferred stock, warrants to acquire preferred stock or convertible securities into shares of Common Stock or warrants to acquire shares of Common Stock; provided that any such shares of Common Stock or warrants received upon such conversion shall be subject to the terms of this Letter Agreement;

(e) establish trading plans pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Lock-Up Securities; provided that (1) such plans do not provide for the transfer of Lock-Up Securities during the Restricted Period and (2) no filing by any party under the Exchange Act or other public announcement shall be required or made voluntarily in connection with such trading plan; and

(e) sell the Securities to be sold by the undersigned pursuant to the terms of the Underwriting Agreement.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any Company-directed Securities the undersigned may purchase in the Public Offering.

If the undersigned is an officer or director of the Company, (i) Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC, on behalf of the Underwriters, agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Lock-Up Securities, Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC, on behalf of the Underwriters, will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC, on behalf of the Underwriters, hereunder to any such officer or director shall only be effective two business days after the publication date of such announcement. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration or that is to an immediate family member as defined in FINRA Rule 5130(i)(5) and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

In furtherance of the foregoing, the Company, and any duly appointed transfer agent for the registration or transfer of the securities described herein, are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Letter Agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Letter Agreement. All authority herein conferred or agreed to be conferred and any obligations of the undersigned shall be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

The undersigned acknowledges and agrees that the Underwriters have not provided any recommendation or investment advice nor have the Underwriters solicited any action from the undersigned with respect to the Public Offering of the Securities and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate. The undersigned further acknowledges and agrees that, although the Representatives may be required or choose to provide certain Regulation Best Interest and Form CRS disclosures to you in connection with the Public Offering, the Representatives and the other Underwriters are not making a recommendation to you to participate in the Public Offering, enter into this Letter Agreement, or sell any Securities at the price determined in the Public Offering, and nothing set forth in such disclosures is intended to suggest that the Representatives or any Underwriter is making such a recommendation.

The undersigned understands that, if the Underwriting Agreement (i) does not become effective by [●], 20[●], (ii) if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Securities to be sold thereunder, (iii) if the Representatives on the one hand, or the Company on the other hand, informs the other in writing, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the offering, or (iv) if prior to execution of the Underwriting Agreement the Company files an application with the US Securities and Exchange Commission to withdraw the Registration Statement related to the offering, the undersigned shall be released from all obligations under this Letter Agreement. The undersigned understands that the Underwriters are entering into the Underwriting Agreement and proceeding with the Public Offering in reliance upon this Letter Agreement.

This Letter Agreement and any claim, controversy or dispute arising under or related to this Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Very truly yours,

[NAME OF LOCKED-UP PARTY]

By: _____
Name:
Title:

D-MARKET ELEKTRONIK HIZMETLER VE TICARET ANONIM ŞİRKETİ

(D-MARKET Electronic Services & Trading)

AND

THE BANK OF NEW YORK MELLON

As Depositary

AND

OWNERS AND HOLDERS OF AMERICAN DEPOSITARY SHARES

Deposit Agreement

_____, 2021

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DEPOSIT AGREEMENT

DEPOSIT AGREEMENT dated as of _____, 2021 among D-MARKET ELEKTRONIK HIZMETLER VE TICARET ANONIM ŞİRKETİ (D-MARKET Electronic Services & Trading), a company incorporated under the laws of the Republic of Turkey (herein called the Company), THE BANK OF NEW YORK MELLON, a New York banking corporation (herein called the Depository), and all Owners and Holders (each as hereinafter defined) from time to time of American Depositary Shares issued hereunder.

W I T N E S S E T H:

WHEREAS, the Company desires to provide, as set forth in this Deposit Agreement, for the deposit of Shares (as hereinafter defined) of the Company from time to time with the Depository or with the Custodian (as hereinafter defined) under this Deposit Agreement, for the creation of American Depositary Shares representing the Shares so deposited and for the execution and delivery of American Depositary Receipts evidencing the American Depositary Shares; and

WHEREAS, the American Depositary Receipts are to be substantially in the form of Exhibit A annexed to this Deposit Agreement, with appropriate insertions, modifications and omissions, as set forth in this Deposit Agreement;

NOW, THEREFORE, in consideration of the premises, it is agreed by and between the parties hereto as follows:

ARTICLE 1. DEFINITIONS

The following definitions shall for all purposes, unless otherwise clearly indicated, apply to the respective terms used in this Deposit Agreement:

SECTION 1.1. American Depositary Shares.

The term "American Depositary Shares" shall mean the securities created under this Deposit Agreement representing rights with respect to the Deposited Securities. American Depositary Shares may be certificated securities evidenced by Receipts or uncertificated securities. The form of Receipt annexed as Exhibit A to this Deposit Agreement shall be the prospectus required under the Securities Act of 1933 for sales of both certificated and uncertificated American Depositary Shares. Except for those provisions of this Deposit Agreement that refer specifically to Receipts, all the provisions of this Deposit Agreement shall apply to both certificated and uncertificated American Depositary Shares.

Each American Depositary Share shall represent the number of Shares specified in Exhibit A to this Deposit Agreement, except that, if there is a distribution upon Deposited Securities covered by Section 4.3, a change in Deposited Securities covered by Section 4.8 with respect to which additional American Depositary Shares are not delivered or a sale of Deposited Securities under Section 3.2 or 4.8, each American Depositary Share shall thereafter represent the amount of Shares or other Deposited Securities that are then on deposit per American Depositary Share after giving effect to that distribution, change or sale.

SECTION 1.2. Commission.

The term "Commission" shall mean the Securities and Exchange Commission of the United States or any successor governmental agency in the United States.

SECTION 1.3. Company.

The term "Company" shall mean D-MARKET Elektronik Hizmetler ve Ticaret A.Ş., a company incorporated under the laws of the Republic of Turkey, and its successors.

SECTION 1.4. Custodian.

The term "Custodian" shall mean Türkiye İş Bankası A.Ş., as custodian for the Depository in Turkey for the purposes of this Deposit Agreement, and any other firm or corporation the Depository appoints under Section 5.5 as a substitute or additional custodian under this Deposit Agreement, and shall also mean all of them collectively.

SECTION 1.5. Deliver; Surrender.

(a) The term "deliver", or its noun form, when used with respect to Shares or other Deposited Securities, shall mean (i) book-entry transfer of those Shares or other Deposited Securities to an account maintained by an institution authorized under applicable law to effect transfers of such securities designated by the person entitled to that delivery or (ii) physical transfer of certificates evidencing those Shares or other Deposited Securities registered in the name of, or duly endorsed or accompanied by proper instruments of transfer to, the person entitled to that delivery.

(b) The term "deliver", or its noun form, when used with respect to American Depositary Shares, shall mean (i) registration of those American Depositary Shares in the name of DTC or its nominee and book-entry transfer of those American Depositary Shares to an account at DTC designated by the person entitled to that delivery, (ii) registration of those American Depositary Shares not evidenced by a Receipt on the books of the Depository in the name requested by the person entitled to that delivery and mailing to that person of a statement confirming that registration or (iii) if requested by the person entitled to that delivery, execution and delivery at the Depository's Office to the person entitled to that delivery of one or more Receipts evidencing those American Depositary Shares registered in the name requested by that person.

(c) The term “surrender”, when used with respect to American Depositary Shares, shall mean (i) one or more book-entry transfers of American Depositary Shares to the DTC account of the Depositary, (ii) delivery to the Depositary at its Office of an instruction to surrender American Depositary Shares not evidenced by a Receipt or (iii) surrender to the Depositary at its Office of one or more Receipts evidencing American Depositary Shares.

SECTION 1.6. Deposit Agreement.

The term “Deposit Agreement” shall mean this Deposit Agreement, as it may be amended from time to time in accordance with the provisions of this Deposit Agreement.

SECTION 1.7. Depositary; Depositary’s Office.

The term “Depositary” shall mean The Bank of New York Mellon, a New York banking corporation, and any successor as depositary under this Deposit Agreement. The term “Office”, when used with respect to the Depositary, shall mean the office at which its depositary receipts business is administered, which, at the date of this Deposit Agreement, is located at 240 Greenwich Street, New York, New York 10286.

SECTION 1.8. Deposited Securities.

The term “Deposited Securities” as of any time shall mean Shares at such time deposited or deemed to be deposited under this Deposit Agreement, including without limitation, Shares that have not been successfully delivered upon surrender of American Depositary Shares, and any and all other securities, property and cash received by the Depositary or the Custodian in respect of Deposited Securities and at that time held under this Deposit Agreement.

SECTION 1.9. Disseminate.

The term “Disseminate,” when referring to a notice or other information to be sent by the Depositary to Owners, shall mean (i) sending that information to Owners in paper form by mail or another means or (ii) with the consent of Owners, another procedure that has the effect of making the information available to Owners, which may include (A) sending the information by electronic mail or electronic messaging or (B) sending in paper form or by electronic mail or messaging a statement that the information is available and may be accessed by the Owner on an Internet website and that it will be sent in paper form upon request by the Owner, when that information is so available and is sent in paper form as promptly as practicable upon request.

SECTION 1.10. Dollars.

The term “Dollars” shall mean United States dollars.

SECTION 1.11. DTC.

The term “DTC” shall mean The Depository Trust Company or its successor.

SECTION 1.12. Foreign Registrar.

The term “Foreign Registrar” shall mean the entity that carries out the duties of registrar for the Shares and any other agent of the Company for the transfer and registration of Shares, including, without limitation, any securities depository for the Shares.

SECTION 1.13. Holder.

The term “Holder” shall mean any person holding a Receipt or a security entitlement or other interest in American Depositary Shares, whether for its own account or for the account of another person, but that is not the Owner of that Receipt or those American Depositary Shares.

SECTION 1.14. Owner.

The term “Owner” shall mean the person in whose name American Depositary Shares are registered on the books of the Depository maintained for that purpose.

SECTION 1.15. Receipts.

The term “Receipts” shall mean the American Depositary Receipts issued under this Deposit Agreement evidencing certificated American Depositary Shares, as the same may be amended from time to time in accordance with the provisions of this Deposit Agreement.

SECTION 1.16. Registrar.

The term “Registrar” shall mean any corporation or other entity that is appointed by the Depository to register American Depositary Shares and transfers of American Depositary Shares as provided in this Deposit Agreement.

SECTION 1.17. Replacement.

The term "Replacement" shall have the meaning assigned to it in Section 4.8.

SECTION 1.18. Restricted Securities.

The term "Restricted Securities" shall mean Shares that (i) are "restricted securities," as defined in Rule 144 under the Securities Act of 1933, except for Shares that could be resold in reliance on Rule 144 without any conditions, (ii) are beneficially owned by an officer, director (or person performing similar functions) or other affiliate of the Company, (iii) otherwise would require registration under the Securities Act of 1933 in connection with the public offer and sale thereof in the United States or (iv) are subject to other restrictions on sale or deposit under the laws of the Republic of Turkey, a shareholder agreement or the articles of association or similar document of the Company.

SECTION 1.19. Securities Act of 1933.

The term "Securities Act of 1933" shall mean the United States Securities Act of 1933, as from time to time amended.

SECTION 1.20. Shares.

The term "Shares" shall mean Class B ordinary shares of the Company that are validly issued and outstanding, fully paid and nonassessable and that were not issued in violation of any pre-emptive or similar rights of the holders of outstanding securities of the Company; provided, however, that, if there shall occur any change in nominal or par value, a split-up or consolidation or any other reclassification or, upon the occurrence of an event described in Section 4.8, an exchange or conversion in respect of the Shares of the Company, the term "Shares" shall thereafter also mean the successor securities resulting from such change in nominal value, split-up or consolidation or such other reclassification or such exchange or conversion.

SECTION 1.21. SWIFT.

The term "SWIFT" shall mean the financial messaging network operated by the Society for Worldwide Interbank Financial Telecommunication, or its successor.

SECTION 1.22. Termination Option Event.

The term "Termination Option Event" shall mean any of the following events or conditions:

(i) the Company institutes proceedings to be adjudicated as bankrupt or insolvent, consents to the institution of bankruptcy or insolvency proceedings against it, files a petition or answer or consent seeking reorganization or relief under any applicable law in respect of bankruptcy or insolvency, consents to the filing of any petition of that kind or to the appointment of a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of it or any substantial part of its property or makes an assignment for the benefit of creditors, or if information becomes publicly available indicating that unsecured claims against the Company are not expected to be paid;

(ii) the American Depositary Shares are delisted from a stock exchange in the United States on which the American Depositary Shares were listed and, 30 days after that delisting, the American Depositary Shares have not been listed on another stock exchange in the United States, nor is there a symbol available for over-the-counter trading of the American Depositary Shares in the United States; or

(iii) an event or condition that is defined as a Termination Option Event in Section 4.1, 4.2 or 4.8.

ARTICLE 2. FORM OF RECEIPTS, DEPOSIT OF SHARES, DELIVERY, TRANSFER AND SURRENDER OF AMERICAN DEPOSITARY SHARES

SECTION 2.1. Form of Receipts; Registration and Transferability of American Depositary Shares.

Definitive Receipts shall be substantially in the form set forth in Exhibit A to this Deposit Agreement, with appropriate insertions, modifications and omissions, as permitted under this Deposit Agreement. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose, unless that Receipt has been (i) executed by the Depositary by the manual signature of a duly authorized officer of the Depositary or (ii) executed by the facsimile signature of a duly authorized officer of the Depositary and countersigned by the manual signature of a duly authorized signatory of the Depositary or the Registrar or a co-registrar. The Depositary shall maintain books on which (x) each Receipt so executed and delivered as provided in this Deposit Agreement and each transfer of that Receipt and (y) all American Depositary Shares delivered as provided in this Deposit Agreement and all registrations of transfer of American Depositary Shares, shall be registered. A Receipt bearing the facsimile signature of a person that was at any time a proper officer of the Depositary shall, subject to the other provisions of this paragraph, bind the Depositary, even if that person was not a proper officer of the Depositary on the date of issuance of that Receipt.

The Receipts and statements confirming registration of American Depositary Shares may have incorporated in or attached to them such legends or recitals or modifications not inconsistent with the provisions of this Deposit Agreement as may be required by the Depositary or required to comply with any applicable law or regulations thereunder or with the rules and regulations of any securities exchange upon which American Depositary Shares may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts and American Depositary Shares are subject by reason of the date of issuance of the underlying Deposited Securities or otherwise.

American Depositary Shares evidenced by a Receipt, when the Receipt is properly endorsed or accompanied by proper instruments of transfer, shall be transferable as certificated registered securities under the laws of the State of New York. American Depositary Shares not evidenced by Receipts shall be transferable as uncertificated registered securities under the laws of the State of New York. The Depositary, notwithstanding any notice to the contrary, may treat the Owner of American Depositary Shares as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes, and neither the Depositary nor the Company shall have any obligation or be subject to any liability under this Deposit Agreement to any Holder of American Depositary Shares (but only to the Owner of those American Depositary Shares).

SECTION 2.2. Deposit of Shares.

Subject to the terms and conditions of this Deposit Agreement, Shares or evidence of rights to receive Shares may be deposited under this Deposit Agreement by delivery thereof to any Custodian, accompanied by any appropriate instruments or instructions for transfer, or endorsement, in form satisfactory to the Custodian.

As conditions of accepting Shares for deposit, the Depositary may require (i) any certification required by the Depositary or the Custodian in accordance with the provisions of this Deposit Agreement, (ii) a written order directing the Depositary to deliver to, or upon the written order of, the person or persons stated in that order American Depositary Shares representing those deposited Shares, (iii) evidence satisfactory to the Depositary that those Shares have been re-registered in the books of the Company or the Foreign Registrar in the name of the Depositary, a Custodian or a nominee of the Depositary or a Custodian, which evidence shall include, without limitation, the Company's board of directors resolution approving the registration, (iv) evidence satisfactory to the Depositary that any necessary approval for the transfer or deposit has been granted by any governmental body in each applicable jurisdiction and (v) an agreement or assignment, or other instrument satisfactory to the Depositary, that provides for the prompt transfer to the Custodian of any dividend, or right to subscribe for additional Shares or to receive other property, that any person in whose name those Shares are or have been recorded may thereafter receive upon or in respect of those Shares, or, in lieu thereof, such agreement of indemnity or other agreement as shall be satisfactory to the Depositary.

The Depositary shall refuse, and shall instruct the Custodian to refuse, to accept Shares for deposit if the Depositary has received a written notice from the Company that the Company has restricted transfer of those Shares under the Company's articles of association or any applicable laws or that the deposit would result in any violation of the Company's articles of association or any applicable laws.

At the request and risk and expense of a person proposing to deposit Shares, and for the account of that person, the Depositary may receive certificates for Shares to be deposited, together with the other instruments specified in this Section, for the purpose of forwarding those Share certificates to the Custodian for deposit under this Deposit Agreement.

The Depositary shall instruct each Custodian that, upon each delivery to a Custodian of a certificate or certificates for Shares to be deposited under this Deposit Agreement, together with the other documents specified in this Section, that Custodian shall, as soon as transfer and recordation can be accomplished, present that certificate or those certificates to the Company or the Foreign Registrar, if applicable, for transfer and recordation of the Shares being deposited in the name of the Depositary or its nominee or that Custodian or its nominee.

Deposited Securities shall be held by the Depositary or by a Custodian for the account and to the order of the Depositary or at such other place or places as the Depositary shall determine.

SECTION 2.3. Delivery of American Depositary Shares.

The Depositary shall instruct each Custodian that, upon receipt by that Custodian of any deposit pursuant to Section 2.2, together with the other documents or evidence required under that Section, that Custodian shall notify the Depositary of that deposit and the person or persons to whom or upon whose written order American Depositary Shares are deliverable in respect thereof. Upon receiving a notice of a deposit from a Custodian, or upon the receipt of Shares or evidence of the right to receive Shares by the Depositary, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall deliver, to or upon the order of the person or persons entitled thereto, the number of American Depositary Shares issuable in respect of that deposit, but only upon payment to the Depositary of the fees and expenses of the Depositary for the delivery of those American Depositary Shares as provided in Section 5.9, and of all taxes and governmental charges and fees payable in connection with that deposit and the transfer of the deposited Shares. However, the Depositary shall deliver only whole numbers of American Depositary Shares.

SECTION 2.4. Registration of Transfer of American Depositary Shares; Combination and Split-up of Receipts; Interchange of Certificated and Uncertificated American Depositary Shares.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall register a transfer of American Depositary Shares on its transfer books upon (i) in the case of certificated American Depositary Shares, surrender of the Receipt evidencing those American Depositary Shares, by the Owner or by a duly authorized attorney, properly endorsed or accompanied by proper instruments of transfer or (ii) in the case of uncertificated American Depositary Shares, receipt from the Owner of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.9), and, in either case, duly stamped as may be required by the laws of the State of New York and of the United States of America. Upon registration of a transfer, the Depositary shall deliver the transferred American Depositary Shares to or upon the order of the person entitled thereto.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall upon surrender of a Receipt or Receipts for the purpose of effecting a split-up or combination of such Receipt or Receipts, execute and deliver a new Receipt or Receipts for any authorized number of American Depositary Shares requested, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered.

The Depositary, upon surrender of certificated American Depositary Shares for the purpose of exchanging for uncertificated American Depositary Shares, shall cancel the Receipt evidencing those certificated American Depositary Shares and send the Owner a statement confirming that the Owner is the owner of the same number of uncertificated American Depositary Shares. The Depositary, upon receipt of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.9) from the Owner of uncertificated American Depositary Shares for the purpose of exchanging for certificated American Depositary Shares, shall cancel those uncertificated American Depositary Shares and register and deliver to the Owner a Receipt evidencing the same number of certificated American Depositary Shares.

The Depositary may appoint one or more co-transfer agents for the purpose of effecting registration of transfers of American Depositary Shares and combinations and split-ups of Receipts at designated transfer offices on behalf of the Depositary. In carrying out its functions, a co-transfer agent may require evidence of authority and compliance with applicable laws and other requirements by Owners or persons entitled to American Depositary Shares and will be entitled to protection and indemnity to the same extent as the Depositary.

SECTION 2.5. Surrender of American Depositary Shares and Withdrawal of Deposited Securities.

Upon surrender of American Depositary Shares for the purpose of withdrawal of the Deposited Securities represented thereby and payment of the fee of the Depositary for the surrender of American Depositary Shares as provided in Section 5.9 and payment of all taxes and governmental charges payable in connection with that surrender and withdrawal of the Deposited Securities, and subject to the terms and conditions of this Deposit Agreement, the Owner of those American Depositary Shares shall be entitled to delivery (to the extent delivery can then be lawfully and practicably made), to or as instructed by that Owner, of the amount of Deposited Securities at the time represented by those American Depositary Shares, but not any money or other property as to which a record date for distribution to Owners has passed (since money or other property of that kind will be delivered or paid on the scheduled payment date to the Owner as of that record date), and except that the Depositary shall not be required to accept surrender of American Depositary Shares for the purpose of withdrawal to the extent it would require delivery of a fraction of a Deposited Security. That delivery shall be made, as provided in this Section, without unreasonable delay.

As a condition of accepting a surrender of American Depositary Shares for the purpose of withdrawal of Deposited Securities, the Depositary may require (i) that each surrendered Receipt be properly endorsed in blank or accompanied by proper instruments of transfer in blank and (ii) that the surrendering Owner execute and deliver to the Depositary a written order directing the Depositary to cause the Deposited Securities being withdrawn to be delivered to or upon the written order of a person or persons designated in that order.

Thereupon, the Depositary shall direct the Custodian to deliver, subject to Sections 2.6, 3.1 and 3.2, the other terms and conditions of this Deposit Agreement and local market rules and practices, to the surrendering Owner or to or upon the written order of the person or persons designated in the order delivered to the Depositary as above provided, the amount of Deposited Securities represented by the surrendered American Depositary Shares, and the Depositary may charge the surrendering Owner a fee and its expenses for giving that direction by cable (including SWIFT) or facsimile transmission.

If Deposited Securities are delivered physically upon surrender of American Depositary Shares for the purpose of withdrawal, that delivery will be made at the Custodian's office, except that, at the request, risk and expense of an Owner surrendering American Depositary Shares for withdrawal of Deposited Securities, and for the account of that Owner, the Depositary shall direct the Custodian to forward any cash or other property comprising, and forward a certificate or certificates, if applicable, and other proper documents of title, if any, for, the Deposited Securities represented by the surrendered American Depositary Shares to the Depositary for delivery at the Depositary's Office or to another address specified in the order received from the surrendering Owner.

SECTION 2.6. Limitations on Delivery, Registration of Transfer and Surrender of American Depositary Shares.

As a condition precedent to the delivery, registration of transfer or surrender of any American Depositary Shares or split-up or combination of any Receipt or withdrawal of any Deposited Securities, the Depositary, Custodian or Registrar may require payment from the depositor of Shares or the presenter of the Receipt or instruction for registration of transfer or surrender of American Depositary Shares not evidenced by a Receipt of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as provided in this Deposit Agreement, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of this Deposit Agreement, including, without limitation, this Section 2.6.

The Depositary may refuse to accept deposits of Shares for delivery of American Depositary Shares or to register transfers of American Depositary Shares in particular instances, or may suspend deposits of Shares or registration of transfer generally, whenever it or the Company considers it necessary or advisable to do so. The Depositary may refuse surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities in particular instances, or may suspend surrenders for the purpose of withdrawal generally, but, notwithstanding anything to the contrary in this Deposit Agreement, only for (i) temporary delays caused by closing of the Depositary's register or the register of holders of Shares maintained by the Company or the Foreign Registrar, or the deposit of Shares, in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges, (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the American Depositary Shares or to the withdrawal of the Deposited Securities or (iv) any other reason that, at the time, is permitted under paragraph I(A)(1) of the General Instructions to Form F-6 under the Securities Act of 1933 or any successor to that provision.

The Depositary shall not knowingly accept for deposit under this Deposit Agreement any Shares that, at the time of deposit, are Restricted Securities.

SECTION 2.7. Lost Receipts, etc.

If a Receipt is mutilated, destroyed, lost or stolen, the Depositary shall deliver to the Owner the American Depositary Shares evidenced by that Receipt in uncertificated form or, if requested by the Owner, execute and deliver a new Receipt of like tenor in exchange and substitution for such mutilated Receipt, upon surrender and cancellation of that mutilated Receipt, or in lieu of and in substitution for that destroyed, lost or stolen Receipt. However, before the Depositary will deliver American Depositary Shares in uncertificated form or execute and deliver a new Receipt, in substitution for a destroyed, lost or stolen Receipt, the Owner must (a) file with the Depositary (i) a request for that replacement before the Depositary has notice that the Receipt has been acquired by a bona fide purchaser and (ii) a sufficient indemnity bond and (b) satisfy any other reasonable requirements imposed by the Depositary.

SECTION 2.8. Cancellation and Destruction of Surrendered Receipts.

The Depository shall cancel all Receipts surrendered to it and is authorized to destroy Receipts so cancelled.

SECTION 2.9. DTC Direct Registration System and Profile Modification System.

(a) Notwithstanding the provisions of Section 2.4, the parties acknowledge that DTC's Direct Registration System ("DRS") and Profile Modification System ("Profile") apply to the American Depositary Shares upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC that facilitates interchange between registered holding of uncertificated securities and holding of security entitlements in those securities through DTC and a DTC participant. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of an Owner of American Depositary Shares, to direct the Depository to register a transfer of those American Depositary Shares to DTC or its nominee and to deliver those American Depositary Shares to the DTC account of that DTC participant without receipt by the Depository of prior authorization from the Owner to register that transfer.

(b) In connection with DRS/Profile, the parties acknowledge that the Depository will not determine whether the DTC participant that is claiming to be acting on behalf of an Owner in requesting a registration of transfer and delivery as described in paragraph (a) above has the actual authority to act on behalf of that Owner (notwithstanding any requirements under the Uniform Commercial Code). For the avoidance of doubt, the provisions of Sections 5.3 and 5.8 apply to the matters arising from the use of the DRS/Profile. The parties agree that the Depository's reliance on and compliance with instructions received by the Depository through the DRS/Profile system and otherwise in accordance with this Deposit Agreement shall not constitute negligence or bad faith on the part of the Depository.

ARTICLE 3. CERTAIN OBLIGATIONS OF OWNERS AND HOLDERS OF AMERICAN DEPOSITARY SHARES

SECTION 3.1. Filing Proofs, Certificates and Other Information.

Any person presenting Shares for deposit or any Owner or Holder may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper, or as the Company may reasonably request by written request to the Depositary. The Depositary may withhold the delivery or registration of transfer of American Depositary Shares, the distribution of any dividend or other distribution or of the proceeds thereof or the delivery of any Deposited Securities until that proof or other information is filed or those certificates are executed or those representations and warranties are made. If requested in writing by the Company, the Depositary shall provide the Company, as promptly as practicable and at the Company's expense, with copies of such proofs, certificates and other information that it receives pursuant to this Section 3.1, to the extent that disclosure is permitted under applicable law.

SECTION 3.2. Liability of Owner for Taxes.

If any tax or other governmental charge shall become payable by the Custodian or the Depositary with respect to or in connection with any American Depositary Shares or any Deposited Securities represented by any American Depositary Shares or in connection with a transaction to which Section 4.8 applies, that tax or other governmental charge shall be payable by the Owner of those American Depositary Shares to the Depositary. The Depositary may refuse to register any transfer of those American Depositary Shares or any withdrawal of Deposited Securities represented by those American Depositary Shares until that payment is made, and may withhold any dividends or other distributions or the proceeds thereof, or may sell for the account of the Owner any part or all of the Deposited Securities represented by those American Depositary Shares and apply those dividends or other distributions or the net proceeds of any sale of that kind in payment of that tax or other governmental charge but, even after a sale of that kind, the Owner of those American Depositary Shares shall remain liable for any deficiency. The Depositary shall distribute any net proceeds of a sale made under this Section that are not used to pay taxes or governmental charges to the Owners entitled to them in accordance with Section 4.1. If the number of Shares represented by each American Depositary Share decreases as a result of a sale of Deposited Securities under this Section, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

SECTION 3.3. Warranties on Deposit of Shares.

Every person depositing Shares under this Deposit Agreement shall be deemed thereby to represent and warrant that those Shares and each certificate therefor, if applicable, are validly issued, fully paid and nonassessable and were not issued in violation of any preemptive or similar rights of the holders of outstanding securities of the Company and that the person making that deposit is duly authorized so to do. Every depositing person shall also be deemed to represent that the Shares, at the time of deposit, are not Restricted Securities. All representations and warranties deemed made under this Section shall survive the deposit of Shares and delivery of American Depositary Shares.

SECTION 3.4. Disclosure of Interests.

When required in order to comply with applicable laws and regulations or the articles of association or similar document of the Company, the Company may from time to time request each Owner and Holder to provide to the Depositary information relating to: (a) the capacity in which it holds American Depositary Shares, (b) the identity of any Holders or other persons or entities then or previously interested in those American Depositary Shares and the nature of those interests and (c) any other matter where disclosure of such matter is required for that compliance. Each Owner and Holder agrees to provide all information known to it in response to a request made pursuant to this Section. Each Holder consents to the disclosure by the Depositary and the Owner or any other Holder through which it holds American Depositary Shares, directly or indirectly, of all information responsive to a request made pursuant to this Section relating to that Holder that is known to that Owner or other Holder. The Depositary agrees to use reasonable efforts to comply with written instructions requesting that the Depositary forward any request authorized under this Section to the Owners and to forward to the Company any responses it receives in response to that request. The Depositary may charge the Company a fee and its expenses for complying with requests under this Section 3.4.

The Company has informed the Depositary that, as of the date of this Deposit Agreement, applicable Turkish law required the Depositary, as registered holder of deposited Shares, and the Company to disclose to regulatory authorities in Turkey if the number of deposited Shares, together with any other share capital of the Company held by The Bank of New York Mellon or any affiliate of The Bank of New York Mellon that must be aggregated with the holdings of The Bank of New York Mellon for purposes of that law, reaches or falls above or below certain specified threshold percentages of the Company's outstanding share capital (the "Threshold Reporting Duties"), and that any failure of the Depositary or the Company to timely comply with the Threshold Reporting Duties would result in the suspension of all rights attaching to the deposited Shares. The Depositary agrees to provide the Company with required information as to the amount of the Company's share capital that it holds and the names of affiliated persons and entities of the Depositary the holdings of which must be attributed to it for purposes of the Threshold Reporting Duties, and the Company agrees to comply with all Threshold Reporting Duties, both for itself and on behalf of the Depositary and to provide the Depositary with a copy of each disclosure report it files pursuant to those duties, but neither the Company nor the Depositary shall have any duty or liability with respect to any failure of the other to comply with the Threshold Reporting Duties. If the Company is unsure whether a holding of its share capital should be attributed to the Depositary for purposes of the Threshold Reporting Duties, the Company shall inquire of the Depositary and the Depositary shall assist the Company in making that determination.

The Company has informed the Depositary that, as of the date of this Deposit Agreement, applicable Turkish law restricted foreign investment in Turkish companies engaged in certain specified categories of business. The Company is not engaged in any of those categories of business as of the date of this Deposit Agreement. The Company agrees to notify the Depositary as promptly as practicable if the Company enters, or intends to enter (through a business acquisition or otherwise), into a category of business that would make its Shares subject to restrictions on foreign investment under applicable Turkish laws and regulations.

ARTICLE 4. THE DEPOSITED SECURITIES

SECTION 4.1. Cash Distributions.

Whenever the Depositary receives any cash dividend or other cash distribution on Deposited Securities, the Depositary shall, subject to the provisions of Section 4.5, convert that dividend or other distribution into Dollars and distribute the amount thus received (net of the fees and expenses of the Depositary as provided in Section 5.9) to the Owners entitled thereto, in proportion to the number of American Depositary Shares representing those Deposited Securities held by them respectively; provided, however, that if the Custodian or the Depositary shall be required to withhold and does withhold from that cash dividend or other cash distribution an amount on account of taxes or other governmental charges, the amount distributed to the Owners of the American Depositary Shares representing those Deposited Securities shall be reduced accordingly. However, the Depositary will not pay any Owner a fraction of one cent, but will round each Owner's entitlement to the nearest whole cent.

The Company or its agent will remit to the appropriate governmental agency in each applicable jurisdiction all amounts, if any, withheld by them in respect of taxes and owing to such agency.

If a cash distribution would represent a return of all or substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may:

(i) require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that cash distribution; or

(ii) sell all Deposited Securities other than the subject cash distribution and add any net cash proceeds of that sale to the cash distribution, call for surrender of all those American Depositary Shares and require that surrender as a condition of making that cash distribution.

If the Depositary acts under this paragraph, that action shall also be a Termination Option Event.

SECTION 4.2. Distributions Other Than Cash, Shares or Rights.

Subject to the provisions of Sections 4.11 and 5.9, whenever the Depositary receives any distribution other than a distribution described in Section 4.1, 4.3 or 4.4 on Deposited Securities (but not in exchange for or in conversion or in lieu of Deposited Securities), the Depositary shall cause the securities or property received by it to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary and any taxes or other governmental charges, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively, in any manner that the Depositary deems equitable and practicable for accomplishing that distribution (which may be a distribution of depositary shares representing the securities received); provided, however, that if in the reasonable opinion of the Depositary such distribution cannot be made proportionately among the Owners entitled thereto, or if for any other reason (including, but not limited to, any requirement that the Company or the Depositary withhold an amount on account of taxes or other governmental charges or that securities received must be registered under the Securities Act of 1933 in order to be distributed to Owners or Holders) the Depositary deems such distribution not to be lawful and feasible, the Depositary may adopt such other method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and distribution of the net proceeds of any such sale (net of the fees and expenses of the Depositary as provided in Section 5.9) to the Owners entitled thereto, all in the manner and subject to the conditions set forth in Section 4.1. The Depositary may withhold any distribution of securities under this Section 4.2 if it has not received reasonably satisfactory assurances from the Company that the distribution does not require registration under the Securities Act of 1933. The Depositary may sell, by public or private sale, an amount of securities or other property it would otherwise distribute under this Section 4.2 that is sufficient to pay its fees and expenses in respect of that distribution.

If a distribution to be made under this Section 4.2 would represent a return of all or substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may:

(i) require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that distribution; or

(ii) sell all Deposited Securities other than the subject distribution and add any net cash proceeds of that sale to the distribution, call for surrender of all those American Depositary Shares and require that surrender as a condition of making that distribution.

If the Depositary acts under this paragraph, that action shall also be a Termination Option Event.

SECTION 4.3. Distributions in Shares.

Whenever the Depositary receives any distribution on Deposited Securities consisting of a dividend in, or free distribution of, Shares, the Depositary may, and shall if the Company shall so request in writing, deliver to the Owners entitled thereto, in proportion to the number of American Depositary Shares representing those Deposited Securities held by them respectively, an aggregate number of American Depositary Shares representing the amount of Shares received as that dividend or free distribution, subject to the terms and conditions of this Deposit Agreement with respect to the deposit of Shares and issuance of American Depositary Shares, including withholding of any tax or governmental charge as provided in Section 4.11 and payment of the fees and expenses of the Depositary as provided in Section 5.9 (and the Depositary may sell, by public or private sale, an amount of the Shares received (or American Depositary Shares representing those Shares) sufficient to pay its fees and expenses in respect of that distribution). In lieu of delivering fractional American Depositary Shares, the Depositary may sell the amount of Shares represented by the aggregate of those fractions (or American Depositary Shares representing those Shares) and distribute the net proceeds, all in the manner and subject to the conditions described in Section 4.1. If and to the extent that additional American Depositary Shares are not delivered and Shares or American Depositary Shares are not sold, each American Depositary Share shall thenceforth also represent the additional Shares distributed on the Deposited Securities represented thereby.

If the Company declares a distribution in which holders of Deposited Securities have a right to elect whether to receive cash, Shares or other securities or a combination of those things, or a right to elect to have a distribution sold on their behalf, the Depositary may, after consultation with the Company, make that right of election available for exercise by Owners in any manner the Depositary considers to be lawful and practical. As a condition of making a distribution election right available to Owners, the Depositary may require reasonably satisfactory assurances from the Company that doing so does not require registration of any securities under the Securities Act of 1933 that has not been effected.

SECTION 4.4. Rights.

(a) If rights are granted to the Depositary in respect of deposited Shares to purchase additional Shares or other securities, the Company and the Depositary shall endeavor to consult as to the actions, if any, the Depositary should take in connection with that grant of rights. The Depositary may, to the extent deemed by it to be lawful and practical (i) if requested in writing by the Company, grant to all or certain Owners rights to instruct the Depositary to purchase the securities to which the rights relate and deliver those securities or American Depositary Shares representing those securities to Owners, (ii) if requested in writing by the Company, deliver the rights to or to the order of certain Owners, or (iii) sell the rights to the extent practicable and distribute the net proceeds of that sale to Owners entitled to those proceeds. To the extent rights are not exercised, delivered or disposed of under (i), (ii) or (iii) above, the Depositary shall permit the rights to lapse unexercised.

(b) If the Depositary will act under (a)(i) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon instruction from an applicable Owner in the form the Depositary specified and upon payment by that Owner to the Depositary of an amount equal to the purchase price of the securities to be received upon the exercise of the rights, the Depositary shall, on behalf of that Owner, exercise the rights and purchase the securities. The purchased securities shall be delivered to, or as instructed by, the Depositary. The Depositary shall (i) deposit the purchased Shares under this Deposit Agreement and deliver American Depositary Shares representing those Shares to that Owner or (ii) deliver or cause the purchased Shares or other securities to be delivered to or to the order of that Owner. The Depositary will not act under (a)(i) above unless the offer and sale of the securities to which the rights relate are registered under the Securities Act of 1933 or the Depositary has received an opinion of United States counsel that is reasonably satisfactory to it to the effect that those securities may be sold and delivered to the applicable Owners without registration under the Securities Act of 1933.

(c) If the Depositary will act under (a)(ii) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon (i) the request of an applicable Owner to deliver the rights allocable to the American Depositary Shares of that Owner to an account specified by that Owner to which the rights can be delivered and (ii) receipt of such documents as the Company and the Depositary agreed to require to comply with applicable law, the Depositary will deliver those rights as requested by that Owner. For the avoidance of doubt, nothing in this Deposit Agreement shall create any obligation on the part of the Company to file a registration statement with respect to rights or the underlying securities or to endeavor to have such a registration statement declared effective.

