UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

Date of Report: July 27, 2023

Commission File Number: 001-40553

D-MARKET Elektronik Hizmetler ve Ticaret Anonim Şirketi
(Exact Name of registrant as specified in its charter)

D-MARKET Electronic Services & Trading
(Translation of Registrant‘s Name into English)

Kuştepe Mahallesi Mecidiyeköy Yolu
Cad. no: 12 Kule 2 K2
Şişli-Istanbul, Türkiye
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	D-MARKET ELECTRONIC SERVICES & TRADING	
July 27, 2023	By:	/s/ NİLHAN GÖKÇETEKİN
	Name:	Nilhan Gökçetekin
	Title:	*Chief Executive Officer*
	By:	/s/ H. KORHAN ÖZ
	Name:	H. Korhan Öz
	Title:	*Chief Financial Officer*

EXHIBITS

Exhibit	Title
99.1	Press release of D-MARKET Electronic Services & Trading dated July 27, 2023
99.2	Proxy Card
99.3	Explanatory Notes on the Agenda and Information about the Annual General Assembly of the Shareholders of D-MARKET to be held on August 25, 2023
99.4	Board of Director’s Annual Report for 2022
99.5	Independent Auditor’s Report for 2022

Exhibit 99.1

Hepsiburada Announces 2022 Annual General Assembly

ISTANBUL, July 27, 2023 - D-MARKET Electronic Services & Trading (d/b/a "Hepsiburada") (NASDAQ: HEPS) (the "Company"), a leading Turkish e-commerce platform, will hold its 2022 Annual General Assembly on Friday, August 25, 2023 at 11:00 İstanbul time at the Company's headquarters at Kuştepe Mahallesi, Mecidiyeköy Yolu Caddesi, No:12 Trump Towers Kule:2 Şişli, İstanbul.

Holders of the Company's American Depositary Shares (the "ADSs") who wish to exercise their voting rights for the underlying shares must act through the depositary of the Company's ADS program, The Bank of New York Mellon.

The agenda of the Annual General Assembly consists of the following items in accordance with the relevant provisions of the Turkish Commercial Code (the "TCC") and the Regulation on Principles and Procedures for General Assembly Meetings of Joint Stock Companies and Ministry Representatives in Such Meetings (the "Regulation") governing the agenda of ordinary general assembly meetings:

1. Opening of the meeting and election of the General Assembly Meeting Chairmanship;
2. Authorization of the General Assembly Meeting Chairmanship to sign the minutes of the meeting;
3. Reading and discussion of the Board of Director's annual report for 2022 and reading of the independent auditor's report, as stipulated in the Regulation on Principles and Procedures for General Assembly Meetings of Joint Stock Companies and Ministry Representatives to be Present at These Meetings (the "Regulation");
4. Reading, discussion, and ratification of the financial statements for the 2022 accounting period, as specified in the Regulation;
5. Release of the members of the Board of Directors for all their respective business, transactions and activities for the 2022 accounting period, as specified in the Regulation;
6. Decision on the Company's profit for the 2022 accounting period, the use of the profit, the proportions of the profit and earnings shares to be distributed, as specified in the Regulation;
7. Decision on the salary, honorarium, bonus, and premium to be paid to the members of the Board of Directors in their capacity as such and, as applicable, in their capacity as members of committees for the year 2023 under Article 394 of the TCC and the Regulation;
8. Approval of the appointment of Mr. Stefan Gross-Selbeck, who was appointed by the Board of Directors pursuant to Article 363 of the TCC as an independent member of the Board of Directors to fill a seat vacated due to the resignation of Mr. Cemal Ahmet Bozer, as specified in the TCC and the Regulation;
9. Appointment of the members of the Board of Directors and determination of their terms of office;
10. Appointment of the independent auditor for the 2023 accounting period, as specified in the Regulation;
11. Consent of members of the Board of Directors for the commercial activities and transactions referred to in Article 395 and Article 396 of the TCC;
12. Approval of the renewal of the directors' and officers' insurance policy;
13. Determination of the upper limit for the aid and donations to be made until the next Ordinary General Assembly meeting of the Company as 2 per thousands of the total net assets of the Company and approval of the authorization of the Board of Directors within this context;

14. Approval of the granting of Company’s Class B shares that can be represented by ADSs (American Depositary Shares) within the scope of the Incentive Plan (HAPP), the main framework and conditions of which were established under the decision of the Company’s Board of Directors dated 24 March 2021 and numbered 2021/13, to senior executives, key employees, consultants, managers and members of the Board of Directors, as determined by the resolution of the Board of Directors dated 27 February 2023 and numbered 2023/03;
15. Approval of the Revised Incentive Plan under which shares may be granted to senior executives, key employees, consultants, managers and members of the Board of Directors as set forth in the resolution of the Board of Directors dated 24 April 2023 and numbered 2023/10;
16. Determining the procedures and principles of the authorization to the Board of Directors to repurchase a portion of the Company’s ADSs traded on Nasdaq, pursuant to the applicable laws of the United States by complying with the requirements and limitations in applicable law, for the purpose of granting shares of the Company that can be represented by ADS to those senior executives, key employees, consultants, managers and members of the Board of Directors, within the scope of the Revised Incentive Plan approved with the decision of the Board of Directors dated 24 April 2023 and numbered 2023/10;
17. Determination of the procedures and principles of the authorization to be given to the members of the Board of Directors for the repurchase of ADSs representing Class B shares of the Company from the publicly traded portion, as specified in Article 16 of the Agenda above, in accordance with the provisions of Article 379 et seq. of the TCC;
18. Approval of the Remuneration Policy for the members of the Board of Directors and managers of the Company;
19. Closing.

Explanatory notes on the agenda items along with the copies of certain materials related to the Annual General Assembly will be made available on the Company’s investor relations website https://investors.hepsiburada.com/ as of July 27, 2023.

About Hepsiburada

Hepsiburada is a leading e-commerce technology platform in Türkiye, connecting over 57 million members with approximately 180 million stock keeping units across over 30 product categories. Hepsiburada provides goods and services through its hybrid model combining first-party direct sales (1P model) and a third-party marketplace (3P model) with over 100,000 merchants.

With its vision of leading the digitalization of commerce, Hepsiburada acts as a reliable, innovative and purpose-led companion in consumers’ daily lives. Hepsiburada’s e-commerce platform provides a broad ecosystem of capabilities for merchants and consumers including: last-mile delivery and fulfilment services, advertising services, on-demand grocery delivery services, and payment solutions offered through Hepsipay, Hepsiburada’s payment companion and Buy-Now-Pay-Later solutions provider. HepsiGlobal offers a selection from international merchants through its inbound arm while outbound operations aim to enable merchants in Türkiye to make cross-border sales.

Since its founding in 2000, Hepsiburada has been purpose-led, leveraging its digital capabilities to develop the role of women in the Turkish economy. Hepsiburada started the “Technology Empowerment for Women Entrepreneurs” programme in 2017, which has supported over 43,000 female entrepreneurs throughout Türkiye to reach millions of customers with their products.

Investor Relations Contact

ir@hepsiburada.com

Media Contact

corporatecommunications@hepsiburada.com

Annual General Meeting of Shareholders of D-Market Electronic Services & Trading

Date: August 25, 2023

See Voting Instruction On Reverse Side.

Please make your marks like this: ☒ **Use pen only**

Please refer below and to the other side of the card for a description of the matters submitted to the Annual Shareholders' Meeting of August 25, 2023

Agenda:		For	Against
1.	Opening of the meeting and election of the General Assembly Meeting Chairmanship,	☐	☐
2.	Authorization of the General Assembly Meeting Chairmanship to sign the minutes of the meeting.	☐	☐
3.	Reading and discussion of the Board of Director's annual report for 2022 and reading of the independent auditor's report, as stipulated in the Regulation on Principles and Procedures for General Assembly Meetings of Joint Stock Companies and Ministry Representatives to be Present at These Meetings (the "Regulation"),		
4.	Reading, discussion, and ratification of the financial statements for the 2022 accounting period, as specified in the Regulation,	☐	☐
5.	Release of the members of the Board of Directors for all their respective business, transactions and activities for the 2022 accounting period, as specified in the Regulation,	☐	☐
6.	Decision on the Company's profit for the 2022 accounting period, the use of the profit, the proportions of the profit and earnings shares to be distributed, as specified in the Regulation,	☐	☐
7.	Decision on the salary, honorarium, bonus, and premium to be paid to the members of the Board of Directors in their capacity as such and, as applicable, in their capacity as members of committees for the year 2023 under Article 394 of the TCC and the Regulation,	☐	☐
8.	Approval of the appointment of Mr. Stefan Gross-Selbeck, who was appointed by the Board of Directors pursuant to Article 363 of the TCC as an independent member of the Board of Directors to fill a seat vacated due to the resignation of Mr. Cemal Ahmet Bozer, as specified in the TCC and the Regulation,	☐	☐
9.	Appointment of the members of the Board of Directors and determination of their terms of office,	☐	☐
10.	Appointment of the independent auditor for the 2023 accounting period, as specified in the Regulation,	☐	☐
11.	Consent of members of the Board of Directors for the commercial activities and transactions referred to in Article 395 and Article 396 of the TCC,	☐	☐
12.	Approval of the renewal of the directors and officers' insurance policy,	☐	☐
13.	Determination of the upper limit for the aid and donations to be made until the next Ordinary General Assembly meeting of the Company as 2 per thousands of the total net assets of the Company and approval of the authorization of the Board of Directors within this context,	☐	☐
14.	Approval of the granting of Company's Class B shares that can be represented by ADSs (American Depositary Shares) within the scope of the Incentive Plan (HAPP), the main framework and conditions of which were established under the decision of the Company's Board of Directors dated 24 March 2021 and numbered 2021/13, to senior executives, key employees, consultants, managers and members of the Board of Directors, as determined by the resolution of the Board of Directors dated 27 February 2023 and numbered 2023/03,	☐	☐
15.	Approval of the Revised Incentive Plan under which shares may be granted to senior executives, key employees, consultants, managers and members of the Board of Directors as set forth in the resolution of the Board of Directors dated 24 April 2023 and numbered 2023/10,	☐	☐
16.	Determining the procedures and principles of the authorization to the Board of Directors to repurchase a portion of the Company's ADSs traded on Nasdaq, pursuant to the applicable laws of the United States by complying with the requirements and limitations in applicable law, for the purpose of granting shares of the Company that can be represented by ADS to those senior executives, key employees, consultants, managers and members of the Board of Directors, within the scope of the Revised Incentive Plan approved with the decision of the Board of Directors dated 24 April 2023 and numbered 2023/10,	☐	☐
17.	Determination of the procedures and principles of the authorization to be given to the members of the Board of Directors for the repurchase of ADSs representing Class B shares of the Company from the publicly traded portion, as specified in Article 16 of the Agenda above, in accordance with the provisions of Article 379 et seq. of the TCC,	☐	☐
18.	Approval of the Remuneration Policy for the members of the Board of Directors and managers of the Company.	☐	☐
19.	Closing.		

Authorized Signatures - This section must be completed for your instructions to be executed.

Please Sign Here	Please Date Above
Please Sign Here	Please Date Above

↑ Please separate carefully at the perforation and return just this portion in the envelope provided. ↑

Annual General Meeting of Shareholders of D-Market Electronic Services & Trading to be held August 25, 2023 For Holders as of July 26, 2023

MAIL

- Mark, sign and date your Voting Instruction Form.
- Detach your Voting Instruction Form.
- Return your Voting Instruction Form in the postage-paid envelope provided.

All votes must be received prior to 12:00 p.m. (NY City Time) on August 18, 2023.

PROXY TABULATOR FOR

D-MARKET ELECTRONIC
SERVICES & TRADING
P.O. BOX 8016
CARY, NC 27512-9903

EVENT #

CLIENT #

D-Market Electronic Services & Trading

Instructions to The Bank of New York Mellon, as Depositary
(Must be received prior to 12:00 p.m. (NY City Time) on August 18, 2023)

The undersigned registered holder of American Depositary Receipts hereby requests and instructs The Bank of New York Mellon, as Depositary, to endeavor, in so far as practicable, to vote or cause to be voted the amount of shares or other Deposited Securities represented by such Receipt of D-Market Electronic Services & Trading registered in the name of the undersigned on the books of the Depositary as of the close of business July 26, 2023 at the Annual General Meeting of D-Market Electronic Services & Trading to be held on August 25, 2023 in Istanbul.

NOTES:
1. Please direct the Depositary how it is to vote by placing X in the appropriate box opposite the resolution.

(Continued and to be marked, dated and signed, on the other side)

PROXY TABULATOR FOR
D-MARKET ELECTRONIC SERVICES & TRADING
P.O. BOX 8016
CARY, NC 27512-9903

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.
(D-MARKET ELECTRONIC SERVICES AND TRADING)

EXPLANATORY NOTES ON THE AGENDA AND INFORMATION ABOUT THE ANNUAL GENERAL ASSEMBLY OF THE SHAREHOLDERS OF D-MARKET TO BE HELD ON AUGUST 25, 2023

Shareholders in D-Market Elektronik Hizmetler ve Ticaret A.Ş. (the "Company") ("D-Market Shareholders") are invited to attend the Annual General Assembly Meeting of Shareholders (the "General Assembly") for the year 2022 to be held on August 25, 2023, at 11.00 (local time) at Kuştepe Mahallesi Mecidiyeköy Yolu Caddesi No:12 Trump Towers Kule:2 Kat:2 Şişli/İstanbul.

Agenda of the General Assembly and Other Information

1. Opening of the meeting and election of the General Assembly Meeting Chairmanship

In accordance with the "Turkish Commercial Code" no. 6102 ("TCC"), the "Regulation on the Principles and Procedures for General Assembly Meetings of Joint Stock Companies and the Representatives of the Ministry Attending Such Meetings" ("Regulation"), D-Market's Articles of Association and the "Internal Directive on the Working Principles of the General Assembly", the Chairmanship of the General Assembly shall be elected by the D-Market Shareholders.

2. Authorization of the General Assembly Meeting Chairmanship to sign the minutes of the meeting

In accordance with the TCC and the Regulation, the D-Market Shareholders attending the General Assembly shall vote to authorize the Chairmanship to keep minutes of the General Assembly and sign them.

3. Reading and discussion of the Board of Director's annual report for 2022 and reading of the independent auditor's report, as stipulated in the Regulation on Principles and Procedures for General Assembly Meetings of Joint Stock Companies and Ministry Representatives to be Present at These Meetings (the "Regulation")

In accordance with the provisions of the TCC, D-Market Shareholders may obtain the Company's Annual Report (*D-Market Elektronik Hizmetler ve Ticaret A.Ş. 2022 Annual Report*) prepared by the Board of Directors from the Company's headquarters free of charge or download from https://investors.hepsiburada.com/ at least 15 days before the General Assembly Meeting. Additionally, D-Market Shareholders may obtain the independent auditors' report prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Ernst and Young) from the Company headquarters free of charge or from https://investors.hepsiburada.com/ at least 15 days before the General Assembly Meeting. **There are no issues to be voted on.**

4. Reading, discussion, and ratification of the financial statements for the 2022 accounting period, as specified in the Regulation

According to Article 28 of D-Market's Articles of Association, D-Market's accounting period starts on the first day of January and ends on the last day of December. Within this framework, the financial statements of the Company for the period between January 1, 2022 and December 31, 2022 shall be read and submitted for the approval of the D-Market Shareholders attending the General Assembly. D-Market Shareholders may obtain these documents from the Company's headquarters or from https://investors.hepsiburada.com/ website at least 15 days before the General Assembly Meeting.

5. Release of the members of the Board of Directors for all their respective business, transactions and activities for the 2022 accounting period, as specified in the Regulation

As per the provisions of the TCC, release of the members of the Board of Directors from liability for their business, transactions and activities in connection with their service on the Board of Directors for the 2022 financial year shall be submitted for the approval of the D-Market Shareholders attending the General Assembly.

6. Decision on the Company's profit for the 2022 accounting period, the use of the profit, the proportions of the profit and earnings shares to be distributed, as specified in the Regulation

In view of there not having been any profit for the fiscal year ended December 31, 2022, according to the statement of comprehensive loss of the Company for that period, the Board of Directors proposes to the D-Market Shareholders attending the General Assembly to approve its determination not to distribute any dividend.

7. Decision on the salary, honorarium, bonus, and premium to be paid to the members of the Board of Directors in their capacity as such and, as applicable, in their capacity as members of committees for the year 2023 under Article 394 of the TCC and the Regulation

The Board of Directors proposes that the D-Market Shareholders attending the General Assembly approve the following salary, honorarium, bonus, and premium to be paid to the members of the Board of Directors due to their independent membership of the Board of Directors and committees:

- 100,000 USD annual gross payment to independent board members
- 20,000 USD annual gross payment to chairpersons of the committees
- 10,000 USD annual gross payment to the other independent members of the committees

Remuneration for the Chairperson and board members due to their membership of the Board of Directors and Committees* will be decided in line with Article 394 of the TCC and Article 15 of D-Market's Articles of Association.

8. Approval of the appointment of Mr. Stefan Gross-Selbeck, who was appointed by the Board of Directors pursuant to Article 363 of the TCC as an independent member of the Board of Directors to fill a seat vacated due to the resignation of Mr. Cemal Ahmet Bozer, as specified in the TCC and the Regulation

* Committee: Audit Committee, Corporate Governance Committee and Risk Committee.

The resume of Mr. Stefan Gross-Selbeck is as below:

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

9. Appointment of the members of the Board of Directors and determination of their terms of office

The D-Market Shareholders attending the General Assembly shall vote on the appointment of the current members of the Board of Directors and determination of their terms of office.

10. Appointment of the independent auditor for the 2023 accounting period, as specified in the Regulation

The D-Market Shareholders attending the General Assembly shall vote on the appointment of PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (PwC) as auditor of the fiscal year 2023 accounts, as per the proposal of the Board of Directors and the Audit Committee.

11. Consent of members of the Board of Directors for the commercial activities and transactions referred to in Article 395 and Article 396 of the TCC

Article 395 of the Turkish Commercial Code titled “Prohibition of Carrying Out Transactions with the Company, Borrowing Money to the Company” provides that members of the board of directors may not carry out any transactions with the company on their own behalf or on behalf of others without obtaining authorization from the general assembly. It further stipulates that members of the board of directors who are not shareholders of the company and relatives of the members of the board of directors who are not shareholders of the company as listed in Article 393 may not borrow cash from the company and that the company cannot provide sureties, guarantees and collaterals for these persons, cannot assume responsibility, and cannot take over their debts.

In accordance with Article 396 of the Turkish Commercial Code entitled “Prohibition on Competing”, which states empowerment of members of the board of directors, in connection with carrying out an activity which is a commercial transaction falling under the scope of the company’s business either on their own or on a third party’s account as well as becoming a partner with unlimited liability at a company that is engaged in the same type of commercial transactions is required and, board members may engage in transactions described in Article 396 only with the approval of the majority of the shareholders attending the general assembly.

In line with these provisions, such authorizations for the members of the Board of Directors for 2023 shall be submitted to the consent of the D-Market Shareholders attending the General Assembly.

12. Approval of the renewal of the directors' and officers' insurance policy

Further details regarding the directors' and officers' liability insurance policy can be found on page 141 of the Company's annual report on Form 20-F, accessible via the below link.

https://hepsiburada.gcs-web.com/static-files/8ca14b71-e8c7-4131-bf2c-d8d8a6b30c94?auth_token=df23ffe8-8292-49b7-99e5-21225fac63b4

13. Determination of the upper limit for the aid and donations to be made until the next Ordinary General Assembly meeting of the Company as 2 per thousands of the total net assets of the Company and approval of the authorization of the Board of Directors within this context

The upper limit of 0.2 per cent of the total net assets of the Company for the aid and donations to be made until the next ordinary (i.e. annual) General Assembly meeting of shareholders as approved by the Board of Directors shall be submitted to the approval of the shareholders attending the General Assembly.

14. Approval of the granting of Company's Class B shares that can be represented by ADSs (American Depositary Shares) within the scope of the Incentive Plan (HAPP), the main framework and conditions of which were established under the decision of the Company's Board of Directors dated 24 March 2021 and numbered 2021/13, to senior executives, key employees, consultants, managers and members of the Board of Directors, as determined by the resolution of the Board of Directors dated 27 February 2023 and numbered 2023/03

Further details regarding the Incentive Plan (HAPP) can be found on pages 129 and 130 of the Company's annual report on Form 20-F, accessible via the below link.

https://hepsiburada.gcs-web.com/static-files/8ca14b71-e8c7-4131-bf2c-d8d8a6b30c94?auth_token=df23ffe8-8292-49b7-99e5-21225fac63b4

15. Approval of the Revised Incentive Plan under which shares may be granted to senior executives, key employees, consultants, managers and members of the Board of Directors as set forth in the resolution of the Board of Directors dated 24 April 2023 and numbered 2023/10

Further details regarding the Revised Incentive Plan (HAPP) can be found on pages 129 et seq. of, and Exhibit 4.4. to, the Company's annual report on Form 20-F, accessible via the below link.

https://hepsiburada.gcs-web.com/static-files/8ca14b71-e8c7-4131-bf2c-d8d8a6b30c94?auth_token=df23ffe8-8292-49b7-99e5-21225fac63b4

16. Determining the procedures and principles of the authorization to the Board of Directors to repurchase a portion of the Company's ADSs traded on Nasdaq, pursuant to the applicable laws of the United States by complying with the requirements and limitations in applicable law, for the purpose of granting shares of the Company that can be represented by ADS to those senior executives, key employees, consultants, managers and members of the Board of Directors, within the scope of the Revised Incentive Plan approved with the decision of the Board of Directors dated 24 April 2023 and numbered 2023/10

The D-Market Shareholders attending the General Assembly shall vote on the determination on the procedures and principles of the authorization to the Board of Directors to repurchase a portion of the Company's ADSs traded on Nasdaq. The purpose of the repurchase is to grant shares of the Company that can be represented by ADS to those senior executives, key employees, consultants, managers and members of the Board of Directors, within the scope of the Revised Incentive Plan.

17. Determination of the procedures and principles of the authorization to be given to the members of the Board of Directors for the repurchase of ADSs representing Class B shares of the Company from the publicly traded portion, as specified in Article 16 of the Agenda above, in accordance with the provisions of Article 379 et seq. of the TCC

Pursuant the Article 379 of the Turkish Commercial Code, the Company may acquire its own shares in an amount not exceeding one tenth of its registered or issued capital. To repurchase its shares, the Company should comply with the following conditions:

(i) the board of directors of the Company should adopt a resolution with respect to the share repurchase and request the authorization of the general assembly,

(ii) the general assembly should adopt a resolution authorizing the board of directors to repurchase the Company's shares and the authorization should be valid for a maximum period of 5 years and specify the nominal value of shares, the total nominal value of shares and the lower and upper limits of the price that may be paid,

(iii) after deducting the value of shares to be repurchased, the remaining net assets of the Company should be at least the sum of the registered or issued capital and the reserves that are not allowed to be distributed in accordance with the Turkish Commercial Code and the Company's articles of association,

(iv) the committed capital for the shares to be repurchased must be paid, and

(v) the share repurchase must comply with all relevant provisions of the Turkish Commercial Code.

In this context, the determination of the procedures and principles of the authorization to be given to the members of the Board of Directors for the repurchase of ADSs representing Class B shares of the Company from the publicly traded portion by the Company shall be submitted to the approval of the D-Market Shareholders attending the General Assembly.

The D-Market Shareholders attending the General Assembly shall vote on authorizing the Board of Directors for the repurchase of the Company's ADSs representing Class B shares of the Company from the publicly traded portion in accordance with the provisions of the Turkish Commercial Code Article 379 et seq. in one or more transactions. The following procedures and principles for the authorization of the Board of Directors in relation to the transactions concerning the repurchase of ADSs representing Class B shares of the Company shall be submitted to the approval of the D-Market Shareholders attending the General Assembly:

(i) the amount of capital represented by the ADSs representing Class B shares of the Company to be repurchased shall not exceed 10% of the issued capital of the Company,

(ii) the transactions shall not exceed the upper limit of 6,500,000 ADSs representing Class B shares (with a total nominal value of TRY 1,300,000 and a nominal value of TRY 0.20 for each share) of the Company,
(iii) the authorisation period shall be 2 years, and
(iv) the lower and upper limit that can be paid for the repurchase of ADSs representing Class B shares of the Company shall be determined.

18. Approval of the Remuneration Policy for the members of the Board of Directors and managers of the Company

The Remuneration Policy for the members of the Board of Directors and managers of the Company, as amended, shall be submitted to the approval of the D-Market Shareholders attending the General Assembly. The revised version of the policy will be published on the Company's investor relations website, which can be accessed via the following link: https://investors.hepsiburada.com/en/governance/governance-documents

19. Closing

There are no issues to be voted on under Item 19 of the Agenda.

Exhibit 99.4

hepsiburada

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.

2022 ANNUAL REPORT

I) GENERAL INFORMATION

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

This Annual Report ("Annual Report") is in relation to the activities of D-Market Elektronik Hizmetler ve Ticaret A.Ş. (hereinafter referred to as "D-Market" or the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year 2022.

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

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

The branches of the Company are listed below:

Branch	Telephone	Address
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Trump Towers Branch	0212 705 68 00	Kuştepe Mah. Mecidiyeköy Yolu Cad. No:12 Kat: 2 Kule:2 34387 Şişli, İstanbul
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Sancaktepe Branch	0549 438 05 53	Meclis Mah, Boğazici Cad, Seheryeli Sk, No:1, Karsan Plaza Sancaktepe, İstanbul
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi İzmir Torbalı Branch	0549 831 40 59	Kazım Karabekir Mah. Bekir Saydam Cad. No:76 D.No:1 Torbalı, İzmir
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Ankara Kazan Branch	0549 438 15 77	Saray Mah. 221. Sk. No:6 Kazan, Ankara
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Diyarbakır Yenişehir Branch	0549 826 33 35	Üçkuyu Mah. Mir Cebeli 1. Sk. No:5 Merkez, Yenişehir-Diyarbakır
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Adana Seyhan Branch	0549 438 18 53	Zeytinli Mahallesi Turhan Cemal Beriker Bulvarı No.623 Seyhan, Adana
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Erzurum Aziziye Branch	0549 836 10 55	Çiftlik Mahallesi, Tepe Mevkii, Ada:11202 Parsel:815 Yakutiye, Erzurum
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi Gebze Branch	0549 827 18 69	İnönü Mah. Farabi Cad. No:3 Gebze Güzeller OSB Gebze, Kocaeli
D-Market Elektronik Hizmetler ve Ticaret Anonim Şirketi İstanbul Tuzla Branch	0536 067 08 53	İstanbul Deri Organize Sanayi Bölgesi, Dolap Cad. No:3 K-2 Özel Parsel Tuzla, İstanbul

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

As of 31 December 2022, the shareholders of D-Market are the members of Doğan Family, TurkCommerce B.V and The Bank of New York Mellon.

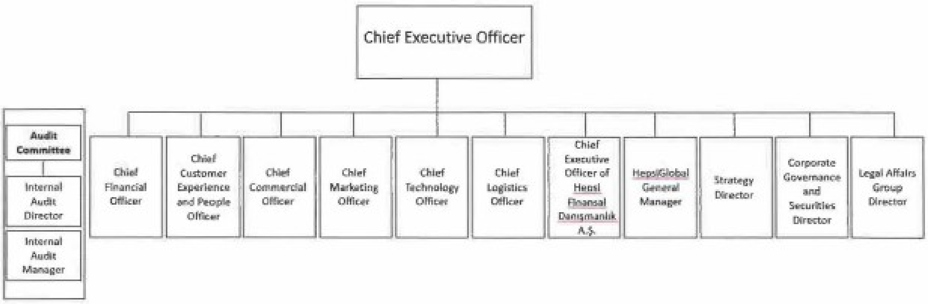
I.b) Corporate name of the Company, trade register number, communication information in relation to headquarters and, if any, its branches and, if any, its website address (continued):

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

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

I.c.1 Organizational Structure of the Company:

The organizational structure of the Group as of December 31, 2022 is as follows:



I.c.2 Capital and Shareholding Structure:

The shareholding structure of the Company as of 31.12.2022 is as follows:

D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.				
Shareholder	**Number of Shares**	**Share Group**	**Nominal Value of Shares (TRY)**	**Share Ratio (%)**
Hanzade Vasfiye Doğan Boyner	40,000,000	A	8,000,000	12.27
	29,864,015	B	5,972,803	9.16
Vuslat Sabancı	48,539,180	B	9,707,836	14.89
Yaşar Begümhan Doğan Faralyalı	48,539,170	B	9,707,834	14.89
Arzuhan Yalçındağ	44,271,070	B	8,854,214	13.58
Işıl Doğan	2,032,785	B	406,557	0.62
Turkcommerce B.V.	47,501,070	B	9,500,214	14.57
The Bank of Newyork Mellon	65,251,000	B	13,050,200	20.02
TOTAL	**325,998,290**	**A & B**	**65,199,658**	**100.00**

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

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

At the Board of Directors meeting dated 5 July 2021, the Board of Directors decided to increase the share capital of the Company by amounting to TRY 8,334,000 reaching TRY 65,199,658 through injection of additional capital. In addition to the capital increase, it has been decided to undertake a share premium of TRY 4,107,870,000 and to issue 41,670,000 class B shares with premium.

Board of Directors allocated newly issued class B ordinary shares with a total nominal value of TRY 8,334,000 for 41,670,000 shares with TRY 0.2 nominal value each to underwriters for IPO of American Depositary Shares.

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

By means of the Extraordinary General Assembly Resolution dated 25.05.2021, the Articles of Association of the Company were amended, and the right of privilege was granted to shareholders of Group A. At the Ordinary and Extraordinary General Assembly meetings, Group A shares have been granted 15 (fifteen each) voting rights, and the Group B shares have been granted 1 (one) vote each save for the provisions of the TCC. Information on the privilege in the Company as of 31.12.2022 in the Articles of Association is presented below.

TRANSFER OF SHARES
ARTICLE 7

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

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

A. Events Fully Eliminating Privileged Shares
Except for the Permitted Transactions defined in section (D) of this article, in following events, the privileged voting afforded to Class A shares under these articles of association shall automatically terminate, to the extent permitted by the provisions of the Turkish Commercial Code and other legislation, without revival afterwards. In any case, if these situations occur, the articles of association hereby shall be amended and share classes and references to share classes shall be removed in the first general assembly meeting to be held thereupon:
a. 180 days following the transaction that leads to the shares (including both privileged Class A shares and ordinary Class B shares) held by the shareholders who owns Class A shares falls below 7.5% of the total paid-in capital of the Company
b. In the event that the shareholder who owns Class A shares is a real person, 180 days after the date of legal documentation of this person's or people's (i) death or (ii) permanent mental incapacity due to health reasons;
c. 1 (one) calendar year after all duties and titles are terminated, in the event that the shareholder who owns Class A shares is a real person, this person or these people (a) resign from the Board of Directors of the Company, (b) do not become a candidate for the Company's board of directors and (c) in case the conditions of ceasing to hold any employment or consultancy position at the Company are fulfilled together and if this situation is not corrected within 1 (one) calendar year wholly and solely with their own will;

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

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

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

C. Events Partially Eliminating Privileged Shares
Except for the Permitted Transactions defined in section (D) of this article, in following events, the privileged voting afforded to Class A shares under these articles of association shall automatically terminate, to the extent permitted by the provisions of the Turkish Commercial Code and other legislation, without revival afterwards. In any case, if these situations occur, the articles of association hereby shall be amended and share classes and references to share classes shall be removed in the first general assembly meeting to be held thereupon:
a. Except for the cases included in the scope of "Permitted Transactions" below, in the event that Class A shares are transferred to any third real or legal person, as of the date of this transfer, only in relation to the transferred shares; and
b. Upon application of the shareholders who owns Class A shares to the Central Registry Agency of Turkey (Merkezi Kayıt Kuruluşu Anonim Şirketi) or a substitute institution to convert such shares to tradable form in the stock exchange for any reason including for sale thereof in the stock exchange or subjecting the same to collateral and only in relation to the transferred shares.

D. Permitted Transactions
However, in case of occurrence of Permitted Transactions, even if they are within the scope of the transactions stated under the above headings (A), (B) and (C) of this article, Class A shares may be transferred without being converted to Class B shares. Below transactions are "Permitted Transactions":
a. Legal or arbitrary transfer transactions to be made by the shareholder who owns Class A shares to his or her first or second degree relatives; and
b. Transactions whereby Class A shares are transferred to a domestic or overseas legal entity whose management is controlled by the immediate blood relatives or second degree relatives of the shareholder who owns Class A shares.