(d) If the Depositary will act under (a)(iii) above, the Depositary will use reasonable efforts to sell the rights in proportion to the number of American Depositary Shares held by the applicable Owners and pay the net proceeds to the Owners otherwise entitled to the rights that were sold, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any American Depositary Shares or otherwise.

(e) Payment or deduction of the fees of the Depositary as provided in Section 5.9 and payment or deduction of the expenses of the Depositary and any applicable taxes or other governmental charges shall be conditions of any delivery of securities or payment of cash proceeds under this Section 4.4.

(f) The Depositary shall not be responsible for any failure to determine that it may be lawful or feasible to make rights available to or exercise rights on behalf of Owners in general or any Owner in particular, or to sell rights.

SECTION 4.5. Conversion of Foreign Currency.

Whenever the Depositary or the Custodian receives foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary or one of its agents or affiliates or the Custodian shall convert or cause to be converted by sale or in any other manner that it may determine that foreign currency into Dollars, and those Dollars shall be distributed, as promptly as practicable, to the Owners entitled thereto. A cash distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners based on exchange restrictions, the date of delivery of any American Depositary Shares or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9.

If a conversion of foreign currency or the repatriation or distribution of Dollars can be effected only with the approval or license of any government or agency thereof, the Depositary may, but will not be required to, file an application for that approval or license.

If the Depositary determines that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof that is required for such conversion is not filed or sought by the Depositary or is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute the foreign currency received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make that conversion and distribution in Dollars to the extent practicable and permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold that balance uninvested and without liability for interest thereon for the account of, the Owners entitled thereto.

The Depositary may convert currency itself or through any of its affiliates, or the Custodian or the Company may convert currency and pay 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 this 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 this 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 Owners, subject to the Depositary's obligations under Section 5.3. 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 Owners, 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 the Company in 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 or on behalf of the Company and, in such cases, the Depositary will not engage in, or be responsible for, any foreign currency transactions and neither it nor the Company makes any representation that the rate obtained or determined by the Company is the most favorable rate and neither it nor the Company will be liable for any direct or indirect losses associated with the rate.

SECTION 4.6. Fixing of Record Date.

Whenever a cash dividend, cash distribution or any other distribution is made on Deposited Securities or rights to purchase Shares or other securities are issued with respect to Deposited Securities (which rights will be delivered to or exercised or sold on behalf of Owners in accordance with Section 4.4) or the Depositary receives notice that a distribution or issuance of that kind will be made, or whenever the Depositary receives notice that a meeting of holders of Shares will be held in respect of which the Company has requested the Depositary to send a notice under Section 4.7, or whenever the Depositary will assess a fee or charge against the Owners, or whenever the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary otherwise finds it necessary or convenient, the Depositary shall fix a record date, which shall be the same as, or as near as practicable to, any corresponding record date set by the Company with respect to Shares, (a) for the determination of the Owners (i) who shall be entitled to receive the benefit of that dividend or other distribution or those rights, (ii) who shall be entitled to give instructions for the exercise of voting rights at that meeting, (iii) who shall be responsible for that fee or charge or (iv) for any other purpose for which the record date was set, or (b) on or after which each American Depositary Share will represent the changed number of Shares. Subject to the provisions of Sections 4.1 through 4.5 and to the other terms and conditions of this Deposit Agreement, the Owners on a record date fixed by the Depositary shall be entitled to receive the amount distributable by the Depositary with respect to that dividend or other distribution or those rights or the net proceeds of sale thereof in proportion to the number of American Depositary Shares held by them respectively, to give voting instructions or to act in respect of the other matter for which that record date was fixed, or be responsible for that fee or charge, as the case may be.

SECTION 4.7. Voting of Deposited Shares.

(a) Upon receipt of notice of any meeting of holders of Shares at which holders of Shares will be entitled to vote, if requested in writing by the Company, the Depositary shall, as soon as practicable thereafter, Disseminate to the Owners a notice, the form of which shall be determined by the Depositary in consultation with the Company to the extent practicable, that shall contain (i) the information contained in the notice of meeting received by the Depositary, (ii) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of Turkish law and of the articles of association or similar documents of the Company, to instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Shares represented by their respective American Depositary Shares, (iii) a statement as to the manner in which those instructions may be given and (iv) the last date on which the Depositary will accept instructions (the "Instruction Cutoff Date").

(b) Upon the written request of an Owner of American Depositary Shares, as of the date of the request or, if a record date was specified by the Depositary, as of that record date, received on or before any Instruction Cutoff Date established by the Depositary, the Depositary may, and if the Depositary sent a notice under the preceding paragraph shall, endeavor, in so far as practicable, to vote or cause to be voted the amount of deposited Shares represented by those American Depositary Shares in accordance with a “netting” procedure in which the Depositary will vote the net amount of deposited Shares that it was instructed to vote for or against a matter after deducting from that amount the amount of deposited Shares that it was instructed to vote in the opposite manner. However, if the Depositary has received an opinion from independent legal counsel for the Company addressed to the Depositary or upon which the Depositary is authorized to rely to the effect that the Depositary may, under applicable Turkish law and the articles of association or similar organizational documents of the Company, vote a portion but not all the deposited Shares and vote some of the deposited in favor and other deposited Shares against any matter to be voted upon at the meeting, then the Depositary shall endeavor, in so far as practicable, to vote or cause to be voted the amount of deposited Shares represented by those American Depositary Shares in accordance the instructions set forth in that request without applying the “netting” procedure provided in the preceding sentence. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the deposited Shares other than in accordance with instructions given by Owners and received by the Depositary or as otherwise provided in this paragraph (b).

(c) There can be no assurance that Owners generally or any Owner in particular will receive the notice described in paragraph (a) above in time to enable Owners to give instructions to the Depositary prior to the Instruction Cutoff Date.

(d) In order to give Owners a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to Shares, if the Company will request the Depositary to Disseminate a notice under paragraph (a) above, the Company shall give the Depositary notice of the meeting, details concerning the matters to be voted upon and copies of materials to be made available to holders of Shares in connection with the meeting not less than 30 days prior to the meeting date.

SECTION 4.8. Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities.

(a) The Depositary shall not tender any Deposited Securities in response to any voluntary cash tender offer, exchange offer or similar offer made to holders of Deposited Securities (a "Voluntary Offer"), except when instructed in writing to do so by an Owner surrendering American Depositary Shares and subject to any conditions or procedures the Depositary may require.

(b) If the Depositary receives a written notice that Deposited Securities have been redeemed for cash or otherwise purchased for cash in a transaction that is mandatory and binding on the Depositary as a holder of those Deposited Securities (a "Redemption"), the Depositary, at the expense of the Company, shall (i) if required, surrender Deposited Securities that have been redeemed to the issuer of those securities or its agent on the redemption date, (ii) Disseminate a notice to Owners (A) notifying them of that Redemption, (B) calling for surrender of a corresponding number of American Depositary Shares and (C) notifying them that the called American Depositary Shares have been converted into a right only to receive the money received by the Depositary upon that Redemption and those net proceeds shall be the Deposited Securities to which Owners of those converted American Depositary Shares shall be entitled upon surrenders of those American Depositary Shares in accordance with Section 2.5 or 6.2 and (iii) distribute the money received upon that Redemption to the Owners entitled to it upon surrender by them of called American Depositary Shares in accordance with Section 2.5 (and, for the avoidance of doubt, Owners shall not be entitled to receive that money under Section 4.1). If the Redemption affects less than all the Deposited Securities, the Depositary shall call for surrender a corresponding portion of the outstanding American Depositary Shares and only those American Depositary Shares will automatically be converted into a right to receive the net proceeds of the Redemption. The Depositary shall allocate the American Depositary Shares converted under the preceding sentence among the Owners pro-rata to their respective holdings of American Depositary Shares immediately prior to the Redemption, except that the allocations may be adjusted so that no fraction of a converted American Depositary Share is allocated to any Owner. A Redemption of all or substantially all of the Deposited Securities shall be a Termination Option Event.

(c) If the Depositary is notified of or there occurs any change in nominal value or any subdivision, combination or any other reclassification of the Deposited Securities or any recapitalization, reorganization, sale of assets substantially as an entirety, merger or consolidation affecting the issuer of the Deposited Securities or to which it is a party that is mandatory and binding on the Depositary as a holder of Deposited Securities and, as a result, securities or other property have been or will be delivered in exchange, conversion, replacement or in lieu of, Deposited Securities (a “Replacement”), the Depositary shall, if required, surrender the old Deposited Securities affected by that Replacement of Shares and hold, as new Deposited Securities under this Deposit Agreement, the new securities or other property delivered to it in that Replacement. However, the Depositary may elect to sell those new Deposited Securities if in the reasonable opinion of the Depositary it is not lawful or not practical for it to hold those new Deposited Securities under this Deposit Agreement because those new Deposited Securities may not be distributed to Owners without registration under the Securities Act of 1933 or for any other reason, at public or private sale, at such places and on such terms as it deems proper and proceed as if those new Deposited Securities had been Redeemed under paragraph (b) above. A Replacement shall be a Termination Option Event.

(d) In the case of a Replacement where the new Deposited Securities will continue to be held under this Deposit Agreement, the Depositary may call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing the new Deposited Securities and the number of those new Deposited Securities represented by each American Depositary Share. If the number of Shares represented by each American Depositary Share decreases as a result of a Replacement, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

(e) If there are no Deposited Securities with respect to American Depositary Shares, including if the Deposited Securities are cancelled, or the Deposited Securities with respect to American Depositary Shares have become apparently worthless, the Depositary may call for surrender of those American Depositary Shares or may cancel those American Depositary Shares, upon notice to Owners, and that condition shall be a Termination Option Event.

SECTION 4.9. Reports.

The Depositary shall make available for inspection by Owners at its Office any reports and communications, including any proxy solicitation material, received from the Company which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of those Deposited Securities by the Company. The Company shall furnish reports and communications, including any proxy soliciting material to which this Section applies, to the Depositary in English, to the extent those materials are required to be translated into English pursuant to any regulations of the Commission.

SECTION 4.10. Lists of Owners.

As promptly as practicable upon written request by the Company, the Depositary shall, at the expense of the Company, furnish to it a list, as of a recent date, of the names, addresses and American Depositary Share holdings of all Owners.

SECTION 4.11. Withholding.

If the Depositary determines that any distribution received or to be made by the Depositary (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge that the Depositary is obligated to withhold, the Depositary may sell, by public or private sale, all or a portion of the distributed property (including Shares and rights to subscribe therefor) in the amounts and manner the Depositary deems necessary and practicable to pay those taxes or charges, and the Depositary shall distribute the net proceeds of that sale, after deduction of those taxes or charges, to the Owners entitled thereto in proportion to the number of American Depositary Shares held by them respectively.

Services for Owners and Holders that may permit them to obtain reduced rates of tax withholding at source or reclaim excess tax withheld, and the fees and costs associated with using services of that kind, are not provided under, and are outside the scope of, this Deposit Agreement.

Each Owner and Holder agrees to indemnify the Company, the Depositary, the Custodian and their respective directors, officers, employees, agents and affiliates for, and hold each of them harmless against, any claim by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced withholding at source or other tax benefit received by it.

ARTICLE 5. THE DEPOSITARY, THE CUSTODIANS AND THE COMPANY

SECTION 5.1. Maintenance of Office and Register by the Depositary.

Until termination of this Deposit Agreement in accordance with its terms, the Depositary shall maintain facilities for the delivery, registration of transfers and surrender of American Depositary Shares in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep a register of all Owners and all outstanding American Depositary Shares, which shall be open for inspection by the Owners at the Depositary's Office during regular business hours, but only for the purpose of communicating with Owners regarding the business of the Company or a matter related to this Deposit Agreement or the American Depositary Shares.

The Depositary may close the register for delivery, registration of transfer or surrender for the purpose of withdrawal from time to time as provided in Section 2.6.

If any American Depositary Shares are listed on one or more stock exchanges, the Depositary shall act as Registrar or appoint a Registrar or one or more co-registrars for registration of those American Depositary Shares in accordance with any requirements of that exchange or those exchanges.

The Company shall have the right, at all reasonable times, upon written request, to inspect transfer and registration records of the Depositary, the Registrar and any co-transfer agents or co-registrars and to require them to supply, at the Company's expense (unless otherwise agreed in writing between the Company and the Depositary) copies of such portions of their records as the Company may reasonably request.

SECTION 5.2. Prevention or Delay of Performance by the Company or the Depositary.

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates shall incur any liability to any Owner or Holder:

(i) if by reason of (A) any provision of any present or future law or regulation or other act of the government of the United States, any State of the United States or any other state or jurisdiction, or of any governmental or regulatory authority or stock exchange; (B) (in the case of the Depositary only) any provision, present or future, of the articles of association or similar document of the Company, or any provision of any securities issued or distributed by the Company, or any offering or distribution thereof; or (C) any event or circumstance, whether natural or caused by a person or persons, that is beyond the ability of the Depositary or the Company, as the case may be, to prevent or counteract by reasonable care or effort (including, but not limited to, earthquakes, floods, severe storms, fires, explosions, war, terrorism, civil unrest, labor disputes, criminal acts or outbreaks of infectious disease; interruptions or malfunctions of utility services, Internet or other communications lines or systems; unauthorized access to or attacks on computer systems or websites; or other failures or malfunctions of computer hardware or software or other systems or equipment), the Depositary or the Company is, directly or indirectly, prevented from, forbidden to or delayed in, or could be subject to any civil or criminal penalty on account of doing or performing and therefore does not do or perform, any act or thing that, by the terms of this Deposit Agreement or the Deposited Securities, it is provided shall be done or performed;

(ii) for any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement (including any determination by the Depositary or the Company to take, or not take, any action that this Deposit Agreement provides the Depositary or the Company, as the case may be, may take);

(iii) for the inability of any Owner or Holder to benefit from any distribution, offering, right or other benefit that is made available to holders of Deposited Securities but is not, under the terms of this Deposit Agreement, made available to Owners or Holders; or

(iv) for any special, consequential or punitive damages for any breach of the terms of this Deposit Agreement.

Where, by the terms of a distribution to which Section 4.1, 4.2 or 4.3 applies, or an offering to which Section 4.4 applies, or for any other reason, that distribution or offering may not be made available to Owners, and the Depositary may not dispose of that distribution or offering on behalf of Owners and make the net proceeds available to Owners, then the Depositary shall not make that distribution or offering available to Owners, and shall allow any rights, if applicable, to lapse.

SECTION 5.3. Obligations of the Depositary and the Company.

Neither the Company nor any of its directors, officers, employees, agents or affiliates assumes any obligation nor shall any of them be subject to any liability under this Deposit Agreement to any Owner or Holder, except that the Company agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

Neither the Depositary nor any of its directors, officers, employees, agents or affiliates assumes any obligation nor shall any of them be subject to any liability under this Deposit Agreement to any Owner or Holder (including, without limitation, liability with respect to the validity or worth of the Deposited Securities), except that the Depositary agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith, and the Depositary shall not be a fiduciary or have any fiduciary duty to Owners or Holders.

None of the Depositary, the Company or any of their respective directors, officers, employees, agents or affiliates shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or in respect of the American Depositary Shares on behalf of any Owner or Holder or any other person.

Each of the Depositary and the Company and their respective directors, officers, employees, agents and affiliates may rely, and shall be protected in relying upon, any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

None of the Depositary, the Company or any of their respective directors, officers, employees, agents or affiliates shall be liable for any action or non-action by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or any other person believed by it in good faith to be competent to give such advice or information.

The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary.

The Depositary shall not be liable for the acts or omissions of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of American Depositary Shares or Deposited Securities or otherwise.

In the absence of bad faith on its part, the Depositary shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any such vote is cast or the effect of any such vote.

The Depositary shall have no duty to make any determination or provide any information as to the tax status of the Company. Neither the Depositary nor the Company shall have any liability for any tax consequences that may be incurred by Owners or Holders as a result of owning or holding American Depositary Shares. Neither the Depositary nor the Company shall be liable for the inability or failure of an Owner or 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.

SECTION 5.4. Resignation and Removal of the Depositary.

The Depositary may at any time resign as Depositary hereunder by written notice of its election so to do delivered to the Company, to become effective upon the appointment of a successor depositary and its acceptance of that appointment as provided in this Section. The effect of resignation if a successor depositary is not appointed is provided for in Section 6.2.

The Depositary may at any time be removed by the Company by 90 days' prior written notice of that removal, to become effective upon the later of (i) the 90th day after delivery of the notice to the Depositary and (ii) the appointment of a successor depositary and its acceptance of its appointment as provided in this Section.

If the Depositary resigns or is removed, the Company shall use its commercially reasonable efforts to appoint a successor depositary. Every successor depositary shall execute and deliver to the Company an instrument in writing accepting its appointment under this Deposit Agreement. If the Depositary receives notice from the Company that a successor depositary has been appointed following its resignation or removal, the Depositary, upon payment of all sums due it from the Company, shall deliver to its successor a register listing all the Owners and their respective holdings of outstanding American Depositary Shares and shall deliver the Deposited Securities to or to the order of its successor. When the Depositary has taken the actions specified in the preceding sentence (i) the successor shall become the Depositary and shall have all the rights and shall assume all the duties of the Depositary under this Deposit Agreement and (ii) the predecessor depositary shall cease to be the Depositary and shall be discharged and released from all obligations under this Deposit Agreement, except for its duties under Section 5.8 with respect to the time before that discharge. A successor depositary shall notify the Owners of its appointment as soon as practical after assuming the duties of Depositary.

Any corporation or other entity into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act.

SECTION 5.5. The Custodians.

The Custodian shall be subject at all times and in all respects to the directions of the Depositary and shall be responsible solely to it. The Depositary in its discretion may at any time appoint a substitute or additional custodian or custodians, each of which shall thereafter be one of the Custodians under this Deposit Agreement. If the Depositary receives notice that a Custodian is resigning and, upon the effectiveness of that resignation there would be no Custodian acting under this Deposit Agreement, the Depositary shall, as promptly as practicable after receiving that notice, appoint a substitute custodian or custodians, each of which shall thereafter be a Custodian under this Deposit Agreement. The Depositary shall require any Custodian that resigns or is removed to deliver all Deposited Securities held by it to another Custodian. The Depositary shall notify the Company of the appointment of a substitute or additional Custodian, or any other change in Custodian, as promptly as practicable.

SECTION 5.6. Notices and Reports.

If the Company takes or decides to take any corporate action of a kind that is addressed in Sections 4.1 to 4.4, or 4.6 to 4.8, or that effects or will effect a change of the name or legal structure of the Company, or that effects or will effect a change to the Shares, the Company shall notify the Depositary and the Custodian of that action or decision as soon as it is lawful and practical to give that notice. The notice shall be in English and shall include all details that the Company is required to include in any notice to any governmental or regulatory authority or securities exchange or is required to make available generally to holders of Shares by publication or otherwise.

The Company will arrange for the translation into English, if not already in English, to the extent required pursuant to any regulations of the Commission, and the prompt transmittal by the Company to the Depositary and the Custodian of all notices and any other reports and communications which are made generally available by the Company to holders of its Shares. If requested in writing by the Company, the Depositary will Disseminate, at the Company's expense, those notices, reports and communications to all Owners or otherwise make them available to Owners in a manner that the Company specifies as substantially equivalent to the manner in which those communications are made available to holders of Shares and compliant with the requirements of any securities exchange on which the American Depositary Shares are listed. The Company will timely provide the Depositary with the quantity of such notices, reports, and communications, as requested by the Depositary from time to time, in order for the Depositary to effect that Dissemination.

The Company represents, as of the date hereof, that the statements in Article 11 of the form of Receipt appearing as Exhibit A to this Deposit Agreement with respect to the Company's obligation to file periodic reports under the United States Securities Exchange Act of 1934, as amended, are true and correct. The Company agrees to promptly notify the Depositary upon becoming aware of any change in the truth of any of those statements or if there is any change in the Company's status regarding those reporting obligations or that qualification.

SECTION 5.7. Distribution of Additional Shares, Rights, etc.

If the Company or any affiliate of the Company determines to make any issuance or distribution of (1) additional Shares, (2) rights to subscribe for Shares, (3) securities convertible into Shares, or (4) rights to subscribe for such securities (each a "Distribution"), the Company shall notify the Depositary in writing in English as promptly as practicable and in any event before the Distribution starts and, if reasonably requested in writing by the Depositary, the Company shall promptly furnish to the Depositary either (i) evidence reasonably satisfactory to the Depositary that the Distribution is registered under the Securities Act of 1933 or (ii) a written opinion from U.S. counsel for the Company that is reasonably satisfactory to the Depositary, stating that the Distribution does not require, or, if made in the United States, would not require, registration under the Securities Act of 1933.

The Company agrees with the Depositary that neither the Company nor any company controlled by, controlling or under common control with the Company will at any time deposit any Shares that, at the time of deposit, are Restricted Securities.

SECTION 5.8. Indemnification.

The Company agrees to indemnify the Depository, its directors, officers, employees, agents and affiliates and each Custodian against, and hold each of them harmless from, any liability or expense (including, but not limited to any documented fees and expenses incurred in seeking, enforcing or collecting such indemnity and the documented reasonable fees and expenses of counsel) ("Losses") that may arise out of or in connection with (a) any registration with the Commission of American Depositary Shares or Deposited Securities or the offer or sale thereof or (b) acts performed or omitted, pursuant to the provisions of or in connection with this Deposit Agreement and the American Depositary Shares, as the same may be amended, modified or supplemented from time to time, (i) by either the Depository or a Custodian or their respective directors, officers, employees, agents and affiliates, except for any liability or expense arising out of the negligence or bad faith of either of them, or (ii) by the Company or any of its directors, employees, agents and affiliates.

The indemnities contained in the preceding paragraph shall not extend to any Losses arising out of information relating to the Depository or any Custodian, as the case may be, furnished in writing by the Depository to the Company expressly for use in any registration statement, proxy statement, prospectus or preliminary prospectus or any other offering documents relating to the American Depositary Share, the Shares or any other Deposited Securities (it being acknowledged and agreed that, as of the date of this Deposit Agreement, the Depository has not furnished any information of that kind).

The Depository agrees to indemnify the Company, its directors, officers, employees, agents and affiliates and hold each of them harmless from any liability or expense (including, but not limited to any documented fees and expenses incurred in seeking, enforcing or collecting such indemnity and the documented reasonable fees and expenses of counsel) that may arise out of acts performed or omitted by the Depository or any Custodian or their respective directors, officers, employees, agents and affiliates due to their negligence or bad faith.

If a claim is asserted or an action is commenced against a person that is entitled to seek and intends to seek indemnification for that claim or action under this Section 5.8 (an "Indemnifiable Claim"), that person (an "Indemnified Person") shall (i) promptly notify in writing the person obligated to provide that indemnification (the "Indemnifying Person") of that assertion or commencement and (ii) consult in good faith with the Indemnifying Person as to the conduct of the defense of that Indemnifiable Claim. To the extent that (x) no conflict of interest exists in the conduct of the defense and (y) no legal defenses are available to the Indemnified Person that are different from or in addition to those available to the Indemnifying Person, the Indemnifying Person may, by written notice to the Indemnified Person, assume the defense of an Indemnifiable Claim with counsel reasonably satisfactory to the Indemnified Person. After notice from the Indemnifying Person to the Indemnified Person of its election to assume the defense of an Indemnifiable Claim, and provided no conflict of interest exists and no different or additional legal defenses are available, the Indemnifying Person shall not be liable to the Indemnified Person for any legal expenses of other counsel or any other expenses subsequently incurred by the Indemnified Person in connection with the defense other than reasonable costs of investigation. Neither the Indemnified Person nor the Indemnifying Person shall compromise or settle an Indemnifiable Claim without the consent of the other (which consent shall not be unreasonably withheld). The Indemnifying Person shall have no obligation to indemnify and hold harmless the Indemnified Person from any loss, expense or liability incurred by the Indemnified Person as a result of a default judgment entered against the Indemnified Person in an Indemnifiable Claim unless that judgment was entered after the Indemnifying Person agreed, in writing, to assume the defense of that Indemnifiable Claim.

SECTION 5.9. Charges of Depositary.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering American Depositary Shares or to whom American Depositary Shares are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the American Depositary Shares or Deposited Securities or a delivery of American Depositary Shares pursuant to Section 4.3), or by Owners, as applicable: (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (3) such cable (including SWIFT) and facsimile transmission fees and expenses as are expressly provided in this Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency pursuant to Section 4.5, (5) a fee of \$5.00 or less per 100 American Depositary Shares (or portion thereof) for the delivery of American Depositary Shares pursuant to Section 2.3, 4.3 or 4.4 and the surrender of American Depositary Shares pursuant to Section 2.5 or 6.2, (6) a fee of \$.05 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to this Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 and Section 4.8, (7) a fee for the distribution of securities pursuant to Section 4.2 or of rights pursuant to Section 4.4 (where the Depositary will not exercise or sell those rights on behalf of Owners), such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities under this Deposit Agreement (for purposes of this item 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Owners, (8) in addition to any fee charged under item 6 above, a fee of \$.05 or less per American Depositary Share (or portion thereof) per annum for depositary services, which will be payable as provided in item 9 below, and (9) any other charges payable by the Depositary or the Custodian, any of the Depositary's or Custodian's agents or the agents of the Depositary's or Custodian's agents, in connection with the servicing of Shares or other Deposited Securities (which charges shall be assessed against Owners as of the date or dates set by the Depositary in accordance with Section 4.6 and shall be payable at the sole discretion of the Depositary by billing those Owners for those charges or by deducting those charges from one or more cash dividends or other cash distributions).

The Depository may collect any of its fees by deduction from any cash distribution payable, or by selling a portion of any securities to be distributed, to Owners that are obligated to pay those fees.

In performing its duties under this 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 Depository may own and deal in any class of securities of the Company and its affiliates and in American Depositary Shares.

SECTION 5.10. Retention of Depository Documents.

The Depository is authorized to destroy those documents, records, bills and other data compiled during the term of this Deposit Agreement at the times permitted by the laws or regulations governing the Depository, unless the Company requests in writing, sufficiently prior to any such destruction, that those papers be retained for a longer period or turned over to the Company.

SECTION 5.11. Exclusivity.

Without prejudice to the Company's rights under Section 5.4, the Company agrees not to appoint any other depository for issuance of depository shares, depository receipts or any similar securities or instruments so long as The Bank of New York Mellon is acting as Depository under this Deposit Agreement.

SECTION 5.12. Information for Regulatory Compliance.

Each of the Company and the Depository shall provide to the other, as promptly as practicable, information from its records or otherwise available to it that is reasonably requested by the other to permit the other to comply with applicable law or requirements of governmental or regulatory authorities.

ARTICLE 6. AMENDMENT AND TERMINATION

SECTION 6.1. Amendment.

The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by written agreement between the Company and the Depository without the consent of Owners or Holders in any respect that they may deem necessary or desirable. Any amendment that would impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable (including SWIFT) or facsimile transmission costs, delivery costs or other such expenses), or that would otherwise prejudice any substantial existing right of Owners, shall, however, not become effective as to outstanding American Depositary Shares until the expiration of 30 days after notice of that amendment has been Disseminated to the Owners of outstanding American Depositary Shares. Every Owner and Holder, at the time any amendment so becomes effective, shall be deemed, by continuing to hold American Depositary Shares or any interest therein, to consent and agree to that amendment and to be bound by this Deposit Agreement as amended thereby. Upon the effectiveness of an amendment to the form of Receipt, including a change in the number of Shares represented by each American Depositary Share, the Depository may call for surrender of Receipts to be replaced with new Receipts in the amended form or call for surrender of American Depositary Shares to effect that change of ratio. In no event shall any amendment impair the right of the Owner to surrender American Depositary Shares and receive delivery of the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

SECTION 6.2. Termination.

(a) The Company may initiate termination of this Deposit Agreement by notice to the Depository. The Depository may initiate termination of this Deposit Agreement if (i) at any time 60 days shall have expired after the Depository delivered to the Company a written resignation notice and a successor depository has not been appointed and accepted its appointment as provided in Section 5.4 or (ii) a Termination Option Event has occurred or will occur. If termination of this Deposit Agreement is initiated, the Depository shall Disseminate a notice of termination to the Owners of all American Depositary Shares then outstanding setting a date for termination (the "Termination Date"), which shall be at least 90 days after the date of that notice, and this Deposit Agreement shall terminate on that Termination Date.

(b) After the Termination Date, the Company shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depository under Sections 5.8 and 5.9.

(c) At any time after the Termination Date, the Depository may sell the Deposited Securities then held under this Deposit Agreement and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it hereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of American Depositary Shares that remain outstanding, and those Owners will be general creditors of the Depository with respect to those net proceeds and that other cash. After making that sale, the Depository shall be discharged from all obligations under this Deposit Agreement, except (i) to account for the net proceeds and other cash (after deducting, in each case, the fee of the Depository for the surrender of American Depositary Shares, any expenses for the account of the Owner of such American Depositary Shares in accordance with the terms and conditions of this Deposit Agreement and any applicable taxes or governmental charges) and to pay them to Owners upon surrender of American Depositary Shares in accordance with Section 2.5, and (ii) for its obligations under Section 5.8 and (iii) to act as provided in paragraph (d) below.

(d) After the Termination Date, if any American Depositary Shares remain outstanding, the Depositary shall continue to receive dividends and other distributions pertaining to Deposited Securities (that have not been sold), may sell rights and other property as provided in this Deposit Agreement and shall deliver Deposited Securities (or sale proceeds) upon surrender of American Depositary Shares (after payment or upon deduction, in each case, of the fee of the Depositary for the surrender of American Depositary Shares, any expenses for the account of the Owner of those American Depositary Shares in accordance with the terms and conditions of this Deposit Agreement and any applicable taxes or governmental charges). After the Termination Date, the Depositary shall not accept deposits of Shares or deliver American Depositary Shares. After the Termination Date, (i) the Depositary may refuse to accept surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities (that have not been sold) or reverse previously accepted surrenders of that kind that have not settled if in its judgment the requested withdrawal would interfere with its efforts to sell the Deposited Securities, (ii) the Depositary will not be required to deliver cash proceeds of the sale of Deposited Securities until all Deposited Securities have been sold and (iii) the Depositary may discontinue the registration of transfers of American Depositary Shares and suspend the distribution of dividends and other distributions on Deposited Securities to the Owners and need not give any further notices or perform any further acts under this Deposit Agreement except as provided in this Section.

ARTICLE 7. MISCELLANEOUS

SECTION 7.1. Counterparts; Signatures; Delivery.

This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of those counterparts shall constitute one and the same instrument. Copies of this Deposit Agreement shall be filed with the Depositary and the Custodians and shall be open to inspection by any Owner or Holder during regular business hours.

The exchange of copies of this Deposit Agreement and manually-signed signature pages by facsimile, or email attaching a pdf or similar bit-mapped image, shall constitute effective execution and delivery of this Deposit Agreement as to the parties to it; copies and signature pages so exchanged may be used in lieu of the original Deposit Agreement and signature pages for all purposes and shall have the same validity, legal effect and admissibility in evidence as an original manual signature; the parties to this Deposit Agreement hereby agree not to argue to the contrary.

SECTION 7.2. No Third Party Beneficiaries.

This Deposit Agreement is for the exclusive benefit of the Company, the Depositary, the Owners and the Holders and their respective successors and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person.

SECTION 7.3. Severability.

In case any one or more of the provisions contained in this Deposit Agreement or in a Receipt should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Deposit Agreement or that Receipt shall in no way be affected, prejudiced or disturbed thereby.

SECTION 7.4. Owners and Holders as Parties; Binding Effect.

The Owners and Holders from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions of this Deposit Agreement and of the Receipts by acceptance of American Depositary Shares or any interest therein.

SECTION 7.5. Notices.

Any and all notices to be given to the Company shall be in writing and shall be deemed to have been duly given if personally delivered or sent by domestic first class or international air mail or air courier or sent by facsimile transmission or email attaching a pdf or similar bit-mapped image of a signed writing, addressed to D-MARKET Elektronik Hizmetler ve Ticaret A.Ş., Kuştepe Mahallesi Mecidiyeköy Yolu, Cadde no: 12 Kule 2 K2, Şişli 34387 İstanbul, Turkey, Attention: Elvan Cumhuriyet, or any other place to which the Company may have transferred its principal office with notice to the Depositary.

Any and all notices to be given to the Depositary shall be in writing and shall be deemed to have been duly given if in English and personally delivered or sent by first class domestic or international air mail or air courier or sent by facsimile transmission or email attaching a pdf or similar bit-mapped image of a signed writing, addressed to The Bank of New York Mellon, 240 Greenwich Street, New York, New York 10286, Attention: Depositary Receipt Administration, or any other place to which the Depositary may have transferred its Office with notice to the Company.

Delivery of a notice to the Company or Depositary by mail or air courier shall be deemed effected when deposited, postage prepaid, in a post-office letter box or received by an air courier service. Delivery of a notice to the Company or Depositary sent by facsimile transmission or email shall be deemed effected when the recipient acknowledges receipt of that notice.

A notice to be given to an Owner shall be deemed to have been duly given when Disseminated to that Owner. Dissemination in paper form will be effective when personally delivered or sent by first class domestic or international air mail or air courier, addressed to that Owner at the address of that Owner as it appears on the transfer books for American Depositary Shares of the Depository, or, if that Owner has filed with the Depository a written request that notices intended for that Owner be mailed to some other address, at the address designated in that request. Dissemination in electronic form will be effective when sent in the manner consented to by the Owner to the electronic address most recently provided by the Owner for that purpose.

SECTION 7.6. Appointment of Agent for Service of Process; Submission to Jurisdiction; Jury Trial Waiver.

The Company hereby (i) designates and appoints the person named in Exhibit A to this Deposit Agreement as the Company's authorized agent in the United States upon which process may be served in any suit or proceeding arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Deposit Agreement (a "Proceeding"), (ii) consents and submits to the jurisdiction of the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, New York Country, in which any Proceeding may be instituted and the respective courts having jurisdiction to hear appeals from those courts and (iii) agrees that service of process upon said authorized agent shall be deemed in every respect effective service of process upon the Company in any Proceeding. The Company agrees to deliver to the Depository, upon the execution and delivery of this Deposit Agreement, a written acceptance by the agent named in Exhibit A to this Deposit Agreement of its appointment as process agent. The Company further agrees to take any and all action, including the filing of any and all such documents and instruments, as may be necessary to continue that designation and appointment in full force and effect, or to appoint and maintain the appointment of another process agent located in the United States as required above, and to deliver to the Depository a written acceptance by that agent of that appointment, for so long as any American Depositary Shares or Receipts remain outstanding or this Deposit Agreement remains in force. In the event the Company fails to maintain the designation and appointment of a process agent in the United States in full force and effect, the Company hereby waives personal service of process upon it and consents that a service of process in connection with a Proceeding may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices under this Deposit Agreement, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

EACH PARTY TO THIS DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH OWNER AND HOLDER) HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING AGAINST THE COMPANY AND/OR THE DEPOSITARY DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE AMERICAN DEPOSITARY SHARES OR THE RECEIPTS, THIS DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF, INCLUDING, WITHOUT LIMITATION, ANY QUESTION REGARDING EXISTENCE, VALIDITY OR TERMINATION (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) AND ANY CLAIM BASED ON U.S. FEDERAL SECURITIES LAWS.

No disclaimer of liability under the United States federal securities laws or the rules and regulations thereunder is intended by any provision of this Deposit Agreement, inasmuch as no person is able to effectively waive the duty of any other person to comply with its obligations under those laws, rules and regulations.

SECTION 7.7. Waiver of Immunities.

To the extent that the Company or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any immunity of that kind and consents to relief and enforcement as provided above.

SECTION 7.8. Governing Law.

This Deposit Agreement and the Receipts shall be interpreted in accordance with and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, D-MARKET ELEKTRONIK HIZMETLER VE TICARET A.Ş. and THE BANK OF NEW YORK MELLON have duly executed this Deposit Agreement as of the day and year first set forth above and all Owners and Holders shall become parties hereto upon acceptance by them of American Depositary Shares or any interest therein.

D-MARKET ELEKTRONIK HIZMETLER
VE TICARET A.Ş.

By: _____
Name: Mehmet Murat Emirdag
Title: Chief Executive Officer

THE BANK OF NEW YORK MELLON,
as Depositary

By: _____
Name: Robert W.Goad
Title: Managing Director

EXHIBIT A

AMERICAN DEPOSITARY SHARES
(Each American Depositary Share represents
one deposited Share)

THE BANK OF NEW YORK MELLON
AMERICAN DEPOSITARY RECEIPT
FOR CLASS B ORDINARY SHARES OF
D-MARKET ELEKTRONIK HIZMETLER VE TICARET A.Ş.
(D-MARKET Electronic Services & Trading)
(INCORPORATED UNDER THE LAWS OF THE REPUBLIC OF TURKEY)

The Bank of New York Mellon, as depositary (hereinafter called the "Depositary"), hereby certifies that _____, or registered assigns IS THE OWNER OF _____

AMERICAN DEPOSITARY SHARES

representing deposited Class B ordinary shares (herein called "Shares") of D-MARKET Elektronik Hizmetler ve Ticaret A.Ş., incorporated under the laws of the Republic of Turkey (herein called the "Company"). At the date hereof, each American Depositary Share represents one Share deposited or subject to deposit under the Deposit Agreement (as such term is hereinafter defined) with a custodian for the Depositary (herein called the "Custodian") that, as of the date of the Deposit Agreement, was Turkiye Is Bankasi A.S. located in Turkey. The Depositary's Office and its principal executive office are located at 240 Greenwich Street, New York, N.Y. 10286.