CAPITAL INCREASE AND DECREASE
ARTICLE 8

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

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

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

VOTING RIGHT AND APPOINTMENT OF PROXY
ARTICLE 23

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

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

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

AMENDMENT IN ARTICLES OF ASSOCIATION
ARTICLE 26

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

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

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

I.d) Information on the management organ, senior management and the number of employees:

I.d.1 Board of Directors:

The Members of the Board of Directors as at 31 December 2022 are as follows:

- Hanzade Vasfiye Doğan BOYNER (Chairman of the Board of Directors)
- Erman KALKANDELEN (Deputy Chairman of the Board of Directors)
- Vuslat SABANCI
- Tolga BABALI
- Mehmet Murat EMİRDAĞ
- Ahmet Fadıl ASHABOĞLU (Independent Board Member)
- Tayfun BAYAZIT (Independent Board Member)
- Halil Cem KARAKAŞ (Independent Board Member)
- Cemal Ahmet BOZER(1) (Independent Board Member)

(1) Cemal Ahmet Bozer resigned from the board of directors with the decision of the board of directors dated 2 January 2023 and Dr. Stefan Gross-Selbeck was appointed as an independent board member on the same date.

Hanzade Vasfiye Doğan Boyner
Committee Memberships: None

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

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

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

Erman Kalkandelen
Committee Memberships: None

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

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

Vuslat Sabancı
Committee Memberships: None

Vuslat 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, Türkiye's foremost newspaper group, and as publisher from 2008 to 2018, during which time Hürriyet became a widely read and influential newspaper and Türkiye's largest digital content company. Prior to joining Hürriyet, Ms. Sabancı worked at The New York Times and The Wall Street Journal. Ms. Sabancı founded Hürriyet Emlak, one of Türkiye's leading real estate websites in 2016, and has been chairwoman since 2019. Ms. Sabancı sits on the board of a number of companies, including 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.

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

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

Tolga Babalı
Committee Memberships: Risk Committee, Corporate Governance Committee

Tolga Babalı has been a member of 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, between August 2017 and March 2023, Mr. Babalı served as a Board member of Doğan Holding, with responsibility for financial and operational management. He continues to serve as a board member in 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 Türkiye 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.

Mehmet Murat Emirdağ
Committee Memberships: None

Mehmet Murat Emirdağ served as our Chief Executive Officer (CEO) from February 1, 2019 until December 31, 2022 and is currently a member of our board of directors.

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.

Ahmet Fadıl Ashaboğlu
Committee Memberships: Audit Committee, Corporate Governance Committee, Risk Committee (Chairman)

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

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

Tayfun Bayazıt
Committee Memberships: Audit Committee (Chairman), Risk Committee

Tayfun Bayazıt has been a member of our board of directors since July 2021 as an independent board member. After having received a BS degree in Mechanical Engineering (1980) and an MBA from Columbia University, New York, (Finance and International Business - 1983), Mr. Bayazıt started his banking career at Citibank in 1983.

He subsequently worked in executive positions within Çukurova Group for 13 consecutive years (Yapı Kredi as Senior EVP and Executive Committee Member, Interbank as CEO, Banque de Commerce et de Placements S.A. Switzerland as President and CEO). In 1999, he was appointed as Vice Chairman of

Doğan Holding and an Executive Director of Dışbank. In 2001, he assumed the CEO position at Dışbank. In 2003, he was also appointed Chairman and was requested to remain as CEO of Fortis Türkiye and the region in July 2005 after its acquisition. Subsequently, he was elected as Chairman of Fortis in 2006.

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

Mr. Bayazıt left this post in August 2011 to set up his own firm "Bayazit Consulting Services." He was then elected as the Country Chairman for MarshMcLennan Group (Marsh, Mercer and Oliver Wyman exist in Türkiye) 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 Business Association) High Advisory Board and takes an active role in other non-governmental organizations such as the World Resources Institute, Corporate Governance Association of Türkiye. He is a member of the board of trustees of Bosphorus University and Turkish Education Volunteers Foundation.

Halil Cem Karakaş
Committee Memberships: Audit Committee, Corporate Governance Committee (Chairman)

Dr. Halil Cem Karakaş joined our board of directors in May 2022 as an independent board member. Dr. Karakaş is an industrial restructuring leader in global snacking industry. He has led large scale restructuring and growth programs in biscuit and chocolate industries building and rationalizing several dozen manufacturing plants around the world as well as leading omni-channel market entry programs. Latest, Dr. Karakaş was the founding CEO of Pladis, the largest European biscuit player and one of the largest snacking companies globally. Prior to that Dr. Karakaş held CEO and CFO roles in Yıldız Group and Erdemir Group of Türkiye. Dr. Karakaş is the executive chairman of Aran Ard Teoranta and Rudi's Organic, the fastest growing European and North American free-from bakery players.

Dr. Karakaş has a Bachelor's degree in management from Middle East Technical University, Master's degree in business administration in finance from Massachusetts Institute of Technology and a Doctorate degree in finance from Istanbul University.

Cemal Ahmet Bozer(1)
Committee Memberships: Audit Committee, Corporate Governance Committee, Risk Committee (Chairman) (2)

Cemal Ahmet Bozer became a member of our board of directors in 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 and management roles. He later joined Coca-Cola 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.

(1) Cemal Ahmet Bozer resigned from the board of directors with the decision of the board of directors dated 2 January 2023 and Dr. Stefan Gross-Selbeck was appointed as an independent board member on the same date.

(2) Cemal Ahmet Bozer resigned from his roles in Corporate Governance Committee, Risk Committee and Audit Committee effective as of June 24, 2022.

Committees of the Board of Directors

We have three committees reporting to the Board of Directors, namely (1) Audit Committee, (2) Risk Committee and (3) Corporate Governance Committee. All members of these committees operate to fulfill the requirements of the U.S. Securities and Exchange Commission - SEC, U.S. Nasdaq, TCC and Turkish capital markets legislation.

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

(1) Audit Committee:

The Audit Committee assists our Board in its responsibilities for (i) the integrity of our financial statements, (ii) the qualifications and independence of our statutory auditors, (iii) oversight of our independent auditors' performance and our internal audit function, and (iv) compliance with legal and regulatory requirements, as well as environmental and social responsibilities. Members of the Audit Committee as of December 31, 2022, are as follows:

- Tayfun BAYAZIT (Chairman)
- Ahmet Fadıl ASHABOĞLU (Member)
- Halil Cem KARAKAŞ (Member)

Cemal Ahmet Bozer and Halil Korhan Öz resigned from their roles in the Audit Committee effective as of June 24, 2022. Ahmet Fadıl Ashaboğlu and Halil Cem Karakaş have been appointed to the Audit Commitee as of the same date.

(2) Risk Committee:

The Risk Committee is responsible for early identification of risks that pose a threat to the existence, development and continuity of our Company. It reviews Hepsiburada's risk management policies at least once a year. Members of the Risk Committee as of December 31, 2022 are as follows:

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

Cemal Ahmet Bozer resigned from his role in the Risk Committee effective as of June 24, 2022. Ahmet Fadıl Ashaboğlu has been appointed to the Risk Commitee as of the same date.

(3) Corporate Governance Committee:

The Corporate Governance Committee periodically reviews whether the corporate governance principles are applied by our Board of Directors and makes recommendations to the Board of Directors on corporate governance issues. The Committee also fulfills the functions of the Nomination and Remuneration Committee, which advises the board on nomination and remuneration policies for the board and executives. Members of the Corporate Governance Committee as of December 31, 2022 are as follows:

- Halil Cem KARAKAŞ (Chairman)
- Ahmet Fadıl ASHABOĞLU (Member)
- Tolga BABALI (Member)

Cemal Ahmet Bozer and Tayfun Bayazıt resigned from their roles in the Corporate Governance Committee effective as of June 24, 2022. Ahmet Fadıl Ashaboğlu and Halil Cem Karakaş have been appointed to the Corporate Governance Commitee as of the same date.

I.d.2 Senior Management:

Except for the members of the Company's Board of Directors, those who are conferred the authority and responsibility to plan, manage and control the activities of the Group directly or indirectly by the Board of Directors are defined as "senior management". The names and titles of the Company Group Heads as at 31 December 2022 are listed below:

Hepsiburada CEO	Mehmet Murat EMİRDAĞ(1)
Hepsiburada CFO	Halil Korhan ÖZ
Hepsiburada Chief Human Resources Officer	Esra BEYZADEOĞLU(2)
Hepsiburada Chief Commercial Officer	Murat BÜYÜMEZ(3)
Hepsiburada Chief Information Officer	Gürkan COŞKUNER(4)
Hepsiburada Chief Marketing Officer	Ender ÖZGÜN(3)
Hepsiburada Chief Technology Officer	Alexey SHEVENKOV
Hepsiburada Chief Logistics Officer	Mehmethan YALLAGÖZ
Hepsi Finansal CEO	Erkin AYDIN

(1) As of 1 January 2023, Nilhan Onal Gökçetekin was appointed as the Chief Executive Officer of the Company.
(2) As of 2 January 2023, Esra Beyzadeoğlu's title has been updated as Chief Customer Experience and Human Resources Officer and her responsibilities have been expanded to include customer experience and customer service functions.
(3) Murat Büyümez, has taken a leave of absence from his position between May 2, 2023 and September 21, 2023. Mr. Murat Büyümez is expected to take a new position in the Company as Chief Investment Officer effective on his return. As of May 2, 2023, the Company's Chief Marketing Officer, Ender Özgün, has assumed the responsibilities of the Chief Commercial Officer, in addition to his existing roles.
(4) As of 31 December 2022, Gürkan Coşkuner resigned from his position.

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

- On June 1, 2022, Erkin Aydın was appointed as the Chief Executive Officer of Hepsi Financial.
- On July 22, 2022, Nilhan Onal Gökçetekin was appointed as the Chief Executive Officer of the Company, effective from January 1, 2023. Our former Chief Executive Officer Murat Emirdağ will continue to be a Member of the Board of Directors.

I.d.3 Number of Personnel:

As of 31.12.2022, the Group has 3,834 employees. (31.12.2021: 3,789)

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

As stated in TCC, it is permitted to authorize the members of the Board of Directors to carry out, on their own behalf or on behalf of others, any commercial transaction that falls within the scope of the Company's business, and to become a partner with unlimited liability in a company which is engaged in the same type of commercial business, as specified in Article 396 of the TCC. The members of the Company's Board of Directors serve as members of the Board of Directors of some other Doğan Group companies, including those having similar fields of activity with our Company, and of the companies in which Franklin Templeton Turkey has a shareholding and in 2022, there were no significant transactions requiring information in this context.

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

All rights, benefits and remuneration provided to the members of the Board of Directors are determined every year at the Group General Assembly. Except for the independent members of the Board of Directors, no "attendance fee" is paid to the members of the Board of Directors, and the executive Members of the Board of Directors may also receive monthly salaries, bonuses and related fringe benefits for their duties in the Company. The total amount of financial benefits such as salaries, bonuses, share-based payments, health insurance, communication and transportation provided to the Group's senior management consisting of Members of the Board of Directors, General Managers, Group Presidents and directors are disclosed in Note 26 Related Party Disclosures in the notes to the consolidated financial statements prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") for the period ended December 31, 2022.

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

III) RESEARCH AND DEVELOPMENT ACTIVITIES

In 2022, the Group's website and application development costs amount to TRY 519,626 thousand.

The Group's research and development activities are carried out at our two R&D Centers, located in Istanbul and certified by the Turkish Ministry of Industry, and Technology. Our projects encompass a wide range including recommendation engines, search engines, customer personalization, payment systems, as well as fraud prevention. 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 relevant copyright regulations. As of December 31, 2022, we held three patents in Türkiye as D-Market and one patent as D-Fast. As of the same date, we also had nine pending patent applications as D-Market and six pending patent applications as D-Fast.

As of December 31, 2022, we had approximately 867 employees dedicated to technology operations and 59 product function teams dedicated to a particular technology product. Our research and development centres cooperate with Turkey's leading universities, making the Group attractive for technological talents and engineers.

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

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

In 2022, the Group purchased fixtures and fittings amounting to TRY 130,760 thousand, vehicles amounting to TRY 33,721 thousand and spent TRY 12,316 thousand on leasehold improvements within the scope of warehouse renovations and warehouse investments. The total purchase price of software and rights purchased by the Group amounts to TRY 69,579 thousand.

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

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

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

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

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

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

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

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

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

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

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

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

D-Fast was established on February 26, 2016 and operates as a cargo and logistics company that provides last-mile delivery services to the customers of Hepsiburada and other e-commerce websites with which it has an agreement. As of December 31, 2022, D-Fast provides services in 81 provinces.

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

D ÖDEME ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.			
Shareholders	**Number of Shares**	**Share Amount (TRY)**	**Share Ratio (%)**
D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.	196,535,857	196,535,857.00	100.00
TOTAL	**196,535,857**	**196,535,857.00**	**100.00**

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

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

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

HEPSİ FİNANSAL DANIŞMANLIK A.Ş.			
Shareholders	**Number of Shares**	**Share Amount (TRY)**	**Share Ratio (%)**
D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.	49,000,000	49,000,000.00	100.00
TOTAL	**49,000,000**	**49,000,000.00**	**100.00**

Established on December 1, 2021, Hepsi Finansal plans to operate as a holding company for the Group's financial technology operations and aims to provide financial solutions to Hepsiburada's customers. Hepsi Finansal is the main shareholder of Doruk Finansman A.Ş. (the current trade name of the company is "Hepsi Finansman A.Ş."), which was acquired in February 2022.

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

HEPSİ FİNANSMAN A.Ş.			
Shareholders	**Number of Shares**	**Share Amount (TRY)**	**Share Ratio (%)**
HEPSİ FİNANSAL DANIŞMANLIK A.Ş.	50,000	50,000,000.00	100.00
TOTAL	**50,000**	**50,000,000.00**	**100.00**

Doruk Finansman A.Ş.'s trade name has been changed to Hepsi Finansman A.Ş. as published in the trade registry gazette dated January 9, 2023 and numbered 10743. As of December 31, 2022 Hepsi Finansman has not yet begun its credit operations for a new portfolio. It carries out collection operations of the portfolio acquired from Doruk Finansman A.Ş.

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

The Group did not acquire its own shares during the period.

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

The examination initiated by the Tax Office in July 2020 for the years 2018 and 2019 of the Company was completed in 2022. As a result of the examination, the Company paid an additional tax of TRY 282,582.

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

On September 28, 2021, a class action lawsuit before the Supreme Court of the State of New York ("State Court") was filed against the Company and various other defendants. On October 21, 2021, a separate class action lawsuit was filed against the Company and various other defendants before the Federal Court for the Southern District of New York ("Federal Court"). Both lawsuits allege that the Company made false

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

and/or incomplete statements and violated applicable laws in the Registration Statement and Prospectus issued in connection with the Company's U.S. initial public offering. Lawsuits are currently pending.

Opinions on the possible legal and financial risks regarding the course and possible outcomes of these lawsuits were obtained from expert and leading law firms in the United States of America and from financial advisors who are also experts in their fields. These opinions were of the view that discontinuation and termination of these lawsuits through settlement would save our Company from a major financial burden. In this context, within the scope of the decision of our Board of Directors numbered 2022/30 and dated November 10, 2022, in line with the opinions of the relevant expert legal and financial advisors, it was decided to settle with the counterparties of the lawsuits. In this regard, a mediation process was initiated for the final settlement of both lawsuits that would lead to eliminating the uncertainties, costs and risks of long-term, complex proceedings and saving time, effort and costs created by class actions, without any admission of liability or fault and following the negotiations led by an experienced mediator in the field, the plaintiff and defendant parties agreed on a binding settlement term sheet on December 2, 2022. Accordingly, the Company agreed to pay TRY 260,375 thousand (USD 13,900 thousand) to fully settle both lawsuits. Concerning USD 3,975 thousand of the USD 13,900 thousand, a binding contribution term sheet was signed on December 5, 2022, providing that the Company will receive a contribution payment from TurkCommerce B.V., another defendant who sold shares during the public offering, subject to certain preconditions. In this respect, the Company has provided a provision amounting to TRY 260,375 thousand (USD 13,900 thousand) in its consolidated financial statements as of December 31, 2022. Regarding both lawsuits, the settlement agreement prepared by the plaintiff and defendant parties was signed and submitted to the preliminary approval of the Federal Court in March.