THE DEPOSITARY'S OFFICE ADDRESS IS
240 GREENWICH STREET, NEW YORK, N.Y. 10286

1. THE DEPOSIT AGREEMENT.

This American Depositary Receipt is one of an issue (herein called “Receipts”), all issued and to be issued upon the terms and conditions set forth in the Deposit Agreement dated as of _____, 2021 (herein called the “Deposit Agreement”) among the Company, the Depositary, and all Owners and Holders from time to time of American Depositary Shares issued thereunder, each of whom by accepting American Depositary Shares agrees to become a party thereto and become bound by all the terms and conditions thereof. The Deposit Agreement sets forth the rights of Owners and Holders and the rights and duties of the Depositary in respect of the Shares deposited thereunder and any and all other securities, property and cash from time to time received in respect of those Shares and held thereunder (those Shares, securities, property, and cash are herein called “Deposited Securities”). Copies of the Deposit Agreement are on file at the Depositary’s Office in New York City and at the office of the Custodian.

The statements made on the face and reverse of this Receipt are summaries of certain provisions of the Deposit Agreement and are qualified by and subject to the detailed provisions of the Deposit Agreement, to which reference is hereby made. Capitalized terms defined in the Deposit Agreement and not defined herein shall have the meanings set forth in the Deposit Agreement.

2. SURRENDER OF AMERICAN DEPOSITARY SHARES AND WITHDRAWAL OF SHARES.

Upon surrender of American Depositary Shares for the purpose of withdrawal of the Deposited Securities represented thereby and payment of the fee of the Depositary for the surrender of American Depositary Shares as provided in Section 5.9 of the Deposit Agreement and payment of all taxes and governmental charges payable in connection with that surrender and withdrawal of the Deposited Securities, and subject to the terms and conditions of the Deposit Agreement, the Owner of those American Depositary Shares shall be entitled to delivery (to the extent delivery can then be lawfully and practicably made), to or as instructed by that Owner, of the amount of Deposited Securities at the time represented by those American Depositary Shares, but not any money or other property as to which a record date for distribution to Owners has passed (since money or other property of that kind will be delivered or paid on the scheduled payment date to the Owner as of that record date), and except that the Depositary shall not be required to accept surrender of American Depositary Shares for the purpose of withdrawal to the extent it would require delivery of a fraction of a Deposited Security. The Depositary shall direct the Custodian with respect to delivery of Deposited Securities and may charge the surrendering Owner a fee and its expenses for giving that direction by cable (including SWIFT) or facsimile transmission. If Deposited Securities are delivered physically upon surrender of American Depositary Shares for the purpose of withdrawal, that delivery will be made at the Custodian’s office, except that, at the request, risk and expense of the surrendering Owner, and for the account of that Owner, the Depositary shall direct the Custodian to forward any cash or other property comprising, and forward a certificate or certificates, if applicable, and other proper documents of title, if any, for, the Deposited Securities represented by the surrendered American Depositary Shares to the Depositary for delivery at the Depositary’s Office or to another address specified in the order received from the surrendering Owner.

3. REGISTRATION OF TRANSFER OF AMERICAN DEPOSITARY SHARES; COMBINATION AND SPLIT-UP OF RECEIPTS; INTERCHANGE OF CERTIFICATED AND UNCERTIFICATED AMERICAN DEPOSITARY SHARES.

The Depository, subject to the terms and conditions of the Deposit Agreement, shall register a transfer of American Depositary Shares on its transfer books upon (i) in the case of certificated American Depositary Shares, surrender of the Receipt evidencing those American Depositary Shares, by the Owner or by a duly authorized attorney, properly endorsed or accompanied by proper instruments of transfer or (ii) in the case of uncertificated American Depositary Shares, receipt from the Owner of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.9 of that Agreement), and, in either case, duly stamped as may be required by the laws of the State of New York and of the United States of America. Upon registration of a transfer, the Depository shall deliver the transferred American Depositary Shares to or upon the order of the person entitled thereto.

The Depository, subject to the terms and conditions of the Deposit Agreement, shall upon surrender of a Receipt or Receipts for the purpose of effecting a split-up or combination of such Receipt or Receipts, execute and deliver a new Receipt or Receipts for any authorized number of American Depositary Shares requested, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered.

The Depository, upon surrender of certificated American Depositary Shares for the purpose of exchanging for uncertificated American Depositary Shares, shall cancel the Receipt evidencing those certificated American Depositary Shares and send the Owner a statement confirming that the Owner is the owner of the same number of uncertificated American Depositary Shares. The Depository, upon receipt of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.9 of the Deposit Agreement) from the Owner of uncertificated American Depositary Shares for the purpose of exchanging for certificated American Depositary Shares, shall cancel those uncertificated American Depositary Shares and register and deliver to the Owner a Receipt evidencing the same number of certificated American Depositary Shares.

As a condition precedent to the delivery, registration of transfer, or surrender of any American Depositary Shares or split-up or combination of any Receipt or withdrawal of any Deposited Securities, the Depositary, the Custodian, or Registrar may require payment from the depositor of the Shares or the presenter of the Receipt or instruction for registration of transfer or surrender of American Depositary Shares not evidenced by a Receipt of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as provided in the Deposit Agreement, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of the Deposit Agreement.

The Depositary may refuse to accept deposits of Shares for delivery of American Depositary Shares or to register transfers of American Depositary Shares in particular instances, or may suspend deposits of Shares or registration of transfer generally, whenever it or the Company considers it necessary or advisable to do so. The Depositary may refuse surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities in particular instances, or may suspend surrenders for the purpose of withdrawal generally, but, notwithstanding anything to the contrary in the Deposit Agreement, only for (i) temporary delays caused by closing of the Depositary's register or the register of holders of Shares maintained by the Company or the Foreign Registrar, or the deposit of Shares, in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges, (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the American Depositary Shares or to the withdrawal of the Deposited Securities or (iv) any other reason that, at the time, is permitted under paragraph I(A)(1) of the General Instructions to Form F-6 under the Securities Act of 1933 or any successor to that provision.

The Depositary shall not knowingly accept for deposit under the Deposit Agreement any Shares that, at the time of deposit, are Restricted Securities.

4. LIABILITY OF OWNER FOR TAXES.

If any tax or other governmental charge shall become payable by the Custodian or the Depositary with respect to or in connection with any American Depositary Shares or any Deposited Securities represented by any American Depositary Shares or in connection with a transaction to which Section 4.8 of the Deposit Agreement applies, that tax or other governmental charge shall be payable by the Owner of those American Depositary Shares to the Depositary. The Depositary may refuse to register any transfer of those American Depositary Shares or any withdrawal of Deposited Securities represented by those American Depositary Shares until that payment is made, and may withhold any dividends or other distributions or the proceeds thereof, or may sell for the account of the Owner any part or all of the Deposited Securities represented by those American Depositary Shares, and may apply those dividends or other distributions or the net proceeds of any sale of that kind in payment of that tax or other governmental charge but, even after a sale of that kind, the Owner shall remain liable for any deficiency. The Depositary shall distribute any net proceeds of a sale made under Section 3.2 of the Deposit Agreement that are not used to pay taxes or governmental charges to the Owners entitled to them in accordance with Section 4.1 of the Deposit Agreement. If the number of Shares represented by each American Depositary Share decreases as a result of a sale of Deposited Securities under Section 3.2 of the Deposit Agreement, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

5. WARRANTIES ON DEPOSIT OF SHARES.

Every person depositing Shares under the Deposit Agreement shall be deemed thereby to represent and warrant that those Shares and each certificate therefor, if applicable, are validly issued, fully paid and nonassessable and were not issued in violation of any preemptive or similar rights of the holders of outstanding securities of the Company and that the person making that deposit is duly authorized so to do. Every depositing person shall also be deemed to represent that the Shares, at the time of deposit, are not Restricted Securities. All representations and warranties deemed made under Section 3.3 of the Deposit Agreement shall survive the deposit of Shares and delivery of American Depositary Shares.

6. FILING PROOFS, CERTIFICATES, AND OTHER INFORMATION.

Any person presenting Shares for deposit or any Owner or Holder may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper, or as the Company may reasonably require by written request to the Depositary. The Depositary may withhold the delivery or registration of transfer of any American Depositary Shares, the distribution of any dividend or other distribution or of the proceeds thereof or the delivery of any Deposited Securities until that proof or other information is filed or those certificates are executed or those representations and warranties are made. If requested in writing by the Company, the Depositary will provide the Company, as promptly as practicable and at the Company's expense, with copies of such proofs, certificates and other information that it receives pursuant to Section 3.1 of the Deposit Agreement, to the extent that disclosure is permitted under applicable law. As conditions of accepting Shares for deposit, the Depositary may require (i) any certification required by the Depositary or the Custodian in accordance with the provisions of the Deposit Agreement, (ii) a written order directing the Depositary to deliver to, or upon the written order of, the person or persons stated in that order, the number of American Depositary Shares representing those Deposited Shares, (iii) evidence satisfactory to the Depositary that those Shares have been re-registered in the books of the Company or the Foreign Registrar in the name of the Depositary, a Custodian or a nominee of the Depositary or a Custodian, (iv) evidence satisfactory to the Depositary that any necessary approval for the transfer or deposit has been granted by any governmental body in each applicable jurisdiction and (v) an agreement or assignment, or other instrument satisfactory to the Depositary, that provides for the prompt transfer to the Custodian of any dividend, or right to subscribe for additional Shares or to receive other property, that any person in whose name those Shares are or have been recorded may thereafter receive upon or in respect of those Shares, or, in lieu thereof, such agreement of indemnity or other agreement as shall be satisfactory to the Depositary. The Depositary shall refuse, and shall instruct the Custodian to refuse, to accept Shares for deposit if the Depositary has received a notice from the Company that the Company has restricted transfer of those Shares under the Company's articles of association or any applicable laws or that the deposit would result in any violation of the Company's articles of association or any applicable laws.

7. CHARGES OF THE DEPOSITARY.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering American Depositary Shares or to whom American Depositary Shares are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the American Depositary Shares or Deposited Securities or a delivery of American Depositary Shares pursuant to Section 4.3 of the Deposit Agreement), or by Owners, as applicable: (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (3) such cable (including SWIFT) and facsimile transmission fees and expenses as are expressly provided in the Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency pursuant to Section 4.5 of the Deposit Agreement, (5) a fee of \$5.00 or less per 100 American Depositary Shares (or portion thereof) for the delivery of American Depositary Shares pursuant to Section 2.3, 4.3 or 4.4 of the Deposit Agreement and the surrender of American Depositary Shares pursuant to Section 2.5 or 6.2 of the Deposit Agreement, (6) a fee of \$.05 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to the Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 and 4.8 of the Deposit Agreement, (7) a fee for the distribution of securities pursuant to Section 4.2 of the Deposit Agreement or of rights pursuant to Section 4.4 of that Agreement (where the Depositary will not exercise or sell those rights on behalf of Owners), such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities under the Deposit Agreement (for purposes of this item 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Owners, (8) in addition to any fee charged under item 6, a fee of \$.05 or less per American Depositary Share (or portion thereof) per annum for depositary services, which will be payable as provided in item 9 below, and (9) any other charges payable by the Depositary or the Custodian, any of the Depositary's or Custodian's agents or the agents of the Depositary's or Custodian's agents, in connection with the servicing of Shares or other Deposited Securities (which charges shall be assessed against Owners as of the date or dates set by the Depositary in accordance with Section 4.6 of the Deposit Agreement and shall be payable at the sole discretion of the Depositary by billing those Owners for those charges or by deducting those charges from one or more cash dividends or other cash distributions).

The Depositary may collect any of its fees by deduction from any cash distribution payable, or by selling a portion of any securities to be distributed, to Owners that are obligated to pay those fees.

The Depositary may own and deal in any class of securities of the Company and its affiliates and in American Depositary Shares.

From time to time, the Depositary may make payments to the Company to reimburse the Company for costs and expenses generally arising out of establishment and maintenance of the American Depositary Shares program, waive fees and expenses for services provided by the Depositary or share revenue from the fees collected from Owners or Holders. In performing its duties under the Deposit Agreement, the Depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the Depositary and that may earn or share fees, spreads or commissions.

8. DISCLOSURE OF INTERESTS.

When required in order to comply with applicable laws and regulations or the articles of association or similar document of the Company, the Company may from time to time request each Owner and Holder to provide to the Depositary information relating to: (a) the capacity in which it holds American Depositary Shares, (b) the identity of any Holders or other persons or entities then or previously interested in those American Depositary Shares and the nature of those interests and (c) any other matter where disclosure of such matter is required for that compliance. Each Owner and Holder agrees to provide all information known to it in response to a request made pursuant to Section 3.4 of the Deposit Agreement. Each Holder consents to the disclosure by the Depositary and the Owner or other Holder through which it holds American Depositary Shares, directly or indirectly, of all information responsive to a request made pursuant to that Section relating to that Holder that is known to that Owner or other Holder.

The Company has informed the Depositary that, as of the date of this Deposit Agreement, applicable Turkish law required the Depositary, as registered holder of deposited Shares, and the Company to disclose to regulatory authorities in Turkey if the number of deposited Shares, together with any other share capital of the Company held by The Bank of New York Mellon or any affiliate of The Bank of New York Mellon that must be aggregated with the holdings of The Bank of New York Mellon for purposes of that law, reaches or falls above or below certain specified threshold percentages of the Company's outstanding share capital (the "Threshold Reporting Duties"), and that any failure of the Depositary or the Company to timely comply with the Threshold Reporting Duties would result in the suspension of all rights attaching to the deposited Shares. The Depositary agrees to provide the Company with required information as to the amount of the Company's share capital that it holds and the names of affiliated persons and entities of the Depositary the holdings of which must be attributed to it for purposes of the Threshold Reporting Duties, and the Company agrees to comply with all Threshold Reporting Duties, both for itself and on behalf of the Depositary and to provide the Depositary with a copy of each disclosure report it files pursuant to those duties, but neither the Company nor the Depositary shall have any duty or liability with respect to any failure of the other to comply with the Threshold Reporting Duties. If the Company is unsure whether a holding of its share capital should be attributed to the Depositary for purposes of the Threshold Reporting Duties, the Company shall inquire of the Depositary and the Depositary shall assist the Company in making that determination.

The Company has informed the Depositary that, as of the date of the Deposit Agreement, applicable Turkish law restricted foreign investment in Turkish companies engaged in certain specified categories of business. The Company is not engaged in any of those categories of business as of the date of this Deposit Agreement. The Company agrees to notify the Depositary as promptly as practicable if the Company enters, or intends to enter (through a business acquisition or otherwise), into a category of business that would make its Shares subject to restrictions on foreign investment under applicable Turkish laws and regulations.

9. TITLE TO AMERICAN DEPOSITARY SHARES.

It is a condition of the American Depositary Shares, and every successive Owner and Holder of American Depositary Shares, by accepting or holding the same, consents and agrees that American Depositary Shares evidenced by a Receipt, when the Receipt is properly endorsed or accompanied by proper instruments of transfer, shall be transferable as certificated registered securities under the laws of the State of New York, and that American Depositary Shares not evidenced by Receipts shall be transferable as uncertificated registered securities under the laws of the State of New York. The Depositary, notwithstanding any notice to the contrary, may treat the Owner of American Depositary Shares as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in the Deposit Agreement and for all other purposes, and neither the Depositary nor the Company shall have any obligation or be subject to any liability under the Deposit Agreement to any Holder of American Depositary Shares, but only to the Owner.

10. VALIDITY OF RECEIPT.

This Receipt shall not be entitled to any benefits under the Deposit Agreement or be valid or obligatory for any purpose, unless this Receipt shall have been (i) executed by the Depositary by the manual signature of a duly authorized officer of the Depositary or (ii) executed by the facsimile signature of a duly authorized officer of the Depositary and countersigned by the manual signature of a duly authorized signatory of the Depositary or the Registrar or a co-registrar.

11. REPORTS; INSPECTION OF TRANSFER BOOKS.

The Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934 and, accordingly, files certain reports with the Securities and Exchange Commission. Those reports will be available for inspection and copying through the Commission's EDGAR system or at public reference facilities maintained by the Commission in Washington, D.C.

The Depositary will make available for inspection by Owners at its Office any reports, notices and other communications, including any proxy soliciting material, received from the Company which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of those Deposited Securities by the Company. The Company shall furnish reports and communications, including any proxy soliciting material to which Section 4.9 of the Deposit Agreement applies, to the Depositary in English, to the extent such materials are required to be translated into English pursuant to any regulations of the Commission.

The Depositary will maintain a register of American Depositary Shares and transfers of American Depositary Shares, which shall be open for inspection by the Owners at the Depositary's Office during regular business hours, but only for the purpose of communicating with Owners regarding the business of the Company or a matter related to this Deposit Agreement or the American Depositary Shares.

12. DIVIDENDS AND DISTRIBUTIONS.

Whenever the Depositary receives any cash dividend or other cash distribution on Deposited Securities, the Depositary will, if at the time of receipt thereof any amounts received in a foreign currency can in the judgment of the Depositary be converted on a reasonable basis into Dollars transferable to the United States, and subject to the Deposit Agreement, convert that dividend or other cash distribution into Dollars and distribute the amount thus received (net of the fees and expenses of the Depositary as provided in Article 7 hereof and Section 5.9 of the Deposit Agreement) to the Owners entitled thereto; provided, however, that if the Custodian or the Depositary is required to withhold and does withhold from that cash dividend or other cash distribution an amount on account of taxes or other governmental charges, the amount distributed to the Owners of the American Depositary Shares representing those Deposited Securities shall be reduced accordingly.

If a cash distribution would represent a return of all or substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may:

(i) require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that cash distribution; or

(ii) sell all Deposited Securities other than the subject cash distribution and add any net cash proceeds of that sale to the cash distribution, call for surrender of all those American Depositary Shares and require that surrender as a condition of making that cash distribution.

If the Depositary acts under this paragraph, that action shall also be a Termination Option Event.

Subject to the provisions of Section 4.11 and 5.9 of the Deposit Agreement, whenever the Depositary receives any distribution other than a distribution described in Section 4.1, 4.3 or 4.4 of the Deposit Agreement on Deposited Securities (but not in exchange for or in conversion or in lieu of Deposited Securities), the Depositary will cause the securities or property received by it to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary and any taxes or other governmental charges, in any manner that the Depositary deems equitable and practicable for accomplishing that distribution (which may be a distribution of depositary shares representing the securities received); provided, however, that if in the reasonable opinion of the Depositary such distribution cannot be made proportionately among the Owners entitled thereto, or if for any other reason the Depositary deems such distribution not to be lawful and feasible, the Depositary may adopt such other method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and distribution of the net proceeds of any such sale (net of the fees and expenses of the Depositary as provided in Article 7 hereof and Section 5.9 of the Deposit Agreement) to the Owners entitled thereto all in the manner and subject to the conditions set forth in Section 4.1 of the Deposit Agreement. The Depositary may withhold any distribution of securities under Section 4.2 of the Deposit Agreement if it has not received satisfactory assurances from the Company that the distribution does not require registration under the Securities Act of 1933. The Depositary may sell, by public or private sale, an amount of securities or other property it would otherwise distribute under this Article that is sufficient to pay its fees and expenses in respect of that distribution.

If a distribution to be made under Section 4.2 of the Deposit Agreement would represent a return of all or substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may:

(i) require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that distribution; or

(ii) sell all Deposited Securities other than the subject distribution and add any net cash proceeds of that sale to the distribution, call for surrender of all those American Depositary Shares and require that surrender as a condition of making that distribution.

If the Depositary acts under this paragraph, that action shall also be a Termination Option Event.

Whenever the Depositary receives any distribution consisting of a dividend in, or free distribution of, Shares, the Depositary may, and shall if the Company shall so request in writing, deliver to the Owners entitled thereto, an aggregate number of American Depositary Shares representing the amount of Shares received as that dividend or free distribution, subject to the terms and conditions of the Deposit Agreement with respect to the deposit of Shares and issuance of American Depositary Shares, including the withholding of any tax or other governmental charge as provided in Section 4.11 of the Deposit Agreement and the payment of the fees and expenses of the Depositary as provided in Article 7 hereof and Section 5.9 of the Deposit Agreement (and the Depositary may sell, by public or private sale, an amount of Shares received (or American Depositary Shares representing those Shares) sufficient to pay its fees and expenses in respect of that distribution). In lieu of delivering fractional American Depositary Shares, the Depositary may sell the amount of Shares represented by the aggregate of those fractions (or American Depositary Shares representing those Shares) and distribute the net proceeds, all in the manner and subject to the conditions described in Section 4.1 of the Deposit Agreement. If and to the extent that additional American Depositary Shares are not delivered and Shares or American Depositary Shares are not sold, each American Depositary Share shall thenceforth also represent the additional Shares distributed on the Deposited Securities represented thereby.

If the Company declares a distribution in which holders of Deposited Securities have a right to elect whether to receive cash, Shares or other securities or a combination of those things, or a right to elect to have a distribution sold on their behalf, the Depositary may, after consultation with the Company, make that right of election available for exercise by Owners in any manner the Depositary considers to be lawful and practical. As a condition of making a distribution election right available to Owners, the Depositary may require reasonably satisfactory assurances from the Company that doing so does not require registration of any securities under the Securities Act of 1933 that has not been effected.

If the Depositary determines that any distribution received or to be made by the Depositary (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge that the Depositary is obligated to withhold, the Depositary may sell, by public or private sale, all or a portion of the distributed property (including Shares and rights to subscribe therefor) in the amounts and manner the Depositary deems necessary and practicable to pay those taxes or charges, and the Depositary shall distribute the net proceeds of that sale, after deduction of those taxes or charges, to the Owners entitled thereto in proportion to the number of American Depositary Shares held by them respectively.

Each Owner and Holder agrees to indemnify the Company, the Depositary, the Custodian and their respective directors, employees, agents and affiliates for, and hold each of them harmless against, any claim by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced withholding at source or other tax benefit received by it. Services for Owners and Holders that may permit them to obtain reduced rates of tax withholding at source or reclaim excess tax withheld, and the fees and costs associated with using services of that kind, are not provided under, and are outside the scope of, the Deposit Agreement.

13. RIGHTS.

(a) If rights are granted to the Depositary in respect of deposited Shares to purchase additional Shares or other securities, the Company and the Depositary shall endeavor to consult as to the actions, if any, the Depositary should take in connection with that grant of rights. The Depositary may, to the extent deemed by it to be lawful and practical (i) if requested in writing by the Company, grant to all or certain Owners rights to instruct the Depositary to purchase the securities to which the rights relate and deliver those securities or American Depositary Shares representing those securities to Owners, (ii) if requested in writing by the Company, deliver the rights to or to the order of certain Owners, or (iii) sell the rights to the extent practicable and distribute the net proceeds of that sale to Owners entitled to those proceeds. To the extent rights are not exercised, delivered or disposed of under (i), (ii) or (iii) above, the Depositary shall permit the rights to lapse unexercised.

(b) If the Depositary will act under (a)(i) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon instruction from an applicable Owner in the form the Depositary specified and upon payment by that Owner to the Depositary of an amount equal to the purchase price of the securities to be received upon the exercise of the rights, the Depositary shall, on behalf of that Owner, exercise the rights and purchase the securities. The purchased securities shall be delivered to, or as instructed by, the Depositary. The Depositary shall (i) deposit the purchased Shares under the Deposit Agreement and deliver American Depositary Shares representing those Shares to that Owner or (ii) deliver or cause the purchased Shares or other securities to be delivered to or to the order of that Owner. The Depositary will not act under (a)(i) above unless the offer and sale of the securities to which the rights relate are registered under the Securities Act of 1933 or the Depositary has received an opinion of United States counsel that is reasonably satisfactory to it to the effect that those securities may be sold and delivered to the applicable Owners without registration under the Securities Act of 1933. For the avoidance of doubt, nothing in the Deposit Agreement shall create any obligation on the part of the Company to file a registration statement with respect to rights or the underlying securities or to endeavor to have such a registration statement declared effective.

(c) If the Depositary will act under (a)(ii) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon (i) the request of an applicable Owner to deliver the rights allocable to the American Depositary Shares of that Owner to an account specified by that Owner to which the rights can be delivered and (ii) receipt of such documents as the Company and the Depositary agreed to require to comply with applicable law, the Depositary will deliver those rights as requested by that Owner.

(d) If the Depositary will act under (a)(iii) above, the Depositary will use reasonable efforts to sell the rights in proportion to the number of American Depositary Shares held by the applicable Owners and pay the net proceeds to the Owners otherwise entitled to the rights that were sold, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any American Depositary Shares or otherwise.

(e) Payment or deduction of the fees of the Depositary as provided in Section 5.9 of the Deposit Agreement and payment or deduction of the expenses of the Depositary and any applicable taxes or other governmental charges shall be conditions of any delivery of securities or payment of cash proceeds under Section 4.4 of that Agreement.

(f) The Depositary shall not be responsible for any failure to determine that it may be lawful or feasible to make rights available to or exercise rights on behalf of Owners in general or any Owner in particular, or to sell rights.

14. CONVERSION OF FOREIGN CURRENCY.

Whenever the Depositary or the Custodian receives foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary or one of its agents or affiliates or the Custodian shall convert or cause to be converted by sale or in any other manner that it may determine that foreign currency into Dollars, and those Dollars shall be distributed, as promptly as practicable, to the Owners entitled thereto. A cash distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners based on exchange restrictions, the date of delivery of any American Depositary Shares or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9 of the Deposit Agreement.

If a conversion of foreign currency or the repatriation or distribution of Dollars can be effected only with the approval or license of any government or agency thereof, the Depositary may, but will not be required to, file an application for that approval or license.

If the Depositary determines that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof that is required for such conversion is not filed or sought by the Depositary or is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute the foreign currency received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make that conversion and distribution in Dollars to the extent practicable and permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold that balance uninvested and without liability for interest thereon for the account of, the Owners entitled thereto.

The Depositary may convert currency itself or through any of its affiliates, or the Custodian or the Company may convert currency and pay 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 Owners, subject to the Depositary's obligations under Section 5.3 of that Agreement. 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 Owners, 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 the Company in 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 or on behalf of the Company and, in such cases, the Depositary will not engage in, or be responsible for, any foreign currency transactions and neither it nor the Company makes any representation that the rate obtained or determined by the Company is the most favorable rate and neither it nor the Company will be liable for any direct or indirect losses associated with the rate.

15. RECORD DATES.

Whenever a cash dividend, cash distribution or any other distribution is made on Deposited Securities or rights to purchase Shares or other securities are issued with respect to Deposited Securities (which rights will be delivered to or exercised or sold on behalf of Owners in accordance with Section 4.4 of the Deposit Agreement) or the Depositary receives notice that a distribution or issuance of that kind will be made, or whenever the Depositary receives notice that a meeting of holders of Shares will be held in respect of which the Company has requested the Depositary to send a notice under Section 4.7 of the Deposit Agreement, or whenever the Depositary will assess a fee or charge against the Owners, or whenever the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary otherwise finds it necessary or convenient, the Depositary shall fix a record date, which shall be the same as, or as near as practicable to, any corresponding record date set by the Company with respect to Shares, (a) for the determination of the Owners (i) who shall be entitled to receive the benefit of that dividend or other distribution or those rights, (ii) who shall be entitled to give instructions for the exercise of voting rights at that meeting, (iii) who shall be responsible for that fee or charge or (iv) for any other purpose for which the record date was set, or (b) on or after which each American Depositary Share will represent the changed number of Shares. Subject to the provisions of Sections 4.1 through 4.5 of the Deposit Agreement and to the other terms and conditions of the Deposit Agreement, the Owners on a record date fixed by the Depositary shall be entitled to receive the amount distributable by the Depositary with respect to that dividend or other distribution or those rights or the net proceeds of sale thereof in proportion to the number of American Depositary Shares held by them respectively, to give voting instructions or to act in respect of the other matter for which that record date was fixed, or be responsible for that fee or charge, as the case may be.

16. VOTING OF DEPOSITED SHARES.

(a) Upon receipt of notice of any meeting of holders of Shares at which holders of Shares will be entitled to vote, if requested in writing by the Company, the Depositary shall, as soon as practicable thereafter, Disseminate to the Owners a notice, the form of which shall be determined by the Depositary in consultation with the Company to the extent practicable, that shall contain (i) the information contained in the notice of meeting received by the Depositary, (ii) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of Turkish law and of the articles of association or similar documents of the Company, to instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Shares represented by their respective American Depositary Shares, (iii) a statement as to the manner in which those instructions may be given and (iv) the last date on which the Depositary will accept instructions (the "Instruction Cutoff Date").

(b) Upon the written request of an Owner of American Depositary Shares, as of the date of the request or, if a record date was specified by the Depositary, as of that record date, received on or before any Instruction Cutoff Date established by the Depositary, the Depositary may, and if the Depositary sent a notice under the preceding paragraph shall, endeavor, in so far as practicable, to vote or cause to be voted the amount of deposited Shares represented by those American Depositary Shares in accordance with a “netting” procedure in which the Depositary will vote the net amount of deposited Shares that it was instructed to vote for or against a matter after deducting from that amount the amount of deposited Shares that it was instructed to vote in the opposite manner. However, if the Depositary has received an opinion from independent legal counsel for the Company addressed to the Depositary or upon which the Depositary is authorized to rely to the effect that the Depositary may, under applicable Turkish law and the articles of association or similar organizational documents of the Company, vote a portion but not all the deposited Shares and vote some of the deposited in favor and other deposited Shares against any matter to be voted upon at the meeting, then the Depositary shall endeavor, in so far as practicable, to vote or cause to be voted the amount of deposited Shares represented by those American Depositary Shares in accordance the instructions set forth in that request without applying the “netting” procedure provided in the preceding sentence. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the deposited Shares other than in accordance with instructions given by Owners and received by the Depositary or as otherwise provided in this paragraph (b).

(c) There can be no assurance that Owners generally or any Owner in particular will receive the notice described in paragraph (a) above in time to enable Owners to give instructions to the Depositary prior to the Instruction Cutoff Date.

(d) In order to give Owners a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to Shares, if the Company will request the Depositary to Disseminate a notice under paragraph (a) above, the Company shall give the Depositary notice of the meeting, details concerning the matters to be voted upon and copies of materials to be made available to holders of Shares in connection with the meeting not less than 30 days prior to the meeting date.

17. TENDER AND EXCHANGE OFFERS; REDEMPTION, REPLACEMENT OR CANCELLATION OF DEPOSITED SECURITIES.

(a) The Depositary shall not tender any Deposited Securities in response to any voluntary cash tender offer, exchange offer or similar offer made to holders of Deposited Securities (a "Voluntary Offer"), except when instructed in writing to do so by an Owner surrendering American Depositary Shares and subject to any conditions or procedures the Depositary may require.

(b) If the Depositary receives a written notice that Deposited Securities have been redeemed for cash or otherwise purchased for cash in a transaction that is mandatory and binding on the Depositary as a holder of those Deposited Securities (a "Redemption"), the Depositary, at the expense of the Company, shall (i) if required, surrender Deposited Securities that have been redeemed to the issuer of those securities or its agent on the redemption date, (ii) Disseminate a notice to Owners (A) notifying them of that Redemption, (B) calling for surrender of a corresponding number of American Depositary Shares and (C) notifying them that the called American Depositary Shares have been converted into a right only to receive the money received by the Depositary upon that Redemption and those net proceeds shall be the Deposited Securities to which Owners of those converted American Depositary Shares shall be entitled upon surrenders of those American Depositary Shares in accordance with Section 2.5 or 6.2 of the Deposit Agreement and (iii) distribute the money received upon that Redemption to the Owners entitled to it upon surrender by them of called American Depositary Shares in accordance with Section 2.5 of that Agreement (and, for the avoidance of doubt, Owners shall not be entitled to receive that money under Section 4.1 of that Agreement). If the Redemption affects less than all the Deposited Securities, the Depositary shall call for surrender a corresponding portion of the outstanding American Depositary Shares and only those American Depositary Shares will automatically be converted into a right to receive the net proceeds of the Redemption. The Depositary shall allocate the American Depositary Shares converted under the preceding sentence among the Owners pro-rata to their respective holdings of American Depositary Shares immediately prior to the Redemption, except that the allocations may be adjusted so that no fraction of a converted American Depositary Share is allocated to any Owner. A Redemption of all or substantially all of the Deposited Securities shall be a Termination Option Event.

(c) If the Depositary is notified of or there occurs any change in nominal value or any subdivision, combination or any other reclassification of the Deposited Securities or any recapitalization, reorganization, sale of assets substantially as an entirety, merger or consolidation affecting the issuer of the Deposited Securities or to which it is a party that is mandatory and binding on the Depositary as a holder of Deposited Securities and, as a result, securities or other property have been or will be delivered in exchange, conversion, replacement or in lieu of, Deposited Securities (a "Replacement"), the Depositary shall, if required, surrender the old Deposited Securities affected by that Replacement of Shares and hold, as new Deposited Securities under the Deposit Agreement, the new securities or other property delivered to it in that Replacement. However, the Depositary may elect to sell those new Deposited Securities if in the reasonable opinion of the Depositary it is not lawful or not practical for it to hold those new Deposited Securities under the Deposit Agreement because those new Deposited Securities may not be distributed to Owners without registration under the Securities Act of 1933 or for any other reason, at public or private sale, at such places and on such terms as it deems proper and proceed as if those new Deposited Securities had been Redeemed under paragraph (b) above. A Replacement shall be a Termination Option Event.

(d) In the case of a Replacement where the new Deposited Securities will continue to be held under the Deposit Agreement, the Depositary may call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing the new Deposited Securities and the number of those new Deposited Securities represented by each American Depositary Share. If the number of Shares represented by each American Depositary Share decreases as a result of a Replacement, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

(e) If there are no Deposited Securities with respect to American Depositary Shares, including if the Deposited Securities are cancelled, or the Deposited Securities with respect to American Depositary Shares become apparently worthless, the Depositary may call for surrender of those American Depositary Shares or may cancel those American Depositary Shares, upon notice to Owners, and that condition shall be a Termination Option Event.

18. LIABILITY OF THE COMPANY AND DEPOSITARY.

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates shall incur any liability to any Owner or Holder:

(i) if by reason of (A) any provision of any present or future law or regulation or other act of the government of the United States, any State of the United States or any other state or jurisdiction, or of any governmental or regulatory authority or stock exchange; (B) (in the case of the Depositary only) any provision, present or future, of the articles of association or similar document of the Company, or by reason of any provision of any securities issued or distributed by the Company, or any offering or distribution thereof; or (C) any event or circumstance, whether natural or caused by a person or persons, that is beyond the ability of the Depositary or the Company, as the case may be, to prevent or counteract by reasonable care or effort (including, but not limited to earthquakes, floods, severe storms, fires, explosions, war, terrorism, civil unrest, labor disputes, criminal acts or outbreaks of infectious disease; interruptions or malfunctions of utility services, Internet or other communications lines or systems; unauthorized access to or attacks on computer systems or websites; or other failures or malfunctions of computer hardware or software or other systems or equipment), the Depositary or the Company is, directly or indirectly, prevented from, forbidden to or delayed in, or could be subject to any civil or criminal penalty on account of doing or performing and therefore does not do or perform, any act or thing that, by the terms of the Deposit Agreement or the Deposited Securities, it is provided shall be done or performed;

(ii) for any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement (including any determination by the Depositary or the Company to take, or not take, any action that the Deposit Agreement provides the Depositary or the Company, as the case may be, may take);

(iii) for the inability of any Owner or Holder to benefit from any distribution, offering, right or other benefit that is made available to holders of Deposited Securities but is not, under the terms of the Deposit Agreement, made available to Owners or Holders; or

(iv) for any special, consequential or punitive damages for any breach of the terms of the Deposit Agreement.

Where, by the terms of a distribution to which Section 4.1, 4.2 or 4.3 of the Deposit Agreement applies, or an offering to which Section 4.4 of that Agreement applies, or for any other reason, that distribution or offering may not be made available to Owners, and the Depositary may not dispose of that distribution or offering on behalf of Owners and make the net proceeds available to Owners, then the Depositary shall not make that distribution or offering available to Owners, and shall allow any rights, if applicable, to lapse.

None of the Company, the Depositary or any of their respective directors, officers, employees, agents or affiliates assume any obligation nor shall any of them be subject to any liability under the Deposit Agreement to Owners or Holders, except that each of the Company and the Depositary agrees to perform its obligations specifically set forth in the Deposit Agreement without negligence or bad faith. The Depositary shall not be a fiduciary or have any fiduciary duty to Owners or Holders. The Depositary shall not be subject to any liability with respect to the validity or worth of the Deposited Securities. None of the Depositary, the Company or any of their respective directors, officers, employees, agents or affiliates shall be under any obligation to appear in, prosecute or defend any action, suit, or other proceeding in respect of any Deposited Securities or in respect of the American Depositary Shares, on behalf of any Owner or Holder or other person. None of the Depositary, the Company or any of their respective directors, officers, employees, agents or affiliates shall be liable for any action or non-action by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or Holder, or any other person believed by it in good faith to be competent to give such advice or information. Each of the Depositary and the Company and their respective directors, officers, employees, agents or affiliates may rely, and shall be protected in relying upon, any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with a matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises, the Depositary performed its obligations without negligence or bad faith while it acted as Depositary. The Depositary shall not be liable for the acts or omissions of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of American Depositary Shares or Deposited Securities or otherwise. In the absence of bad faith on its part, the Depositary shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities or for the manner in which any such vote is cast or the effect of any such vote. The Depositary shall have no duty to make any determination or provide any information as to the tax status of the Company. Neither the Depositary nor the Company shall have any liability for any tax consequences that may be incurred by Owners or Holders as a result of owning or holding American Depositary Shares. Neither the Company nor the Depositary shall be liable for the inability or failure of an Owner or 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.

19. RESIGNATION AND REMOVAL OF THE DEPOSITARY; APPOINTMENT OF SUCCESSOR CUSTODIAN.

The Depositary may at any time resign as Depositary under the Deposit Agreement by written notice of its election so to do delivered to the Company, to become effective upon the appointment of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. The Depositary may at any time be removed by the Company by 90 days' prior written notice of that removal, to become effective upon the later of (i) the 90th day after delivery of the notice to the Depositary and (ii) the appointment of a successor depositary and its acceptance of its appointment as provided in the Deposit Agreement. The Depositary in its discretion may at any time appoint a substitute or additional custodian or custodians.