In its preliminary approval decision of April 20, 2023, the Federal Court held that the settlement agreement concluded between the parties: (i) was concluded by sufficiently informed parties, after protracted negotiations, and on an arm's length basis, under the direction of an experienced mediator; (ii) eliminates the risks to the parties in the event of continued litigation; (iii) does not constitute an unfairly preferential treatment in favor of the plaintiffs or certain segments of the settlement class; (iv) does not result in excessive fees to plaintiffs' counsel; (v) appears to fall within an acceptable range for possible approval and is sufficiently equitable, reasonable and fair to require notice to settlement class members.

Additional information on the settlement process and the settlement agreement is provided in this Annual Report's Section 8 titled "other matters", subparagraph 9.

More detailed information is provided in the consolidated financial statements prepared in accordance with TAS/TFRS for the period ended December 31, 2022, at Note 15.

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

There are no significant administrative or judicial sanctions imposed on the Group and the members of the management body due to practices contrary to the provisions of the legislation. More detailed information is provided in the consolidated financial statements prepared in accordance with TAS/TFRS for the period ended December 31, 2022, at Note 15.

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

The Ordinary General Assembly Meeting of the Company for the year 2021 was held on 24.06.2022 at the Company headquarters. At the said Ordinary General Assembly Meeting, the meeting quorum was met with 301,250,829 shares and resolutions were adopted by open voting.

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

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

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

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

No extraordinary general assembly meeting was held during the year.

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

During the year, the Group donated approximately TL 3,721 thousand to various institutions and organisations.

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

Although our Company has the status of a controlling company, there are no measures taken or avoided to be taken for the benefit of group companies in 2022 or any transactions that need to be compensated.

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

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

V) FINANCIAL SITUATION

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

Despite the challenging macroeconomic conditions throughout the year, we closed 2022 with 85.8% revenue growth and 208% gross profit growth compared to the previous year, with strong increases in our key operational metrics. Thanks to our efforts to enhance customer experience, our wide product range and various payment solutions, we increased gross sales volume and improved our path to profitability. Our operating loss decreased by TL 478.9 million year-on-year to TL 1.7 billion. Net loss for the period increased by TL 524.5 million year-on-year to TL 1.2 billion due to higher net financial expenses.

In 2022, we increased our total number of active customers to 12.2 million with over 900,000 new customer acquisitions, thanks to our strong value proposition that provides a fast and reliable experience to our customers, various payment solutions and developments in our marketing activities. We increased the order frequency from 4.7 per customer per year in 2021 to 6.6 per customer per year in 2022 with an increase of 39% on an annual basis. The total number of orders placed through the Hepsiburada platform was 80.4 million with a 50.4% growth compared to last year.

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V) FINANCIAL SITUATION (continued)

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

According to the results of the independent market research we commissioned as a company, we maintained our sector leadership with the highest Net Recommendation Score (NRS) in the Turkish e-commerce market in 2022 with the privileged delivery and payment services we offer as Hepsiburada.

The number of Hepsiburada Premium members, our paid customer loyalty programme launched in July 2022, reached 615 thousand by the end of the year. We see that this programme is effective in increasing customer loyalty and order frequency.

Hepsipay, Hepsiburada's wallet and payment gateway solution, reached 11 million users as of 31 December 2022. With the "Buy Now, Pay Later" solution we started offering this year, we enabled over 150 thousand customers to shop without postponing their needs.

In 2022, our number of active sellers increased by 33% compared to the previous year, reaching approximately 100 thousand, while the number of products we offer on the platform approached 164 thousand. We launched the "Hepsiburada İş Ortağım" programme, which offers comprehensive services to sellers, and the member merchant application. With various campaigns we organised, we both benefited our customers and supported our sellers to increase their sales. The share of marketplace sales in total sales volume was 67%.

Our logistics company D-Fast, one of Hepsiburada's important strategic investments in achieving excellence in customer satisfaction, continued its services with 2,453 vehicles in 81 provinces of Turkey. In 2022, 65% of the orders placed through the Hepsiburada platform were delivered by HepsiJet. We continued to provide our "Return on Delivery" service, which is one of the firsts in the sector and which we have been offering since 2021, through HepsiJet. In 2022, HepsiJet also started to offer new services to its customers such as live tracking of their packages, postponing delivery and changing the delivery address while in shipment. In 2022, HepsiJet patented the 'Multi-Vehicle Route Optimisation' technology, which increased operational efficiency.

In 2023, we will continue to work diligently to achieve our strategic goals despite the uncertainties and challenges posed by global and local market and macroeconomic conditions. We will be ready to make the necessary adjustments to our plans according to possible developments. By prioritising customer loyalty, differentiating our logistics and financial services businesses and opening these businesses to external customers, focusing on our strategic priorities with disciplined cash and cost management, we hope to take firm steps towards our prioritised profitability target.

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

In 2022, our total revenue increased by 85.8% to 14.0 billion. Total orders increased by 50.4% year-on-year to 80.4 million.

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

V) FINANCIAL SITUATION (Continued)

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

	PRODUCTIVITY RATES		2022	2022	2021	2021
1	Operating Capital Turnover Rate	REVENUE	14,042,209	24.46	7,558,021	3.63
		CURRENT ASSETS	8,307,013		7,085,012	
		SHORT-TERM FOREIGN RESOURCES	7,732,813		5,000,549	
2	Equity Turnover Rate	REVENUE	14,042,209	8.94	7,558,021	2.82
		ÖZKAYNAKLAR	1,569,955		2,676,176	
3	Asset Turnover Rate	REVENUE	14,042,209	1.48	7,558,021	0.96
		TOTAL ASSETS	9,512,178		7,881,363	
	PROFITABILITY RATIOS					
1	Operating Profitability Ratio	OPERATING PROFIT OR LOSS	(1,744,125)	(0.12)	(2,223,014)	(0.29)
		REVENUE	14,042,209		7,558,021	
2	Gross Sales Profitability Ratio	GROSS PROFIT OR LOSS FROM SALES	2,762,954	0.20	895,974	0.12
		REVENUE	14,042,209		7,558,021	
3	Return on Equity Ratio	NET PROFIT OR LOSS FOR THE PERIOD	(1,224,592)	(0.78)	(700,078)	(0.26)
		EQUITY	1,569,955		2,676,176	
4	Net Profit Ratio	NET PROFIT OR LOSS FOR THE PERIOD	(1,224,592)	(0.09)	(700,078)	(0.09)
		REVENUE	14,042,209		7,558,021	
	LIQUIDITY RATIOS					
1	Current Ratio	CURRENT ASSETS	8,307,013	1.07	7,085,013	1.42
		KVYK	7,732,813		5,000,549	
2	Liquidity Ratio	CURRENT ASSETS	8,307,013	0.85	7,085,013	1.09
		STOCKS	1,724,330		1,639,480	
		KVYK	7,732,813		5,000,549	
3	Cash Ratio	READY ASSETS	5,266,008	0.68	3,813,469	0.76
		SECURITIES	0		0	
		KVYK	7,732,813		5,000,549	
4	Debt-to-Cash/ Equity Ratio	DEBT OR CASH	(4,979,668)	(3.17)	(3,409,035)	(1.27)
		EQUITIES	1,569,955		2,676,176	

V) FINANCIAL SITUATION (Continued)

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

	Current Period 31 December 2022	Previous Period 31 December 2021
Revenue	14,042,209	7,558,021
Gross Profit	2,762,954	895,974
Net Loss for the Period	(1,224,592)	(700,078)

For 2023 and beyond, we have identified our strategic priorities. Accordingly, the Hepsiburada Premium programme will continue to be an important asset in increasing customer loyalty in 2023. Hepsipay, which offers solutions that support the purchasing power of our customers, and HepsiJet, which aims for excellence in customer experience, will be important points of differentiation for Hepsiburada. In 2023, we aim to increase the number of businesses served by HepsiJet and make our financial technology solutions offered by Hepsipay available to other retailers. In 2023, we continue our efforts with a focus on sustainable growth and profitability.

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

The Group incurred a loss of approximately TL 1.225 million in 2022 and has a retained loss of approximately TL 1.726 million as at 31 December 2022. Despite this situation, the Group generated positive operating cash flow in 2022 and had cash and cash equivalents of approximately TL 5.266 million as at 31 December 2022. The current year loss is mainly due to the increase in operational expenses such as advertising expenses, transport costs and personnel expenses as well as the intense competition in 2022.

As of 31 December 2022, the Company's and each of its subsidiaries' capitals are not unsecured, and liabilities do not exceed assets pursuant to Article 376 of the TCC.

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

As we operate with negative net working capital, we finance our debt with cash generated from operations. We anticipate maintaining our negative net working capital position and to fund our debt as well as our acquisition commitments through available cash and cash equivalents, cash generated from operations and available funds to the extent available to us under our existing borrowing facilities.

We are focused on improving our inventory management and managing our marketing spend effectively and appropriately to the target customer. We are also constantly evaluating our business with a focus on profitability and implementing necessary changes in business models.

In addition to pursuing financing opportunities, we remain focused on improving our overall operating performance and liquidity by evaluating different options that may be open to us, restructuring plans or strategic options related to our strategic assets and renegotiating more favourable payment terms with our suppliers. We dynamically review our staffing levels required to sustain our operations and take appropriate action as necessary.

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

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

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

First Profit Share
b) From the remaining amount, first dividend is allocated over the amount to be found by adding the amount of donations made during the year, if any, in accordance with the Turkish Commercial Code within the framework of the Company's profit distribution policy.
After the above-mentioned deductions are made, the General Assembly has the right to decide to distribute the dividend to the members of the Board of Directors, employees of the Company and persons other than shareholders.

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

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

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

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

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

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

Since there is no distributable profit for the period according to the financial statements of D Market prepared in accordance with TCC as of 31 December 2022, there is no profit distribution proposal presented to the General Assembly.

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

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

Risk Management, monitoring and measurement of financial, operational and compliance risks are carried out by the Board of Directors and senior managers in the Group. In addition, the Risk Committee, consisting of three independent Members, two of whom are Members of the Board of Directors, was established in 2021 to work in charge of this issue. This committee continued its activities in 2022 in accordance with the committee bylaws.

Financial, Compliance and Operational Risk Management:

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

Financial Risk Management:

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

a) Liquidity Risk:

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

b) Foreign Currency (Exchange Rate) Risk:

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

c) Credit Risk:

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

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

d) Funding Risk:

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

e) Capital Risk:

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

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

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

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

Inflationary price increases affecting the cost of inventories, personnel costs, transport costs and other operating expenses have increased our cash requirements. In addition, the high inflationary environment in Turkey may result in a decline in customer demand, resulting in a decline in our Gross Sales Volume relative to our targets, and we may offer higher customer discounts to trigger any slowdown in demand to increase demand, which could result in a lower Gross Profit. As a result of this, we may seek additional financing for working capital needs from sources outside our operations. It may be possible for us to consider inorganic growth opportunities to expand our operations. Such acquisitions may result in additional cash requirements and financing. Since we bear the credit risk of parties related to our Pay Now Pay Later solution, and as we expand our financial services, our exposure to greater risk could affect the value of our financial assets. Buy Now Pay Later and our planned consumer finance product will result in additional cash requirements, if we prefer to finance with bank loans. In addition, from time to time we are required to provide financial assurance to third parties and we obtain letters of guarantee for our suppliers in connection with such obligations. Such off-balance sheet commitments may result in an increase in our financing costs.

In connection with assessing our ability to continue as a going concern, we consider factors that could materially affect our assessment, including the competitive environment and customer demand, our ability to defer or cancel uncommitted capital expenditures and to reduce our advertising expenditures, as well as our ability to mitigate the impact of an inflationary environment, which could increase our operating expenses and costs and reduce our profitability, as follows: (i) in an inflationary environment, our vendors and product suppliers may demand shorter payment terms, which could result in a lower negative net working capital position and (ii) any regulatory changes that would limit our operational capabilities resulting in lower Gross Sales Volume generation could also result in a lower negative net working capital position. We anticipate that our long-term cash requirements will be driven largely by capital expenditures and working capital requirements necessary to improve our profitability and business growth. Given the dynamic

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

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

nature of the market in which we operate, changing market regulations, fluctuations in capital markets, the impact of the earthquake disaster in 2023 on our business in the first quarter, the current state of our business, the high inflation environment, volatility in foreign exchange rates, supply chain challenges due to the impact of the COVID-19 pandemic, as well as the impact on our business operations of the uncertainty created by the impact of the war between Russia and Ukraine, our ability to fully meet our long-term capital requirements and long-term liquidity needs may materialise outside our expectations and may be adversely affected

The current economic environment and market conditions may limit our ability to borrow, to a lesser extent, in amounts that may be necessary or on acceptable terms to support our funding needs or cash flows. Additional debt will result in increased financial expenses. In addition to pursuing financing opportunities, we may evaluate different options and different plans concerning strategic business lines and implement necessary changes. In addition to this we remain focused on improving our overall operating performance and liquidity by improving our inventory method and renegotiating more favourable payment terms with our suppliers. We are dynamically reviewing our optimum staffing levels required to sustain our business and may take appropriate action where necessary.

VII) CONTROLLING COMPANY INFORMATION

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

D FAST DAĞITIM HİZMETLERİ VE LOJİSTİK A.Ş.

At the Extraordinary General Assembly Meeting of D-Fast held on 11.10.2022 and registered on 27.10.2022, D-Fast 's existing capital of TL 197,329,299 was reduced by TL 150,000,000 to TL 47,329,299 and simultaneously increased by TL 175,000,000 to TL 222,329,299.

D-Market owns 100% of D-Fast and there has been no change in share ownership in 2022.

D ÖDEME ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.

With the decision taken at the Extraordinary General Assembly Meeting held on 19.01.2022 and registered on 28.01.2022, D-Payment's existing capital of TL 27,670,000 was reduced to TL 26,535,857 by a decrease of TL 1,134,143 and simultaneously increased to TL 76,535,857 by an increase of TL 50,000,000.

With the decision taken at the Extraordinary General Assembly Meeting of D-Ödeme held on 19.08.2022 and registered on 06.09.2022, the existing capital of D-Ödeme, which was TL 76,535,857, was increased to TL 196,535,857 with an increase of TL 120,000,000.

D-Market owns 100% of D-Ödeme and there has been no change in shareholding in 2022.

HEPSİ FİNANSAL DANIŞMANLIK A.Ş.

With the Extraordinary General Assembly Decision of Hepsi Finansal dated 23.03.2022 and registered on 31.03.2022, it was decided to increase the existing capital of Hepsi Finansal amounting to TL 5,000,000 to TL 25,000,000 by increasing TL 20,000,000.

With the Extraordinary General Assembly Resolution of Hepsi Finansal dated 24.06.2022 and registered on 13.07.2022, it has been resolved to increase the existing capital of Hepsi Finansal amounting to TL 25.000.000 to TL 35.000.000 by an increase of TL 10.000.000. With the Extraordinary General Assembly Resolution dated 13.12.2022 and registered on 20.12.2022, it has been resolved to increase the existing capital of Hepsi Finansal amounting to TL 35.000.000 to TL 49.000.000 with an increase of TL 14.000.000.

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

D-Market owns 100% of Hepsi Finansal and there has been no change in shareholding in 2022.

HEPSİ FİNANSMAN A.Ş.

As announced in the trade registry gazette dated 15.04.2022 and numbered 10560, Hepsi Finansal's capital of TL 30,000,000 was increased to TL 50,000,000 by an increase of TL 20,000,0000 in accordance with the Ordinary General Assembly Meeting dated 25.03.2022.

100% of Hepsi Finansman is owned by Hepsi Finansal Danışmalık A.Ş. and Hepsi Finansmanl's shareswere taken over by Hepsi Finansal Danışmanlık A.Ş. in 2022. In accordance with Article 198 of the TCC, the fact that Hepsi Finansal Danışmanlık A.Ş. is the sole shareholder of Hepsi Finansman was registered and announced.

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

As of 31 December 2022, our Company is composed of 65.41% real person shareholders belonging to the Doğan Family, 20.02% shares corresponding to depositary receipts traded in the US and 14.57% investor shareholders and has no controlling shareholder.

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

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

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

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

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

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

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

VIII) OTHER ISSUES

1) On 6 February 2023, two major earthquakes, with the epicentre in Kahramanmaraş, affected 11 provinces in Southeastern Turkey, directly affecting the lives of approximately 14 million people. The Group's physical headquarters and offices, as well as the Gebze logistics centre, where most of the Group's employees are located, except for those working remotely, are located far away from the earthquake zone and were not affected by the earthquake. Of the 192 warehouses/offices owned by Hepsijet, eight were directly affected by the earthquake and need to be renovated to restore operations. The total number of Active Traders on the Group's marketplace in the affected area is approximately 6,500. Approximately 1,950 merchants on the Group's platform had their stores temporarily suspended at their request. The Group observed a temporary decrease in the total customer demand and the number of orders received on the platform, especially in the week of 6 February, compared to the previous week and the same week of the previous year. This decrease was probably due to the loss of trading volume and demand in the affected region and the Group's decision to suspend major marketing campaigns, events and media advertising for two weeks within the scope of the country's mourning. By mid-March, the overall situation had stabilised, with trading volume on the platform almost reaching pre-earthquake levels. Although the volume fluctuated during this period, by mid-March 2023 it had almost reached the pre-earthquake levels.

2) With the decision of the Company's Board of Directors dated 24 March 2021, the First Period of the vesting schedule of the share-based payment plan, which is defined as the end of 18 (eighteen) months after the public offering date of depositary receipts in the US, was completed on 31 January 2023. Accordingly, the Board of Directors has decided that 14 key personnel determined within the scope of the First Period of the share-based payment plan are entitled to receive Restricted Stock Units as defined in their individual agreements for a gross total of 1,662,592 Class B ordinary shares of the Company (which may be represented by ADPs). The Company has determined that a gross total of 533,030 Class B ordinary shares (which may be represented by ADPs) of the Company are entitled to receive Performance Stock Units to 12 key management personnel who have successfully met year-end performance criteria. A total of net 1.3 million Class B ordinary shares (which may be represented by ADPs) will be issued by the Company to these executives in accordance with the relevant vesting schedule following the issue of such shares by the Company or the acquisition of the Company.

3) On 24 April 2023, the Board of Directors made revisions to the Group's share-based payment plan dated 24 March 2021 for key executives, directors, managers, officers, employees and consultants who contribute to the Group's performance. The revisions to the share-based payment plan were in the form of allocating the unused portion of the First Period share amount to two newly created periods, the Fourth Period and the Fifth Period, without changing the eligibility criteria for the share-based payment plan, and without interfering with the vested rights of those who are covered by the First, Second and Third Period based on their individual contracts signed before the revision date. Since the participants of the Fourth and Fifth Periods have not yet been determined, it is not possible to determine the fair value of the revised plan at this time.

4) Murat Büyümez, the Group's Chief Commercial Officer ("CCO"), has suspended his duties at the Company between 2 May - 21 September 2023. On 21 September 2023, he is expected to return to the Company as Chief Investment Officer. In addition to his current position, Chief Commercial Officer responsibilities will be carried out by Ender Özgün, Chief Marketing Officer.

5) In January 2023, the company name of Doruk Finansman A.Ş. was changed to Hepsi Finansman A.Ş.

6) Effective from 2 January 2023, the responsibilities of the Human Resources Group President position have been expanded to include customer experience and customer service functions under the name of Customer Experience and Human Resources Group President.

7) Effective from 2 January 2023, the responsibilities of the Chief Information Officer and Chief Technology Officer have been merged and streamlined under the role of Chief Technology Officer.

VIII) OTHER ISSUES (Continued)

8) With the Law No. 6563 on the Regulation of Electronic Commerce and the Regulation on Electronic Commerce Intermediary Service Providers and Electronic Commerce Service Providers issued in accordance with the Law, which entered into force as of 1 January 2023 at the earliest, electronic commerce intermediary service providers are obliged to comply with regulations such as the prohibition of unfair commercial practices, the obligation to obtain an electronic commerce license, restrictions on advertising and discounts, and the prohibition of payment service and transportation activities if they meet certain provisions and conditions specified in the Law and Regulation. The Company is also subject to these provisions and conditions if it fulfils the conditions in the relevant Law and Regulation. Following the publication of the Law, a lawsuit was filed with the Constitutional Court for the cancellation of the Law. This lawsuit is still pending. In addition, following the publication of the Regulation, it has been reported in the press that a lawsuit was filed against the Ministry of Trade at the Council of State for the stay of execution and cancellation of certain articles of the Regulation and that the 10th Chamber of the Council of State unanimously ruled for the stay of execution of certain articles of the Regulation. The Ministry of Trade has the right to object to the stay of execution decision within 7 days from the date of notification of the Council of State Decision. With the decision rendered as a result of the objection, the stay of execution may be lifted or finalised. However, what will change the process and implementation will be the final decision of the Constitutional Court regarding the cancellation of the Law. The obligations regulated in the Law are currently in force.

9) On April 20, 2023, the Federal Court issued an order of preliminary approval finding that the terms of the settlement agreement were well negotiated, did not require excessive fees to be paid to lawyers, and contained equitable provisions. The Court set August 1, 2023 as the next hearing date for the final approval of the settlement agreement. The effectiveness of the settlement is subject to the final approval of the Federal Court and the approval or judgment of the State Court, which the Company cannot guarantee.

10) With the Extraordinary General Assembly Decision of Hepsi Finansal Danışmanlık A.Ş. dated 06.04.2023 and registered on 19.04.2023, it has been decided to increase the existing capital of TL 49,000,000 to TL 109,000,000 by an increase of TL 60,000,000.

11) With the Extraordinary General Assembly Decision of D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş. dated 24.04.2023 and registered on 02.05.2023, it has been decided to reduce the existing capital of TL 196,535,857 to TL 111,535,857 by decreasing TL 85,000,000 and to increase it to TL 196,535,857 by increasing TL 85,000,000 simultaneously.

Hanzade Vasfiye DOĞAN BOYNER *President*	**Erman KALKANDELEN** *Vice President*
Vuslat SABANCI *Member*	**Tolga BABALI** *Member*
Mehmet Murat EMİRDAĞ *Member*	**Tayfun BAYAZIT** *Independent Member*

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Vuslat SABANCI *Member*	**Tolga BABALI** *Member*
Mehmet Murat EMİRDAĞ *Member*	**Tayfun BAYAZIT** *Independent Member*

Ahmet Fadıl ASHABOĞLU *Independent Member*	**Halil Cem KARAKAŞ** *Independent Member*
Stefan GROSS-SELBECK *Independent Member*	

Exhibit 99.5

(Convenience translation into english of consolidated financial statements originally issued in Turkish)

D-Market Elektronik Hizmetler ve Ticaret A.Ş. and Its Subsidiaries

Consolidated financial statements at 1 January - 31 December 2022 together with independent auditor's report

Güney Bağımsız Denetim ve SMMM A.Ş.
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Building a better working world

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of D-Market Elektronik Hizmetler ve Ticaret A.Ş.:

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of D-Market Elektronik Hizmetler ve Ticaret A.Ş. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Key audit matter	How key audit matters addressed in the audit
Revenue recognition	
The Group has recognised revenue amounting to 14,042,209 thousand TL between January 1 – December 31, 2022. As explained in Note 2.7 of the consolidated financial statements, revenue should be recognised at fair value when it can be measured reliably and the economic benefits from the transactions will be received by the Group. Since the revenue represents one of the most significant amount in the profit or loss statement of the Group, and because it has a significant effect on the Group's key performance indicators, it is significant to our audit procedures. The Group's revenue mainly consists of product sales to its customers through its website. Product sales revenues are recognized on the basis of the periodicity principle over the invoiced values on the date the products are delivered to the customers. The Group's revenue from these operations arises from small valued but high number of transactions. According to the above mentioned explanations, revenue recognition is determined as key audit matter. The detailed explanations for revenue recognition and revenue amounts are presented in Note 2 and Note 19.	The following procedures have been applied to ensure the accurate and complete recognition of revenue: - Assessing whether the accounting policies applied comply with TFRS and applied consistently with prior periods. - Understanding of the process of the Group regarding the revenue recognition. - Contracts with customers are reviewed and impacts of contractual clauses on revenue are evaluated. - The details of the Group's collections made by credit card and money order regarding the sales made were obtained from the relevant banks and matched with the sales amounts. - Performing detailed tests related to the transactions that were carried out before and after the fiscal period to assess whether the revenue is recognized in the correct period.

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2022 and financial statements are not in compliance with law and provisions of the Company's articles of association in relation to financial reporting.

2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Tolga Kırelli.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

T.C.
DENETÇİ

Tolga Kırelli, SMMM
Partner

25 July 2023
İstanbul, Türkiye

Contents	Page

D-Market Elektronik Hizmetler ve Ticaret A.Ş. and Its Subsidiaries

Consolidated statement of financial position
at 31 December 2022
(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Note	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
ASSETS			
Current assets:			
Cash and cash equivalents	4	5,266,008	3,813,469
Restricted cash		107,427	39,998
Financial investments	5	17,557	1,158,052
Trade receivables			
- Due from related parties	7, 26	1,718	2,184
- Due from third parties	7	664,221	224,691
Loan receivable		3,514	-
Inventories	9	1,724,330	1,639,480
Prepaid expenses	10	150,182	66,164
Current income tax assets	25	16,225	4,702
Contract assets	11	15,348	7,351
Other current assets	17	340,483	128,921
Total current assets		**8,307,013**	**7,085,012**
Non-current assets:			
Loan receivables		3,858	-
Property and equipment	12	221,626	90,540
Intangible assets	13	655,762	202,798
Right of use assets	14	261,091	205,755
Prepaid expenses	10	25,305	4,798
Goodwill		129	-
Other non-current assets	17	37,394	292,460
Total non-current assets		**1,205,165**	**796,351**
Total assets		**9,512,178**	**7,881,363**

These consolidated financial statements have been approved by Board of Directors on 25 July 2023. The General Assembly has the right to amend these consolidated financial statements.

D-Market Elektronik Hizmetler ve Ticaret A.Ş. and Its Subsidiaries

Consolidated statement of financial position
at 31 December 2022
(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Note	Audited Current period 31 December 2022	Audited Prior period 31 December 2021
LIABILITIES AND EQUITY			
Current liabilities			
Short-term bank borrowings	6	13,049	193,184
Lease liabilities	14	157,414	109,310
Wallet deposits		113,493	40,924
Trade payables			
- Due to related parties	7,26	5,579	9,047
- Due to third parties	7	5,886,538	4,062,149
Payables related to employee benefits	16	139,939	48,700
Other payables			
- Due to third parties	8	85,484	47,509
Deferred income	10	19,071	18,699
Short-term provisions			
- Short-term provisions for employment benefits	16	156,069	70,729
- Other short-term provisions	15	395,025	132,422
Contract liabilities	11	638,556	219,241
Other short-term liabilities	17	122,596	48,635
Total current liabilities		**7,732,813**	**5,000,549**
Non-current liabilities			
Long-term borrowings	6	10,924	-
Lease liabilities	14	104,953	101,940
Long-term provisions			
- Long-term provisions for employment benefits	16	16,457	5,297
Deferred income	10	77,076	97,401
Total non-current liabilities		**209,410**	**204,638**
Shareholders' equity			
Share capital	18	65,200	65,200
Other reserves	16	215,245	85,270
Share premium	18	4,260,737	4,260,737
Other comprehensive losses that will not be reclassified in profit or loss		(22,112)	(10,508)
Restricted reserves	18	1,586	1,586
Accumulated losses		(1,726,109)	(1,026,031)
Net loss for the year		(1,224,592)	(700,078)
Total equity		**1,569,955**	**2,676,176**
Total liabilities and equity		**9,512,178**	**7,881,363**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income for the period 1 January - 31 December 2022
(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Note	Audited Current period 1 January- 31 December 2022	Audited Prior period 1 January- 31 December 2021
PROFIT OR LOSS			
Revenue	19	14,042,209	7,558,021
Cost of sales (-)	19	(11,279,255)	(6,662,047)
Gross profit		**2,762,954**	**895,974**
General administrative expenses (-)	20	(1,396,515)	(685,810)
Marketing, sales and distribution expenses (-)	20	(2,354,922)	(1,963,285)
Other operating income	22	191,807	124,421
Other operating expenses (-)	22	(947,449)	(594,314)
Operating loss		**(1,744,125)**	**(2,223,014)**
Income from investment activities	23	425,322	316,095
Expenses from investment activities (-)	23	(76,454)	(40,250)
Operating loss before financial (expense)/income		**(1,395,257)**	**(1,947,169)**
Financial income	24	992,285	1,798,347
Financial expenses (-)	24	(821,620)	(551,256)
Loss before taxation from continued operations		**(1,224,592)**	**(700,078)**
Tax expenses	25	-	-
Loss for the period from continued operations		**(1,224,592)**	**(700,078)**
Attributable to:			
Equity holders of the parent		(1,224,592)	(700,078)
Loss for the period		**(1,224,592)**	**(700,078)**
Basic and diluted loss per share	29	(4.06)	(2.30)
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items not to be reclassified to profit or loss			
Loss arising from defined benefit plans	16	(11,604)	(3,290)
TOTAL COMPREHENSIVE LOSS		**(1,236,196)**	**(703,368)**
Attributable to:			
Equity holders of the parent		(1,236,196)	(703,368)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
for the period 1 January - 31 December 2022
(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

				Items not to be reclassified to profit or loss				
	Share capital	Other reserves	Share premiums	Loss arising from defined benefit plans	Restricted reserves	Accumulated losses	Loss for the period	Total equity
Balance at 1 January 2021	**56,866**	**-**	**187,465**	**(7,218)**	**1,586**	**(551,515)**	**(474,516)**	**(787,332)**
Capital increase	8,334	-	4,073,272	-	-	-	-	4,081,606
Transfers	-	-	-	-	-	(474,516)	474,516	-
Share-based payments (Note 16)	-	85,270	-	-	-	-	-	85,270
Net loss for the period	-	-	-	-	-	-	(700,078)	(700,078)
Other comprehensive loss	-	-	-	(3,290)	-	-	-	(3,290)
Balance at 31 December 2021	**65,200**	**85,270**	**4,260,737**	**(10,508)**	**1,586**	**(1,026,031)**	**(700,078)**	**2,676,176**
Balance at 1 January 2022	**65,200**	**85,270**	**4,260,737**	**(10,508)**	**1,586**	**(1,026,031)**	**(700,078)**	**2,676,176**
Transfers	-	-	-	-	-	(700,078)	700,078	-
Share-based payments (Note 16)	-	129,975	-	-	-	-	-	129,975
Net loss for the period	-	-	-	-	-	-	(1,224,592)	(1,224,592)
Other comprehensive loss	-	-	-	(11,604)	-	-	-	(11,604)
Balance at 31 December 2022	**65,200**	**215,245**	**4,260,737**	**(22,112)**	**1,586**	**(1,726,109)**	**(1,224,592)**	**1,569,955**

The accompanying notes are an integral part of these consolidated financial statements.

D-Market Elektronik Hizmetler ve Ticaret A.Ş. and Its Subsidiaries

Consolidated statement of cash flow
for the period 1 January - 31 December 2022
(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Note	Audited Current period 1 January - 31 December 2022	Audited Prior period 1 January- 31 December 2021
A. Net cash provided by operating activities		**883,666**	**90,126**
Net loss for the year		(1,224,592)	(700,078)
Adjustments to reconcile net loss for the year		**402,410**	**(248,497)**
Adjustments related to financial expenses	22, 24	1,016,097	632,564
Adjustments related to interest income	22, 23, 24	(313,927)	(75,909)
Adjustments related to changes in unrealised foreign exchange differences		(1,182,990)	(1,251,207)
Adjustments related to depreciation and amortization	21	283,727	140,925
Adjustments related to impairment loss/(reversal)	7, 9	33,379	(1,487)
Adjustments related to fair value losses	5	30,403	40,250
Adjustments related to provisions	15, 16	535,721	266,367
Changes in working capital		**1,705,848**	**1,038,701**
Adjustments for increase in inventories		(101,785)	(864,558)
Adjustments for increase in trade receivables		(448,041)	(74,855)
Adjustments for increase in trade payables		1,823,865	2,037,600
Adjustments regarding increase in other receivables on operations		(146,357)	(373,184)
Adjustments regarding increase in other payables on operations		664,994	329,252
Net cash from operating activities		**(86,828)**	**(15,554)**
Payments related with employee benefits	16	(59,607)	(18,975)
Other cash inflows/(outflows)		(27,221)	3,421
B. Cash flows from investing activities		**1,056,619**	**(1,021,353)**
Purchase of tangible and intangible assets	12, 13	(737,869)	(214,790)
Proceeds from sales of tangible and intangible assets		186	562
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments	3, 5	(3,439)	(882,207)
Cash inflows from sale of financial investment	5	2,820,395	-
Cash outflows from purchase of financial investment	5	(1,331,031)	-
Interest received		308,377	75,082
C. Cash flows from financing activities		**(1,297,016)**	**3,216,109**
Proceeds from borrowings	28	797,877	1,750,046
Repayment of borrowings	28	(986,758)	(1,912,509)
Lease payments	28	(169,635)	(104,829)
Interest paid		(938,500)	(598,205)
Proceeds from share capital and share premium increase	18	-	4,081,606
Net increase/(decrease) in cash and cash equivalents before the effect of currency translation reserves (A+B+C)		**643,269**	**2,284,882**
D. Effects of exchange rate changes on cash and cash equivalents		**803,927**	**935,442**
Net increase in cash and cash equivalents (A+B+C+D)		**1,447,196**	**3,220,324**
E. Cash and cash equivalents at beginning of the year	**4**	**3,812,605**	**592,281**
Cash and cash equivalents at end of the year (A+B+C+D+E)	**4**	**5,259,801**	**3,812,605**

The accompanying notes are an integral part of these consolidated financial statements.