20. AMENDMENT.

The form of the Receipts and any provisions of the Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary without the consent of Owners or Holders in any respect which they may deem necessary or desirable. Any amendment that would impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable (including SWIFT) or facsimile transmission costs, delivery costs or other such expenses), or that would otherwise prejudice any substantial existing right of Owners, shall, however, not become effective as to outstanding American Depositary Shares until the expiration of 30 days after notice of that amendment has been Disseminated to the Owners of outstanding American Depositary Shares. Every Owner and Holder, at the time any amendment so becomes effective, shall be deemed, by continuing to hold American Depositary Shares or any interest therein, to consent and agree to that amendment and to be bound by the Deposit Agreement as amended thereby. Upon the effectiveness of an amendment to the form of Receipt, including a change in the number of Shares represented by each American Depositary Share, the Depositary may call for surrender of Receipts to be replaced with new Receipts in the amended form or call for surrender of American Depositary Shares to effect that change of ratio. In no event shall any amendment impair the right of the Owner to surrender American Depositary Shares and receive delivery of the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

21. TERMINATION OF DEPOSIT AGREEMENT.

(a) The Company may initiate termination of the Deposit Agreement by notice to the Depositary. The Depositary may initiate termination of the Deposit Agreement if (i) at any time 60 days shall have expired after the Depositary delivered to the Company a written resignation notice and a successor depositary has not been appointed and accepted its appointment as provided in Section 5.4 of that Agreement or (ii) a Termination Option Event has occurred. If termination of the Deposit Agreement is initiated, the Depositary shall Disseminate a notice of termination to the Owners of all American Depositary Shares then outstanding setting a date for termination (the "Termination Date"), which shall be at least 90 days after the date of that notice, and the Deposit Agreement shall terminate on that Termination Date.

(b) After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement except for its obligations to the Depository under Sections 5.8 and 5.9 of that Agreement.

(c) At any time after the Termination Date, the Depository may sell the Deposited Securities then held under the Deposit Agreement and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it hereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of American Depositary Shares that remain outstanding, and those Owners will be general creditors of the Depository with respect to those net proceeds and that other cash. After making that sale, the Depository shall be discharged from all obligations under the Deposit Agreement, except (i) to account for the net proceeds and other cash (after deducting, in each case, the fee of the Depository for the surrender of American Depositary Shares, any expenses for the account of the Owner of such American Depositary Shares in accordance with the terms and conditions of the Deposit Agreement and any applicable taxes or governmental charges) and to pay them to Owners upon surrender of American Depositary Shares in accordance with Section 2.5 of the Deposit Agreement, and (ii) for its obligations under Section 5.8 of that Agreement and (iii) to act as provided in paragraph (d) below.

(d) After the Termination Date, if any American Depositary Shares remain outstanding, the Depository shall continue to receive dividends and other distributions pertaining to Deposited Securities (that have not been sold), may sell rights and other property as provided in the Deposit Agreement and shall deliver Deposited Securities (or sale proceeds) upon surrender of American Depositary Shares (after payment or upon deduction, in each case, of the fee of the Depository for the surrender of American Depositary Shares, any expenses for the account of the Owner of those American Depositary Shares in accordance with the terms and conditions of the Deposit Agreement and any applicable taxes or governmental charges). After the Termination Date, the Depository shall not accept deposits of Shares or deliver American Depositary Shares. After the Termination Date, (i) the Depository may refuse to accept surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities (that have not been sold) or reverse previously accepted surrenders of that kind that have not settled if in its judgment the requested withdrawal would interfere with its efforts to sell the Deposited Securities, (ii) the Depository will not be required to deliver cash proceeds of the sale of Deposited Securities until all Deposited Securities have been sold and (iii) the Depository may discontinue the registration of transfers of American Depositary Shares and suspend the distribution of dividends and other distributions on Deposited Securities to the Owners and need not give any further notices or perform any further acts under the Deposit Agreement except as provided in Section 6.2 of that Agreement.

22. DTC DIRECT REGISTRATION SYSTEM AND PROFILE MODIFICATION SYSTEM.

(a) Notwithstanding the provisions of Section 2.4 of the Deposit Agreement, the parties acknowledge that DTC's Direct Registration System ("**DRS**") and Profile Modification System ("**Profile**") apply to the American Depositary Shares upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC that facilitates interchange between registered holding of uncertificated securities and holding of security entitlements in those securities through DTC and a DTC participant. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of an Owner of American Depositary Shares, to direct the Depository to register a transfer of those American Depositary Shares to DTC or its nominee and to deliver those American Depositary Shares to the DTC account of that DTC participant without receipt by the Depository of prior authorization from the Owner to register that transfer.

(b) In connection with DRS/Profile, the parties acknowledge that the Depository will not determine whether the DTC participant that is claiming to be acting on behalf of an Owner in requesting registration of transfer and delivery as described in paragraph (a) above has the actual authority to act on behalf of that Owner (notwithstanding any requirements under the Uniform Commercial Code). For the avoidance of doubt, the provisions of Sections 5.3 and 5.8 of the Deposit Agreement apply to the matters arising from the use of the DRS/Profile. The parties agree that the Depository's reliance on and compliance with instructions received by the Depository through the DRS/Profile system and otherwise in accordance with the Deposit Agreement, shall not constitute negligence or bad faith on the part of the Depository.

23. APPOINTMENT OF AGENT FOR SERVICE OF PROCESS; SUBMISSION TO JURISDICTION; JURY TRIAL WAIVER; WAIVER OF IMMUNITIES.

The Company has (i) appointed Cogency Global Inc. located at 122 E. 42nd Street, 18th Floor, New York, New York 10168 as the Company's authorized agent in the United States upon which process may be served in any suit or proceeding arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Agreement, (ii) consented and submitted to the jurisdiction of the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, New York Country, in which any Proceeding may be instituted, and the respective courts having jurisdiction to hear appeals from those courts and (iii) agreed that service of process upon said authorized agent shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding.

EACH PARTY TO THE DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH OWNER AND HOLDER) THEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING AGAINST THE COMPANY AND/OR THE DEPOSITARY DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE AMERICAN DEPOSITARY SHARES OR THE RECEIPTS, THE DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF, INCLUDING, WITHOUT LIMITATION, ANY QUESTION REGARDING EXISTENCE, VALIDITY OR TERMINATION (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) AND ANY CLAIM BASED ON U.S. FEDERAL SECURITIES LAWS.

No disclaimer of liability under the United States federal securities laws or the rules and regulations thereunder is intended by any provision of the Deposit Agreement, inasmuch as no person is able to effectively waive the duty of any other person to comply with its obligations under those laws, rules and regulations.

To the extent that the Company or any of its properties, assets or revenues may have or hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Shares or Deposited Securities, the American Depositary Shares, the Receipts or the Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to relief and enforcement as provided above.

Shareholder's Agreement

dated

between

HANZADE VASFİYE DOĞAN BOYNER

and

VUSLAT DOĞAN SABANCI

and

YAŞAR BEGÜMHAN DOĞAN FARALYALI

and

ARZUHAN DOĞAN YALÇINDAĞ

and

IŞIL DOĞAN

and

TURKCOMMERCE B.V.

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Schedule 3.04

Deed of Adherence

Schedule 4.01

Board of Directors Reserved Matters

Schedule 4.02

Business Principles and Environmental and Social Management System

Appendix 1

EBRD Anti-Corruption Guidelines

SHAREHOLDER'S AGREEMENT

THIS AGREEMENT is dated _____ ("Execution Date")

BETWEEN

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/İstanbul-Turkey ("HVDB");

Vuslat Doğan Sabancı, a Turkish citizen with the Turkish ID number 17353181560 and residing at the address of Burhaniye Mahallesi Kısıklı Caddesi No:65 Üsküdar/İstanbul, Turkey ("VDS");

Yaşar Begümhan Doğan Faralyalı, a Turkish citizen with the Turkish ID number 26401796960 and residing at the address of Burhaniye Mahallesi Kısıklı Caddesi No:65 Üsküdar/İstanbul, Turkey ("YBDF");

Arzuhan Doğan Yalçındağ, a Turkish citizen with the Turkish ID number 32848439988 and residing at the address of Burhaniye Mahallesi Kısıklı Caddesi No:65 Üsküdar/İstanbul, Turkey ("ADY");

Işıl Doğan, a Turkish citizen with the Turkish ID number 26434795886 and residing at the address of Burhaniye Mahallesi Kısıklı Caddesi No:65 Üsküdar/İstanbul, Turkey ("ID");

(each of the above mentioned parties shall be hereinafter referred to as a "Contract Party Shareholder" and collectively as the "Contract Party Shareholders")

AND

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").

Each of the Contract Party Shareholders and the Investing Shareholder shall be severally referred to as a "Party" and collectively as the "Parties".

RECITALS

- A. **WHEREAS**, HVDB, VDS, YBDF, ADY, Doğan Portal ve Elektronik Ticaret A.Ş. and the Investing Shareholder have executed an agreement for the sale of Shares (as defined below) owned by HVDB, VDS, YBDF and ADY to the Investing Shareholders on 30 December 2014 ("SPA") and a Shareholders' Agreement on 30 December 2014 ("Shareholders' Agreement"), in relation to the governance of D-Market Elektronik Hizmetler ve Ticaret A.Ş., a company incorporated under the laws of Turkey, registered with the Istanbul Trade Registry under the registration number 436165 and with its headquarters located at the address of Kuştepe Mahallesi Mecidiyeköy Yolu Caddesi No: 12 Trump Towers Kule:2 Kat:2 Şişli/İstanbul, Turkey ("Company").
- B. **WHEREAS**, the Shareholders' Agreement was amended and restated in its entirety through execution of an agreement between the Contract Party Shareholders and the Investing Shareholder on 7 August 2020 ("Amended and Restated Shareholders Agreement").
- C. **WHEREAS**, the Contract Party Shareholders and the Investing Shareholder are planning to offer a portion of the shares they hold in the Company to the public in a stock exchange agreed by and between the Parties by way of initial public offering ("IPO").
- D. **WHEREAS**, the Contract Party Shareholders and the Investing Shareholder have agreed to enter into a shareholders' agreement to regulate the terms and conditions for their cooperation as shareholders in the Company after the IPO.

NOW, THEREFORE, the Parties, intending to be bound hereby, agree as follows:

1. Definitions

1.1 In this Agreement, each of the following terms shall have the meaning set forth below:

"**Additional Payment**" shall have the meaning assigned to such term in Article 2.3.

"**Additional Payment Cap**" shall have the meaning assigned to such term in Article 2.3.

"**Affiliate**" an Affiliate of a Person shall mean

- (a) any Person which (a) is directly or indirectly controlled by such Person, (b) directly or indirectly controls such Person; or (c) is under common control with such Person. For the purposes of this definition, "**control**" shall mean the absolute power (not on a shared basis), whether held directly or indirectly, to direct or cause direction of management and policies through ownership of voting securities, by contract or otherwise; and
- (b) in the case of the Investing Shareholder, "**Affiliate**" shall mean (a) any manager or investment adviser of any FT Fund from time to time, or any other fund or investment in respect of which the manager or investment adviser of an FT Fund is the manager of; (b) any direct or indirect FT Co-Investors in/of the Investing Shareholder from time to time; and (c) any Person directly or indirectly owned, Controlled or managed by the General Partner.

"**Agreement**" shall mean this Shareholders' Agreement, as amended, supplemented, restated or otherwise modified from time to time.

"**Amended and Restated Shareholders Agreement**" shall have the meaning assigned to such term in Recital B.

"**Articles of Association**" shall mean the articles of association of the Company reflecting the terms and conditions of this Agreement to the extent possible, and subject to amendment from time to time in accordance with the terms of this Agreement.

"**Board of Directors**" or "**Board**" shall mean the board of directors of the Company from time to time.

"**Business Day**" shall mean a day other than Saturday, Sunday and any other day on which commercial banks located in Istanbul (Turkey) or the Netherlands are not open for general business.

"**Class A Directors**" shall have the meaning assigned to such term in Article 4.1(a).

"**Class A Shareholder**" shall mean the person(s) holding Class A Shares from time to time in accordance with the terms of this Agreement.

"**Class A Shares**" shall mean the Shares of the Company identified as Class A Shares in the Articles of Association and in total representing such portion of the issued and outstanding share capital of the Company at the Effective Date that are owned by HVDB based on the share ownership structure after the IPO.

"**Class B Shareholders**" shall mean the person(s) holding Class B Shares from time to time in accordance with the terms of this Agreement.

"**Class B Shares**" shall mean the Shares of the Company identified as Class B Shares in the Articles of Association and in total representing such portion of the issued and outstanding share capital of the Company at the Effective Date that are owned by the Contract Party Shareholders (other than HVDB's Class A shares), the Investing Shareholder and the public based on the share ownership structure after the IPO.

"**Coercive Practice**" shall mean the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party, as this term is interpreted in accordance with the EBRD Anti-Corruption Guidelines.

"**Collusive Practice**" shall mean an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party, as this term is interpreted in accordance with the EBRD Anti-Corruption Guidelines.

"**Company**" shall have the meaning assigned to such term in the preamble to this Agreement.

"**Control**" shall mean, in relation to any Undertaking (being the **Controlled Person**), being:

- (a) entitled to exercise, or control the exercise of (directly or indirectly) more than 50 per cent. of the voting power at any general meeting of the shareholders, members or partners or other equity holders (and including, in the case of a limited partnership, of the limited partners of) (or in the case of a trust, of the beneficiaries thereof) in respect of all or substantially all matters falling to be decided by resolution or meeting of such persons; or
- (b) entitled to appoint or remove or control the appointment or removal of:
 - (i) directors on the Controlled Person's board of directors or its other governing body (or, in the case of a limited partnership, of the board or other governing body of its general partner) who are able (in the aggregate) to exercise more than 50 per cent of the voting power at meetings of that board or governing body in respect of all or substantially all matters; and/or
 - (ii) any managing member of such Controlled Person;
 - (iii) in the case of a limited partnership its General Partner; or
 - (iv) in the case of a trust, its trustee and/or manager; or
- (c) entitled to exercise a dominant influence over the Controlled Person (otherwise than solely as a fiduciary) by virtue of the provisions contained in its constitutional documents or, in the case of a trust, trust deed or pursuant to an agreement with other shareholders, partners, members or beneficiaries of the Controlled Person,

and **Controller, Controlled, and Controlling** shall be construed accordingly;

"**Corrupt Practice**" shall mean the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party, as this term is interpreted in accordance with the EBRD Anti-Corruption Guidelines.

"**Deed of Adherence**" shall mean the Deed of Adherence as stipulated in Schedule 3.04.

"**Default Notice**" shall have the meaning assigned to such term in Article 6.1.

"**Defaulting Party**" shall have the meaning assigned to such term in Article 6.1.

"**Directors**" shall mean the members of the Board of Directors from time to time.

"**EBRD**" shall mean the European Bank for Reconstruction and Development.

"**EBRD Anti-Corruption Guidelines**" shall mean the guidelines appended at Appendix 1.

"**Effective Date**" shall have the meaning assigned to such term in Article 2.1.

"**Execution Date**" shall have the meaning assigned to such term in the preamble to this Agreement.

"**Fraudulent Practice**" shall mean any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation, as this term is interpreted in accordance with the EBRD Anti-Corruption Guidelines.

"**FT Co-Investor**" shall mean any direct or indirect provider of equity finance who (a) is not a Restricted Transferee and (b) is or becomes a shareholder in a Subsidiary of the General Partner that has a direct or indirect interest in the Shares and excluding any such Person(s) (other than EBRD and anyone who is (i) an existing Shareholder, (ii) an Affiliate of the Investing Shareholder; or (iii) a limited partner in FT Fund, or their respective Affiliates) who acquire(s) their interest in such Subsidiary of the General Partner following the expiry of the six month period commencing on the day following the Effective Date.

"**FT Fund**" shall mean any funds or investments managed by Templeton Asset Management Ltd. and/or its affiliates from time to time.

"**General Partner**" shall mean Templeton Turkey Fund GP Ltd.

"**Governmental Authority**" shall mean any legislative, executive or judicial unit of any, and/or would not individually or collectively constitute, governmental entity (foreign, federal, state or local) or any department, listing agency, stock exchange, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority thereof.

"**Group**" shall mean the Company and all entities Controlled by the Company from time to time.

"**Guaranteed Proceeds**" shall have the meaning assigned to such term in Article 2.2(i).

"**HVDB**" shall have the meaning assigned to such term in the preamble to this Agreement.

"**ICC**" shall have the meaning assigned to such term in Article 8.8.

"**Investing Director**" shall have the meaning assigned to such term in Article 4.1(a).

"**Individual Shareholders**" shall mean VDS, YBDF, ADY and ID.

"**Investing Shareholder**" shall have the meaning assigned to such term in the preamble to this Agreement.

"**IPO**" shall have the meaning assigned to such term in Recital C.

"**Management Accounts**" means the unaudited monthly accounts prepared by the management on a consistent basis in accordance with Turkish GAAP.

"**Net Proceeds**" means Investing Shareholder's gross proceeds from Share Sale *minus* any expenses related to the Sale of its Shares.

"**Non-defaulting Party**" shall have the meaning assigned to such term in Article 6.1.

"**Party**" and "**Parties**" shall have the meaning assigned to such term in the preamble to this Agreement.

"**Person**" shall mean an individual, partnership, joint venture, company, trust, foundation, Undertaking, unincorporated organization, government or other entity.

"**Person of Ill Repute**" shall mean a Person who is not a Reputable Person.

"**Primary Sale**" shall mean sale of the newly issued shares by the Company by way of a capital increase, on a non-preemptive basis, to the public in accordance with the IPO.

"**Prohibited Practice**" shall mean any Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice or Theft.

"**Qualifying Persons**" shall mean HVDB's spouse or relative (*hisim*) by blood or marriage up to the level of second degree;

"**Qualifying SPV**" shall mean any company in respect of which (i) its shares are Controlled by HVDB or Qualifying Persons;

"**Related Party**" shall mean (i) related party, as so defined under Turkish Corporate Tax Law No. 5520, published in the Official Gazette No. 26205 and dated 21 June 2006, as amended or replaced from time to time and (ii) with respect to an individual, the individual's spouse or relative (*hisim*) by blood or marriage up to the level of second degree and any Person Controlled by them.

"**Remedy Period**" shall have the meaning assigned to such term in Article 6.2.

"**Representative of the Contract Party Shareholders**" shall have the meaning assigned to such term in Article 8.14.

"**Representatives**" shall have the meaning assigned to such term in Article 8.3(b).

"**Reputable Person**" shall mean a person who does not (as applicable): (a) have existing links to organised crime (as demonstrated by credible evidence); (b) have a non-transparent ownership structure which does not reveal its ultimate owners or beneficiaries; (c) have unexplained sources of wealth; (d) have conviction for, or have judicial proceedings being commenced against him in respect of, serious criminal offences, money laundering or terrorism activities; (e) appear on internationally recognised blacklist; or (f) have involvement in corruption, bribery, tax evasion or Fraudulent Practices (as demonstrated by credible evidence).

"**Reserved Matters**" shall mean have the meaning assigned to it in Article 4.1(c).

"**Restricted Competitor**" shall mean a Person all or substantially all of whose operations primarily comprise e-commerce platform activity in a Turkish market, including Trendyol, Amazon, Çiçek Sepeti, Gitti Gidiyor, Morhipo, n11 and Getir.

"**Restricted Transferee**" shall mean a Person of Ill Repute and/or a Restricted Competitor.

"**Restructuring**" shall mean any shareholding restructuring where the shares of the Investing Shareholder shall temporarily be transferred to a third party (directly or indirectly) which is not to be in any case a Restricted Transferee, for a maximum period of five (5) business days, following which the General Partner shall be Controlling the Investing Shareholder.

"**Rules**" shall have the meaning assigned to such term in Article 8.8.

"**Sale**", "**Sell**", "**Sold**" and "**Selling**" shall have each the meaning assigned to such terms in Article 3.3.

"**Secondary Sale**" shall mean the sale of the Shareholders' Shares to the public market in accordance with the IPO.

"**Shareholders**" shall mean the legal owners of the Shares from time to time.

"**Shares**" shall mean the issued and outstanding shares in the share capital of the Company at any time.

"**SPA**" shall have the meaning assigned to such term in Recital B.

"**Subsidiary**" shall mean, in relation to a body corporate or partnership (for the purposes of this definition, the "**holding company**"), a company in which that body corporate or partnership:

- (a) holds a majority of the voting rights in it; or
- (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or
- (c) has the right to exercise a dominant influence over it by virtue of provisions contained in its memorandum or articles of association or constitutional documents or by virtue of a control contract; or
- (d) has a participating interest in it and either actually exercises a dominant influence over it or the two companies are managed on a unified basis; or
- (e) is a member of it and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in it; or
- (f) if it is a subsidiary of a body corporate or partnership which is itself a subsidiary of that other body corporate or partnership,

and the terms "**Subsidiaries**" and "**holding companies**" are to be construed accordingly. For the purposes of this definition, a holding company shall, also be treated as a member of a Subsidiary if any shares in such Subsidiary are held by a person acting on behalf of the holding company or any of its Subsidiaries.

"**TCC**" shall mean the Turkish Commercial Code, as may be amended from time to time.

"**TCO**" shall mean the Turkish Code of Obligations, as may be amended from time to time.

"**Theft**" means the misappropriation of property belonging to another person.

"**Total Revenues**" shall mean the sum of (i) sales of goods revenue generated under direct sales operations, (ii) marketplace revenues comprising (a) marketplace commission, (b) transaction fees and (c) other contractual charges to the merchants; (iii) delivery services revenue generated under both marketplace and direct sales operations, as well as delivery services provided to third parties outside the Company's online platform; and (iv) other revenue generated from the use of the Company's value-added services in accordance with the Company's audited financials based on International Financial Reporting Standards issued by the International Accounting Standards Board.

"**Turkey**" shall mean the Republic of Turkey.

"**Turkish GAAP**" shall mean generally accepted accounting principles in accordance with Turkish Uniform Chart of Accounts and Turkish Tax Procedural Code as of the date of the signature of this Agreement.

"**Undertaking**" shall mean a body corporate or partnership or unincorporated association or trust carrying on trade or business with or without a view to profit. In relation to an undertaking which is not a company, expressions in this Agreement appropriate to companies are to be construed as references to the corresponding persons, officers, documents or agents (as the case may be) appropriate to undertakings of that description.

1.2 Principles of Construction

The division of this Agreement into schedules, articles, clauses, sections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Schedule", "Paragraph", "Section" and/or any "Article" are to the corresponding schedule, paragraph, section and/or article, respectively, of this Agreement unless otherwise specified. The words such as "herein", "hereinafter", "hereof", "hereby", "hereto" and "hereunder and words of similar impact when used in this Agreement shall refer to this Agreement as a whole and not merely to a subdivision in which such words appear, unless the context otherwise requires. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar terms or matters immediately following it. The Schedules and Annexes attached to this Agreement shall be construed with and as an integral part of this Agreement. Words in the singular include the plural and vice versa.

2. IPO Related Matters

2.1 Effectiveness

- (a) The Parties have agreed that the Amended and Restated Shareholders Agreement shall be in effect until the occurrence of the IPO and upon occurrence of the IPO, the Amended and Restated Shareholders Agreement shall be automatically terminated in its entirety and this Agreement shall come into force and effect immediately and automatically (the "**Effective Date**"). As of the Effective Date, and with the automatic termination of the Amended and Restated Shareholders Agreement, the Parties hereby agree and undertake that they shall have no claims from each other in relation to or arising out of the Amended and Restated Shareholders Agreement up to and including the Effective Date. For the avoidance of doubt, Article 2.1(c) shall come into force and effect immediately upon the execution of this Agreement and Article 2.1(c) shall remain in force if the IPO does not occur by 30 September 2021.
- (b) Without prejudice to Article 2.1(a), the Parties shall, as soon as possible following the execution of this Agreement, cooperate in obtaining all the relevant corporate decisions and other necessary actions to ensure that the Articles of Association of the Company is duly amended to:
- (i) take out and delete all provisions of the Articles of Association that were inserted to reflect the Amended and Restated Shareholders Agreement, with an aim to prepare the Company for the IPO with the understanding that they will use their rights at the relevant corporate bodies of the Company to comply with the terms of this Agreement, and
 - (ii) reclassify majority of the Company shares owned by HVDB as Class A Shares and the Company shares owned by the remaining shareholders and remainder of the shares owned by HDVB as Class B Shares, whereas the Class A Shares owned by HVDB will have 15 (fifteen) voting rights per share and Class B Shares will have one vote per share.
- (c) If the IPO does not occur by 30 September 2021, the Parties shall, as immediately as possible, take all corporate decisions and all other necessary actions to ensure that the Articles of Association is duly amended to:
- (i) take out and delete all provisions of the Articles of Association that were inserted to prepare the Company for the IPO in accordance with Article 2.1(b);
 - (ii) reclassify the Company shares in the same manner as they were classified before the Articles of Association amendment set out in Article 2.1(b); and
 - (iii) fully reflect the provisions of the Amended and Restated Shareholders Agreement, and
- that accordingly the composition of the Board of Directors is restituted to its state prior to the Articles of Association amendment set out in Article 2.1(b)

2.2 Priority Right in IPO

The Shareholders shall agree on the allocation of the IPO proceeds between the Primary Sale and Secondary Sale amounts. Afterwards, the Secondary Sale shall be allocated amongst the Shareholders based on the priority set out in the below sequence:

- (i) First USD 400,000,000 (four hundred million United States Dollars) shall be allocated to the Class B Shares owned by the Investing Shareholders (“**Guaranteed Proceeds**”);
- (ii) Second USD 400,000,000 (four hundred million United States Dollars) shall be allocated to the Class B Shares owned by the Contract Party Shareholders;
- (iii) Subsequent to (i) and (ii) above, any following proceeds will be shared on 50:50 basis between the Class B Shares owned by the Contract Party Shareholders and the Investing Shareholders.

2.3 IPO Expenses

The Parties agree that, in the event of an IPO before 30 September 2021, on an Agreed Exchange, the Investing Shareholder, the Contract Party Shareholders and the Company shall be liable for all reasonable and documented third party marketing (including printing and roadshow costs), and advisory costs (including legal, financial and underwriting costs) pro rata to the number of Shares sold by each of them as part of such IPO, and all other costs (including audit costs), to the fullest extent permitted by the applicable law, shall be borne by the Company.

2.4 Additional Payment

In connection with the SPA, as an adjusted purchase price payment for the sale of the Shares by HVDB, VDS, YBDF and ADY to the Investing Shareholder (“Additional Payment”), the Investing Shareholder agrees to pay HVDB, VDS, YBDF and ADY an amount subject to an aggregate cap of USD 41,000,000 (forty one million United States Dollars) (“Additional Payment Cap”). Subject to the Additional Payment Cap, the Additional Payment shall be calculated and paid as 5.5% of the Net Proceeds of the Investing Shareholder upon any Sale of its Shares during IPO that has occurred until 30 September 2021 or in any subsequent Sale of its Shares including secondary public offerings. All the Additional Payment shall be duly paid by the Investing Shareholder to HVDB, acting on behalf of VDS, YBDF and ADY, latest within 30 days after each Sale of its Shares.

The Additional Payment shall be calculated and paid over the total Net Proceeds from the IPO or any subsequent Sale, provided that the total proceeds received by the Investing Shareholder upon such Sale(s) of Shares reaches USD 400,000,000 (four hundred million United States Dollars).

3. Shareholding Structure and Share Transfers

3.1 Shares

- (a) As of the Execution Date, the share capital of the Company is comprised of Class A Shares and Class B Shares. Class A Shares is held by HVDB while the Shares held by the Investing Shareholder and the Contract Party Shareholders (other than HVDB's Class A shares) as well as the publicly traded shares upon the occurrence of the IPO shall be Class B Shares.
- (b) The Class A Shares shall have 15 (fifteen) voting rights per share while Class B Shares will have one vote per share.

3.2 Capital Increases

- (a) The Shareholders shall have preemptive rights to participate in capital increases of the Company pro rata to their shareholding and such Shares would, upon issuance, be (i) the same class of Shares as is held by the subscribing Shareholder at such time or (ii) if a Shareholder holds more than one class of shares at such time, the Shares to be issued will be split pro rata between such classes (with Shareholders holding Shares of the same class as those that are not subscribed for having a right to subscribe for any such Shares in priority to other Shareholders).
- (b) The Parties shall exercise their respective rights as Shareholders (including procuring that each Director appointed by it exercises its rights as a Director) in a way that, save with the prior written consent of all Shareholders, no Shares shall be allotted to any Person who is a Restricted Transferee.
- (c) In the event that after the process in 3.2(a) above, any Shares which were offered to the Shareholders were not subscribed for in accordance with Article 3.2(a), the Company may issue Class B Shares only, in the amount equal to the number of unsubscribed Shares, to any Person, other than a Restricted Transferee.

3.3 Restrictions on Share Transfers

(a) Restrictions on Share Transfers

Shares may only be transferred in accordance with the provisions of this Agreement, and, where applicable, the Articles of Association (any Share transfer being referred to as a "Sale"). The words "Sell," "Sold" and "Selling" shall have similar meaning as the context requires).

(b) Restrictions on Share Transfers by Class A Shareholder

Save for the restrictions foreseen under the applicable laws, Class A Shareholder may transfer her Class A Shares to a Qualifying SPV and/or Qualifying Persons, subject to Articles 3.4 and provided that such Person shall execute and deliver the Deed of Adherence as provided in Schedule 3.04 to the relevant Party(ies) and becomes party to this Agreement as the Class A Shareholder. In case of a Sale of the Class A Shares to a Person who is not a Qualifying SPV and/or Qualifying Persons a notice of such Sale shall be given to the Investing Shareholder by the Class A Shareholder. For avoidance of doubt, this restriction shall not apply to transfer of any Class B Shares owned by the Class A Shareholder.

(c) Restrictions on Share Transfers by the Investing Shareholder

The Investing Shareholder may transfer its Shares to any Person, subject to provisions of this Articles 3.3, provided that the Class B Shares owned by the Investing Shareholder shall not be transferred to a Restricted Transferee.

Save for the Restructuring, in case of any Sale of the Class B Shares owned by the Investing Shareholder to a Person that is not a Subsidiary of the General Partner, such Person who has partially or wholly acquired the Shares from the Investing Shareholder shall not have any right under or become a party to this Agreement by way of executing a Deed of Adherence or otherwise.

Save for the Restructuring, in case of a Sale of all the Class B Shares owned by the Investing Shareholders to any Subsidiary of the General Partner which is not a Restricted Transferee, (a) a notice of such Sale shall be given to the Class A Shareholder by the Investing Shareholder; (b) the Subsidiary of the General Partner, to the extent that it is not already a party to this Agreement and to the extent that it is becoming a direct shareholder in the Company, executes a Deed of Adherence to this Agreement substantially in the form attached hereto as Schedule 3.04 and becomes bound by this Agreement and shall have all rights and assume all obligations provided in the Deed of Adherence; and (c) the required government approvals, if any, associated with such Sale are obtained; and (d) before the Subsidiary of the General Partner ceases to be a Subsidiary of the General Partner, the Subsidiary shall (and the Investing Shareholder will procure that the Subsidiary shall) transfer all of its shares back to the Investing Shareholder.

Notwithstanding the above, the Investing Shareholder is free to Sell its Shares by way of listing or any Sale of its Shares at the open market of any stock exchange without being subject to the restrictions on Sale to a Restricted Transferee to the extent such Sale is not realised through a block sale or private placement.

The Investing Shareholder shall have the right to initiate an exit process for the Sale of its Shares any time following the IPO. In such case, the Class A Shareholder shall provide their support and take all such steps as reasonably requested by the Investing Shareholder to assist the Investing Shareholder in affecting or taking the steps in furtherance of a sale (including but not limited to participation in management presentations / roadshows).

3.4 Transfers to Affiliates by the Class A Shareholder

Any Sale of Class A Shares to a Qualifying SPV and/or Qualifying Persons can be made freely so long as HVDB is the Class A Shareholder; provided, however, that (i) notice of such Sale be given to the Investing Shareholder; (ii) the transferee, to the extent that it is not already a party to this Agreement and to the extent that it is becoming a direct shareholder in the Company, executes a Deed of Adherence to this Agreement substantially in the form attached hereto as Schedule 3.04 and becomes bound by this Agreement and shall have all rights and assume all obligations provided in the Deed of Adherence; and (iii) the required government approvals, if any, associated with such Sale are obtained; and (iv) before the Qualifying SPV ceases to be Controlled by HVDB or the Qualifying Persons, the Qualifying SPV shall (and HVDB will procure that the Qualifying SPV shall) transfer all of its shares back to HVDB or the Qualifying Persons.

3.5 Deed of Adherence

Save as otherwise is specifically provided in this Agreement and where this Agreement otherwise terminates in accordance with the terms herein, if (a) any Class A Shares are transferred by the Class A Shareholder pursuant to this Agreement and if the transferee is not a party to this Agreement, the transferor shall procure that the transferee shall execute and deliver the relevant Deed of Adherence to the Investing Shareholder, who shall execute the Deed of Adherence in return, or (b) any Class B Shares are transferred by the Investing Shareholder to any Subsidiary of the General Partner pursuant to this Agreement, the transferor shall procure that the transferee shall execute and deliver the relevant Deed of Adherence to the Class A Shareholder immediately prior to the transfer of such Shares, who shall execute the Deed of Adherence in return.

4. Governance and Management of the Company

4.1 Board of Directors of the Company

- (a) As long as the Investing Shareholder owns at least 7.5% (seven point five per cent) of the issued share capital of the Company and provided that the Investing Shareholder does not breach its (i) Sale obligation set forth under Article 3.3(c) and (ii) non-compete obligation set forth under Article 5.1 of this Agreement, one Director among the Directors appointed by the Class A Shareholder ("**Class A Directors**") shall be the Person designated by the Investing Shareholder and the Class A Shareholder shall use its voting rights and privilege to appoint such Director designated by the Investing Shareholder ("**Investing Director**") as one of the Class A Directors. As long as the Investing Shareholder has a right to designate an Investing Director, the Class A Shareholder shall procure that a Board decision resolving on:
- (i) acquisition of any interest of the share capital of any Related Party, and
 - (ii) approval, amendment or termination of any internal policies and procedures in respect of anti-bribery and corruption; or that are inconsistent with the Investing Shareholder "Business Principles and Environmental and Social Management System"
- is not taken unless approved affirmatively by the Investing Director in person or through an affirmative written opinion in case the Investing Director cannot personally attend a Board of Directors meeting.
- (b) Directors may be elected for a maximum term of office of three (3) years and until the time their successors are elected. Unless otherwise specified in this Agreement, a Director whose term of office expires may be re-elected. The provisions of the TCC and the Articles of Association shall apply to the meeting and decision quorums of the Board of Directors' meetings.
- (c) Until the Investing Shareholder receives an amount corresponding to the Guaranteed Proceeds from the Sale of its Shares through IPO or thereafter in any subsequent Sale, the Class A Shareholder shall procure that the matters specified in Schedule 4.01 ("**Reserved Matters**") cannot be taken and/or the Company does not transact unless approved affirmatively by the Investing Director in person or through an affirmative written opinion in case the Investing Director cannot personally attend a Board of Directors meeting, save for the situation where such Board of Director's decision is necessitated by the applicable laws and/or regulations. Upon the Investing Shareholder receiving the Guaranteed Proceeds in accordance with Article 2.2(i) of this Agreement through IPO or thereafter in any subsequent Sale, the Investing Shareholder's Reserved Matters shall automatically cease to exist.
- (d) The Investing Shareholder shall procure that the Investing Director (i) shall attend to meetings including one of the matters specified in Article 4.1(a) or (c), as applicable, as possible and (ii) shall inform the Class A Directors of its written opinion (specifying whether it would vote affirmatively or negatively) in matters specified in Article 4.1(a) or 4.1(c), as applicable, in case he/she is not able to attend such meeting.

- (e) Pursuant to Article 390 of the TCC, resolutions of the Board of Directors may be adopted without holding a physical meeting, if a resolution proposal to that effect is made by one of the Directors in writing, served on all Directors and approved by the simple majority of the Directors of the Board of Directors, by their signatures in writing. For the avoidance of doubt, any resolution proposal relating to the matters listed in Article 4.1(a) or (c), as applicable, for which no physical meeting is required, shall be approved in accordance with Article 4.1(a) or (c).
- (f) The Investing Shareholder shall at all times and from time to time have the right to require the removal of the Investing Director appointed by it and to have another Director appointed in his/her place; and the Class A Shareholder shall be bound to promptly act in accordance with such appointment or recommendation, as the case may be.
- (g) The obligations of the Class A Shareholder provided in this Article 4.1 shall exclude the independent Directors who will be appointed to the Board of Directors as required by the relevant securities laws applicable to the Company.

4.2 Financial Reporting

The Class A Shareholder shall procure, so far as legally permissible, that as long as the Investing Shareholder holds a right under Article 4.1 of this Agreement to designate one member to the Board of Directors, the Company will provide to the Investing Shareholder the financial and other information requested by such Party, including, but not limited to, the following:

- (a) detailed monthly Management Accounts and management discussion and analysis of the monthly key operating indicators determined by HVDB and the Investing Shareholder, and financial results within four (4) weeks of the end of each month;
- (b) audited accounts of the Company in respect of each financial year within four (4) months of the end of each financial year;
- (c) a quarterly balance sheet, profit and loss account and cash flow statement within five (5) weeks of the end of each quarter; and
- (d) such other information or access to the management team as the Investing Shareholder may require from time to time.

4.3 Policies and Procedures

The Class A Shareholders and the Investing Shareholder acknowledge that the Company will be operated based on the "Business Principles and Environmental and Social Management System" attached hereto as Schedule 4.04 which is as currently conducted.

5. Covenants

5.1 Non-Compete

The Investing Shareholder covenants that, for so long there is an Investing Director appointed at the Board of the Company, it shall not and shall procure that any Subsidiary of the General Partner and any entity Controlled by the General Partner shall not, whether alone or jointly, directly or indirectly be engaged or concerned or interested economically or otherwise in a Restricted Competitor that operates in Turkey. For avoidance of doubt, in case the Investing Shareholder acts in breach of its non-compete obligation provided in this Article 5.1, it shall automatically lose all its right under this Agreement including the right to designate an Investing Director to the Board of Directors provided under Article 4.1 and financial reporting provided under Article 4.2.

5.2 Environment and Social Compliance

The Class A Shareholder and Investing Shareholder shall take reasonable steps, and cause the Class A Directors and Investing Director appointed by them (respectively) to take reasonable steps to pass any necessary board resolutions, to procure that the Group shall adopt, and conduct its business and operations in accordance with, one or more environmental and social compliance policies that are in compliance with applicable laws and stock exchange regulations as may be agreed by the Class A Shareholder and Investing Shareholder from time to time acting reasonably and in good faith (substantially in accordance with EBRD's prevailing policies in respect of such matters).

5.3 Internal Procedures

The Class A Shareholder and Investing Shareholder shall take reasonable steps, and cause the Directors appointed by them (respectively) to take reasonable steps to pass any necessary board resolutions, to procure that Group shall maintain sufficient internal procedures for the purpose of preventing the Group from becoming an instrument for money laundering, terrorism financing, fraud or other corrupt or illegal purposes.

5.4 Fraud and Corruption

The Class A Shareholder and Investing Shareholder shall take reasonable steps and cause the Directors appointed by them (respectively) to take reasonable steps to pass any necessary board resolutions, to procure that Group shall not authorise or permit any of its respective officers, directors, authorised employees, Affiliates, agents or representatives to, engage in any Prohibited Practice.

5.5 Procurement

The Parties undertake to exercise their voting rights as Shareholders to pass any necessary shareholder resolutions, and shall cause the Directors appointed by them (respectively) to pass any necessary board resolutions, to procure that the Group shall at all times use sound procurement methods which ensure a sound selection of goods and services at fair market value and that the Group is making its capital investments in a cost effective manner.

6. Event of Default

6.1 Material breach notice

In case of a material breach of any provisions of this Agreement, the Non-defaulting Party ("**Non-defaulting Party**") shall be entitled to send a notice (the "**Default Notice**") to the Party in default ("**Defaulting Party**") identifying the reasons for the occurrence of such default and referencing, where applicable, the provision that has been defaulted under.

6.2 Remedy period

In the event of a default, the Defaulting Party shall have the right to remedy the default in a manner reasonably satisfactory to the Non-defaulting Party within a period of thirty (30) Business Days ("**Remedy Period**") from the receipt of the Default Notice by the Defaulting Party. Subject to Article 6.3, the Non-defaulting Party shall have the right to claim its direct damages (for the avoidance of doubt excluding any consequential damages) resulting from the default within one (1) month following the Remedy Period unless the default is cured within the Remedy Period by the Defaulting Party.

6.3 Liquidated Damages

Without prejudice to the Investing Shareholder's right to seek specific performance, upon the occurrence of any of the following events which are not remedied in accordance with Article 6.2:

- (a) transfer of Shares (or shares of a Qualifying SPV) in breach of Article 3.3(b) or 3.4;
- (b) failure of Class A Shareholder to procure that the transferee delivers a Deed of Adherence in the prescribed form immediately prior to the transfer of such Shares in accordance with Article 3.5;
- (c) completion of a transfer of Shares by the Class A Shareholder (or the transfer of shares of the Qualifying SPV) without first notifying the Investing Shareholder in writing in accordance with Article 3.3(b);
- (d) failure of the Class A Shareholder to appoint the Director elected by the Investing Shareholder in accordance with Article 4.1;
- (e) failure of the Board of Directors to resolve on a Related Party acquisition in breach of Article 4.1(a) or a Reserved Matter in breach of Article 4.1(c) of this Agreement; and
- (f) failure of providing information in accordance with Article 4.2.

then in the event that the Investing Shareholder is the Non-defaulting Party within the terms of Article 6.1, upon the expiry of the thirty (30) Business Days stated in Article 6.2 the Defaulting Party shall pay to the Investing Shareholder upon demand USD 10,000,000 (ten million United States Dollars) as penalty under article 179 of the TCO (*ceza koşulu*). The Parties agree that the penalty fee determined under this Article 6.3 is not unreasonable or exorbitant and shall not be subject to reduction in accordance with article 22 of the TCC.

7. Effectiveness and Termination

7.1 Termination

Subject to Article 7.2, this Agreement shall terminate, other than this Article 7 and Articles 8.2 to 8.10 (both inclusive) and 8.13;

- (a) upon the mutual written agreement of the Parties;
- (b) when Investing Shareholder's share ratio in the Company falls below 7.5% of the total share capital of the Company;
- (c) save for the Restructuring, upon the General Partner ceasing directly or indirectly to have the ability to exercise more than 50 per cent of the voting power at meetings of the board of the Investing Shareholder in respect of all or substantially all matters (for the avoidance of doubt, this shall also trigger upon any direct or indirect change of the ultimate Controlling Person of the Investing Shareholder);
- (d) for the Individual Shareholders within 5 (five) Business Days following the IPO of the Company on the Effective Date without need for sending a written notification to the other Parties;
- (e) on January 1, 2026, without need to send any notification by either Party or take any further action;
- (f) in relation to any Party when that party no longer holds any Shares in the share capital of the Company;
- (g) in case of breach of Article 3.3(c) and Article 5.1 by Investing Shareholder, upon Class A Shareholder's written demand and at the end of the Remedy Period in Article 6.2.; or
- (h) in case all the Class A Shares held by the Class A Shareholder are reclassified as/ converted to Class B Shares as necessitated by this Agreement and/or Articles of Association, and the Class A Shareholder no longer holds any Class A Shares.

7.2 Effect of Termination

If this Agreement is validly terminated pursuant to Article 7.1, this Agreement will forthwith become null and void, and there will be no liability or obligation on the part of the Parties and the Company (or any of their respective officers, Directors, employees, agents or other representatives or Affiliates), except as otherwise expressly provided in this Agreement. Notwithstanding any other provision in this Agreement to the contrary, upon termination of this Agreement, the Parties will remain liable for one another for any breach of this Agreement by such Party prior to such termination, and the appropriate Party pursuant to the foregoing may seek such remedies, including damages and attorney fees, against the other Party with respect to any such breach as are provided in this Agreement, or as are otherwise available at law or in equity.

8. Miscellaneous

8.1 Entire Agreement

This Agreement and all documents delivered as part of this Agreement; or, which are incorporated as part of this Agreement by reference, including, without limitation the Articles of Association, constitute and contain the entire Agreement between the Parties and the Company and, replace in its entirety any and all agreements, arrangements and understandings between the Parties with respect to the subject matter hereof.

8.2 Notices

All notices, requests and communications hereunder must be in writing and will be deemed duly given only if delivered by (i) e-mail or facsimile transmission and (ii) sent by recognized international courier to the Parties and/or the Company at the following addresses, e-mails or facsimile numbers.

If to the Investing Shareholder:

Address: Ferko Signature Plaza Esentepe Mah. Buyukdere Cad. No:175 34394 Sisli / Istanbul

Facsimile No: +90 212 291 52 23
Attn: Erman Kalkandelen
E-mail: erman.kalkandelen@franklintempleton.com

If to the Contract Party Shareholders:

Address: Dođan Őirketler Grubu Holding A.Ő., Burhaniye Mah. Kısıklı Cad., No. 65 34676 Altunizade, Istanbul

Facsimile No: +90 216 556 93 93
Attn: Tolga Babalı
E-mail: tolgab@doganholding.com.tr

All such notices, requests and other communications will: (i) if delivered personally to the address as provided in this Article 9.2, be deemed given upon delivery; (ii) if delivered by e-mail, at the time of transmission; (iii) if delivered by facsimile transmission to the facsimile number as provided in this Article 8.2, be deemed given upon receipt; and, (iv) if delivered by recognized international courier to the address as provided in this Article 8.2, be deemed given upon confirmed receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Article 8.2). A notice is not valid if sent by e-mail, unless within 1 (one) Business Day of the notice being sent by e-mail, the notice is also sent using one of the other modes of communication set forth in this Article 8.2., in which case the notice will be deemed to validly sent at the date of the e-mail.

Any Party from time to time may change its address, facsimile number or any other information for the purpose of notifying that Party by written notice specifying such change to the other Parties hereto.

8.3 Publicity and Confidentiality

- (a) **Prior approval of announcements.** Subject to Article 8.3(b), no disclosure or announcement relating to the existence or subject matter of this Agreement shall be made or issued by or on behalf of any of the Shareholders or their respective Affiliates or the Company without the prior written approval of the other Parties (which approval may be subject to reasonable conditions but shall otherwise not be unreasonably withheld or delayed) provided that these restrictions shall not apply to any disclosure or announcement if required by any law, applicable securities exchange, supervisory, regulatory or governmental body including Capital Markets Board of Turkey or capital markets related regulations.
- (b) **Confidentiality.** Each Party shall treat as strictly confidential and will not disclose any information received or obtained by it or its officers, employees, agents or advisers as a result of entering into or performing this Agreement which relates to:
- (i) the provisions of this Agreement or any of the other documents entered into pursuant to this Agreement;
 - (ii) the negotiations leading up to or relating to this Agreement; or
 - (iii) any of the other Parties (or any of their respective Affiliates) or the Company,

provided that these restrictions shall not apply to any disclosure of information if and to the extent the disclosure is:

- (A) required by any law, regulation or order of court of any applicable jurisdiction;
- (B) required by any applicable securities exchange, supervisory or regulatory or Governmental Authority to which the relevant Party is subject or submits, wherever situated, whether or not the requirement for disclosure has the force of law; made to the relevant Party's Affiliates or any of its or their employees, officers, representatives, agents, professional advisers, auditors or bankers (together, the "**Representatives**") provided that such Representatives are made aware of the confidential nature of such information and are subject to the terms of this Article 8.3 as if they were a party to this Agreement and that the disclosing Party remains liable for any breach by any such Representatives of such terms;
- (C) of information that has already come into the public domain through no fault of the relevant Party or any of its Representatives;

- (D) of information which was lawfully in the possession of that Party or any of its Representatives (in either case as evidenced by written records) without any obligation of secrecy prior to its being received or held;
- (E) required for the purpose of any arbitral or judicial proceedings arising out of this Agreement (or any other related documentation);
- (F) made to a potential purchaser of Shares (provided that such potential purchaser is not a Restricted Transferee) and such potential purchaser agrees to be bound by written confidentiality obligations to the potential seller no less onerous than those set out in this Article 8.3 (mutatis mutandis), a copy of which shall be provided to the other Parties to this Agreement prior to such disclosure;
- (G) in the case of the Investing Shareholder only, such disclosure is made to any other direct or indirect investors (including those persons whom the Investor or any of its Affiliates reasonably believe are likely to become a direct or indirect investor) in funds managed and advised by any of the Investing Shareholder's Affiliates, together with their directors, officers, advisors or agents provided that such information is disclosed on a confidential basis and in a manner consistent with past practice; or
- (H) made on a confidential basis to lending banks or other funding parties or prospective funding (whether debt or equity) parties of the Investing Shareholder or any of its Affiliates for the funding of the acquisition of Shares by the Investing Shareholder.

Any Party disclosing confidential information pursuant to this Article 8.3 shall promptly notify the other Parties of such disclosure.

8.4 Assignment; Successors and Assigns

- (a) Other than to a Party's Affiliate to whom Shares have been transferred in accordance with the terms of this Agreement, no interest of any Party to this Agreement may be assigned or otherwise transferred except with the prior written consent of the other Party and is further subject to required government approvals.
- (b) This Agreement shall be binding upon and inure to the benefit of the Parties, their successors and permitted assignees.

8.5 Waiver

Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

8.6 Amendment

This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party.

8.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Turkey, without giving effect to any conflicts of laws and principles thereof which would result in the application of the laws of another jurisdiction.

8.8 Jurisdiction for Disputes

Any and all disputes, controversies or claims between the Parties arising out of, relating to or in connection with this Agreement, including any questions regarding its existence, construction, interpretation, validity, performance, breach or termination, which are not amicably resolved by the Parties shall be finally and exclusively settled by arbitration administered by International Chamber of Commerce International Court of Arbitration (the "ICC"), in accordance with ICC Rules of Arbitration (the "Rules") in effect at the time of the arbitration, which rules are deemed to be incorporated by reference into this Article except as may be modified herein or by agreement of the Parties. The arbitral tribunal shall consist of three arbitrators, all three of whom shall be lawyers. The Contract Party Shareholders, on the one hand, and the Investing Shareholder, on the other, shall nominate one (1) arbitrator and deliver written notification of such nomination to the other Party and to the ICC within thirty (30) days after delivery of a request for arbitration. In the event a Party fails to nominate an arbitrator or deliver notification of such nomination to the other Party and to the ICC in a timely manner, upon request of either Party, such arbitrator shall instead be appointed by the ICC within thirty (30) days of receiving such request in accordance with the Rules. The two (2) arbitrators appointed in accordance with the above provisions shall nominate the third (3rd) arbitrator and notify the Parties and the ICC in writing of such nomination within fifteen (15) days of their appointment. If the first two (2) appointed arbitrators fail to nominate a third (3rd) arbitrator or notify the Parties and the ICC of that nomination within this time period, then, upon request of either Party, the third (3rd) arbitrator shall be appointed by the ICC within fifteen (15) days of receiving such request in accordance with the Rules. The third (3rd) arbitrator shall serve as chairman of the arbitral tribunal. The place of arbitration shall be London, United Kingdom. The language of the arbitration shall be English. No arbitrator shall be an Affiliate, employee, officer or director of either Party or of their respective Affiliates, nor shall any arbitrator have any interest that would be affected in any material respect by the outcome of the dispute. The decision of a majority of the arbitrators shall be final and binding on the Parties and their respective successors and assignees. The arbitral award shall not be subject to appeal. Among other remedies otherwise available to them, the arbitrators shall be authorized to order the specific performance of any provisions contained herein. Any award rendered by the arbitrators shall be final and binding upon the Parties, and enforcement upon such award, including any costs of arbitration, may be entered in accordance with applicable law in any court having jurisdiction, provided, however, that all rights of appeal or recourse to any court of law whatsoever are hereby excluded in relation to any arbitration or any award made herein.

8.9 Interpretation

- (a) If any provision contained in this Agreement or any other document executed in connection herewith is or shall become invalid, illegal or unenforceable in any jurisdiction, the invalidity, illegality or unenforceability of such provision in such jurisdiction shall not affect or impair the validity, legality or enforceability of (A) any other provision of this Agreement or any such other document in such jurisdiction or (B) such provision or any other provision of this Agreement or any such other document in any other jurisdiction.
- (b) The Parties hereby acknowledge and agree that if there shall be at any time a conflict, misinterpretation or discrepancy between this Agreement and the Articles of Association of the Company, the provisions of this Agreement shall prevail among the Parties.

- (c) This Agreement has been negotiated and executed in the English language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement shall be in the English language or accompanied by an English translation thereof and the English version thereof shall govern for purposes hereof in any conflict with any non-English version unless such document is required to be in the Turkish language by the applicable laws.
- (d) No provision of this Agreement shall be interpreted against the interest of a Party merely because that Party drafted the provision.

8.10 Costs

Each of the parties shall pay its own costs and expenses in connection with the negotiation, preparation and carrying into effect of this Agreement. Any stamp tax payable in connection with the execution of this Agreement will be paid 50% by Contract Party Shareholders and 50% by the Investing Shareholder.

8.11 Further Assurance

- (a) The Company and each of the Parties shall do and execute and perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to the terms of this Agreement.
- (b) The Parties covenant to and agree with each other that so long as this Agreement is in effect each of them shall vote their Shares so as to give effect to the provisions of this Agreement and to the rights granted hereunder and under the Articles of Association.

8.12 Unlawful Fetter

- (a) Notwithstanding any other provision of this Agreement, the Company shall not be bound by any provision of this Agreement to the extent that for it to be so bound would constitute a breach of or is not permitted by the laws of Turkey, being the country in which the Company is incorporated, or any other laws applicable to the Company, but any such provision shall remain valid and binding as regards all other parties to which it is expressed to apply.
- (b) Notwithstanding any other provision of this Agreement, the Directors shall not be bound by any provision of this Agreement to the extent that for it to be so bound would constitute a breach of its fiduciary, good faith or other duties to the Company.

8.13 Damages, Remedies

The non-breaching Party reserves its rights to claim damages or any other remedies (including, without limitation any remedies of specific performance or injunctive relief) available under applicable law for all damages, losses, costs and expenses arising from or in connection with any breach or anticipated breach of any of the terms of this Agreement by the Defaulting Party.

8.14 Representative of the Contract Party Shareholders

The Contract Party Shareholders hereby nominate HVDB ("**Representative of the Contract Party Shareholders**") for the performance and fulfillment of the obligations arising from this Agreement including but not limited to the following:

- (a) To execute the written notifications that will be issued pursuant to Article 3 and to negotiate and resolve any conflicts that may arise in this respect; and
- (b) To terminate the Agreement pursuant to Article 7.1;

Unless otherwise notified in writing by a Contract Party Shareholder, the Investing Shareholder may rely and act upon any document that is delivered by the Representative of the Contract Party Shareholders without conducting any independent research.

8.15 Representations and Warranties

- (a) The Investing Shareholder hereby represents and warrants to each other Shareholder that:
- (i) It is a corporation duly incorporated, validly existing and in good standing under the laws of its respective jurisdiction of incorporation;
 - (ii) It has full power and capacity to enter into this Agreement;
 - (iii) All corporate actions and other proceedings required to be taken by, or on behalf of, the legal entity Shareholder to authorize it to enter into and to perform this Agreement have been duly and properly taken; and
 - (iv) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, will not result in a breach of, or constitute a default under, the articles of association or the by-laws of the legal entity Shareholder, or any agreement or instrument by which it is bound, or violate any law applicable to it.
- (b) Each real person Shareholder hereby represents and warrants to the Investing Shareholder that:
- (i) It has full power and capacity to enter into this Agreement; and
 - (ii) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, will not result in a breach of, or constitute a default under any material agreement or instrument by which she is bound, or violate any law applicable to it.

8.16 Liability of the Class A Shareholder

The Investing Shareholder hereby acknowledges and accepts that the Individual Shareholders have become party to this Agreement for purposes of terminating the Amended and Restated Shareholders Agreement, and accordingly the Investing Shareholder shall in no event have a right to recourse to the Individual Shareholders in relation to the obligations of the Class A Shareholders provided in this Agreement and thus shall not under any circumstances recourse or make any claim from to the Individual Shareholders under this Agreement, or the applicable law.

The Class A Shareholder shall be liable in respect of all her duties and obligations (and those of each Qualifying SPV) arising under, or in connection with, this Agreement.

[signature page to follow]

Execution

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed in 2 (two) originals in their respective names as of the date first above written;

CONTRACT PARTY SHAREHOLDERS

Hanzade Vasfiye Dođan Boyner

By: _____

Vuslat Dođan Sabancı

By: _____

Yaşar Begümhan Dođan Faralyalı

By: _____

Arzuhan Dođan Yalçındađ

By: _____

Işıl Dođan

By: _____

INVESTING SHAREHOLDER

TurkCommerce B.V.

Name:

Title:

By: _____

Schedule 3.04

Deed of Adherence

THIS AGREEMENT is made on _____

1- Hanzade Vasfiye Doğan Boyner, a Turkish citizen with the Turkish ID number [●] and residing at the address of [●] (“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- [●] (the *New Party*)

WHEREAS:

(A) On _____, 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 [●], [●] transferred to the New Party [●] 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] **OR** [the Investing Shareholder], as if the New Party had executed the Shareholders Agreement [as[the Class A Shareholder] **OR** [the Investing Shareholder]] and was named as a party to it.

3. [In the case of the transfer to a Qualifying SPV, on or prior to the Qualifying SPV ceasing to be wholly-owned by [Hanzade Vasfiye Doğan Boyner] **OR** [Qualifying Persons], the Qualifying SPV or its subsidiaries, undertake to transfer all of its shares back to the Shareholder from whom it initially acquired such shares.]]

4. [In the case of the transfer to a Subsidiary of the General Partner, on or prior to the Subsidiary of the General Partner loses that status, the Subsidiary of the General Partner undertakes to transfer all of its/his shares back to the Investing Shareholder from whom it/he initially acquired such shares.]]

5. 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 9.14 (*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.

6. The contact details of the New Party for the purpose of Article 8.2 (*Notices*) of the Shareholders Agreement shall be as follows:

Facsimile No: [●]

Attn: [●]

With copy to: [●]

7. 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.

8. 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:

Title:

By: _____

[INVESTING SHAREHOLDER]

Name:

Title:

By: _____

NEW PARTY

Name:

Title:

By: _____

Schedule 4.01

Board of Directors Reserved Matters in case of Article 4.1(b)(ii)

Any proposal to be discussed at a Board of Directors' meeting in relation to the matters listed below:

1. Incurring financial indebtedness or off balance sheet liabilities exceeding 15% of the Company's previous year's Total Revenues or creating any interest, pledge or security in relation thereto.
 2. Acquire any interest in any Related Party.
 3. Dispose 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 previous year's Total Revenues, or (ii) the equity value of any such entity is equal to or exceeding 15% of the Company's previous year's Total Revenues.
 4. Issuance of any new and amendment or cancellation of any current management incentive plan or other employee benefit scheme, or granting any management stock option.
 5. Delegating powers to board committees and setting the quorum for such committees.
 6. Approving, amending or terminating any internal policies and procedures: (i) in respect of anti-bribery and corruption; or (ii) that are inconsistent with the Investing Shareholder "Business Principles and Environmental and Social Management System" attached hereto as Schedule 4.02.
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Schedule 4.02

Business Principles and Environmental and Social Management System

SOCIO – ENVIRONMENTAL UNDERTAKINGS AND PROHIBITED ACTIVITIES

General Undertakings

The Company shall:

- (a) Comply with all applicable local and national laws, regulations and agreements regarding environmental, labor, health, and safety matters as they are amended and updated from time to time;
- (b) Diligently carry out all responsibilities regarding reports, monitoring and verification and any other commitment agreed upon with the FT Fund and relevant Governmental Authorities or regulatory authorities. The Company shall deliver to the FT Fund an original copy of all environmental and social reports it makes in compliance with local regulation;
- (c) Give notice to the FT Fund of any instance of non-compliance with the regulations listed in (a) above and assume full responsibility regarding any real or alleged breach, including all possible corrective measures or actions required to solve the situation. The Company shall also promptly notify the FT Fund: (i) of any claim, proceeding or investigation by a Person against the Company in respect of an environmental or social law or regulation or an environmental or social permit or authorization, which has or may reasonably have a Material Adverse Effect on the Company; and (ii) of the details of any actions proposed in order to remedy the effects of these events or claims. The Company shall ensure that the FT Fund is updated regularly of any progress with respect to such remedial action;
- (d) Comply with (i) the IFC Performance Standards¹ PS1: Social and Environmental Assessment and Management Systems; PS2: Labor and Working Conditions; PS4: Community Health, Safety and Security (a summary of each of such IFC Performance Standards is set out in appendix 1 to this schedule); and (ii) the ILO Core Labor Standards and ILO Basic terms and Conditions of Employment when applicable to the Company or its operations and where such requirements are more rigorous than those established under any applicable national laws;
- (e) In the case of any partial or complete subcontracting instance of works, the Company shall monitor and supervise that the contracting parties also comply with all measures referring to occupational safety, labor conditions and labor rights, environmental protection and emergency protocols, as well as all other national or internal standards, procedures or regulations;
- (f) Develop and implement Social and Environmental Management Systems (“SEMS”), which are acceptable to the FT Fund and comply with PS1: Social and Environmental Assessment and Management Systems;
- (g) Designate and appoint one person as the environmental and social officer in charge of environmental and social management and compliance;

Reporting and Inspections A representative from the FT Fund may visit the premises of the Company at least twice a year. Furthermore, the Company shall provide all relevant information on environmental, social and labor conditions and environmental mitigation measures to a representative of the FT Fund upon request.

¹ **Note:** IFC Performance standards found at http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES

The Company hereby agrees to provide:

- (a) Monthly, quarterly and yearly financial and other KPI reporting regarding environmental, social and labor conditions in a format (which will include segmental reporting by business lines and reporting in US\$) that is reasonably requested by Franklin Templeton Investments
- (b) Reports to be delivered in electronic and paper format within 15, 25 and 45 days of month, quarter and year ends

Business Practices: The Company undertakes that it will carry on its business in a way that:

- (a) is in accordance with these business practices, including the business integrity requirement to operate in accordance with local laws and international good practice.
 - (b) provides safe and healthy working conditions for its employees and contractors;
 - (c) encourages the efficient use of natural resources and promotes the protection of the environment;
 - (d) treats all employees fairly in terms of recruitment, progression, remuneration and conditions of work, irrespective of gender, race, color, language, disability, political opinion, age, religion or national/social origin;
 - (e) allows consultative work-place structures and associations which provide employees with an opportunity to freely present their views individually and/or collectively to management in accordance with the principles of core ILO conventions;
 - (f) takes account of the impact of its operations on the local community and seeks to ensure that potentially harmful occupational health and safety, environmental and social effects are properly assessed, addressed and monitored;
 - (g) upholds high standards of business integrity and honesty, and operates in accordance with local laws and international good practice (including those intended to fight extortion, bribery and financial crime);
 - (h) promotes the use of quantified targets for occupational health and safety, environment, and social issues and continuous improvement in relation to the Business;
 - (i) designs and operates its business according to local regulations or the appropriate guidelines published by the World Bank;
 - (j) adopts the following minimum employment standards in accordance with internationally accepted good practice:
 - o not to use forced labor of any kind;
 - o not to employ children under 15;
 - (k) provides wages that meet or exceed industry or legal national minima and are sufficient to meet basic needs;
 - (l) properly records, reports and reviews financial and tax information relating to its business;
-

- (m) ensures that no payment of value is made or received (in the form of compensation, gift, contribution or otherwise) in the course of business in order improperly to induce preferential treatment for the company, its officers, shareholders or employees or any member of its group of companies;
- (n) reviews this policy annually to ensure its ongoing suitability and effectiveness; and that if the Company is involved in industrial operations:
- (o) complies with local regulations on occupational health and safety as an absolute minimum. Where there is no local legal framework regarding occupational health and safety the Company shall take account of the recommendations of the following two World Bank documents as amended or supplemented from time to time:
- (p) complies with Occupational Health and Safety Guidelines for specific industries (issued September 1988);
- (q) complies with Health and Safety Guidelines – General (issued September 1995); and that if the Company has remote operations:
- (r) ensures that employees have access to the basic services of water, health care and education wherever possible and where no other facilities are available, adequate housing.

Prohibited Activities: The Company will not engage in the following activities:

- (a) production or activities involving harmful or exploitative forms of forced labor² child labor.³
- (b) production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
- (c) production of or trade in any product or activity that contravenes any international conventions and agreements to which the host country is a party, and which have the force of law in the host country;
- (d) production of or trade in weapons and munitions, including paramilitary materials.
- (e) gambling, casinos, and equivalent enterprises.⁴
- (f) trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora.⁵
- (g) production of or trade in radioactive materials.⁶
- (h) production of or trade in or use of unbounded asbestos fibers.⁷
- (i) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest.

² Forced labour means all work or service not voluntarily performed that is extracted from an individual under threat of force or penalty.

³ Child labor means the employment of children whose age is below the statutory minimum age of employment in the country of operation and employment of children in contravention of International Labor Organization Convention No. 138 “Minimum Age Convention” (www.ilo.org).

⁵ A list of CITES species is available from websites of multilateral institutions such as ADB and IFC.

⁶ This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment where the FT Fund considers the radioactive source to be trivial and/or adequately shielded.

⁷ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

- (j) production of or trade in products containing polychlorinated biphenyls (PCBs).⁸
- (k) production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial-scale use of hazardous chemicals.⁹
- (l) production of or trade in pharmaceuticals subject to international phase outs or bans.¹⁰
- (m) production of or trade in pesticides/herbicides subject to international phase outs or bans.¹¹
- (n) production of or trade in ozone-depleting substances (ODS) subject to international phase-out.¹²
- (o) drift net fishing in the marine environment using nets in excess of 2.5 kilometers long.
- (p) production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.
- (q) activities that violate Applicable IFC Policies.
- (r) involuntary resettlement of people, households, firms or private institutions.¹³
- (s) production, distribution or trade in pornography.
- (t) transboundary trade in waste products¹⁴, except for non-hazardous waste destined for re-cycling.

⁸ A group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

⁹ A list of hazardous chemicals is available from websites of multilateral institutions such as ADB and IFC. Hazardous chemicals include gasoline, kerosene, and other petroleum products.

¹⁰ A list of pharmaceutical products subject to phase-outs or bans is available from websites of multilateral institutions such as ADB and IFC.

¹¹ A list of pesticides and herbicides subject to phase-outs or bans is available from websites of multilateral institutions such as ADB and IFC.

¹² Chemical compounds that react with and deplete stratospheric ozone, resulting in the widely publicized ozone holes. The Montreal Protocol lists ODS and their target reduction and phase out dates. A list of the chemical compounds regulated by the Montreal Protocol—includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents, together with details of signatory countries and phase out target dates—is available from websites of multilateral institutions such as ADB and IFC.

¹³ "Involuntary resettlement" means any permanent or temporary impact on any people, households, firms or private institutions ("affected persons"), being any of (a) an adverse effect on their standard of living, (b) their right, title or interest in any house, land (including residential, commercial, agricultural, forest, and/or grazing land), water resources, or any other movable or fixed assets being acquired, possessed, restricted or otherwise adversely affected, in full or in part, permanently or temporarily or (c) their business, occupation, place of work or residential or habitat being adversely affected, with or without displacement, in each case as a result of any of (i) an acquisition of land and other fixed assets (ii) a change in use of land or (iii) restrictions imposed on land in each case by the FT Fund.

¹⁴ As defined by Basel Convention. See www.basel.int

Appendix 1

Summary of IFC Performance Conditions PS 1, PS 2 and PS 4

Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts

The objectives of PS 1 are:

- (a) to identify and evaluate environmental and social risks and impacts of the project;
- (b) to adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment;
- (c) to promote improved environmental and social performance of companies through the effective use of management systems;
- (d) to ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately; and
- (e) to promote and provide means for adequate engagement with Affected Communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.

PS 1 is a process-orientated Standard and applies to all fund managers and investee companies. It requires identification of environmental and social risks and impacts of a project, which then determines which of the other PSs apply. This process broadly mirrors Franklin Templeton Investments' procedures for screening investments against HSES criteria in order to determine which HSES areas, if any, require further investigation. A PS 1 assessment results in identifying the Standards that apply during the initial assessment phase. As operational conditions change—expansion, development of new lines of business—new assessments against other Standards may be required.

Environmental and social assessments must address all stages of the project cycle, identify disadvantaged groups affected by the project and the capacity of relevant third parties to fulfil their commitments. An Action Plan to mitigate impacts, with a budget and milestones, should be prepared and publicly disclosed.

In addition to identifying and assessing the impacts associated with a specific investment, a potential investee must establish a social and environmental management system appropriate to the scale of the operations and the severity of the impacts identified, if such a system has not already been established. Not every investee will require the same kind of system. A mining investment will clearly require more elaboration and detail than a telecoms operation. But all ESMSs should have support from investee company management, demonstrated through the designation of staff members responsible for the ESMS, appropriate training for all relevant employees and adequate resources. All ESMSs should contain a grievance mechanism and procedures for public consultation, disclosure, and progress reporting.

Performance Standard 2: Labour and Working Conditions

The objectives of PS 2 are:

- (a) establish, maintain and improve the worker-manager relationship;
-

- (b) promote the fair treatment, non-discrimination and equal opportunity of workers, and compliance with national labour and employment laws;
- (c) compliance with national employment and labour laws;
- (d) protect the workforce by addressing child labour and forced labour, migrant workers, workers engaged by third parties and workers in the client's supply chain; and
- (e) promote safe and healthy working conditions and to protect and promote the health of workers

PS 2 establish requirements for labour management practices and for the health and safety conditions in manufacturing or other businesses. Labour management practices are based on the International Labour Organization (ILO) core labour principles already included in Franklin Templeton Investments Environmental and Social Management System. PS 2 also requires investees to inquire into the labour practices of its contractors, especially where the contractors are direct (not sub-contractors) and where the contractors perform "core" business functions. PS 2 recognizes that the client's influence over contractor or supplier labour practices is variable. Investees must inquire about child labour, including within its supply chain, and take appropriate corrective measures.

Specific documentation is required. Every investee must have an appropriate, written human resources policy which is communicated to employees. All investees must also document the working terms and conditions of employees and direct contractors and provide these to employees and contractors. A company must develop a retrenchment plan if it anticipates a significant number of redundancies. Where national law permits workers' right to form a workers' union, they should be allowed to do so without interference. In all cases, the investees should provide a grievance mechanism for workers to raise workplace concerns.

With regard to employee health and safety, PS 2 requires clients to provide "a safe and healthy work environment", taking into account inherent risks in its particular sector and specific classes of hazards in the client's work areas, including physical, chemical, biological, and radiological hazards. This general requirement is supplemented by the revised Environmental, Health and Safety Guidelines.

Performance Standard 4: Community Health, Safety and Security

The objectives of PS 4 are:

- (a) to anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances; and
- (b) to ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities

PS 4 recognizes that the effects of an investment may spill over its boundaries at anytime during the investment cycle. Infrastructure may be constructed to serve the investment. Changes in land use can impact access to and quality of soil and water. The investment can change a community's potential exposure to natural hazards such as landslides and flood. The investment's operations may affect the potential for outbreaks of communicable disease. Contractor operations (vehicle traffic, for example) can create risks for Affected Communities. All potential risks to communities must be identified, assessed, and either avoided or mitigated.

PS 4 also recognizes that some clients may use private or government security forces. If such forces are used, a client must assess the associated risks and conduct appropriate and documented background investigations. A client should also ensure that security personnel are trained adequately.

Appendix 1

EBRD Anti-Corruption Guidelines

The purpose of these Guidelines is to clarify the meaning of the terms "Corrupt Practices", "Fraudulent Practices", "Coercive Practices," and "Collusive Practices" in the context of the EBRD's non-sovereign operations in favour of private sector projects.

1. CORRUPT PRACTICES

"Corrupt Practice" means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party. In implementing this definition, the EBRD will be guided by the following principles:

(a) The conduct in question must involve the use of improper means (such as bribery or kickbacks) by someone to induce another person to act or to refrain from acting in the exercise of his duties, in order to obtain or retain business, or to obtain an undue advantage. Antitrust, securities and other violations of law that are not of this nature fall outside of the definition of Corrupt Practices but may still be scrutinised under alternative procedures.

(b) It is acknowledged that foreign investment agreements, concessions and other types of contracts commonly require investors to make contributions for bona fide social development purposes or to provide funding for infrastructure unrelated to the project. Similarly, investors are often required or expected to make contributions to bona fide local charities. These practices are not viewed as Corrupt Practices for purposes of these definitions, so long as they are permitted under local law and fully disclosed in the payer's books and records. Similarly, an investor will not be held liable for corrupt or Fraudulent Practices committed by entities that administer bona fide social development funds or charitable contributions.

(c) In the context of conduct between private parties, the offering, giving, receiving or soliciting of corporate hospitality and gifts that are customary by internationally-accepted industry standards shall not constitute Corrupt Practices unless the action violates applicable law.

(d) Payment by private sector persons of the reasonable travel and entertainment expenses of public officials that are consistent with existing practice under relevant law and international conventions will not be viewed as Corrupt Practices.

(e) The EBRD does not condone facilitation payments whether they are criminalised or not. Such payments, which are illegal in most countries, are dealt with in accordance with relevant local laws and international conventions.

2. FRAUDULENT PRACTICES

"Fraudulent Practice" means any action or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial benefit or to avoid an obligation. In implementing this definition, the EBRD will be guided by the following principles:

(a) An action, omission, or misrepresentation will be regarded as made recklessly if it is made with reckless indifference as to whether it is true or false. Mere inaccuracy in such information, committed through simple negligence, is not enough to constitute a "Fraudulent Practice".

(b) Fraudulent Practices are intended to cover actions or omissions that are directed to or against the EBRD. The expression also covers Fraudulent Practices directed to or against an EBRD member country in connection with the award or implementation of a government contract or concession in a project financed by the EBRD. Frauds on, or other illegal behaviour directed against, other third parties are not condoned. Such behaviour may represent an impediment to doing business with EBRD.

3. COERCIVE PRACTICES

"Coercive Practice" means impairing or harming, or threatening to impair or harm directly or indirectly, any party or the property of the party to influence improperly the actions of a party. In implementing this definition, the EBRD will be guided by the following principles:

(a) Coercive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

(b) Coercive Practices are threatened or actual illegal actions such as personal injury or abduction, damage to property, or injury to legally recognizable interests, in order to obtain an undue advantage or to avoid an obligation. It is not intended to cover hard bargaining, the exercise of legal or contractual remedies or litigation in such implementation.

4. COLLUSIVE PRACTICES

"Collusive Practice" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party. In implementing this definition, the EBRD will be guided by the principle that Collusive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

5. GENERAL

In implementing the foregoing definitions, the EBRD will be guided by the principle that a person should not be liable for actions taken by unrelated third parties unless that person has participated in the prohibited act in question.

June [●], 2021

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi

Kuştepe Mahallesi Mecidiyeköy Yolu

Cadde no: 12 Kule 2 K2

Şişli 34387 İstanbul, Turkey

Ladies and Gentlemen,

GKC PARTNERS
Ferko Signature
Büyükdere Caddesi
No: 175, Kat: 10
34394, Levent, İstanbul
Türkiye
T +90 212 355 1300
gkcpartners.com

We have acted as Turkish counsel to D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi, joint stock company organized under the laws of Turkey (the “**Company**”), in connection with the Company’s registration statement on Form F-1 (the “**Registration Statement**”) filed by the Company on June [●], 2021 with the Securities and Exchange Commission (the “**Commission**”) pursuant to the Securities Act of 1933, as amended (the “**Securities Act**”), relating to:

- (a) the offering by the Company of American Depository Shares (“**ADSs**”) representing [●] class B ordinary shares of the Company with a par value of TL 0.20 per share (the “**Primary Shares**”), and
- (b) the offering by certain the selling shareholders (as defined in the Registration Statement) of ADSs representing [●] class B ordinary shares of the Company with a par value of TL 0.20 per share (the “**Secondary Shares**”, together with Primary Securities, the “**Securities**”).