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 2022, the ultimate shareholders of D-Market are the members of Doğan Family and Turk Commerce B.V. (Note 18).

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

As of 31 December 2022, the Group has 3,834 employees (2021: 3,789). The address of the registered office is as follows:

Kuştepe Mahallesi, Mecidiyeköy Yolu Caddesi
No: 12 Kule 2 Kat 2
Şişli, Istanbul - Turkiye

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")
- Hepsi Finansal Danışmanlık A.Ş. ("Hepsi Finansal")
- Doruk Finansman A.Ş. ("Doruk Finansman")

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.

Altıncı Cadde and Evimiz were merged under D-Fast at 27 August 2021.

D Ödeme was founded on 4 June 2015 and operates as a payment services provider offering payment gateway and e-money services. D Ödeme obtained its operational licence from Banking Regulation and Supervision Agency of Turkey ("BRSA") on 20 February 2016. D Ödeme commenced its first payment service transaction on 15 June 2016. D Ödeme launched Hepsipay Cüzdanım (Wallet) in June 2021, an embedded digital wallet product on Hepsiburada platform.

D Fast was founded on 26 February 2016 and operates as a cargo and logistic firm which provides last mile delivery services to the customers of Hepsiburada and other customers.

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Hepsi Finansal was founded on 1 December 2021 and has not started its operations as of 31 December 2021. Hepsi Finansal aims to operate as a holding company for the fintech operations of the Group and to provide financial solutions to the customers of Hepsiburada. Hepsi Finansal is the parent company of the Doruk Finansman A.Ş. which was acquired in February 2022 (Note 5).

Doruk Finansman was acquired by the Group on 28 February 2022 and the Group aims to offer its customers consumer financing solutions through Doruk Finansman. Doruk Finansman was founded on 24 April 2006 and obtained its operational license from the BRSA in 2008. Doruk Finansman operates as a consumer financing company in Türkiye.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of preparation

The accompanying consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA").

The Company maintais its 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. In addition, the Company has prepared its consolidated financial statements in accordance with the accounting policies disclosed in Note 2.7 for the purpose of fair presentation in accordance with TFRS. Consolidated financial statements have been presented in accordance with the TAS taxonomy published by the POA on 15 April 2019.

Correction of financial statements during the hyperinflationary periods:

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country.

However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2022 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of 31 December 2022.

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 thousand Turkish Lira (TRY), which is both the functional currency of all entities in the Group and the presentation currency of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

Going concern

The Group has recurring losses, the comprehensive loss for the year ended 31 December 2022 amounted to TRY1,225 million, while accumulated deficit as of 31 December 2022 amounted to TRY1,726 million. The Group generated positive operating cash flows in 2022 financial year and its cash and cash equivalents as of 31 December 2022 amounts to TRY5,266 million. The current year loss is mainly results from operational expenses such as advertising, delivery costs and personnel salaries of the Group and intensified competition in 2022.

Based on its current business plan, the Group's cash and cash equivalents will be sufficient to fund its operations for at least twelve months from the issuance date of these consolidated financial statements. Management of the Group believes that it will be in a position to cover its liquidity needs through cash on hand, cash generated from operations, available credit lines or a combination thereof, when necessary.

The consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

2.2 Significant accounting assessments, 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.

Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amount of asset and liabilities are as follows:

Recognition and measurement of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model and making assumptions about them.

As further disclosed in Note 16, the Group granted an equity settled share-based payment plan where management personnel, other employees and directors entitled to receive Company's shares based on the fair value at the date when the grant is made using an appropriate valuation model. Determination of estimated fair value of the Company before it consummates its initial public offering requires complex and subjective judgments. The Company's enterprise value for purposes of recording share-based compensation is estimated using a discounted cash flow ("DCF") methodology. For the DCF methodology, the net present value has been estimated using an appropriate discount rate.

The estimated number of stock awards that will ultimately vest based on service condition requires judgement, and to the extent actual results or updated estimates differ from current estimates, such amounts will be recorded as a cumulative adjustment in the period estimates are revised.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting assessments, estimates and assumptions (Continued)

Recognition and estimated useful lives of website development costs

Costs that are directly associated with the development of website and identifiable and unique software products controlled by the Group are recognized as intangible assets as they meet the recognition criteria in TAS 38 and SIC 32 as explained in detail in Note 2.7. (Note 2.7 for detailed information).

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 of 2 to 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 as appropriate (Note 13).

Website development costs recognized as assets are amortized over their estimated useful lives between 2 and 4 years. However, the actual useful life may be shorter or longer than estimated useful lives, depending on technical innovations and competitor actions. If the useful lives were increased/decreased by one year, the carrying amount would be TRY39,308 thousand higher/TRY60,196 thousand lower as at 31 December 2022 (2021: TRY19,958 thousand higher/ TRY23,693 thousand 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 regarding 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.

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

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined or if that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value of the right of use assets in similar economic environment.

The Group determines its incremental borrowing rate with reference to its existing and historical cost of borrowing adjusted for the term and security against such borrowing. In addition, the management assesses the expected length of the leases and this assessment takes into account non-cancellation and extension options. The Group evaluate whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (as a change in business strategy).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Significant accounting assessments, estimates and assumptions (Continued)

Recognition and measurement of provision for Competition Authority investigation

In accordance with the accounting policy in Note 2.7, provisions are recognized when the Group has a present obligation as a result of past events, and it is probable that a cash outflow will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

As further explained in Note 15, the Group recognized a provision payable to the Turkish Competition Authority ("TCA") estimated at TRY 95,643 thousand in its consolidated financial statements as of 31 December 2022. The Group has computed the provision by applying 2% to D-Market's standalone annual net revenue as per statutory financial statements prepared in accordance with the tax legislations for the year ended 31 December 2022, based on the management's and legal advisors' best estimate, and reduced by 25% for early payment discount on the amount calculated, if the administration fine will be paid within 30 days, an option which the management will exercise and the Group recognized a provision amounting to TRY127,525 thousand in its consolidated financial statements, as its best estimate in 2021.

The TCA board, at its own discretion, may also apply a discount between 1/4 and 3/5 of the total penalty if they decide to apply extenuating circumstances. In 2022, on the basis of legal opinion which considered similar cases and the provision expense was recalculated as TRY95,643 thousand, representing 1.5% of annual net revenues as reported in statutory financial statements in accordance with the tax legislations for 2021 and reduced by 25% for early payment discount on the amount calculated. In calculating the provision, the Group estimated that 1/4 of discount would be applied on total penalty. As of the approval date of these consolidated financial statements, the TCA's final decision is not yet rendered. If the penalty ratio differs by 1% of statutory revenue from the management's estimate, the estimated provision would be TRY63,762 thousand higher or lower, accordingly.

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.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Basis of consolidation (Continued)

The table below sets out the subsidiaries included in the scope of consolidation and shows the Group's ownership interests at 31 December 2022 and 2021.

Subsidiaries	31 December 2022	31 December 2021
D-Ödeme	100%	100%
D-Fast	100%	100%
Hepsi Finansal	100%	100%
Doruk Finansman	100%	-

The balance sheet and statement of comprehensive loss of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by D-Market in its subsidiaries is eliminated against equity. The intercompany transactions and balances between D-Market and its subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by D-Market in its subsidiaries are eliminated from equity and income for the period, respectively. The subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

2.4 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.5 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2022 are as follows

Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively.

The amendments did not have a significant impact on the financial position or performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 The new standards, amendments and interpretations (Continued)

i) The new standards, amendments and interpretations which are effective as at January 1, 2022 are as follows (continued)

Amendments to TAS 16 – Proceeds before intended use

In July 2020, POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

The amendments did not have a significant impact on the financial position or performance of the Group.

Annual Improvements – 2018–2020 Cycle

In July 2020, POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- *TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter:* The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- *TFRS 9 Financial Instruments – Fees in the "10 per cent test" for derecognition of financial liabilities:* The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- *TAS 41 Agriculture – Taxation in fair value measurements:* The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

The amendments did not have a significant impact on the financial position or performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 The new standards, amendments and interpretations (Continued)

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

The amendments did not have a significant impact on the financial position or performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 The new standards, amendments and interpretations (Continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The amendments did not have a significant impact on the financial position or performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 The new standards, amendments and interpretations (Continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments did not have a significant impact on the financial position or performance of the Group.

2.6 Comparative information

Certain prior year figures in the consolidated statement of cash flows have been restated to correct an immaterial error. In the statement of cash flows for the year ended December 31, 2021, the Group presented interest received amounting to TL 75.082 thousand as financing activities in the prior year. These cash flows have been reclassified as investing activities in the statement of cash flows to be consistent with the current year presentation.

2.7 Summary of significant accounting policies

The significant accounting policies followed in the preparation of these consolidated financial statements are summarised below:

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand and time deposits with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Restricted cash and wallet deposits

Restricted cash represents fund deposits received from customers for the Group's payment solution by digital wallet. These deposits are subject to regulatory restrictions and therefore are not available for use by the Group. These deposits are kept separately from the Group's cash accounts and the Group does not earn interest income from its restricted cash accounts. A corresponding liability is recorded as wallet deposits in the consolidated balance sheet. These amounts are maintained in the digital wallet until withdrawal is requested or used by the customer. In accordance with the Law on payment and securities settlement systems, payment services and electronic money institutions, number 6493, the Group is liable to compensate for the rights of the fund holders. Considering these facts and circumstances, the Group has recognised restricted cash and the corresponding wallet deposit liability in its consolidated financial statements.

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.

Loan receivables

Financial assets generated as a result of providing a loan are classified as loan receivables and are carried at amortised cost, less any impairment. All loans are recognised in the consolidated financial statements when cash is transferred to customers.

Contract balances

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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Financial assets

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date. During the period the Group did not hold any financial assets in the "fair value through other comprehensive income" category.

a) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables", "contract assets", "financial investments" and "cash and cash equivalents" in the consolidated balance sheet.

Impairment of trade receivables and customer contract assets

The Group applies the TFRS 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 credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. While cash and cash equivalents and financial investments carried at amortised cost are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Financial assets (continued)

Impairment for loan receivables

Impairment Group has adopted "three level impairment approach (general model)" defined in TFRS 9 for the recognition of impairment losses on receivables from finance sector operations, carried at amortised cost. General model considers the changes in the credit quality of the financial instruments after the initial recognition. Three levels defined in the general model are as follows:

"Level 1", includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ("ECL") are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date.

"Level 2", includes financial instruments that have had a significant increase in credit risk since initial recognition but those do not have objective evidence of impairment. For these assets, lifetime expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

"Level 3", includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognised. Group appropriately classifies its financial instruments considering common risk factors (such as the type of the instrument, credit risk rating, guarantees, time to maturity and sector) to determine whether the credit risk on a financial instrument has increased significantly and to account appropriate amount of credit losses in the consolidated financial statements. The changes in the expected credit losses on receivables from finance sector operations are accounted for under "other operating income/expenses" account of the consolidated statement of income.

b) Financial assets carried at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated balance sheet at fair value with net changes in fair value recognised in the consolidated statement of profit or loss. Financial assets at fair value through profit or loss consist of financial investments which are acquired to benefit from short-term price or other fluctuations in the market or which are a part of a portfolio aiming to earn profit in the short-run, irrespective of the reason of acquisition, and kept for trading purposes. Particularly, in 2022, the Group invested an amount of TRY 17,557 thousand for investment funds as financial asset which is valued by using Level 1 inputs. (Note 5).

Trade payables and payables to merchants

Trade payables mainly arise from the payables to retail suppliers related to the inventory purchases and services payables. It also includes payables to the marketplace merchants for amounts received by the Group for products delivered by merchants to customers net of commissions, services charges and delivery costs. Trade payables and payables to merchants are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

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 sales.

Rebates

The Group periodically receives consideration from certain suppliers, representing rebates for sold out products or purchased products from supplier for a specified period. The Group considers those rebates as a reduction to costs of inventory when the amounts are reliably measurable.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is objective evidence that an asset is impaired. If any indication exists, the Group estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired. Impairment losses are recognized in statement of comprehensive loss.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

Subsequent increase in the asset's recoverable amount due to the reversal of a previously recognized impairment loss cannot be higher than the previous carrying value (net of depreciation and amortization).

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Property and equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation and are amortized on a straight-line basis. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss of the statement of comprehensive loss as incurred. The cost includes expenditure that is directly attributable to the acquisition of the items. The assets' residual values and estimated useful economic lives are reviewed at the end of each reporting period and adjusted prospectively if appropriate. The depreciation periods for property and equipment, which approximate the useful lives of such assets, are as follows:

Furniture and fixtures	5-10 years
Leasehold improvements	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

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 unique software products controlled by the Group are recognized as internally generated intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use or sale;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the development website and software include direct employee costs, an appropriate portion of relevant overhead and service costs incurred as part of the development.

Development costs that do not meet the criteria above are recognized as expense as incurred. Development costs previously recognized as expense are not recognized as an asset in a subsequent period. Development costs recognized as an asset are amortized over their estimated useful lives between 2 and 4 years. Amortization starts when the asset is ready for use (Note 13).

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 TAS 38 Intangible Assets.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as lease separately from non-lease components of the contract.

The Group determines the lease term as the non-cancellable period of lease, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of lease.

The Group as a lessee

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The relative stand-alone price of lease and non-lease components is determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

The non-lease components are not accounted for within the scope of TFRS 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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Leases (continued)

At the commencement date, the Group recognises a right of use asset and a lease liability under the lease contract.

Short-term lease agreements with a lease term of 12 months or less and agreements determined by the Group as low value have been determined to be within the scope of the practical expedient included in TFRS 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.

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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Lease liability (continued)

The Group accounts for a lease modification as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets;
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modifications that are not accounted for as a separate lease, the Group, at the effective date of the lease modification;

(a) allocates the consideration in the modified contract;
(b) determines the lease term of the modified lease; and
(c) remeasures the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

It has been determined that short-term lease contracts with a lease term of 12 months or less and contracts with low value determined by the Group are within the scope of the facilitating application in TFRS 16. Lease payments for these contracts are recognized as other operating expense in the period in which they are incurred. Such expenses do not have a material impact on the consolidated financial statements of the Group.

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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Right of use assets (continued)

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

Goodwill

Goodwill arising on acquisition of business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

The cash-generating unit, where the goodwill is allocated, is tested for impairment annually. If there is any indication that the unit is impaired, the impairment test is performed more frequently.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated financial statements. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Business combinations

Business combinations, that is assets acquired and liabilities assumed constitute a business, are accounted in accordance with TFRS 3 "Business Combinations" using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer in exchange for the acquiree.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Business combinations (continued)

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill, else they are recognized in profit in loss.

Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Acquisition related costs are costs the acquirer incurs to effect a business combination and are accounted as expenses in the periods in which the costs are incurred and the services are received, with the exception of costs to issue debt or equity securities, which shall be recognised in accordance with TAS 32 and TFRS 9.

Deferred income taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial statement purposes. Currently enacted or substantially enacted at period end tax rates are used to determine deferred income taxes.

Deferred income tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences, tax losses and tax incentives are recognized to the extent that it is probable that future taxable profit or taxable temporary differences will be available against which the deductible temporary difference can be utilized. Deferred income tax assets and liabilities are presented net when there is a legally enforceable right to offset current tax receivables against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

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 loss, 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 loss.

Provisions, contingent assets and liabilities

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent assets and liabilities

Contingent liabilities are not recognized in the financial statements. They are disclosed only, unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Commitments

A commitment is an enforceable, legally binding agreement to make a payment in the future for the purchase of services. Commitments are not recognized in the financial statements, only disclosed since the Group has not yet received the services.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer. The Group evaluates whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned as commissions. When the Group obtains control of the goods or services before they are transferred to the customer, the Group is the principal in the transaction. If it is unclear whether the Group obtains control, an assessment is made as to whether the Group is the primary obligor for providing the goods, whether it is subject to inventory risk and if it has discretion in establishing prices to determine whether it controls the goods. When the Group controls the goods before they are transferred to the customer, revenues are recorded on a gross basis ("Retail"). When the Group does not obtain the control of the goods before they are transferred to the customer, revenues are recorded on a net basis ("Marketplace").

At contract inception, if the Group expects that the period between the transfer of the promised good or service and the payment is one year or less, the Group applies the practical expedient and does not make any adjustment for the effect of a significant financing component on the promised amount of consideration. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as financial income.

In July 2022, the Group launched Hepsiburada Premium, a paid subscription service that replaces the previous customer loyalty program, Efsaneler Kulübü, and offers its members free delivery, special offers, discounts, cash back and TV platform membership. The Group has recognized the unused amounts of discounts and benefits provided to eligible customers as liabilities arising from customer contracts and the related amounts are netted off from revenue.

The Group launched Hepsipay Cüzdanım (Wallet), an embedded digital wallet product in June 2021 and introduced "Hepsipapel", a cashback points program that allows customers to earn and redeem points during purchases with the Wallet on the platform. The unused amount of cashback points provided to the customers are accounted as a liability and a revenue deduction.

In February 2022, the Group launched the end-to-end digital "Buy Now Pay Later" ("HASO") deferred payment service embedded in Wallet, which allows customers to complete purchases and defer payment for one month or pay in installments for up to twelve months. HASO purchase limits are set based on consumers' financial history, their information in the Turkish Credit Bureau and their shopping behavior on Hepsiburada. The installments are automatically charged to the customer's chosen credit or debit card. The Group charges customers a HASO transaction fee for HASO transactions, which is recognized as finance income over time in the installment period.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Revenue recognition (continued)

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, fulfilment 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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Revenue recognition (continued)

Delivery service revenues

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.

Advertising revenues

The Group offers various advertising services on the platform, such as ad banner placement, sponsored ads, video advertising and other advertising services. Revenue is recognized on a gross basis as the Group sets the pricing, controls the service and is primarily responsible for providing these advertising services. Revenue is recognized at a specific point in time or over time, depending on the nature of the service, and is generally billed monthly.

Cost of sales

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 6).

Supplier and merchant financing arrangements

The Group carries out supplier and merchant financing arrangements with some of its suppliers and merchants in accordance with the agreements made between the Group, banks and those suppliers and merchants, that enable those suppliers and merchants to collect their receivables earlier than original due dates. When the original liability to a supplier or merchant has been extinguished or substantially modified (e.g. through change in original terms of the contract), the liabilities are classified as bank borrowings. Otherwise, the liabilities remain as trade payables. The Group generates commission income from merchant and supplier financing transactions. Such commission is embedded in the interest rate that is charged by the bank to the relevant suppliers and/or the merchants. The Group receives its commission based on the amount of the loan from the banks once the loan is drawn by our suppliers or merchants. The program does not bear any financial risk on the Group's financial statements. Neither the subsidiaries nor the parent provides any guarantee to the banks in respect to these supplier and merchant financing.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7 Summary of significant accounting policies (Continued)

Share-based payments

Share-based payment transaction is recognized in accordance with TFRS 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 TFRS 2, the Group distinguishes between equity settled and cash settled plans. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost of equity settled plans granted on grant date is allocated on a pro rata basis over the expected vesting period against equity. For equity settled share-based payments, the value of the awards is fixed at the grant date. A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in payroll expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. A description of the existing share-based payment plan is disclosed in Note 16.

Capital increases and dividends

Ordinary shares are classified as equity. Pro-rata increases to existing shareholders are accounted for at par value as approved. Dividends on ordinary shares are recognized in equity in the period in which they are approved by the General Assembly Meeting.

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.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 3 - BUSINESS COMBINATIONS

On 16 December 2021, D-Market, through Hepsi Finansal Danışmanlık, entered into a Share Sale and Purchase Agreement with the holders of 100% of the equity interest in Doruk Finansman A.Ş. (Doruk Finansman), a Turkish consumer finance company, to acquire 100% stake in Doruk Finansman for a total transaction value of TRY 20 million. Following the regulatory approval of Banking Regulation and Supervision Agency, the transaction was closed on 28 February 2022 and the Group paid the Sellers (Doğan Şirketler Grubu Holding A.Ş. ("DoHol"), the holder of 97% equity interest in Doruk Finansman, Doğan Dış Ticaret ve Mümessillik A.Ş. and Doğan family individuals (collectively, the "Sellers")) an aggregate of TRY 5 million (nominal) in cash. Also at closing, the Group agreed to pay DoHol TRY 15 million (nominal) (the "Conditional Amount") in cash upon Doruk Finansman's collection of certain receivables identified in its financial statements as of the closing day. The Conditional Amount will be paid to DoHol depending on the collection of receivables starting three months after the closing within a maximum of 10 years period. As at 31 December 2022, the not paid part of above mentioned conditional amount is recognised under "due to related parties".

The valuation studies of assets and liabilities acquired have been completed and the effects of the final amounts have been reflected in the consolidated financial statements dated 31 December 2022.

As a result of the assessments made, contingent consideration amount, which is likely to be paid regarding to the collection of certain receivables within 10 years, is included in the consideration amount and has been considered in the goodwill calculation. The contingent consideration has been calculated as TL12 million after discounting to its fair value at the estimated cost.

In accordance with TFRS 3, the differences that will arise in the contingent payment amount due to the operational results in the following periods, will be accounted for under the consolidated statement of income. The difference between total consideration amount and net assets acquired has been accounted in accordance with TFRS 3, "Business Combinations".

The details of the goodwill calculation, total consideration amount and the net assets acquired are as follows:

Total consideration amount	17,062
- Cash consideration amount	*5,000*
- Contingent consideration amount	*12,062*
Net assets acquired	(16,933)
Goodwill	**129**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 3 - BUSINESS COMBINATIONS (Continued)

The details of cash outflow due to acquisition are as follows:

Total cash paid	5,000
Cash and cash equivalent - acquired	(1,561)
Cash outflow due to acquisition	**3,439**

The fair values of identifiable assets and liabilities in accordance with TFRS 3 arising from the acquisition are as follows:

	28 February 2022
Current assets	
Cash and cash equivalents	1,561
Loan receivables	15,306
Other current assets	1,148
Total current assets	**18,015**
Non-current assets	
Property and equipment	54
Intangible assets	411
Right of use assets	466
Total non-current assets	**931**
Total assets	**18,946**
Current liabilities	
Trade payables	524
Provisions	460
Employee benefit obligations	161
Lease liabilities	482
Other current liabilities	99
Total current liabilities	**1,726**
Non-current liabilities	
Employee benefit obligations	287
Total non-current liabilities	**287**
Total liabilities	**2,013**
Fair value of total net assets	**16,933**

If Doruk Finansman A.Ş. had been included in the consolidation as of 1 January 2022, additional revenue amounting to TRY677 thousand would have been realized in the consolidated profit or loss statement for the accounting period of 1 January - 31 December 2022. These amounts have been calculated by considering the consolidated financial statements prepared in accordance with TFRS.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

The analysis of cash and cash equivalents at 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Banks		
- USD denominated time deposits	2,799,631	3,749,139
- TRY denominated time deposits	2,208,239	14,212
- TRY denominated demand deposits	214,337	49,382
- USD denominated demand deposits	43,477	652
- Other foreign currency deposits	324	84
	5,266,008	**3,813,469**

The weighted average interest rates of time deposits denominated in TRY and USD at 31 December 2022 are 20,64% per annum and 1,87% per annum, respectively (2021: 15% per annum for TRY, 1% per annum for USD).

At 31 December 2022, cash and cash equivalents included interest accrual amounting to TRY6,207 thousand (2021: TRY 864 thousand); consequently, cash and cash equivalents as reported in the consolidated statement of cash flows amounted to TRY 5,259,801 thousand (2021: TRY 3,812,605 thousand).

NOTE 5 - FINANCIAL INVESTMENTS

	31 December 2022	31 December 2021
Financial assets measured at fair value through profit or loss		
Investment funds (*)	17,557	1,024,437
Financial assets carried at amortised cost		
Time deposits (**)	-	133,615
	17,557	**1,158,052**

(*) Financial assets at fair value through profit or loss consist of Turkish Lira denominated investment funds (2021: investment funds including government and private sector debt instruments).

(**) The interest rate of time deposit denominated in USD at 31 December 2021 is 1% per annum and its maturity is five months (2021:5 month).

The movements of financial assets measured at fair value through profit or loss are as follows:

	2022	2021
1 January	**1,024,437**	**-**
Purchase of financial investments	1,331,031	792,840
Change in fair value recognized in the statement of comprehensive loss	(30,403)	(40,250)
Foreign exchange gains	365,244	271,847
Sales of financial investment	(2,672,752)	-
31 December	**17,557**	**1,024,437**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 5 - FINANCIAL INVESTMENTS (Continued)

The movements of financial assets carried at amortised cost are as follows:

	2022	2021
1 January	**133,615**	**-**
Purchase of financial investments	-	89,367
Interest accrual	208	325
Foreign exchange gains	13,820	43,923
Sales of financial investment	(147,643)	-
31 December	**-**	**133,615**

NOTE 6 - BANK BORROWINGS

	2022	2021
Short-term bank borrowings	13,049	193,184
Long-term bank borrowings	10,924	-
	23,973	**193,184**

As of 31 December 2022, supplier and merchant financing loans make up TRY 818 thousand of the short-term bank borrowings (2021: supplier and merchant financing loans make up TRY 92,167 thousand of the short-term bank borrowings).

All bank borrowings are denominated in Turkish Lira. As of 31 December 2022, the average annual effective interest rate for bank borrowings is 21.3% and the average annual effective interest rate for supplier and merchant financing loans is 22.71% (2021: is 23.25% for bank borrowings and 25.19% for supplier and merchant financing loans).

The Group does not have any floating rate bank loans. Short-term bank loans have maturity dates of less than 12 months (2021: less than 12 months).

As of 31 December 2022 and 2021, the repayment schedule of bank loans is as follows:

	2022	2021
2023	13,049	193,184
2024	8,115	-
2025	2,809	-
	23,973	**193,184**

Movement table of loans is disclosed in Note 28.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade receivables

	31 December 2022	31 December 2021
Due from third parties	664,221	224,691
Due from related parties (Note 26)	1,718	2,184
	665,939	**226,875**

Due from non-related parties – short term

The receivables of the Group mostly consist of receivables from retail suppliers and corporate customers.

	2022	2021
Trade receivables	277,841	40,566
Credit card receivables (*)	198,264	159,160
Buy now pay later ("BNPL") receivables (**)	129,633	-
Receivables from suppliers (***)	84,101	34,137
Less: Provision for impairment of receivables	(25,618)	(9,172)
	664,221	**224,691**

(*) Credit card receivables are due from banks and they are collectable in 46 days on average (2021: in 44 days on average) whereas they are collected in 4 days on average (2021: in 21 days on average) if the Company elects to pay a commission to the banks.

(**) It consists of BNPL receivables. These receivables have an average maturity of 110 days. The Group recognized provision for impairment of BNPL receivables amounting to TRY 5,115 thousand as of 31 December 2022 (2021: None).

(***) 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 2022, the Group does not have any overdue receivables except those receivables that are provided for (2021: None).

The movements in provision for impairment of receivables for 31 December 2022 and 2021 are as follows:

	2022	2021
1 January	**9,172**	**9,856**
Additions during the year	16,446	3,293
Collections	-	(3,977)
31 December	**25,618**	**9,172**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade payables

	31 December 2022	31 December 2021
Due to related parties (Note 26)	5,579	9,047
Due to third parties	5,886,538	4,062,149
	5,892,117	**4,071,196**

Due to third parties

	2022	2021
Payables to retail suppliers and service providers	3,512,844	2,978,353
Payables to merchants (*)	2,373,694	1,083,796
	5,886,538	**4,062,149**

(*) 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 2022, supplier and merchant financing payables, included in payables to retail suppliers and service providers, amounts to TRY 190,075 thousand (2021: TRY 123,240 thousand).

The Group's average maturity of its outstanding payables is 57 days for retail suppliers and 21 days for merchandise suppliers (2021: 42 days for retail suppliers and 21 days for merchandise suppliers).

NOTE 8 – OTHER PAYABLES

Due to non-related parties

	31 December 2022	31 December 2021
Taxes and funds payable	85,484	47,509
	85,484	**47,509**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 9 - INVENTORIES

	31 December 2022	31 December 2021
Trade goods	1,752,311	1,650,528
Less: Provision for impairment	(27,981)	(11,048)
	1,724,330	**1,639,480**

Inventories include TRY 13,663 thousand of subsequently returned goods based on the Group's return policy (2021: TRY 7.779).

The movements in provision for impairment of trade goods were as follows:

	2022	2021
1 January	**11,048**	**15,828**
Reversed	(11,048)	(15,828)
Charge for the year	27,981	11,048
31 December	**27,981**	**11,048**

NOTE 10 – PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses

	31 December 2022	31 December 2021
Prepaid expenses	143,527	63,246
Advances given	6,655	2,918
	150,182	**66,164**

Long-term prepaid expenses

	31 December 2022	31 December 2021
Prepaid expenses	25,305	4,798
	25,305	**4,798**

Short-term deferred income

	31 December 2022	31 December 2021
Received upfront fee under Amerikan depository shares program (*)	17,617	17,617
Deferred income from non-related parties	1,454	1,082
	19,071	**18,699**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 10 – PREPAID EXPENSES AND DEFERRED INCOME (Continued)

Long-term deferred income

	31 December 2022	31 December 2021
Received upfront fee under American depository shares program (*)	77,076	97,054
Deferred income from non-related parties	-	347
	77,076	**97,401**

(*) American Depository Shares ("ADS") fees collected under the depository service agreement for seven-year period, that was signed between the Group and depository bank and which is recognized as other income on a pro-rata basis.

NOTE 11 - CONTRACT ASSETS AND LIABILITIES

Contract assets

	31 December 2022	31 December 2021
Contract assets from merchandise and service sales	15,348	7,351
	15,348	**7,351**

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 (2021: less than 1 month).

Contract liabilities

	31 December 2022	31 December 2021
Contract liabilities from merchandise and service sales	638,556	219,241
	638,556	**219,241**

These amounts relate to undelivered orders and include contract liabilities, which will be released to revenues, as well as advances received from customers for marketplace transactions amounting to TRY 380,139 thousand (2021: TRY 131,893 thousand), 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 and contract liabilities are reclassified to trade payables when control of the products is transferred.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 12 - PROPERTY AND EQUIPMENT

The movements in property and equipment and related accumulated depreciation during the years ended 31 December 2022 and 2021 were as follows:

	1 January 2022	Additions	Disposals	Acquisition of subsidiary	31 December 2022
Cost:					
Vehicles	2,126	33,721	-	-	35,847
Furniture and fixtures	122,522	130,760	(1,271)	54	252,065
Leasehold improvements	35,388	12,316	-	-	47,704
Total	**160,036**	**176,797**	**(1,271)**	**54**	**335,616**
Accumulated depreciation:					
Vehicles	(471)	(3,880)	-	-	(4,351)
Furniture and fixtures	(52,073)	(34,634)	1,090	-	(85,617)
Leasehold improvements	(16,952)	(7,070)	-	-	(24,022)
Total	**(69,496)**	**(45,584)**	**1,090**	**-**	**(113,990)**
Net book value	**90,540**				**221,626**

From depreciation and amortization expenses, TRY 206,998 thousand (2021: TRY 96,349 thousand) is included in general administrative expenses, TRY 76,728 thousand (2021: TL 44,576 thousand) is included in marketing, selling and distribution expenses.