This opinion letter is delivered to you pursuant to the Company’s request. This legal opinion on certain matters of Turkish law (the “**Opinion**”) is furnished to you in order for it to be filed as an exhibit to the Registration Statement on Form F-1 under the Securities.

Documents Reviewed

In arriving at the opinion expressed below, we have reviewed the following documents:

1. A copy of the Certificate of Activity of the Company dated June 17, 2021 issued by the Istanbul Chamber of Commerce.
 2. A copy of the articles of association (*esas sözleşme*) of the Company, the convenience English translation of which is included as Exhibit 3.1 to the Registration Statement.
 3. A copy of the share ledger (*pay defteri*) of the Company as at the date June 17, 2021.
 4. The Board of Directors resolution of the Company dated June [●], 2021 and numbered [●] relating to the issuance of Primary Shares.
 5. Certified public accountants report dated March 11, 2021 evidencing the full payment of the shares representing the paid-in capital of the Company as of the date of such report.
-

The documents mentioned in items (1) to (5) above are referred to as the “**Corporate Documents**” and individually a “**Corporate Document**.”

We have relied, to the extent we deem such reliance proper, upon such certificates or comparable documents of officers and representatives of the Company and of public officials and upon statements and information furnished by officers and representatives of the Company with respect to the accuracy of material factual matters contained therein which were not independently established by us. In rendering the opinions expressed below, we have assumed, without independent investigation or verification of any kind, the genuineness of all signatures on documents we have reviewed, the legal capacity and competency of all natural persons signing all such documents, the authenticity and completeness of all documents submitted to us as originals, the conformity to authentic, complete original documents of all documents submitted to us as copies, the truthfulness, completeness and correctness of all factual representations and statements contained in all documents we have reviewed, the accuracy and completeness of all public records examined by us, and the accuracy of all statements in certificates of officers of the Company that we reviewed.

Assumptions

In rendering the opinion expressed below, we assumed that:

1. all signatures, stamps and seals on all documents supplied to us as originals or as copies of originals are genuine and that all documents submitted to us are true, authentic and complete;
2. all documents retrieved by us or supplied to us electronically (whether in portable document format (PDF) or as scanned copies), as photocopies, facsimile copies or e-mail conformed copies are in conformity with the originals. that the individuals who executed any of the documents have had the necessary legal capacity at the time of execution;
3. any meeting of the board of directors or shareholders of the Company have been duly convened and conducted with proper quorum and that the resolutions passed at such meetings have been passed by a sufficient majority or sufficient quorum and that no such resolutions have been revoked or varied and that they remain in full and effect;
4. all documents, authorizations, powers of attorney and authorities produced to us remain in full force and effect and have not been amended or affected by any subsequent action not disclosed to us; and
5. there has been no mutual or relevant unilateral mistake of fact and that there exists no fraud or duress.

Opinions

Subject to the qualification and considerations set out below, our opinion on Turkish law is set out below:

1. The Company is a joint stock company (*anonim şirket*) registered and validly existing under the laws of Turkey.
2. The Secondary Shares have been validly issued by the Company and are fully paid and non-assessable.
3. As per the authority granted under the articles of association, on June [●], 2021, the board of directors of the Company resolved to issue new shares, and each Primary Shares will be authorized, and will, upon subscription and payment of the subscription price to the Company and registration with the Istanbul Trade Registry, be validly issued and fully paid and will be non-assessable.

Qualifications

Our opinions are subject to the following qualifications in addition to any qualifications set forth elsewhere in this opinion letter:

1. This opinion is limited to Turkish law in force and as applied by the Turkish courts on the date hereof and we express no opinion with regard to the laws of any other jurisdiction.
2. Pursuant to the Turkish Commercial Code (*6102 sayılı Türk Ticaret Kanunu*), a resolution of the board of directors relating to a capital increase (*e.g.* item 4 under “Documents Reviewed”) may be challenged by the members of the board of directors and the shareholders (at the time of the capital increase) may challenge such board resolution within one month from the official announcement of such resolution at the trade registry gazette (*Ticaret Sicili Gazetesi Gazetesi*).
3. The opinions herein are strictly limited to the matters stated herein and are not to be read as extending by implication to any other matters.
4. The opinions expressed above are as of the date hereof only, and we express no opinion as to, and assume no responsibility for, the effect of any fact or circumstance occurring, or of which we learn, subsequent to the date of this opinion letter, including, without limitation, legislative and other changes in the law or changes in circumstances affecting any party.

This opinion letter is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Securities Act. We assume no responsibility to update this opinion letter for, or to advise you of, any such facts or circumstances of which we become aware, regardless of whether or not they affect the opinions expressed in this opinion letter.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the caption “Legal Matters” and to the discussion of the opinion in the prospectus included in the Registration Statement.

In giving such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules or regulations of the Commission promulgated thereunder.

Yours truly,

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[***].” SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (i) NOT MATERIAL AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

LEASE AGREEMENT

1. THE PARTIES OF THE AGREEMENT

- 1.1. **LESSOR** : A.Vedat Yakupođlu Gayrimenkul Yatırımcılıđı
- Address** : Cumhuriyet Mah. Selanik Cad. orapı Kalabalık İř Hanı No:20/6 ankaya/Ankara
- Tax number** : 46453290384
- 1.2. **LESSEE** : D-Market Elektronik Hizmetler ve Ticaret A.ř.
- Address** : Kuřtepe Mah.Mecidiyeköy Yolu Cad. No: 12 řiřli/İstanbul
- Tax number** : Kađıthane Tax Office / 2650179910
- Contact information** : (0850) 252 40 00 (Hereinafter referred to as “**D-MARKET**”)

2. SUBJECT AND SCOPE OF THE AGREEMENT

Subject and scope of this lease agreement is the rental of 11,000 m2 indoor area + 6000 m2 outdoor area (front garden, parking place, roads) on 16,622 m2 plots included in Annex-1 General layout plan of the **Lessor** at Ankara Province Kazan District 3287 Block 2 Parcel by **D-MARKET** as a workplace for 5 years.

The general layout plan of the area to be used by **D-MARKET** together with the buildings and ancillary services as technical office, warehouse, test workshop, Construction, mechanical and electrical works technical specifications, floor plans are specified in detail in the annex of the agreement (Annex-1 to Annex-8) with the requested delivery dates in accordance with the project of the interior construction works.

The visual state of the leased property before the renovation and the visual state after the renovation and construction works to be made by the **LESSOR** in accordance with the project prepared by **D-MARKET** shall be photographed separately by **D-MARKET** and shared with the **LESSOR**.

3. TERM OF THE AGREEMENT

The term of this agreement is 5 (five) years between 01.09.2020 - 01.09.2025.

At the end of the lease period, if **D-MARKET** gives a written notification 3 (three) months before the expiry of the agreement, the lease agreement shall be deemed renewed for 1 (one) year under the same conditions.

4. TERMINATION OF THE AGREEMENT

4.1. D-MARKET may terminate the lease agreement at any time within 5 (five) years of rental by giving 3 (three) months' written notice.

5. RENTAL FEE AND PAYMENTS, OTHER LIABILITIES

- 5.1.** The monthly rent of the leased property is [***] per month. There will be no increase in the rental fee until the end of the first 1 (one) year rental period.
- 5.2.** The LESSOR shall complete all renovation and infrastructure works including electrical, construction and mechanical matters agreed between the Parties and detailed in ANNEX-1 until 01.09.2020, which is the commencement date of the lease agreement.
- 5.3.** In the event that D-MARKET cannot actually enter the leased property until 01.09.2020, D-MARKET's lease payment obligation shall commence after the expiry of 1 (one) month period from the actual entry of D-MARKET to the leased property.
- 5.4.** If the leased property is not delivered in accordance with Article 6.2 of the agreement for a reason arising from the LESSOR, the rental price shall not be charged.
- 5.5.** At the beginning of the lease agreement, if these modifications and construction works specified in detail in the annex of the agreement (Annex-1 to Annex-8) to be completed by the LESSOR in accordance with the project and delivered on the specified dates (Annex-1 to Annex-8) cannot be done on time for a reason arising from the LESSOR and if modifications and constructions are stopped before completion, D-MARKET shall not be obliged to pay the rental price of the leased property until the renovation and construction works are completed by the LESSOR.
- 5.6.** At the end of each agreement year, the annual rent fee increase rate shall be determined by increasing the mutually agreed rate in writing so as not to be more than the increase rate in the producer price index (12-month average).
- 5.7.** The invoice for the monthly rent fee shall be issued by the LESSOR until the 25th of each month and delivered to D-MARKET. Payments shall be made by D-MARKET within the first 10 (ten) days of the following month on the payment day which corresponding to Thursday to the LESSOR's bank account with the following information. Thursdays are the payment day of D-MARKET.

LESSOR'S:

Bank / Branch: [***]

IBAN: [***]

6. SPECIAL TERMS OF THE AGREEMENT

6.1. Construction and Renovation costs

Within the scope of Article 321 of the Turkish Code of Obligations No. 6098, the general layout plan, construction-mechanical and electrical works technical specifications and floor plans specified in detail in the annex of the agreement (Annex-1 to Annex-8) and the construction works of **D-MARKET** shall be carried out by the **LESSOR** in accordance with the provisions of the legislation in force, the project in the annexes of the agreement and the construction permit and the building permit. The written consent of the **LESSOR** for these works has been given together with this lease agreement and it has been declared, accepted and committed by the parties that the consent of the **LESSOR** is not required.

Renovation and construction costs to be made by the **LESSOR** and requested by **D-MARKET** to be made in accordance with the project prepared inside and outside the area to be used as a technical office, warehouse and test workshop in the immovable subject to the lease are included in the lease price.

6.2. Permits and necessary documents related to the immovable property subject to lease

The **LESSOR** shall deliver the title deed registration, workplace license, settlement and zoning permit specified in Annex 8 of the immovable property subject to the lease, being registered as a workplace in the land registry and zoning, completing the electric-natural-gas-water installation, procurement approval procedures and related documents to it to **D-MARKET** free from all kinds of defects before the start date of the lease agreement, and shall not process the rental price if the delivery is not made in accordance with this article.

6.3. Maintenance, repair and construction works

If the immovable property needs to be repaired during the rental period other than the renovation and construction works to be carried out by the **LESSOR** within the scope of the project prepared by the **D-MARKET** in the annex of the agreement and related to its own use, or if a third party claims on it, **D-MARKET** shall notify the **LESSOR** about the situation. The **LESSOR** is obliged to carry out this repair.

All kinds of maintenance, repair and modification expenses that are not notified by the **LESSOR** whether they can be fulfilled within 24 hours after the notification made to the **LESSOR** and are not performed within the period agreed by the parties shall be paid to **D-MARKET** by the **LESSOR** or deducted from the rental price.

6.4. Usage related expenses and liability

Water, Electricity, Natural Gas, Gas, Fuel, security guard, signboard expenses shall be borne exclusively by **D-MARKET** since the leased property is actually started to be used by **D-MARKET**. However, these and all similar debts arising before the date of the lease agreement belong to the **LESSOR**. THE **LESSOR** accepts, declares and undertakes that he/she will not claim any rights/receivables from **D-MARKET** before the rental date and that he/she will not request any fee from **D-MARKET**. **D-MARKET** reserves the right to recourse all damages arising from debts arising before the lease agreement to the **LESSOR**. The **LESSOR** shall immediately cover the damages incurred by **D-MARKET** at the first request.

All kinds of taxes, duties and fees arising from the ownership of the immovable shall be made by the **LESSOR** and the payment of the ones dependent on use shall be made by **D-MARKET**.

6.5. Prohibition of transfer and annotation to the title deed

The LESSOR accepts, declares and undertakes that he/she will not transfer and sell the immovable property to third parties during the lease agreement (including the renewal in accordance with the law or the agreement by parties), and in case the transfer is inevitable, he/she will receive the written approval of D-MARKET and also ensure the continuation of the existing lease agreement with the new owner.

This lease agreement shall be annotated to the title deed at the expense of the LESSOR. The lease agreement will only enter into force after this annotation process. The annotation placed on the title deed can only be removed if the rental period expires.

6.6. Insurance

A building and property damage insurance policy in the amount of at least [***], which is fire financial liability insurance coverage and has no recourse against D-MARKET, shall be made by the LESSOR to cover all risks and damages, including landslide, earthquake, flood, storm, lightning, hail, internal water, vehicle crash, natural disasters, theft, terrorism and malicious acts, and the LESSOR shall submit a copy of the insurance policy to D-MARKET within 7 days following the signing of the agreement.

During the renovation and construction works prepared by D-MARKET and requested to be carried out in accordance with the project in the annex of the agreement, an employer financial liability insurance policy of at least [***]/per individual, [***]/per incident shall be taken out for the personnel of the **LESSOR** and/or the subcontract or personnel of the **LESSOR** who undertake these renovation and construction works in order to cover all kinds of damages, losses, compensation etc. risks and losses and the D-MARKET's employees to control the construction and renovation works in the leased property.

In addition, during the subject renovation and construction works, a 3rd Party Financial Liability Insurance policy in the amount of at least [***] per incident and a copy of the policy will be submitted to D-MARKET within 7 days following the signing of the agreement, which is considered as the 3rd party by the LESSOR against all kinds of damage, loss, compensation etc. risks that may occur in the property and person of 3rd parties.

During the lease period, D-MARKET shall make a workplace insurance policy with financial liability coverage for vehicles, commodities, machinery, fixtures, fixed decoration and installations made by D-MARKET on the land belonging to the LESSOR and in the areas subject to the lease agreement and used by D-MARKET.

- 6.7. The leased property shall be made available to D-MARKET Group companies, suppliers and sub-employers by D-MARKET.
- 6.8. The leased property shall be delivered as is at the end of the lease period without any modification/repair or similar construction work. D-MARKET has no obligation to restore the leased property.
- 6.9. The Stamp Tax arising from this lease agreement shall be paid equally by the Parties. D-MARKET shall pay the stamp tax in full and invoice half of the amount paid to the LESSOR.
- 6.10. The provisions of the Code of Obligations No. 6098 shall apply in this agreement.
- 6.11. In the settlement of disputes that may arise between the parties in relation to this agreement Ankara Courts and Enforcement Offices are authorized and the applicable law is Turkish law.
- 6.12. The parties have accepted the above-mentioned addresses as their legal notification addresses. Unless the address changes are duly and in writing notified to the other party, the notifications to be made to the last notified address shall be deemed to have been notified to the relevant party. On the other hand, in the notifications to be made between the parties via the corporate e-mail addresses written above, the notification sent shall not be valid unless it is confirmed that it has been received by the other party. In case the phone numbers written above, the relevant person (s) and e-mail addresses change, these changes shall be notified to the other party in writing immediately.

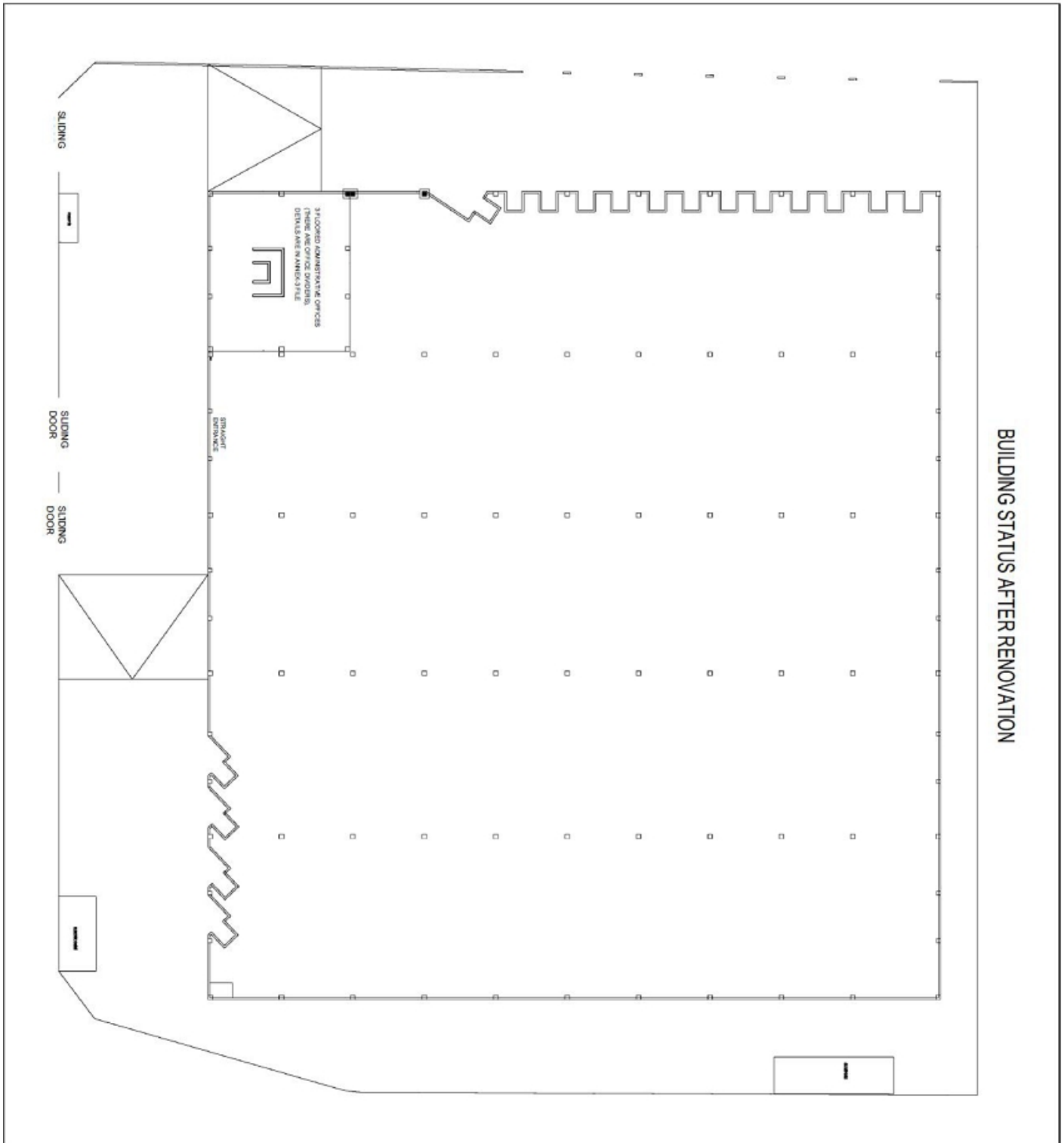
7. CONFIDENTIALITY

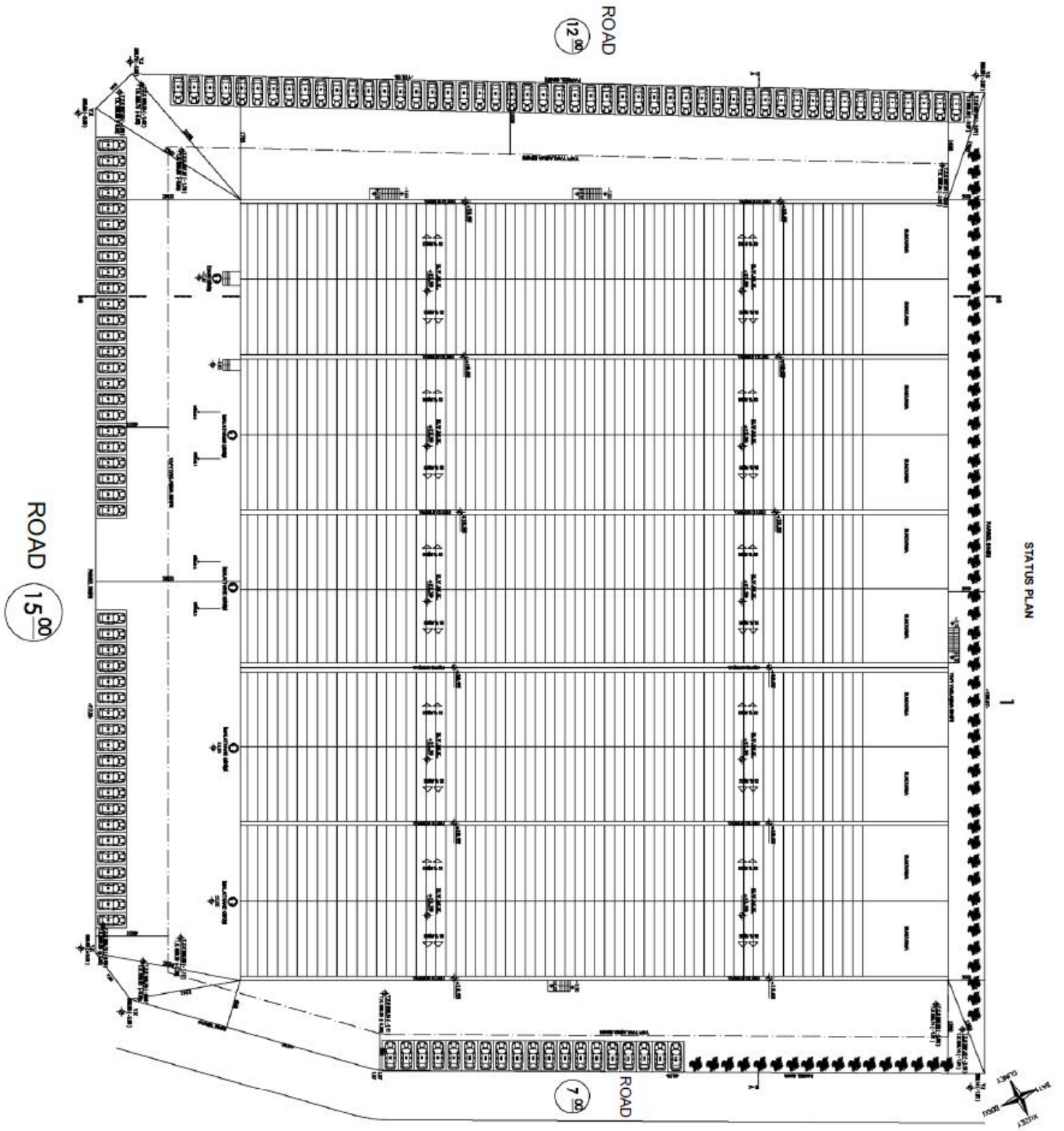
The LESSOR shall not disclose the information regarding the terms, conditions and status of the agreement to the public and shall not allow them to be disclosed by its personnel without the prior written consent of **D-MARKET**. The LESSOR accepts all kinds of legal and financial responsibilities due to the actions and discourses contrary to this confidentiality article. In addition, **D-MARKET** accepts the recourse of the responsibilities and penalties to **D-MARKET** within the scope of the relevant legal regulations other than any damages and losses.

8. ANNEXES

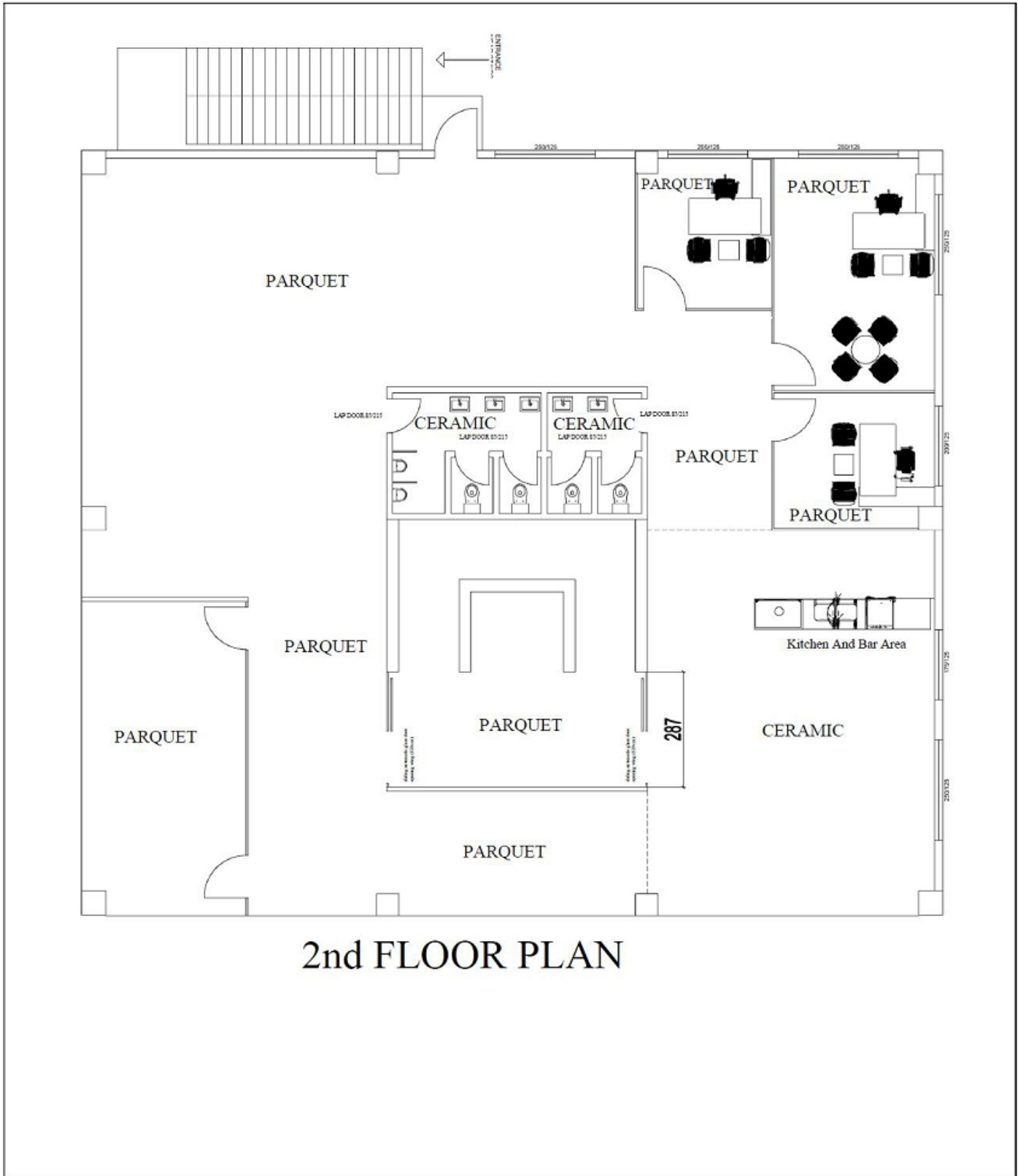
This agreement consists of the following 14 (fourteen) annexes, and these annexes are an integral part of the agreement.

ANNEX-1: Modification and Infrastructure Works List

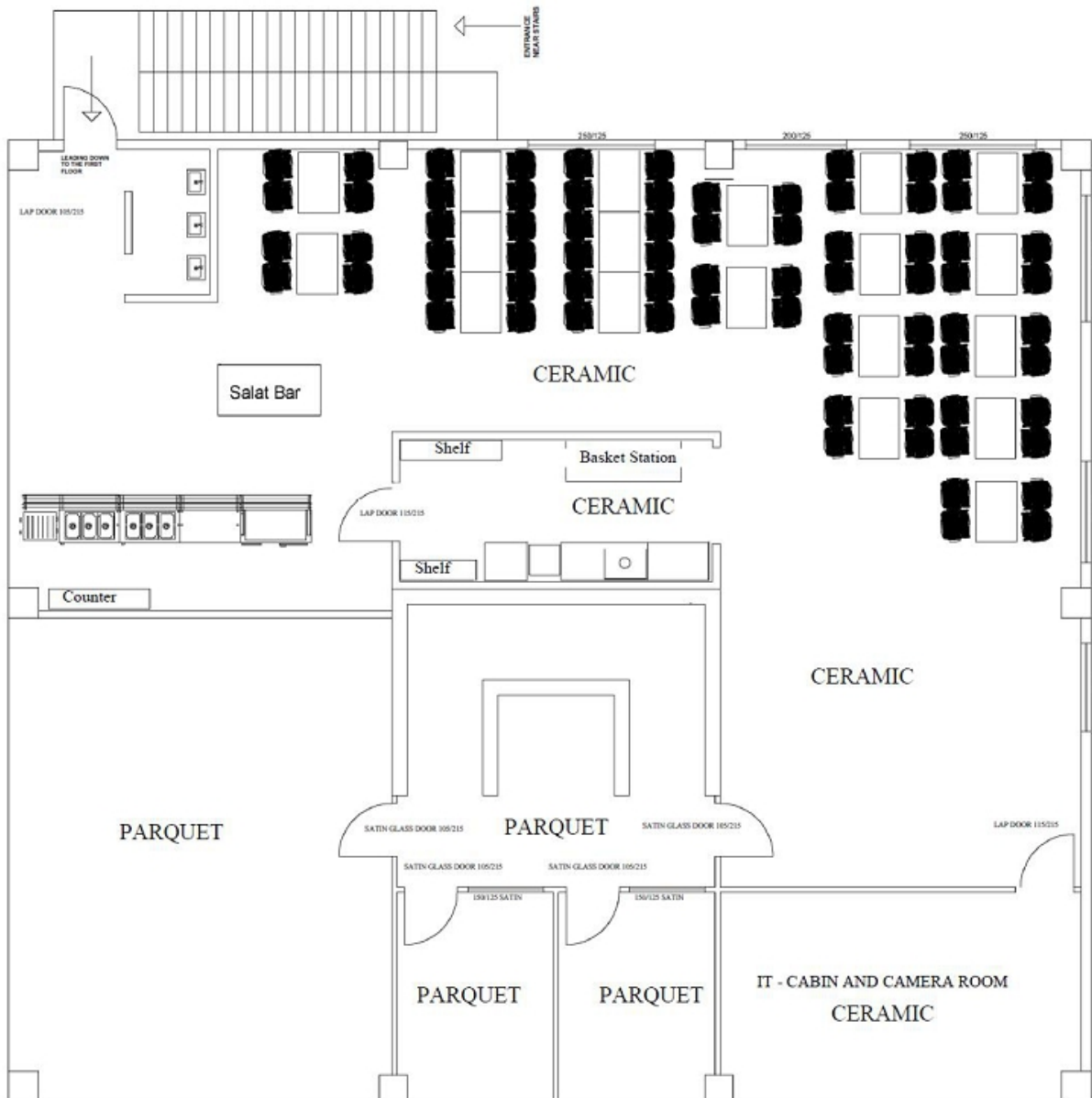




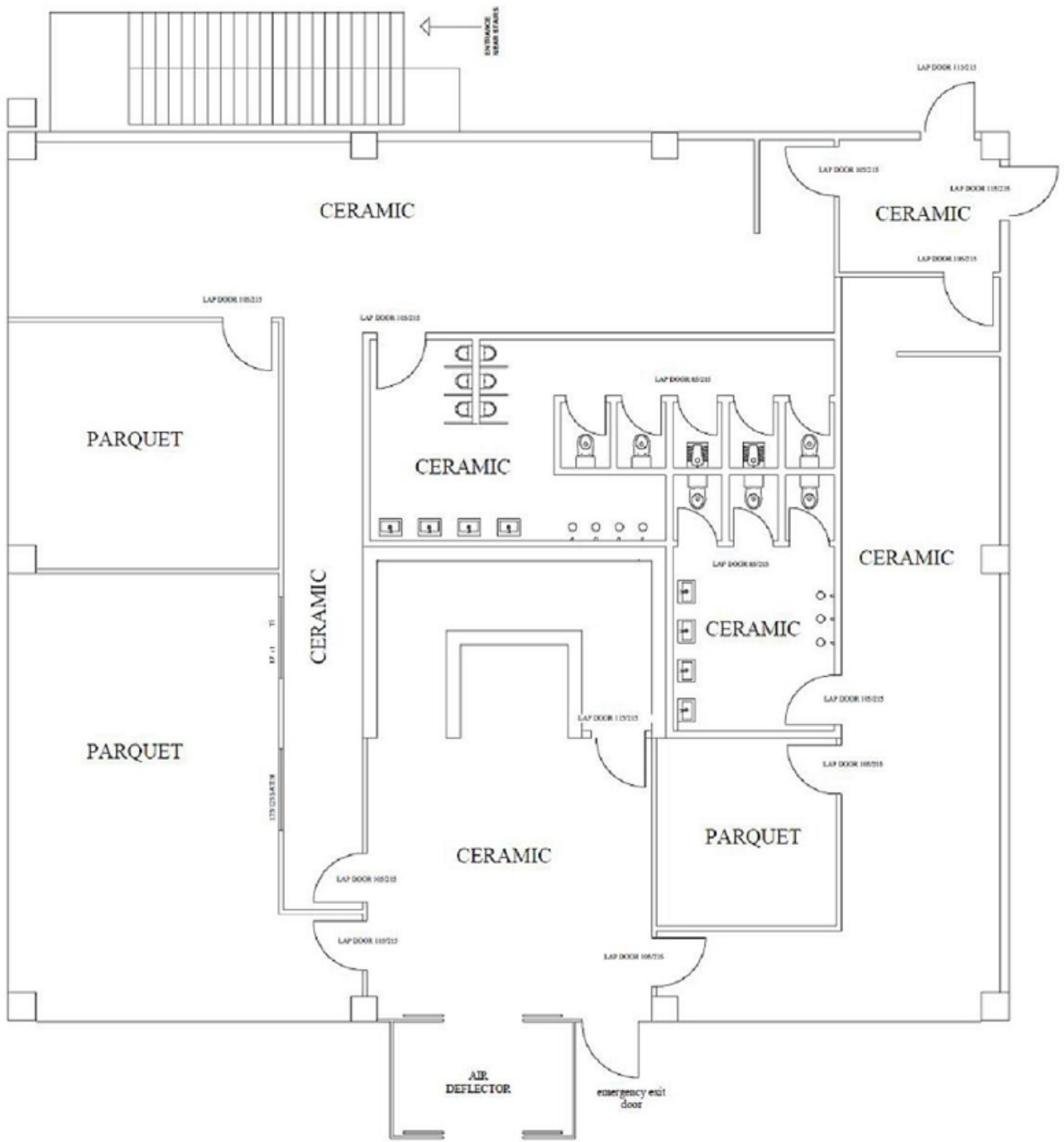
ANNEX 3: Technical office (Block A) layout plan



2nd FLOOR PLAN



1st FLOOR PLAN



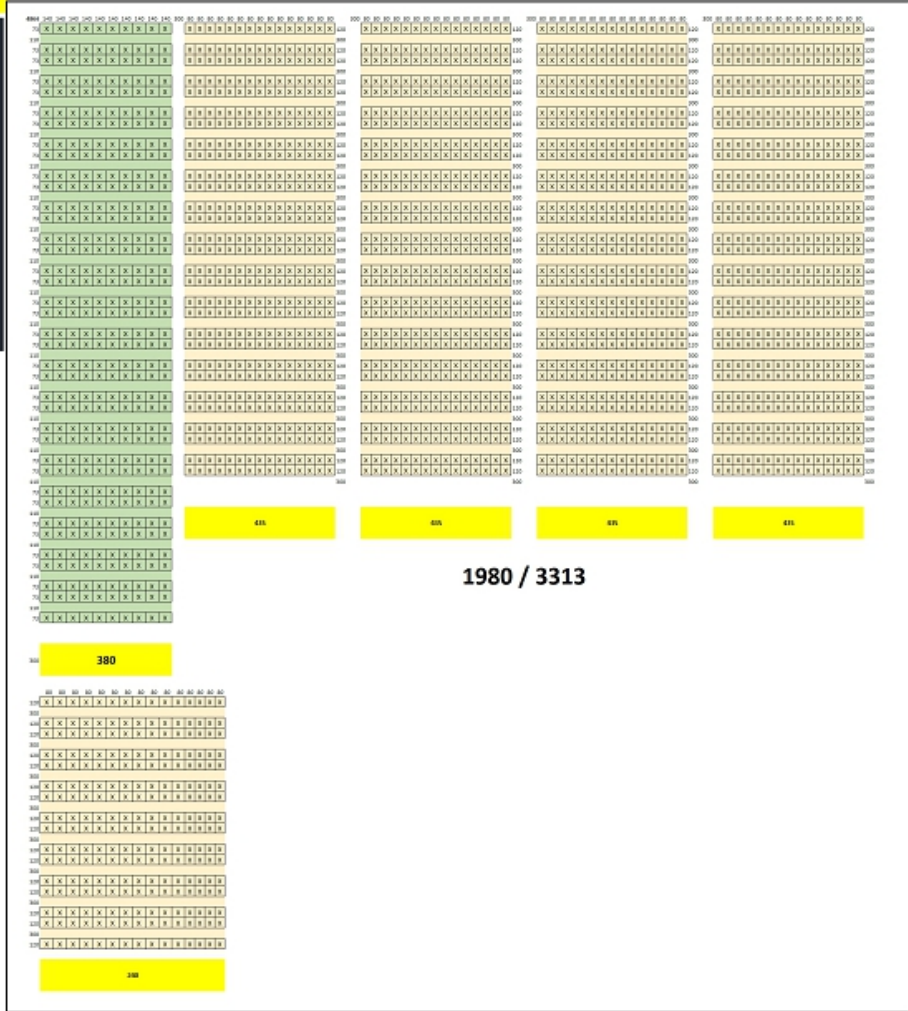
GROUND FLOOR PLAN

ANNEX 4: Test Workshop and Warehouse (Block E) layout plan

ANNEX 5: Service channel details

ANNEX 6: Warehouse (Block D) layout plan

ANNEX 7: Warehouse (Block C) layout plan



ANNEX 8: Construction-mechanical and electrical works technical specification

ANNEX 8- CONSTRUCTION-MECHANICAL AND ELECTRICAL WORKS TECHNICAL SPECIFICATION

NOT APPLICABLE

ANNEX 9: The qualifications of the immovable subject to lease, title deed, workplace license, settlement and zoning permit, registration as a workplace in the land registry and zoning, electricity-natural gas-water installation, procurement approval procedures

| | | | | | | | |
|--------------|------------------------|---|-------------------------------------|----------|--------------|--------------|-----------------------------|
| Province | ANKARA | | REPUBLIC OF TURKEY TITLE OF DEED | | | Photo | |
| District | KAHRAMAN KAZAN | | | | | | |
| Neighborhood | SARAY (I) | | | | | | |
| Village | | | | | | | |
| Street | | | | | | | |
| Location | | | | | | | |
| Sale price | | | Sheet No. | Plot No. | Parcel No. | Surface area | |
| 5,700,000.00 | | | | 3287 | 2 | ha | m ² |
| | | | | | | | 16,622.00 m ² |
| PROPERTY'S | Quality | Factory Warehouse and Land | | | | | |
| | Limit | Plan Ground System No: 79224417 | | | | | |
| | Reason for Acquisition | While ¼ share is registered on behalf of ALİ İHSAN SATIRLAR , son of [***]; while ¼ share is registered on behalf of the EKREM SATIRLAR , son of [***], while ½ share is registered on behalf of the ABDİL VEDAT YAKUPOĞLU , son of [***] and from the sale transaction on behalf of the ABDİL VEDAT YAKUPOĞLU SELAHATTİN | | | | | |
| | Owner | ABDİL VEDAT YAKUPOĞLU, Son of [***] | | | | Full | |
| Income | | Document No | Volume No | Page No. | Sequence No. | Date | Outcome |
| Volume No | | 3960 | 46 | 4559 | | 25/04/2017 | Volume No |
| Page No. | | Suitable for registry CELAL ÖZTÜRK Title Deed Manager /s/ Title Deed Manager | | | | | Page No. |
| Sequence No. | | NOTE: | | | | | Sequence No. |
| Date | | * The property must apply to the title deed registry for in-kind rights and annotations. ** In accordance with the provisions of the Notification Law, the address change will be notified to the relevant Title Deeds Registry Office. | | | | | Date |

| OCCUPANCY PERMIT Certificate of permission for use of building | | | | | | Barcode / Data Matrix: 127214942 | | | | | |
|--|---------------------|-------------------------------------|--|---|-------------------------------------|---|---|--|--|---|--------------------------------------|
| 1. Issued By: KAHRAMANKAZAN MUNICIPALITY 2. Address of the occupancy Province: ANKARA District: KAHRAMANKAZAN Village: Municipality: KAHRAMANKAZAN MUNICIPALITY Neighborhood: SARAY Neighborhood identification code: 26 Street / Boulevard / Square / Group name: 222 CAD. Street / Boulevard / Square / Group identification code: 336 External door no: 9 Site name: Building ID No: 706150893 | | | 9. Purpose of issuance of the document <input type="checkbox"/> Partial Use Permission <input checked="" type="checkbox"/> Occupancy Permit <input type="checkbox"/> Temporary | | | 10. Date of approval of the certificate October 02, 2020 | 11. Document number 2020/99 | | | | |
| | | | 12. License based on the document <input checked="" type="checkbox"/> 1. New building <input type="checkbox"/> 2. Renovation <input type="checkbox"/> 3. De novo <input type="checkbox"/> 4. Additional Building <input type="checkbox"/> 5. Floor Addition <input type="checkbox"/> 6. Addition <input type="checkbox"/> 7. Temporary <input type="checkbox"/> 8. Renovation tank <input type="checkbox"/> 9. Filling <input type="checkbox"/> 10. Restoration <input type="checkbox"/> 11. Reinforcement <input type="checkbox"/> 12. Usage change <input type="checkbox"/> 13. Septic tank <input type="checkbox"/> 14. Mechanical Installation <input type="checkbox"/> 15. Electrical Installation <input type="checkbox"/> 15. Name change <input type="checkbox"/> 17. Supporting wall <input type="checkbox"/> 18. Garden wall <input type="checkbox"/> 19. | | | 13. Date of first building license 25.07.2018 | 14. First building license no 2018/138 | 15. Last building license date / / | 16. Last building license no / / | 17. Date of renewal license / / | |
| 3. Sheet No: 4290.180.D1D | 4. Plot No: 3267 | 5. Parcel No: 2 | 6. Block No: | 18. Re-license date / / | 19. Date of amendment permit / / | 20. Development plan approval date 09.05.2008 | 21. Zoning status date 06.05.2015 | 22. Zoning status no 2015/87 | | | |
| 23. Date of soil survey approval 25.05.2016 | | 24. EIA report approval date / / | | 25. Date of title deed registration certificate 25.09.2020 | | 26. Title deed registration certificate no 3960 | | 27. The institution that issued the title deed registration certificate DIRECTORATE OF LAND REGISTRY OF KAHRAMANKAZAN | 28. Fallowing plan approval date 27.04.2012 | 29. The purpose of using parceling INDUSTRY AND STORAGE AREA | 30. Area of the parcel (m2) 16622 |
| Independent section with a license for partial use | | | 8. Independent section number for which a partial use permit has been obtained | | | | | | | | |

| Building Owners | | | Building Contractors | | | Site Chiefs | | | | | | |
|--|--|--|--|----------------------------|---------------------|--|--|--------------------------------|--|--|--|---------------------------------|
| 31. Name, surname, title, TR ID Number ABDİL VEDAT YAKUPOĞLU, [***] <input checked="" type="checkbox"/> Private <input type="checkbox"/> Public <input type="checkbox"/> Foreign | | | 36. Name Surname / Title, TR ID number ABDİL VEDAT YAKUPOĞLU, [***] 37. Chamber registration number ATO: 401545 | | | 46. Name, surname, title BURAK UÇAR, CIVIL ENGINEER 47. Turkish identity number [***] | | | | | | |
| 2. Name of tax office to which it is affiliated ÇANKAYA TAX OFFICE Tax identification number 290014358 | | | 38. Name of tax office to which it is affiliated ÇANKAYA TAX OFFICE | | | 39. Tax identification number 9290014358 | | | 48. Chamber registration number 79449 | | | |
| 4. Address [***] | 35. Signature /s/ ABDİL VEDAT YAKUPOĞLU | | 40. Insurance registration number / / / | 41. Contract date / / / | 42. Contract number | 43. Building contractor authorization document number 0005120090206010 | 49. Insurance registration number / / / | 50. Contract date 7.06.2018 | 51. Contract number 27525 | | | |
| 44. Register based address [***] | | | 44. Register based address [***] | | | 45. Signature /s/ ABDİL VEDAT YAKUPOĞLU | | | 52. Address [***] | | | 53. Signature /s/ BURAK UÇAR |

| Features Related to the Amended Sections of the Document | | Building-Related Features | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------------------------|---------------------------|-------------------------------------|--|--|-------------------------------------|-------------------------------------|-------------------------------|--|--|---------------------------|---|--|---|--|---------------------------------|---|--|--------------------------------------|---------------------------------|-----------------------|--------------------|------------------------|--------------------------------|--------------------------------------|---|---|----------|--|
| 4. Independent sections and common areas of the building according to the purpose of use | 55. Number of independent sections | 56. Surface area (m2) | 57. The number of similar buildings | 58. Number of independent sections in the building | 59. Number of residential units (apartments) in the building | 60. Floor area of the building (m2) | 61. Building Construction Area (m2) | 62. Total number of buildings | 63. Total number of independent sections | 64. Total number of residential units (apartments) | 65. Total floor area (m2) | 66. Total building construction area (m2) | 67. The number of floors of the building's branch road | 68. The number of floors above the building's branch road | 69. The total number of floors of the building | 70. Number of additional floors | 71. The height of the branch road of the building (m) | 72. Branch road height of the building (m) | 73. The total height of the building | 74. Additional floor height (m) | 75. Class of building | 76. Building Group | 77. Cost of 1 m2 (TRY) | 78. Cost of the building (TRY) | 79. Land value of the building (TRY) | 80. Cost of the building including land (TRY) | 81. The cost of the part for which the form is prepared (TRY) | | |
| 251 - Industry | 1 | 11360.69 | 1 | 1 | | 10624.6 | 11440.59 | 1 | 1 | | 10624.6 | 11440.59 | | 3 | 3 | 3 | | 10.3 | 10.3 | 10.3 | | III | A | 1100 | 12584649 | 1035000 | 13619649 | 12584649 | |
| 305 - Common Area (Shelter) | | 79.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total: 1251-Industry | 1 | 11440.59 | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Technical Features of the Building | | | | | | | | | | | | | | | |
|--|--|--|--|---|--|--|--|---|--|--|--|---|--|--|--|
| 67. Heating System <input type="checkbox"/> 1. Central heating <input type="checkbox"/> 2. Indoor heating <input type="checkbox"/> 3. Floor heating <input type="checkbox"/> 4. Stove <input type="checkbox"/> 5. Natural gas stove <input type="checkbox"/> 6. Air conditioner <input checked="" type="checkbox"/> 7. NONE | | | | 68. Installations <input type="checkbox"/> 1. Treatment <input type="checkbox"/> 2. Base station <input type="checkbox"/> 3. Natural gas <input checked="" type="checkbox"/> 4. Electronic <input type="checkbox"/> 5. Communication <input checked="" type="checkbox"/> 6. Dirty water <input checked="" type="checkbox"/> 7. Clean water <input checked="" type="checkbox"/> 8. Booster <input type="checkbox"/> 9. Generator <input type="checkbox"/> 10. Lightning rod <input checked="" type="checkbox"/> 11. Fire Installation <input type="checkbox"/> 12. | | | | 69. Common Usage Areas <input type="checkbox"/> 1. Elevator <input type="checkbox"/> 2. Security building <input checked="" type="checkbox"/> 3. Parking lot <input type="checkbox"/> 4. Indoor Parking <input type="checkbox"/> 5. Housekeeper's Flat <input type="checkbox"/> 6. Coal bunker <input type="checkbox"/> 7. Common warehouse <input type="checkbox"/> 8. Shelter <input checked="" type="checkbox"/> 9. Water tank <input type="checkbox"/> 10. Fire escape <input type="checkbox"/> 11. Swimming pool <input type="checkbox"/> 12. | | | | 70. Structure Carrier System <input type="checkbox"/> 1. Reinforced Concrete <input type="checkbox"/> 1.1.1. Framed system <input type="checkbox"/> 1. Framework (Carcass) <input type="checkbox"/> 1.2. Wooden <input type="checkbox"/> 1.3. Steel <input type="checkbox"/> 1.1.3. Framed + Curtain system <input checked="" type="checkbox"/> 2. Masonry <input checked="" type="checkbox"/> 3. Prefabricated <input type="checkbox"/> 4. New prefabs <input type="checkbox"/> 5. Combined | | | |
| Fuel Type Used for Heating Purposes <input type="checkbox"/> 1. Solid fuel <input type="checkbox"/> 2. Fuel-oil <input type="checkbox"/> 3. Natural Gas <input type="checkbox"/> 4. LPG <input type="checkbox"/> 5. Electricity <input type="checkbox"/> 6. Sun <input type="checkbox"/> 7. Thermal <input type="checkbox"/> 8. Wind <input checked="" type="checkbox"/> 9. NONE | | | | Hot Water Supply Method 68. Hot Water Fuel Type <input type="checkbox"/> 1. Thermoison <input type="checkbox"/> 2. Water heater <input type="checkbox"/> 3. Solar collector <input type="checkbox"/> 4. Boiler <input type="checkbox"/> 5. Joint <input checked="" type="checkbox"/> 6. NONE | | | | 69. Waste water <input type="checkbox"/> 1. Sewer <input checked="" type="checkbox"/> 2. Septic tank | | | | 70. Type of Wall Filler <input type="checkbox"/> 1. Brickette <input type="checkbox"/> 2. Brick <input type="checkbox"/> 3. Stone <input type="checkbox"/> 4. Wooden <input type="checkbox"/> 5. Adobe brick <input type="checkbox"/> 6. Aerated concrete <input type="checkbox"/> 7. Concrete block <input checked="" type="checkbox"/> 8. Light panel <input type="checkbox"/> 9. | | | |
| Drinking water <input type="checkbox"/> 1. City water <input type="checkbox"/> 2. Well water <input type="checkbox"/> 3. Spring water <input checked="" type="checkbox"/> 4. Potable water | | | | | | | | 71. Flooring <input type="checkbox"/> 1. Plate beam <input type="checkbox"/> 2. Cork carpet <input type="checkbox"/> 3. Asmaen <input type="checkbox"/> 4. Wooden <input checked="" type="checkbox"/> 5. Ready-made building element <input type="checkbox"/> 6. | | | | | | | |

In order for the Partial Use Permit to be issued to the parts of the building that can be used partially, the common areas that serve these sections must be completed and usable. Buildings and/or independent sections that are not authorized to use cannot benefit from electricity, water, sewage, communication, natural gas, etc. The basement floors buried in the ground, the common areas of the building except the housekeeper's apartment and the areas not determined in the project cannot be residential. Storages connected to independent sections, coal cellar, independent section to which it is connected, electricity, water etc. services are utilized. Provided that the inspection and inspection of mechanical and electrical installations are carried out, apartments, shops or (other uses) all of them benefit from the municipal service.

| Building Occupancy Permit Given for the Finished Parts of the Building | | | |
|--|---------------------|--------------|----------------------------|
| Document date | 94. Document number | 95. Block no | 96. Independent section no |
| | | | |
| | | | |
| | | | |
| | | | |

| Features related to the building | | | | | | | |
|---|---|---|---|---|---|----|-------|
| 97. Number of rooms including living room of the building | | | | | | | TOTAL |
| 1 | 2 | 3 | 4 | 5 | 6 | 7+ | |
| 98. Number of Apartments | | | | | | | 0 |
| 99. Number of apartments with parking | | | | | | | 0 |
| 100. Area meter of an apartment | | | | | | | 0 |

| Building Inspection | | | | | |
|-------------------------|--------------------|-------------------|----------------------------------|--------------|-----------------------|
| | 101. Name Surname | 102. TR ID number | 103. Chamber registration number | 104. Address | 105. Signature |
| Architectural | ISMAIL ONUR HUKUKU | [***] | [***] | [***] | w/ ISMAIL ONUR HUKUKU |
| State | SALIM KUTUKÇUOĞLU | [***] | [***] | [***] | w/ SALIM KUTUKÇUOĞLU |
| Electricity | MUAMMER TAŞ | [***] | [***] | [***] | w/ MUAMMER TAŞ |
| Mechanical installation | HABIB ERGÜL | [***] | [***] | [***] | w/ HABIB ERGÜL |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| Building Inspection Organization | | | | | |
|--|---|---|-----------------------|----------------------------------|---|
| 106. Name of the organization ESEN YAPI GENEYİM LTD. ŞTİ. | 107. Name and surname of the authorized person, TR ID number ISMAIL KIRKAYA, [***] | 108. Tax identification number 370554321 | 109. Address [***] | 110. Signature w/ HABIB DEĞİL | 111. Permit certificate number and class 902 |

| Architectural Project Designer | | | | | |
|------------------------------------|----------------------------|---|-----------------------|------------------------------------|--|
| 112. Name surname MUSTAFA ARIOZ | 113. TR ID number [***] | 114. Chamber registration number [***] | 115. Address [***] | 116. Signature w/ MUSTAFA ARIOZ | |

| Energy Identity Certificate (EKB) Information | | | | | |
|---|----------------------------------|----------------------------------|---------------------------------|-------------------------------|-----------------------------|
| 117. EKB no | 118. Company / Organization name | 119. EKB expert name and surname | 120. EKB expert certificate no. | 121. Energy Performance class | 122. The gas emission class |

| Sustainable Green Building (SGB) Information (if applicable) | | | |
|--|--|---|---|
| 123. YB certificate no | 124. Name of organization issuing YB certificate | 125. Authority number of the institution issuing the YB certificate | 126. Sustainable green building certification class |

| | | | |
|-------------------------------|--------------------------|------------------------------------|-------------------------------|
| Building Occupancy Permit Fee | 127. Value (TRY) 1390 | 128. Date of receipt 24.09.2020 | 129. Receipt number 420697 |
|-------------------------------|--------------------------|------------------------------------|-------------------------------|

130. Other issues

IT HAS BEEN REGULATED ACCORDING TO THE BUILDING LICENSE DATED 25.07.2016 AND NO 2016/131 OF THE DIRECTORATE OF ZONING AND CONTRACTING OF KAHRAMANKAZAN MUNICIPALITY. IT HAS BEEN GIVEN FOR THE ENTIRE BUILDING WITH 1444.59 M2 CONSTRUCTION AREA ON THE 3207 BLOCK AND 2 PARCELS OF THE SARAY NEIGHBORHOOD. IT HAS BEEN GIVEN WITH THE CLEARANCE CERTIFICATE DATED 24.09.2020 AND NO 82154342.202.01.02-E.11397296 OF THE HEAD OF 301. KAHRAMANKAZAN SİHİT ALI İHSAN UZEOĞLU SOCIAL SECURITY CENTER. IT HAS BEEN GIVEN ACCORDING TO THE COST COLLECTION LETTER DATED 15.09.2020 AND NO 2020/91503AN/500/027 OF THE KAHRAMANKAZAN TAX OFFICE. NOT THAT THE BUILDING IS CONSTRUCTED IN ACCORDANCE WITH ITS LICENSE, ANNEX-APPROVED PROJECTS, DOCUMENTS, MANDATORY STANDARDS, SCIENCE AND ART RULES, AS THE BUILDING IS THE BUILDING WHICH IS CONDUCTED THE OPERATION AND PRODUCTION ACTIVITIES IN THE INDUSTRIAL AREAS OF KALCHLUBU WITH THE WRITTEN DECLARATION OF THE BUILDING INSPECTION COMPANY, THE ENERGY IDENTITY CERTIFICATE (EİC) WAS NOT OBTAINED. IN THE BUILDING, THERE ARE 79 90 M2 SHELTER AND 1238 80 M2 PORCH. THE BUILDING WILL BE USED AS A MANUFACTURING CENTER.

Upon the application of the building owner dated 24.09.2020, all parts of the building, including the independent sections made with the Building Permit with the date and number written above, the features of which are specified and the use of which are granted sections, have been examined, it has been determined that it is in compliance with the Zoning Law, the Legislation on Building Inspection, the Zoning Plan, regulations, the Permit and its annexes, scientific and technical rules, Turkish Standards, the provisions of the Building Permit and that it is not considered unfavorable in terms of science and health, and their regulations have been obtained and the CONFIDENTIAL DOCUMENT for BUILDING USE has been given in accordance with the Zoning Law No. 3194 and the Legislation on Building Inspection. Granted Permit shall not relieve the building owner and other responsible persons from any liability arising from violations of the Law, License and its annexes and from any obligation to pay taxes, duties and fees.

| Technical Staff Inspecting the Building Location | | | |
|--|---|---|--|
| 131. Name, surname, title, TR identity number, signature, date AHMET HİSAR MACHINE TECHNICIAN [***] w/ AHMET HİSAR | 132. Name, surname, title, TR identity number, signature, date RAZİA AYRANCI GEOLOGICAL ENGINEER [***] w/ RAZİA AYRANCI | 133. Name, surname, title, identity number, signature, date GURAY TAYFUN BÖLÜKÇÜ CIVIL ENGINEER [***] w/ GURAY TAYFUN BÖLÜKÇÜ | |
| 134. Name, surname, title, TR identity number, signature, date of the official examining the document. EMRE SÜRME Zoning and City Directorate Tax No [***] w/ EMRE SÜRME | 135. Name, surname, title, TR identity number, date, seal of the approver YUSUF ERÇELİK VOICE CHAIRMAN [***] w/ YUSUF ERÇELİK | 136. Approval code | |



REPUBLIC OF TURKEY TITLE DEED

| | | | | |
|-----------------------|-------------------------|--------------------------|----------------|---------|
| IMMOVABLE INFORMATION | Province: | ANKARA | | |
| | District: | KAHRAMANKAZAN | | |
| | Neighborhood / Village: | SARAY(I) | | |
| | Location: | | | |
| | Plot: | 3287 | Parcel: | 2 |
| | Surface Area: | 16.622,00 m ² | Vol / Page No: | 46-4559 |
| | Quality: | Land | | |

| | | | |
|----------------------|--|--------|----------------|
| LANDLORD INFORMATION | Name Surname / Father's Name: | Share: | Metre Square : |
| | ABDİL VEDAT YAKUPOĞLU, Son of SELAHATTİN | Full | 16.622,00 |

| | | | |
|--------------------------------|-----------------------|-------------------------------------|---|
| ABOUT THE REGISTRY INFORMATION | Immovable No: | Reason for Acquisition: | Transaction Fee: |
| | 79224417 | Being Structured while Unstructured | |
| | Location Information: | Registration Date / Journal Number: | Suitable for registry |
| | | 16/09/2020- 11386 | Issue Date: 16.09.2020 Hilal KARAÇAGIL Deputy Authorized Manager /s/ Deputy Authorized Manager |
| | | | |

It is necessary to apply to the land registry for real and personal rights outside the property, as well as annotations and indications.



Land Registry and Land
Survey
General Directorate

REAL PERSONS

Ankara Trade Registry Office
Notice Item No: 81517
Mersis No: 4645329038400019
Personal ID No: [*]**
Trade Registry No: 401545

Business Name
ABDİL VEDAT YAKUPOĞLU

Address: Cumhuriyet Mah. Selanik Cad. Çorapçı Kalabalık İşhanı No: 20 / 6 Çankaya Ankara

It is hereby notified that the following particulars about the real person merchant with the above given details are registered on 21/11/2016 in accordance with the Turkish Commercial Code.

Registered Particulars: Establishment

Proof for Registration:

The Signature Statement certified by the Ankara 52th Notary Office under File No. 25983 on 01/11/2016.

Business Owner:

Business Owner: Abdil Vedat Yakupoğlu

Residential Address:

[***]

Nationality: Republic of Turkey

Personal ID NO: [***]

Business Name:

Business Name: Abdil Vedat Yakupoğlu

Business Start Date:

Business Start Date: 01/11/2016

Business Address:

The registered address of the business is Ankara province, Çankaya district, Cumhuriyet Mah. Selanik Cad. Çorapçı Kalabalık İşhanı 20/6 Çankaya/Ankara.

Line of Business:

The major line of business is as follows:

Letting out or leasing self owned or hired real properties (self owned buildings, time-shares, lands, detached houses, etc.)

Authorized Signatories of Business:

Abdil Vedat Yakupoğlu, Personal Identity No. [***], residing in [***], is appointed as Business Owner until otherwise resolved.

Capital of Business:

Capital of Business: Turkish Lira 1,000.00

(5/A)(22/553455)

SÖĞÜTÖZÜ Mah., 2180 Cad. No:5/A06530 ÇANKAYA/ANKARA
Tel: 03122018100 Fax: 3122859160
<https://atonet.org.tr> iletisim@atonet.org.tr

[K. Q.
TSE- ISSO –EN
9000]

[Union of Chambers and
Commodity Exchanges of Turkey
accredited CHAMBER logo]

Republic of Turkey

ANKARA 52ND NOTARY OFFICE

The Notary of ANKARA 52ND NOTARY OFFICE HANDAN BAYRAM

ADDRESS: [***]

PHONE NUMBER: [***]

FAX: [***]

Date: 01/11/2016

No. 25984

REQUEST FOR REGISTRATION

(THIS IS NOT A SIGNATURE CIRCULAR)
TO ANKARA TRADE REGISTRY OFFICE

I, the undersigned, shall operate from **01/11/2016** under the name of **ABDİL VEDAT YAKUPOĞLU** with the line of business of **Real Property Leasing, Wholesale Trade, Construction** in the business address of **Cumhuriyet Mah. Selanik Cad. Çorapçı Kalabalık İşham No: 20 / 6 Çankaya / ANKARA** and I wish to have my business name and my signature with the below seen specimens registered and announced as I shall use it under this business name.

BUSINESS NAME: **ABDİL VEDAT YAKUPOĞLU**

ABDİL VEDAT YAKUPOĞLU – [***]

Oran Mah. Rafet Canitez Cad. No: 9/19 Çankaya/Ankara

SIGNATURE

/s/ ABDİL VEDAT YAKUPOĞLU

SIGNATURE

/s/ ABDİL VEDAT YAKUPOĞLU

SIGNATURE

/s/ ABDİL VEDAT YAKUPOĞLU

I, the undersigned Notary Public, hereby certify that the statement above (N.A. art. 90) is signed by **ABDİL VEDAT YAKUPOĞLU**, personal Identity No. [***], born in [***] on [***] to his father [***] and his mother [***], registered with the vital records office in [***] province, [***] district, [***] neighbourhood/village, Volume No. [***], Page No. [***], Entry No. [***] based on a review of the photograph Identification Card issued by the [***] with registration No. [***], Serial [***], No. [***] on **07/09/2012** he presented to me, who stated that he currently resides in the above written address and literate and I further certify that he signed it before me in his place due to his busy agenda. **Tuesday, 01/11/2016 (the First Day of November, Two Thousand and Sixteen)**

ANKARA 52ND NOTARY PUBLIC

Handan Bayram

Represented by

Secretary Authorized to Sign

Faruk OKUMUŞ

/s/ Faruk OKUMUŞ

SÖĞÜTÖZÜ Mah., 2180 Cad. No:5/A06530 ÇANKAYA/ANKARA

Tel: 03122018100 Fax: 3122859160

<https://atonet.org.tr> iletisim@atonet.org.tr

[K. Q.
TSE- ISSO –EN
9000]

[Union of Chambers and
Commodity Exchanges of Turkey
accredited CHAMBER logo]

CHAMBER REGISTRATION CERTIFICATE
(Certificate of Good Standing)

Trade Registry No : 401545
Company Name : ABDİL VEDAT YAKUPOĞLU
Registered Address : CUMHURİYET MAHALLESİ SELANİK CADDESİ ÇORAPÇI KALABALIK İŞHANI SİTESİ NO:20 / 6 CUMHURİYET SELANİK
No:20/6 ÇANKAYA/ANKARA/Turkey
Date of Registration : 21/11/2016 **Degree** : 5.
Chamber Registration : 21/11/2016 **Capital** : TRY 1,000.00
Occupational Group : 47 –OCCUPATIONAL COMMITTEE OF REAL PROPERTY INVESTORS
NACE Code : 68.20.02-Letting out or leasing self owned or hired real properties (self owned buildings, time-shares, lands, detached houses, etc.)
Other Activity :

The entity with the above written details is registered with our chamber and currently in Good Standing this certificate is issued and certified to be presented to whom it mat concern.

/s/ Murat TÜRKER
For the General Secretary
Murat TÜRKER
Commercial Certification Official

This certificate is issued upon request. It is valid for 6 months.

OS.F18 R-00

SÖĞÜTÖZÜ Mah., 2180 Cad. No:5/A06530 ÇANKAYA/ANKARA
Tel: 03122018100 Fax: 3122859160
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accredited CHAMBER logo]

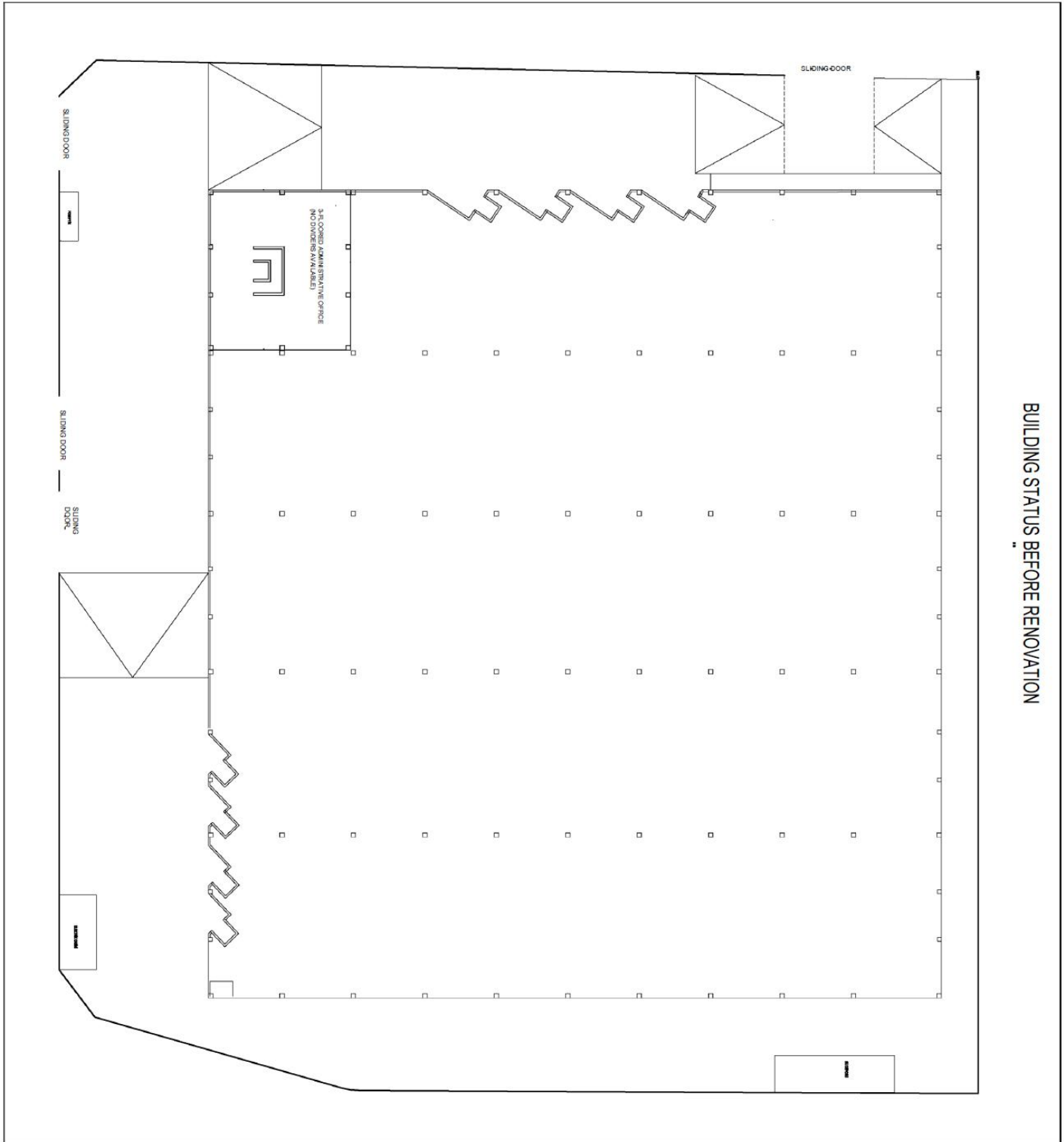
ANNEX 11: D-MARKET Code of Conduct for suppliers and business partners

ANNEX-11

Relations with Suppliers and Stakeholders

Doğan Online Companies have adopted an internationally accepted corporate management approach essentially based on the concepts of equality, transparency, accountability and responsibility. Grounding on this approach in all its activities and relations, Doğan Online Companies acts in the light of the same principles in their communication with their business partners and customers in their fields of operation. Doğan Online Companies are committed to taking any measures to ensure customer satisfaction, the privacy of the confidential information of their customers and business partners and establishing honest business relations excluding unfair advantage relations with their customers and business partners.

ANNEX 12: The image of the place subject to the lease before the renovation and the image after the renovation and construction works made in accordance with the project



BUILDING STATUS BEFORE RENOVATION

| | | | | |
|---------------|-------------------------------------|------------|-----------------------------------|------------------|
| Policy Number | Policy's Maturity | Renewal No | Date of Issuance - Place and Time | Insurance Period |
| 105215621 | 21/01/2021-21/01/2022 | 0 | 22/01/2021-16:08 | 365 |
| Agency's Name | ERHAN YAZICI SİGORTA ARACILIK HİZ.L | | | |
| Agency Code | 320235 | Plate No | T08610-2A74 | Phone number |
| | | | | [***] |

INSURER INFORMATION

Name Surname / Title : ABDİL VEDAT YAKUPOĞLU
Contact info : [***]
Customer number : [***]
REPUBLIC OF TURKEY : [***]
Identification number
Phone number : [***]
E-mail address

INSURED INFORMATION

Title Name Surname / Title TR ID Number/Tax ID Number
Landlord ABDİL VEDAT YAKUPOĞLU [***]

INFORMATION ABOUT THE INSURED PERSON'S WORKPLACE

Subject of Activity : Warehouse - That does not store flammable substances
Facility's Name : HEPSİ BURADA COM. LOGISTICS CENTER
Address : SARAY MAH. 222 CADDE NO: 9 D: BAĞIMSIZ BOLUM-5212549405 MERKEZ / KAHRAMANKAZAN ANKARA/Turkey
Address Code : 5212549405
Building Gross m2 : 1200 Building Construction Style : Steel, Reinforced Concrete Carcass
Number of Employees Given Personal Accident Coverage Construction Year of the Building : 2018
Is there a Photovoltaic (PV) Solar Power Plant at Insured Places? : No Annual Total Turnover (TRY) : [***]
Number of Employees Guaranteed for Employer Insurance Annual Inflation Hedge Ratio % : % 15

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ

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| PREMIUM INFORMATION | AMOUNT (TRY) | PAYMENT PLAN | PAYMENT DATE | AMOUNT (TRY) |
|-----------------------|--------------|-----------------|--------------|--------------|
| Pre-Tax Premium | 35,862.90 | 1st Installment | 22/01/2021 | 6,270.00 |
| Fire Insurance Tax | 93.95 | 2nd Installment | 22/02/2021 | 6,296.00 |
| Banking And Insurance | | | | |
| Transaction Tax | 1,793.15 | 3rd Installment | 22/03/2021 | 6,296.00 |
| Amount to be paid | 37,750.00 | 4th Installment | 22/04/2021 | 6,296.00 |
| | | 5th Installment | 22/05/2021 | 6,296.00 |
| | | 6th Installment | 22/06/2021 | 6,296.00 |

| SUBJECT OF INSURANCE | INSURANCE COST (TRY) |
|--------------------------|----------------------|
| Building | 26,000,000.00 |
| Machinery - Installation | 2,500,000.00 |
| Glass | 100.00 |
| Billboard / Totem | 100.00 |

| GUARANTEES | INSURANCE COST (TRY) | PRICE(%) | PREMIUM (TRY) |
|--|----------------------|----------|---------------|
| Fire, Lightning, Explosion | | | 798.19 |
| Building | 26,000,000.00 | | |
| Machinery - Installation | 2,500,000.00 | | |
| Internal water | 28,500,000.00 | | 45.96 |
| Storm | 28,500,000.00 | | 24.51 |
| Landslide | 28,500,000.00 | | 6.13 |
| Smoke | 28,500,000.00 | | 30.64 |
| Snow weight | 28,500,000.00 | | 30.64 |
| Land vehicles crash | 28,500,000.00 | | 3.06 |
| Aircraft crash | 28,500,000.00 | | 30.64 |
| Hail | 372,505.00 | | 20.02 |
| Flood, land flood | 28,500,000.00 | | 45.96 |
| GLKHHKNH-Terror | 28,500,000.00 | | 30.64 |
| Earthquake and Volcano Eruption - Contents | 2,00,000.00 | | 2,956.25 |
| Earthquake and Volcano Eruption - Building, Foundations, Decoration | 26,000,000.00 | | 30,745.00 |
| Theft | | | 0.27 |
| Machinery - Installation | 2,500,000.00 | | |
| Billboard / Totem | 100.00 | | |
| Building's Fixed Installation | 7,500.00 | | |

| INDEMNITY LIMITED GUARANTEES | LIMIT PER EVENT (TRY) | TOTAL LIMIT (TRY) | LIMIT PER CAPITA (TRY) | LIMIT PER VEHICLE (TRY) | PREMIUM (TRY) |
|---|-----------------------|-------------------|------------------------|-------------------------|---------------|
| Legal Protection | | 10,000.00 | | | 5.00 |
| Temporary Address Transfer | | 10,000.00 | | | |
| Alternative workplace change costs | | 149,020.00 | | | 30.64 |
| Business interruption | | 25,000.00 | | | 30.64 |
| Loss of rent | | 30,000.00 | | | 30.64 |
| Fire Financial Liability | | | | | 966.00 |
| Landlord's liability to the tenant | | 4,000,000.00 | | | |
| Neighborhood Responsibility | | 4,000,000.00 | | | |

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ

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| INDEMNITY LIMITED GUARANTEES | LIMIT PER EVENT (TRY) | TOTAL LIMIT (TRY) | LIMIT PER CAPITA | LIMIT PER VEHICLE (TRY) | PREMIUM (TRY) |
|---|--------------------------|----------------------|---------------------|-------------------------------|------------------|
| Fire, Explosion | | 8,000,000.00 | | | |
| Internal water | | 8,000,000.00 | | | |
| Smoke | | 8,000,000.00 | | | |
| GLKHHKNH - Terror Tenancy / Owner Financial Liability | | 4,000,000.00 | | | |
| GLKHHKNH - Terror Neighborhood Financial Liability | | 4,000,000.00 | | | |
| Debris removal costs - Building | | 1,040,000.00 | | | 0.11 |
| Debris removal costs - Contents | | 100,000.00 | | | 0.01 |
| Glass Breakage | | | | | 0.02 |
| Glass | | 100.00 | | | |
| Billboard / Totem | | 100.00 | | | |
| Third Party Liability | | 500,000.00 | | | 1.50 |
| Third Party Liability | | | | | |
| Elevator, Escalator Responsibility | | | | | |

ASSISTANCE SERVICES

ANADOLU Emergency Health Services
Anadolu Hizmet

Emergency workplace assistance services will be provided by calling 0 850 724 0 850. Otherwise, the services received will be considered out of coverage.

Assistance services only apply to the risk address stated on the front of the policy, addresses specified in special conditions are out of scope.

Anadolu Anonim Türk Sigorta Şirketi provides the assurances specified in this policy, which is arranged by the insurer and the insured based on their own explanations and relying on the accuracy of their statements, within the framework of the general conditions, special conditions, clauses or the product booklet containing this information listed in the policy and delivered to the insurer together with the policy. The guarantees you can benefit from under the insurance contract are limited to the guarantees you have purchased and specified in the policy. The product brochure provided to you may also contain descriptions of some collateral that you have not purchased. In terms of which guarantees you are entitled to benefit from, the policy will be relied upon, not the product booklet.

If the e-mail address is provided, the related product booklet and information form can be sent to your address electronically with the policy. In addition, the product booklet and information forms can be accessed at www.anadolusigorta.com.tr on our company's website.

GENERAL CONDITIONS

This policy shall prevail within the framework of the general conditions specified below. The general condition texts given in the title are included in the SME Package Insurance & Sectoral Package Insurances Booklet (YN 641) given to you with this policy.

- General Conditions of Fire Insurance
- General Conditions of Theft Insurance
- General Conditions for Insurance Against Glass Breakage
- General Conditions for Financial Liability Insurance Against Third Parties
- General Conditions of Legal Protection Insurance

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ

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USER SPECIAL CONDITIONS

AFOREMENTIONED WORKPLACE HEREBY HAS BEEN LEASED TO COMPANY AS A WAREHOUSE AND LOGISTICS CENTER.

SPECIAL CONDITIONS

It has been agreed by the parties that the following clauses and special conditions for this policy shall prevail within the framework of the explanations written in the policy and the general conditions, special conditions, clauses or the product booklet containing this information delivered to the insured together with the policy.

SME Package Insurance and Sectoral Package Insurance Booklet - YN 641

Internal Water Clause

Earthquake and Volcano Eruption Clause

Smoke Clause

Storm Clause

Aircraft Clause

Strike, Lockout, Chaos, Popular Movements Clause

Malicious Acts Clause

Terror Clause

Snow Weight Clause

Land Vehicles Clause

Flood or Land flood Clause

Landslide Clause

Fire and Explosion Financial Liability Clause

Inflation Indexed Collateral Clause for Earthquake and Volcano Eruption Coverage

Strikes, Lockouts, Turmoil, Popular Movements or Strike, Lockout, Turmoil, Popular Movements, Malicious Movements and Terror Clause in Inflation-Indexed Policies

Workplace Clause of Anadolu Hizmet

Inflation Protection Clause

Recourse Rights Special Condition

Documents Required In Case Of Damage Clause

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ

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Earthquake and Volcano Eruption Coverage

Earthquake and Volcano Eruption Insurance is made in the form of joint insurance with the insured at the rates stated below.

| Joint Insurance Distribution | The Section where the Insured is Responsible for 100% of the Insurance Amount | The Section where the Insurer is Responsible for 100% of the Insurance Amount |
|----------------------------------|--|--|
| Building, Foundation, Decoration | 20 | 80 |
| Content | 20 | 80 |

In Earthquake and Volcano Eruption Insurance, the following exemption has been applied over the part that the insurer is responsible for.

| | Exemption To Be Applied Over The Part That The Insurer Is Responsible For (%) |
|----------------------------------|---|
| Building, Foundation, Decoration | 2 |
| Content | 2 |

Fire Insurance Earthquake and Volcano Eruption Coverage Joint Insurance and Exemption Clause (Industrial and Commercial Risks)

Earthquake and volcanic eruption insurance is made in the form of joint insurance with the insured provided that at least 20% of the insurance amount remains on the insured and the insured participates in the damage at this rate. The insured and the insurer may agree to increase this rate. In this case, the premium is calculated on the basis of the price reduction specified in the tariff over the insurance amount. This issue is written on the front of the policy.

The insured cannot reinsure the part of the insurance amount that it agrees to keep on itself and the part he has undertaken. The insured participates in the damage at the rate agreed in advance and written in the policy.

In each damage related to earthquake and volcanic eruption coverage, if the insurance coverage of the same insured and at the same risk address covers the building (building, fixed installation and decoration) and its contents (commodity; machinery, equipment, fixtures and other installations) or more than one building or its contents;

- Building, fixed installation and decoration,
- Commodity,
- A deductible exemption of at least 2% over the total insurance costs of each of the machinery, equipment, fixtures and other installations, groups (the part for which the insurer is responsible) shall be applied separately for each of these groups. The insurer is responsible for the part of the damage exceeding this exemption amount. The insured and the insurer may agree to increase the exemption rate. In this case, the price is discounted at the rate specified in the tariff. This issue is written on the front of the policy. In terms of exemption application, each 72-hour period is considered as a damage.

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ

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Strike, Lockout, Turmoil, People's Movements or Strike, Lockout, Turmoil, People's Movements, Malicious Movements and Terror Exemption Clause - For Non-Residential Commercial and Industrial Risks

Without prejudice to the General Conditions of Fire Insurance and the provisions of Strike, Lockout, Turmoil, Public Movements or Strike, Lockout, Turmoil, Public Movements, Malicious Movements and Terror clauses attached to the policy; this insurance is made in the form of joint insurance provided that 20% of the 100% insurance amount is above the insured.

In case of damages, the insured participates in the damage at the rate stated above.

In each damage related to this coverage, if the insurance coverage of the same insured and at a separate risk address covers the building and its contents (commodity, machinery, equipment, fixtures and other installations) or more than one building and its contents, all:

- Building fixed installation decoration
- Commodity
- A deductible exemption of 2% on the total insurance costs of each of the machinery, equipment, fixtures and other installation groups (80% of which the insurer is responsible) shall be applied separately for each of these groups. The insurer is responsible for the part of the damage exceeding the exemption.

Flood Coverage

For each damage that may occur in relation to flood coverage, a deductible exemption of 2% of the insurance amount of each of the following groups shall be applied to the relevant group. However, the total exemption to be applied to these groups is limited to EUR 50,000.

- Building, fixed installation and decoration
- Commodity
- Machinery, equipment, fixtures and other installations

Additional Coverage for Landslides

Damages caused by landslide or land collapse as a result of excavations made around the insured building are included in the guarantee, except for excavations ongoing or planned (known to the insured it is planned) on the insurance start date. A 10% deductible exemption shall be applied over the compensation amount to be paid for each damage that may occur under this guarantee.

Special Condition for Insulation Insufficiency

With the Special Condition of Insulation Inadequacy, damages caused by leakage and/or entry of rain and snow water from the exterior or terrace of the building (with floor strainer) or windows, doors and moldings (offshores) due to insufficient insulation and/or loss of insulation and damages caused by leakage of water accumulated on roofs without floor strainer are included in the coverage not exceeding 10% of the total annual insurance amount and in any case TRY 500,000. An exemption of TRY 500 shall be applied for each damage covered by the guarantee.

Damages that may occur due to the following reasons are excluded from the coverage.

- Leaking water from the unplastered side facade caused by the collapse of the adjacent order building
- Leaked water from the front with coarse and fine plaster but not painted
- Leakage of water accumulated on balconies without floor strainers to the insured floor from downstairs and/or under the doors
- Damage caused by sweating, mold and similar causes due to lack/loss of heat insulation
- All kinds of insulation costs
- Damages on the facade and roof

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ

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Hail Coverage

- Provided that it is covered by this policy, damages that may occur due to hail in the building and content, with or without the storm, are covered by the limit specified on the policy in total per occurrence and during the policy period.
- An exemption of USD 250 will be applied for each damage.
- Exposed content is excluded from coverage even if it is under porch, awning or cover, etc.

Computer Software and Programs Coverage External Clause

All kinds of computer software and programs are not covered.

Special Condition of the Subject of Activity

The "Subject of Activity" related to the risk(s) covered by this insurance is stated in the policy as declared by the insurer and/or the insured. The special conditions that the insurance premium and the insurance relationship will be subject to are determined in accordance with this declaration of the insurer and/or the insured. If it is determined that the actual activity subject to the said risk is different from the declared activity subject, the relevant provisions of the Turkish Commercial Code (TCC) and the General Conditions of Insurance shall apply to the violation of the pre-contractual notification obligation.

Special Condition of Tobacco and Alcohol Limit

The special condition of tobacco and alcohol limit is limited to 10% of the commodity price provided that it does not exceed a maximum of TRY 5,000 for theft collateral, tobacco and tobacco products and alcoholic beverages.

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ

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Photovoltaic (Pv) Solar Power Plant Exemption

The Insurer/Insured declares in this insurance contract that there is no photovoltaic (PV) solar power plant in the insured places. Notwithstanding this declaration, in the event that it is determined that there is a photovoltaic (PV) solar power plant in the insured places in this insurance contract, the damages due to this proximate cause and/or the damages that are realized or aggravated due to this reason shall be excluded from the coverage. The photovoltaic (PV) solar power plant itself, along with all kinds of installations and extensions, is out of the scope of coverage.

Sprinkler Leak

Damages caused by sprinkler installation are included in the coverage under the Fire Insurance General Conditions - Internal Water clause.

Provisional Address Transfer Guarantee

As a result of the damages that may occur under the policy, the damages covered by the guarantees contained in this policy that the machinery, fixtures and electronic devices may be temporarily exposed to at another address due to maintenance/repair and similar reasons are covered, provided that they are limited to the amounts specified in the policy, the maximum compensation amount to be paid for this guarantee in a policy period will be limited to a total of TRY 10.000. Damages that may occur during transportation are not covered. In any case, the compensation to be paid under this policy will be limited to the total fire insurance cost specified in the policy schedule.

Rental Loss Guarantee

Without prejudice to the provisions of the General Conditions of Fire Insurance, except for earthquake coverage, if the building is in an uninhabitable condition as a result of the damages that may occur within the scope of the policy, the loss arising from the failure to obtain the expected lease or usufruct right from the building rented for the owner or usufructuary, which is the part of the rent paid in advance for the tenant corresponding to the unprocessed period with the day calculation, is covered by the coverage. In the calculation of the compensation; the amount of the rent that will correspond to the period required for the repair and construction of the building (maximum one year) shall be taken as basis.

The maximum liability of the insurer shall be limited to the monthly rental amount specified in the current rental contract, provided that the monthly rental amount does not exceed TRY 2,500. In any case, the compensation to be paid under this policy will be limited to the total fire insurance cost specified in the policy schedule.

Alternative Workplace Replacement Costs Coverage

Without prejudice to the provisions of the General Conditions of Fire Insurance, except for earthquake coverage, reasonable costs related to the alternative workplace that the insured is obliged to make for up to 12 months in the capacity of tenant or anchor or owner of the building due to the fact that the workplace building becomes uninhabitable as a result of damages that may occur under the policy and provided that it does not exceed the reasonable period required for repair or reconstruction are covered by the insurer. However, the maximum liability of the insurer is limited to the limit specified on the policy. In any case, the compensation to be paid under this policy will be limited to the total fire insurance cost specified in the policy schedule.

Business Interruption Guarantee

Without prejudice to the provisions of the General Conditions of Fire Insurance, if the commercial activity stops completely for more than 3 days starting from the day following the date of the occurrence of the damage as a result of the fire hazard in the insured place, 10% of the damage amount to be paid to the insured and an additional amount not exceeding the limit specified on the policy shall be paid as work stoppage compensation.

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ

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Special Condition of Glass Breakage

The glass breakage guarantee given by this policy is the compensation limit and the total limit per event and year is limited to the amount specified in the policy.

Glass Breakage Coverage

Glass breakage coverage includes glass table, coffee table, mirrors, window glasses in the workplace.

Debris Removal Expenses

The debris removal costs to be incurred in relation to the damages related to the fire and additional guarantees included in the policy are included in the guarantee, limited to the amount specified in the policy.

Legal Protection Guarantee for Immovable Property

The insurer shall provide the insured with protection for any disputes that may arise in respect of the lessor, the lessee or one or all of the tiTRYes of the same right holder, provided that all or part of the immovable and movable property shown in the policy is shown in the policy. Among the expenses to be paid, provided that they arise from the conditions stipulated in the general conditions regarding the coverages in the policy, the attorney and consultancy fees are limited to the attorney and consultancy minimum wage tariff. The limit of the legal protection guarantee provided by this policy is limited to TRY 10,000 per occurrence and in total per year.

Special Condition of theft

The guarantee of theft is valid provided that at least one of the following measures has been taken and is operational at the time of the risk, which is suitable for the protection of the entire insured place against the risk of theft:

- Alarm system connected to security companies, mobile phones or security forces (common enough to detect theft anywhere in the insured place and not affected by power outages)
- Iron bars, shutters or laminated safety glass with a minimum thickness of 4+4 mm (of sufficient strength to protect all doors and windows of the insured place)
- Night watchman (equipped to detect and prevent and notify any theft that may occur in the insured place according to the size of the insured place)

Building Fixed Installation Theft Guarantee

Fixed assets of the building are secured against the risk of theft, provided that they are limited to the limit specified on the policy. In any case, the total amount of compensation to be paid shall be limited to the total insurance amount.

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ

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Contents in the Open Area

If not specified separately on the policy, the content in the open area is excluded from the guarantee. The four sides of the content shall be considered as indoors and/or under or within the porch, awning, tent, tarpaulin, wire mesh or cover, etc., and the guarantee shall be excluded unless otherwise stated in the policy.

Strikes, Lockouts, Turmoil, Popular Movements, Malicious Movements, Terror Guarantee

Strikes, Lockouts, Turmoil, People's Movements or Strike, Lockout, Turmoil, People's Movements and Malicious Acts, Terror Insurance has been made in the form of joint insurance with the insured at the rates stated below.

| Joint Insurance Distribution | The Section where the Insured is Responsible for 100% Insurance Amount | The Section where the Insurer is Responsible for 100% Insurance Amount |
|------------------------------|--|--|
| G.L.-K.H.H.-K.N.H.-Terror | 20 | 80 |

Strikes, Lockouts, Turmoil, People's Movements or Strikes, Lockouts, Turmoil, People's Movements Malicious Acts, Terror Insurance has been exempted at the following rates over the part that the insurer is responsible for.

| G.L.-K.H.H.-K.N.H.-Terror | Exemption To Be Applied Over The Part That The Insurer Is Responsible For (%) |
|---------------------------|---|
| | 2 |

Note on Exemption and Joint Insurance Practices of GLKHKNH-Terror Coverage Received with Fire Financial Liability Coverage

In the event that GLKHKNH-Terror coverage has been received together with fire liability coverage, the exemption and joint insurance conditions regarding GLKHKNH-Terror coverage shall apply.

GLKHKNH - Note on Exemption and Joint Insurance Practices of Terror and Earthquake Coverages

In case of damages arising as a result of terror and earthquake, GLKHKNH- Exemption and joint insurance conditions related to terror and earthquake guarantees shall apply.

ANADOLU Emergency Health Services

With this service, within the boundaries of the workplace that is within the provincial boundaries of Turkey (including the TRNC), it is ensured that the employees of the workplace who have a service contract with the employer and are affiliated with the Law of Social Insurance and those who are in the workplace benefit from ANADOLU Emergency Health Services to be valid during working hours. The said service shall also apply if the persons working in the insured workplace under the Law of Social Insurance are outside the insured workplace due to duty.

Medical Counseling

Upon the request of the insured of the INSURANCE COMPANY to the Alarm Center, it is the transfer of informative and guiding information by the contracted company physicians to the right holder (patient) via telephone and without any physical determination opportunity.

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Emergency Health Services

It covers the service provided within the Emergency Health Services Regulation of the Ministry of Health published in the Official Gazette dated 15.03.2007 and numbered 26463 and the generally accepted principles. These services are provided by medical teams trained in emergency health care with medical tools and equipment support in the early period following the occurrence of sudden illness, accident, injury and similar situations.

Emergency Land Ambulance Service

It is a vehicle consisting of a team of physicians, anesthesiologists and drivers equipped with the most advanced communication technology and deployed in ambulance stations and meeting the requirements of international standards and the requirements of the Special Ambulance Services Regulation published in the Official Gazette of the Ministry of Health dated 07.12.2006 and numbered 26369 to provide continuous service (full day). The service will be provided directly by the contracted company within the borders of Istanbul, Ankara Metropolitan Municipality (excluding adjacent areas). In case of requests that may occur outside the borders of Istanbul, Ankara Metropolitan Municipality; the contracted company will provide service with ambulances affiliated to contracted physicians and/or health institutions and information about these locations can be accessed at www.anadolusigorta.com.tr.

Emergency Physician Service

It is the service of sending a physician to the right holder (patient) in the first place at points where there is no land ambulance and it will take a long time to reach and performing the intervention and/or, if deemed necessary, transportation to the nearest equipped health center for the intervention.

Medicine and Consumables

Medicines and routine materials to be used free of charge by the contracted company to the right holder (patient) in case of emergency intervention.

Medical Information Bridge

It is a system based on information communication between the Beneficiary (Patient), treatment institution (hospital and similar institution), ambulance, patient relative and/or physician.

Emergency List

- Drowning
- Traffic accident

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- Terror, sabotage, shooting, stabbing, fighting, etc.
- Suicide Attempt
- Rape
- Falling from high
- Serious Occupational Accidents, Limb Rupture
- Electric shock
- Freezing, Cold Stroke
- Heat Stroke
- Severe Burns
- Serious Eye Injuries
- Poisoning
- Severe Allergy, Anaphylactic Statements: Disruption in heart rhythm, severe allergy or low blood pressure that may lead to obstruction in the respiratory tract.
- Spine and Lower Extremity Fractures: Leg fractures that cause major external or internal bleeding and all kinds of spine fractures.
- Decompression (Diving) Disease: The situation popularly called profiteering.
- MI, Arrhythmia, Hypertension Crises: Current heart attack, types of heart rhythm disorder requiring urgent treatment, blood pressure, cerebral hemorrhage, etc. increase to a level that could lead to serious situations.
- Asthma Attack, Acute Respiratory Problems
- All Kinds of Situations That Cause Unconsciousness
- Sudden Paralysis
- Serious General Situation Disorder: Deterioration of a person's health to an extent that may be dangerous in general due to reasons such as old age, nutritional deficiency, inadequate care, prolonged serious illness, etc.
- High Fever: Increased body temperature (39.5 °C and above on average) that may lead to convulsion (convulsion) or heart rhythm disorders due to poisoning, infectious diseases, hot flushes, etc.
- Diabetic and uremic Bleeding: Situations ranging from blurred consciousness caused by diabetes (diabetes) and kidney failure to complete loss of consciousness (coma).
- Dialysis Disease accompanied by General Condition Disorder

- Acute Abdomen: Situations requiring urgent intervention such as perforation, blockage or clogging of hollow organs such as stomach, intestine, inflammation, etc.
- Acute Massive Bleedings: Life-threatening internal or external bleeding, usually caused by trauma.
- Meningitis, Encephalitis, Brain Abscess: Inflammatory and infectious diseases related to the membrane surrounding the brain and brain that may affect vital functions due to nervous system functions.
- Renal Colic: A condition caused by kidney stones, causing severe pain that may lead to urinary tract or kidney damage if progressed.
- Acute Psychotic Tables: Neurological or psychological disorders leading to excessive aggression.
- Migraine and/or Vomiting, Headaches with Loss of Consciousness

Newborn Comas

- Started Birth Activity (Emptying of Water Bladder)

Important note:

The above definitions have been made in a very simplified way in order to be guiding. It may not be possible from time to time for persons without medical knowledge to make an emergency assessment solely on the basis of the above information or on the basis of information communicated to them by a healthcare professional by telephone. Please note that whether his/her health condition constitutes an emergency or not is based on physical examination.

Liabilities of the Insured Regarding Liability Insurances

Within the scope of the coverage given by this insurance, the Insurer has the right and authority to decide on the claims to be made to the Insured.

The Insured shall not, without the knowledge and consent of the Insurer, reconcile with any person or institution claiming compensation for a loss covered by this policy or accept or acknowledge, pay compensation or make payment against such person or institutions in whole or in part. If otherwise, the Insured loses all rights arising from the insurance and cannot benefit from the insurance protection in any way.

In relation to all claims constituting the subject matter of this policy, the insurer has absolute right to wait for the claim to result in a final court decision or to settle with the claimant at any time over the amount it deems appropriate following his/her own evaluation.

If the Insured refuses a solution proposed to him by the Insurer and elects to proceed with legal proceedings, then the Insurer's liability shall be limited to the amount required to resolve this matter as recommended and also to the costs and expenses incurred with the Insurer's approval until the date of such refusal.

The Insured shall use its best endeavors to prevent or minimize any loss which may give rise to a claim under this policy as if it were not insured;

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The premium for this policy is calculated on the basis of the estimates provided by the insured and the insured shall retain all relevant details and, if deemed necessary, allow the insurer to examine these records;

Other Conditions:

- The Insurer pays to the insured the maximum amount payable under this policy or a lesser amount which is sufficient to resolve the incident and is not obliged to make any other payment;
- If any payment is made in respect of a claim under this insurance, it is agreed that the insurer shall take over all recourse rights of the insured;
- If the insured knowingly makes a false or fraudulent claim, this insurance shall be null and void and all claims for damages shall be reduced;
- This policy is valid provided that the insured is not aware of a claim for compensation or any event that may lead to a claim for compensation as of the date of commencement or issue;
- This policy has been issued on an incident basis and the date of return is the policy start date;
- This policy shall be valid provided that all laws, regulations, regulations and similar obligations regarding the activities subject to the guarantee and the manufacture, sale and distribution of the products are fully complied with. Claims for compensation for activities and products where these criteria are not fulfilled are outside the scope of the guarantee.

Other Insurances:

If a liability covered by this insurance is also covered by another insurance, this insurance constitutes 'joint insurance' together with other insurances. In any case, if there is more than one policy issued by Anadolu Sigorta, the one with more coverage limit shall be taken into consideration and Anadolu Sigorta shall be liable for all compensation claims up to this limit.

Collateral Limits for Third Party Liability and Additional Guarantees

Per Event: The liability of the Insurer for all compensation costs and legal expenses payable to persons claiming compensation in any event shall not exceed the limit of compensation per event specified in the policy schedule.

Total amount within the Insurance Period: The liability of the insurer for all compensation amounts and legal expenses that may be paid in relation to events occurring within the policy period shall not exceed the total limit shown within the insurance period in the policy schedule.

The sum of compensation amounts payable within the policy period due to damages under this coverage, including additional coverages, shall in no way exceed the total coverage limit per event specified in the policy and within the insurance period.

Third Party Liability and Additional Guarantees Exemption Note

A deductible exemption of TRY 250 shall be applied for each damage.

Third Party Liability Damage Series Special Condition

In order to determine the liability of the Insurer in relation to the events covered by the guarantee; all damages incurred as a result of continuous or repeated exposure to a common and a single wasteful condition shall be treated as a single event regardless of the number of real or legal persons making the claim and shall be deemed to have occurred within the compensation period in which the first event occurred.

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Third Party Liability Exceptions

This policy does not cover claims arising from:

- Any liability for injuries and illnesses suffered by any person bound by a service or apprenticeship contract to the Insured;
- Liability arising from the operation of motor vehicles and trailers subject to compulsory insurance by law, ownership of such vehicles or the use of such vehicles by or on behalf of the insured;
- Liability arising in relation to an aircraft or craft manufactured for use on or in the water surface or in the air;
- Professional assistance or advice or service provided or neglected by the Insured;
- Liability for any financial/financial loss (pure financial loss) and any indirect loss (consequential loss) not caused by loss of property/property or bodily damage specified in the Coverage section;
- Delays in contractual obligations, failure to make shipments and claims for damages related thereto;
- The extended portion of liability in the event of the insured's liability being extended by contract;

Responsibilities in connection with those below:

- Contamination with nuclear waste or nuclear fuel due to combustion of nuclear fuel
- Radioactive toxic explosion or other hazardous properties of explosive nuclear components
- Damages caused by asbestos, in whatever form or amount, or resulting directly or indirectly from the use of asbestos;
- Claims for compensation for war, civil war, revolution, terrorism, sabotage, strike and insurrection;
- Exemplary or punitive damages;

Claims made by the insured to each other under this policy or

- A company in which the persons or employees of the insured acting on behalf of the insured or the insured are the managers, or
- A company managed or predominantly controlled by the Insured (affiliated company, etc.) or
- A company (parent company, partner office, etc.) that has a financial relationship with the operations of the Insured, or

- Claims for compensation put forward by a company whose employees are involved in the operations of the Insured;
- Electromagnetic fields and electromagnetic radiation;
- Losses due to lead, cadmium, formaldehyde and toxic mold;
- Claims for compensation arising from gradual environmental pollution not caused by sudden and unexpected accidents
- Damages incurred after delivery due to defects in this product, work or service in relation to the product, work or services completed and delivered by the Insured to its customers.
- Responsibilities of the insured for damages arising from theft, theft, loss
- Claims for compensation to be assessed within the scope of Compulsory Financial Liability, Special Safety Compulsory Financial Liability and Marine Pollution Compulsory Financial Liability insurances of Coastal Facilities
- The claims made by the representative of the insured and the persons accustomed to the management, supervision and operation of the enterprise or part of the enterprise are not covered by the policy due to their violation of their obligations arising from the law and the articles of association during the management activities.

Elevator, Escalator Liability Guarantee

Coverage is extended as follows contrary to article "3-B.1" of the General Conditions of Financial Liability Insurance Against Third Parties:

Claims for compensation that may be put forward by third parties as a result of accidents that may occur in the elevator(s) used in the activity written in the policy or in the building are added to the coverage. This additional guarantee is provided on the condition that the building is fully used by the insured and that the elevator has an annual maintenance agreement.

Third Party Liability Coverage

The Insurer shall be liable for any damage caused by an incident occurring within the insurance period during the business activities of the insured at the place specified in the policy as the Insurer's Address and the related activities carried out at various places within the borders of the Republic of Turkey.

- Death, injury or deterioration of health of third parties,
- Material damage to third party goods
- Claims for non-pecuniary damages by third parties

For these reasons, it guarantees the insured against the consequences of the claims to be made by third parties within the framework of the special conditions written in the policy and the General Conditions of Financial Liability Insurance Against the related Third Parties. Insurance coverage covers the liability of the insured within the framework of the provisions of the legislation on legal liability of the Republic of Turkey due to the title, activity and legal relations shown in the policy and is limited to the amounts written in the policy. The maintenance and maintenance of the buildings where the insured operates are also evaluated within the framework of the operating activities of the insured and the damages arising from the building and the liability of the insured are also included in the coverage. Liability to third parties does not include liability arising from the failure to provide commercial services to customers at all or as required.

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Food Poisoning Coverage

The legal responsibilities of the insured for damages arising as a result of food poisoning caused by food and beverages offered at the premises of the Insured are included in the coverage.

Advertisement Board Liability Coverage Liabilities arising from damages arising from signs, boards, etc. in the workplace of the Insured are included in the coverage.

Renovation and Faulty Construction Coverage

The legal responsibilities of the insured due to the material and physical damages that may be incurred by third parties during the repairs, renovation and renovation works within the facility are included in the guarantee. This policy shall be valid provided that all laws, regulations and similar obligations related to the activities subject to guarantee are fully complied with. Claims for compensation for activities where these criteria are not met are outside the scope of the guarantee.

Extension of Third Party Liability Coverage Given Together with SME Package Insurance Policies

The damages to be caused to the third party goods under the supervision of the insured as a result of the commercial activity shown by the insured at the risk address have been included in the coverage with a limit of TRY 150,000 per occurrence and annually provided that it does not exceed the third party liability coverage limit in accordance with Article 3-A-8-a of the General Conditions of Financial Liability Insurance against Third Parties.

Missing Insurance Clause

The maximum compensation to be paid as a result of any damage that may be covered by the insurance contract within the scope of Article A5 of the General Conditions of Fire Insurance shall be limited to the insurance amounts written in the policy. In case of partial damages, if the difference between the insurance amount specified in the policy and the insurance value is 10% or less, missing insurance shall not be applied, otherwise, this clause shall not apply and the provisions related to Article A5 of the General Conditions of Fire Insurance shall be applied.

Special Condition for Compensation Payments for Policies with a Currency of "TRY"

Compensation amount to be paid will be calculated in "TRY".

Compensation calculation will be done as follows:

- It is essential that the compensation amount is paid in TRY.
- If the amount on the invoice, proforma invoice, bid etc. subject to compensation payments is in foreign currency, the said amount;
 - a. If the damage has been replaced by the insured before the payment date, the amount on the invoice for compensation of the damage shall be paid at the Central Bank of Turkey foreign exchange selling rate on the invoice payment date.
 - b. If the damage has not been replaced by the insured until the payment date, the amount on the proforma invoice, offer, etc. document is converted to TRY at the exchange rate of the Central Bank of Turkey on the date of compensation payment.
- If the currency of the exemption in the policy is different from TRY, the exemption amount to be applied in TRY is calculated on the basis of the exchange rate of the Central Bank of Turkey at the date of the damage.

Expert Appointment Clause

In case of possible damages, the insurer shall appoint the expert and the insurer shall pay the expert fee.

However, if the insured also wishes to exercise his/her right to appoint an expert; the Insured must forward his/her request for appointing an expert to the insurer in writing and the entire fee of the expert appointed by the insured must be paid by the insured.

Special Condition Regarding Damage

When the damage occurs, the compensation can only be paid as a result of the examination and determination of entry and exit and inventory records and all other documents. The Insured shall not claim any compensation for commodities or fixtures for which it cannot prove its existence with a document. This issue has been agreed between the parties.

Prohibition of Changes to Damage Areas and/or Things

The Insurer shall not make any changes that will make it difficult or prevent the determination of the cause of the damage or the amount of damage to the property and the place subject to the damage before the damage is determined. This change can only be made with the approval of the insurer or for the purpose of reducing the loss. In case of defective breach of this obligation, if there is a causality between the breach and the loss, the compensation shall be reduced according to the severity of the defect.

Obligation to Report Damage

When the Insurer learns that the risk has occurred, it informs the insurer without delay.

If failure to notify the occurrence of the risk or late notification has caused an increase in the compensation or price to be paid, a deduction shall be made from the compensation or price according to the severity of the defect.

Policy Scope

The insurance coverage provided to the insured by this policy is limited to the matters specified in the policy and the product booklet/general condition/special condition/clauses. No circumstance other than those expressly envisaged to be included in the guarantee is under insurance protection, even if it is not counted separately among the cases excluded from the guarantee.

It is obligatory to document the matters that were entitled to premium discount upon the declaration of the insurer at the time of the contract in case of damage. Otherwise, deduction shall be made from the damage payable at the rate of premium discount in accordance with the relevant article of the General Conditions of Insurance.

While the damage compensation is paid, the entire remaining premium debt is deducted from the compensation.

Certification of Payment: All receipts and similar documents given to you in return for your payments must be submitted to our company in order to pay your damage.

You can submit your suggestions on www.anadolusigorta.com.tr "Your Requests and Complaints" form, "My Insurance is in Mobile" mobile application or at bilgi@anadolusigorta.com.tr.

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Premium Payments and Policy Cancellation Clause

In cases where it is decided to pay the premium and premium debt in installments at once in accordance with this policy, the portion of the premium that should be paid first shall be paid at the latest upon delivery of the policy after the contract is concluded. The place of payment of the insurance premium is any Türkiye İş Bankası Branch, General Directorate or Regional Directorates of Anadolu Sigorta or the authorized agency that has mediated the establishment of the insurance contract. Premium payment can be made by bank receipt, in cash against receipt in the agencies authorized to collect premiums, by credit card, by using the interactive transactions invoice instruction method of Türkiye İş Bankası or by wire transfer. Payments made to places other than these or by methods other than those listed above shall not eliminate the premium debt. If the transfer is made, the first premium shall be deemed to have been paid as soon as the amount transferred is transferred to the insurer's free accounts and the liability of the insurer shall commence at that time. In cases where it is decided by the insurer to pay the first instalment (advance payment) or all of the premium by credit card and to give the insurer time to collect this amount from the credit card, the liability of the insurer shall begin with the withdrawal of the first instalment (down payment) or all of it from the credit card on the agreed day. In case of blocked payment by credit card, payment shall be deemed to have been made immediately upon blocking the provision of premium receivable from the credit card.

The dates on which the next installments following the first part of the premium will be paid are specified on the policy. If the insurer has not paid on this date, it will default and the insurer may terminate the insurance contract by using its rights related to the default.

In the event that the insurance contract is terminated due to default in paying the premium debt, the premium corresponding to the period for which the liability of the insurer continues shall be calculated on the basis of the day and the excess shall be returned to the insurer.

Insurance Information Center Note

Persons who will or will be covered by insurance are deemed to have consented to the acquisition of health information, insurance records and other information from the Insurance Information and Surveillance Center (SBGM), the Social Security Institution, the Ministry of Health, health institutions and organizations and insurance companies and to the sharing of the said information and records with the company with SBGM, insurance companies and authorities authorized in the relevant legislation in order to make a risk assessment by signing the relevant documents and to finalize the compensation applications.

Notice of Right of Withdrawal

Pursuant to the provisions of the Law on the Protection of Consumers and the related legislation, the Insurer who has not taken out the insurance for commercial or professional purposes (having the characteristics of a consumer) may exercise the right of withdrawal within 14 days in distance contracts related to financial services and 7 days in installment sales contracts without giving any justification and paying penal clause after the establishment of the contract. The notification of the right of withdrawal must be sent to bilgi@anadolusigorta.com.tr by filling out the declaration form at www.anadolusigorta.com.tr or with an explicit declaration. The right of withdrawal may not be used in insurance contracts with a period of validity of less than one month and in installment insurance contracts where the insurance coverage begins with the approval of the insurer. In installment insurance contracts, the insurer who pays the first installment is deemed to have approved the start of the insurance coverage. The premium amount collected in distance insurance contracts shall be refunded upon receipt of the notice of withdrawal. The provisions of special legislation shall apply to compulsory insurances.

Product Promotion Permit

We would like your permission to inform you about our price advantages, campaigns, to pay for your damages faster and to offer you attractive opportunities, in short, to provide you with faster and better service. You can contact us at online.anadolusigorta.com.tr to continue to receive SMS, e-mail, telephone information, campaign, product/service promotion messages for free and to update your permission information.

Digital Sales Note

You can easily access many insurance services that will make your life easier through our Individual Internet Branch and our mobile insurance application, Sigortam Cep'te.

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Cyber Attack Exception Clause

This insurance policy excludes damages, losses, liabilities and expenses caused or contributed directly or indirectly by computers, computer systems, software programs, malicious software, computer virus, computer operations or similar electronic systems or arising from the harmful use of such program/systems.

Special Condition for Real Rights

If the insurer/insured requests compensation from the insurer in the event that the property subject to the insurance is a real or legal loss, it shall mean that the insurer/insured has given assurance against the insurer that no other person has the same right on the property subject to the insurance. In this case, the insurer shall be deemed to be entitled to pay the insurance indemnity to the insurer/insured without conducting any research on the right holders in kind in its relationship with the insurer/insured. However, if a claim is made by third parties claiming that they have the same right after the said payment, the insurer/insured accepts and undertakes to return the compensation received to the insurer in cash and in a single sum in the first request.

Sanctions Clause

It is not possible for governments of countries sanctioned by the United Nations Security Council (UNSC), the European Union, the United Kingdom and the United States, persons and companies who are nationals/origins of these countries and/or resident in these countries to be entitled to this insurance contract from the beginning or in any way afterwards. Even if the governments of these countries, persons and companies who are nationals/origin of these countries and/or reside in these countries are shown as insurers, insured, pledged creditors or other right holders in this policy, or if the benefit subject to insurance has started to belong to them afterwards or if the rights arising from insurance have been transferred or transferred to them in any way, the insurance company shall be released from the obligation to provide and pay all kinds of guarantees and shall not be held liable in any way.

This sanction clause applies to sanctions in force at the time of payment by the insurer, not at the time of the occurrence of the risk.

Epidemic and Infectious Disease Exemption Clause

With this clause, all losses, damages and related direct and/or indirect job losses, whether caused directly and/or indirectly by epidemics and/or infectious diseases or caused by the fear and threat of epidemics and/or infectious diseases, whether real or rumored, and all direct or indirect costs arising from the closure, restriction or obstruction of access by the public authority in relation to any contamination/decontamination/disinfection caused directly or indirectly by the epidemic and/or infectious disease are excluded.

Definitions

The transmission of a disease from one organism to another through any active substance has been defined as an Infectious Disease in the context of:

1. A virus, bacteria, parasites or other organisms, or any derivative thereof, living or non-living, are defined as active substances.
2. Transmission between organisms, whether direct or indirect, by air, with body fluids, from any object or surface to another, solid, liquid or gas, is defined as the route of transmission.
3. Disease, drug substance; may harm or threaten human health or well-being, or may damage or threaten property with deterioration, impairment, loss of market or function.

* LESSOR's Financial Liability Insurance policy

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ANNEX 14: Environmental study report made before the start date of the lease agreement in the place subject to the lease

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This agreement consists of 8 (eight) main articles and 14 (fourteen) annexes and this agreement has been signed by the parties on 10/08/2020 as 2 (two) original copies indicating that the immovable subject to lease was leased with the consent of the two parties and under the conditions written above.

LESSOR

A. Vedat Yakupođlu Gayrimenkul Yatırımcılıđı

/s/ A. Vedat Yakupođlu Gayrimenkul Yatırımcılıđı

LESSEE

D-MARKET Elektronik ve Ticaret A.Ş.

/s/ D-MARKET Elektronik ve Ticaret A.Ş.

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No. 1 to the Registration Statement on Form F-1 of D-Market Elektronik Hizmetler ve Ticaret A.Ş. of our report dated March 17, 2021 relating to the financial statements of D-Market Elektronik Hizmetler ve Ticaret A.Ş., which appears in this Amendment No. 1 to the Registration Statement. We also consent to the reference to us under the heading "Experts" in such Amendment No. 1 to the Registration Statement.

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

Cenk Uslu
Partner

Istanbul, Turkey
June 17, 2021

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated May 10, 2021, in Amendment No. 1 to the Registration Statement (Form F-1 333-256654) and related Prospectus of D-Market Elektronik Hizmetler ve Ticaret A.Ş. for the registration of its Class B ordinary shares.

/s/ GUNEY BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALI MUSAVIRLIK A.S.
Istanbul, Turkey
June 17, 2021

Consent of Director Nominee

D-MARKET Elektronik Hizmetler ve Ticaret A.Ş. (the "Company") is filing a Registration Statement on Form F-1 with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the initial public offering of American Depositary Shares representing Class B ordinary shares of the Company. In connection therewith, I hereby consent, pursuant to Rule 438 of the Securities Act, to being named as a nominee to the board of directors of the Company in the Registration Statement, as may be amended from time to time. I also consent to the filing of this consent as an exhibit to such Registration Statement and any amendments thereto.

/s/ TAYFUN BAYAZIT

Name: Tayfun Bayazit