	1 January 2021	Additions	Disposals	31 December 2021
Cost:				
Motor vehicles	1,136	1,021	(31)	2,126
Furniture and fixtures	79,774	44,167	(1,419)	122,522
Leasehold improvements	26,985	8,403	-	35,388
				-
Total	**107,895**	**53,591**	**(1,450)**	**160,036**
Accumulated depreciation:				
Motor vehicles	(229)	(273)	31	(471)
Furniture and fixtures	(38,720)	(14,392)	1,039	(52,073)
Leasehold improvements	(12,644)	(4,308)	-	(16,952)
Total	**(51,593)**	**(18,973)**	**1,070**	**(69,496)**
Net book value	**56,302**			**90,540**

There is no collateral, pledge or mortgage on tangible assets as of 31 December 2022 (2021: None).

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 13 - INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization during the years ended 31 December 2022 and 2021 were as follows:

	1 January 2022	Additions (*)	Disposals	Transfer	Acquisition of subsidiary	31 December 2022
Cost:						
Acquired software and rights	104,387	61,895	-	5,800	411	172,493
Website development costs (*)	311,610	519,626	-	-	-	831,236
Other	2,095	7,684	(8)	(5,800)	-	3,971
Total	**418,092**	**589,205**	**(8)**	**-**	**411**	**1,007,700**
Accumulated amortization:						
Acquired software and rights	(80,228)	(14,890)	2	-	-	(95,116)
Website development costs	(135,066)	(121,756)	-	-	-	(256,822)
Total	**(215,294)**	**(136,646)**	**2**	**-**	**-**	**(351,938)**
Net book value	**202,798**			**-**	**-**	**655,762**

(*) Personnel bonus provision related to direct employee costs amounting to TRY 28,134 thousand is capitalized as part of the website development costs as of 31 December 2022. (2021: TRY13,753 thousand)

(**) Website development costs include projects under development amounting to TRY69,458 thousand which are not amortised yet as of 31 December 2022.

(***) Other mainly includes construction in progress which are transferred to acquired software and rights upon completion of projects.

	1 January 2021	Additions (*)	Disposals	Transfer	31 December 2021
Cost:					
Acquired software and rights	89,761	14,563	(833)	896	104,387
Website development costs (**)	152,777	158,833	-	-	311,610
Other	1,446	1,556	(11)	(896)	2,095
Total	**243,984**	**174,952**	**(844)**	**-**	**418,092**
Accumulated amortization:					
Acquired software and rights	(68,118)	(12,770)	660	-	(80,228)
Website development costs	(86,479)	(48,587)	-	-	(135,066)
Total	**(154,597)**	**(61,357)**	**660**	**-**	**(215,294)**
Net book value	**89,387**				**202,798**

As of December 31, 2022, there are no collaterals, mortgages and pledges on intangible assets (2021: None).

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 14 - LEASES

Right of use assets

	1 January 2022	Additions	Disposals	Acquisition of subsidiary	31 December 2022
Cost:					
Buildings	179,283	94,084	-	466	273,833
Furniture and fixtures	129,040	27,383	-	-	156,423
Software and rights	36,226	-	-	-	36,226
Other	56,278	34,900	-	-	91,178
Total	**400,827**	**156,367**	**-**	**466**	**557,660**
Accumulated amortization:					
Buildings	(106,341)	(41,636)	-	-	(147,977)
Furniture and fixtures	(41,667)	(28,401)	-	-	(70,068)
Software and rights	(20,128)	(7,058)	-	-	(27,186)
Other	(26,936)	(24,402)	-	-	(51,338)
Total	**(195,072)**	**(101,497)**	**-**	**-**	**(296,569)**
Net book value	**205,755**				**261,091**

	1 January 2021	Additions	Disposals	Remeasurement	31 December 2021
Cost:					
Buildings	130,504	33,996	-	14,783	179,283
Furniture and fixtures	69,876	59,164	-	-	129,040
Software and rights	24,149	12,077	-	-	36,226
Other	35,931	20,347	-	-	56,278
Total	**260,460**	**125,584**	**-**	**14,783**	**400,827**
Accumulated amortization:					
Buildings	(84,937)	(21,404)	-	-	(106,341)
Furniture and fixtures	(21,945)	(19,722)	-	-	(41,667)
Software and rights	(12,774)	(7,354)	-	-	(20,128)
Other	(14,821)	(12,115)	-	-	(26,936)
Total	**(134,477)**	**(60,595)**	**-**	**-**	**(195,072)**
Net book value	**125,983**				**205,755**

There is not any restriction on lease contracts as of 31 December 2022 (2021: None).

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOT 14 – LEASES (Continued)

Lease liabilities

	2022	2021
Short-term lease liabilities	157,414	109,310
Long-term lease liabilities	104,953	101,940
	262,367	**211,250**

Lease liabilities are discounted using the Group's incremental borrowing rates and implicit rate in the lease (where applicable). As of 31 December 2022, the weighted average annual incremental borrowing rates of the Group for TRY is 18% (2021: TRY 21%). The maturity analysis and exchange rate risk of borrowings from lease transactions are explained in Note 27, and the movements of lease liabilities are explained in Note 28.

The Group has adopted the practical expedient included in TFRS 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 15 - PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES

Short term provisions

	2022	2021
Provision for settlement of legal proceedings (*)	260,375	-
Provision for Competition Authority investigation (**)	95,643	127,525
Provision for Turkish Capital Markets Board fee(Note 31) (***)	23,745	-
Provision for legal disputes (****)	15,262	4,897
	395,025	**132,422**

(*) On 28 September 2021, a shareholder filed a putative class action complaint against the Company, members of the Company's management and Board, and various other defendants in the Supreme Court of the State of New York. The case is pending in the Supreme Court of the State of New York in the United States. The plaintiff asserts cause of action against the Company and the other defendants for alleged violations of the Securities Act of 1933, as amended, based on allegedly misleading statements in the Registration Statement and Prospectus the Company filed with the U.S. Securities and Exchange Commission in connection with its initial public offering in the U.S..

On 21 October 2021, alleged holder of Company's American Depositary Shares' filed a putative class action complaint against the Company, members of the Company's management and Board, and various other defendants in the United States District Court for the Southern District of New York. The case is pending in the United States District Court for the Southern District of New York. The plaintiff asserts cause of action against the Company and the other defendants for alleged violations of the Securities Act of 1933, as amended, based on allegedly misleading statements in the Registration Statement and Prospectus the Company filed with the U.S. Securities and Exchange Commission in connection with its initial public offering in the U.S..

NOTE 15 - PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES (Continued)

As at 31 December 2021, the cases were at a very early stage. At that time, the Company and it's legal advisors concluded that, due to the uncertainty as to the final outcome of the litigation, no provision should be recognized in the consolidated financial statements as at 31 December 2021.

After negotiations, the parties agreed to a settlement with no admission of liability on 2 December 2022, pursuant to which the Group agreed to pay TRY260,375 thousand (USD13,900 thousand) to resolve both actions in their entirety and provision is recognized in the consolidated financial statements.

On 20 April 2023, the United States District Court for the Southern District Court of New York issued an order granting the plaintiffs' motion for preliminary approval for the Settlement, subject to further consideration at a settlement fairness hearing scheduled for 1 August 2023. The settlement remains subject to final approval and/or entry of judgment by the respective courts. There can be no assurance that the settlement will be approved by either court.

(**) In April 2021, the Turkish Competition Authority (the "TCA") initiated an investigation against 32 companies regarding anti-competitive agreements in the labor markets (including companies operating in the e-commerce, retail, broadcasting and fast-food industries, but excluding the Group). On 18 August 2021, the Group received a notification from the TCA stating that the Competition Board, the executive body of the TCA, had decided to initiate an investigation on 5 August 2021 against 11 companies including Hepsiburada the subject of which is same with the existing April 2021 investigation and merged these two investigations. The Group received TCA's report on the investigation on April 18th, 2022. In the investigation report the rapporteurs are of the opinion that the Group is in violation of the Competition Law which prohibits anti-competitive agreements in the labor markets and administrative fine will be imposed. It is important to state that this report shows the opinion of the rapporteurs, and the Competition Board will make the final decision. The Group expects that the final decision will be rendered within the next 6 months. If the Competition Board considers that there is a violation in line with the report of the rapporteurs, according to the "Regulation on Fines to Apply in Cases of Agreements, Concerted Practices and Decisions Limiting Competition, and Abuse of Dominant Position" (Penal Regulation), a ratio between 2% and 4% of the D-Market's standalone annual net revenue as per statutory financial statements prepared in accordance with tax legislation, of the previous year (2021) shall be taken as a basis for penalty. Since the management and legal advisors concluded that the cash outflow is probable, the Group recognized a provision amounting to TRY127,525 thousand in its consolidated financial statements, as its best estimate in 2021. The amount was calculated by applying 2% to the D-Market's standalone annual net revenue as per statutory financial statements prepared in accordance with the tax legislations for the year ended 31 December 2021 and reduced by 25% for early payment discount on the amount calculated, if the administration fine will be paid within 30 days, an option which the management will exercise. In 2022, on the basis of legal opinion which considered similar cases, the provision expense was recalculated as TRY95,643 thousand, representing 1.5% of annual net revenues as reported in statutory financial statements in accordance with the tax legislations for 2021 and reduced by 25% for early payment discount on the amount calculated. The TCA board, at its own discretion, may also apply a discount between 25% and 60% of the total penalty if they decide to apply extenuating circumstances. In calculating the provision, the Group estimated that a 25% discount would be applied on total penalty, which resulted in the reduction in the calculation from 2% of revenues to 1.5% and then also reduced by 25% for early payment discount on the amount calculated.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES (Continued)

In addition, with respect to the on-site inspection conducted by the Competition Board in June 2021 in connection with the abovementioned investigation, an administrative fine in the amount of TRY34,866 thousand was imposed based on the conclusion that the on-site inspection was hindered. Subsequently, TRY26,150 thousand was paid by the Group on 11 November 2022 (reflecting a 25% discount due to an early payment), without prejudice to the Group's right to file a lawsuit against the fine. The Company requested reconsideration of the decision from the Competition Board on 9 December 2022, but the Competition Board's decision was not reversed. Thereafter, an administrative case was filed with the Ankara Administrative Courts for the reversal of the Competition Board's decision on 30 December 2022, which is pending.

(***) The Group have initiated litigation for annulment of the Turkish Capital Markets Board (the "TCM Board") decision regarding a fee imposed by the TCM Board on the Company. Following the IPO of the Company on the Nasdaq Stock Exchange, the TCM Board imposed a "Board registration fee" amounting to over TRY23,745 thousand, including interest accruing on this fee, attorney's fees and the costs of the proceedings. The TCM Board fee was calculated based upon the shares sold in our IPO, including the shares sold by TurkCommerce B.V.. The Company applied to the TCM Board with an objection letter on 30 July 2021. A year later, on 31 May 2022, the Company received a reply letter from the TCM Board confirming their initial decision. The Company has initiated proceedings for annulment of the decision. The Company filed the case on 15 June 2022. The court dismissed the Company's request for suspension of execution of the decision of the TCM Board, and the Court of First Instance dismissed the case, which was notified to the Group on 23 March 2023. The Company appealed the decision on 17 April 2023. On 15 May 2023 Regional Administrative Court rejected to Company's request for suspension of execution. Based on events occurring during 2022, management and legal advisors concluded that the cash outflow is probable, and therefore the Group recognized a provision amounting to TRY23,745 thousand in its consolidated financial statements, as its best estimate.

(****) Legal disputes mainly comprise labour lawsuits claimed against the Group and investigations conducted by the Personal Data Protection Authority.

The movements in provisions for the years ended 31 December 2022 and 2021 are as follows:

	1 January 2022	Current year charge	Paid during the year	31 December 2022
Provision for settlement of legal proceedings (*)	-	260,375	-	260,375
Competition Authority investigation	127,525	(5,732)	(26,150)	95,643
Provision for Turkish Capital Markets Board fee (***)	-	23,745	-	23,745
Legal disputes	4,897	11,437	(1,072)	15,262
	132,422	**289,825**	**(27,222)**	**395,025**

	1 January 2021	Current year charge	Paid during the year	31 December 2021
Competition Authority investigation	-	127,525	-	127,525
Legal disputes	3,734	1,721	(558)	4,897
	3,734	**129,246**	**(558)**	**132,422**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - PROVISIONS, COMMITMENTS, CONTINGENT ASSET AND LIABILITIES (Continued)

Contingent asset

Turk Commerce B.V., which currently owns the Group's Class B Common Shares, is expected to contribute TL 74,460 thousand (US$ 3,975 thousand) to the settlement amount of the class action complaints. The Company and Turk Commerce B.V. signed a binding protocol on 5 December 2022. However, since the contract has not been signed between the parties yet, the management has not recognized a contingent asset in the consolidated financial statements since the inflow of economic benefits is not certain as of the balance sheet date.

The Group initiated a set of lawsuits against the tax authority in the year 2021 and 2022 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 in 2022 for ten litigations amounting to TRY8,5 million out of a total claim amount of approximately TRY19,4 million TRY8,5 million has been collected and recognised as other operating income (Note 22). This decision can be appealed by the tax authority, as one of the ten favourable decisions was appealed by the tax authority in 2022. 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 1,339,773 thousand at 31 December 2022 (2021: TRY 933,444 thousand).

Commitments

As at 31 December 2022, outstanding purchase commitments with respect to the acquisition of capital expenditures and purchase of technology and other services amounted to TRY 323,051 thousand (2021: TRY 105,954 thousand).

NOTE 16 – EMPLOYEE BENEFITS

Employee Benefit Related Liabilities

	31 December 2022	31 December 2021
Payables to personnel	107,337	36,755
Social security premiums payable	32,602	11,945
	139,939	**48,700**

Short term provisions for employment benefits

	31 December 2022	31 December 2021
Provision for personnel bonus (*)	119,982	53,029
Provision for unused vacation	36,087	17,700
	156,069	**70,729**

(*) Personnel bonus provision related to direct employee costs amounting to TRY 28,134 thousand is capitalized as part of the website development costs as of 31 December 2022 (2021: TRY 13.753 thousand) (Note 13).

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 16 – EMPLOYEE BENEFITS (Continued)

The movements in provisions for personnel bonus and unused vacation for the years ended 31 December 2022 and 2021 are as follows:

	1 January 2022	Current year charge	Acquisition of subsidiary	Paid during the year	31 December 2022
Personnel bonus	53,029	119,982	-	(53,029)	119,982
Unused vacation	17,700	20,659	161	(2,433)	36,087
	70,729	**140,641**	**161**	**(55,462)**	**156,069**

	1 January 2021	Current year charge	Paid during the year	31 December 2021
Personnel bonus	13,464	53,029	(13,464)	53,029
Unused vacation	9,344	10,862	(2,506)	17,700
	22,808	**63,891**	**(15,970)**	**70,729**

Long term provision for employee benefits

	2022	2021
Provision for post-employment benefits	16,457	5,297
	16,457	**5,297**

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 maximum amount payable equivalent to one month's salary for each year of service limited to a maximum of TRY 15,371.40 for each year of service at 31 December 2022 (2021: TRY 8,284.51).

Post-employment benefit liability is not funded and there is no legal funding requirement. TAS 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:

	2022	2021
Discount rate (%)	0.50	3.93
Probability of retirement (%)	75.35	77.21

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 16 – EMPLOYEE BENEFITS (Continued)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The retirement pay provision ceiling TRY19,982.83 (exact) which is effective from 1 January 2023, is taken into consideration in the calculation of provision for employment termination benefits (31 December 2021: TRY10,848.59 , effective from 1 January 2022).

The movements in the provision for the post-employment benefit for the years ended 31 December 2022 and 2021 are as follows:

	2022	2021
At 1 January	**5,297**	**3,299**
Charge for the year	2,216	1,306
Interest cost	1,198	407
Actuarial losses	11,604	3,290
Subsidiary acquisition	287	-
Payments during the year	(4,145)	(3,005)
At 31 December	**16,457**	**5,297**

Share-based payments

On 25 March 2021 the Group approved a new share-based payment plan to some of its key management personnel which modified the previously created share-based payment plans. Additionally, on 31 July 2021, the Group decided to grant to some of its other executives, a share-based plan with similar terms offered to its executives. The share-based payment plans consist of a cash settlement clause (20% of the total share-based payment award) in the event that an initial public offering ("IPO") takes place until 2021 year-end and at least 20% of the Company's shares are sold in the IPO (non-market performance condition). Both the cash and equity settlement (which depend on the valuation of the shares during the IPO) take place only in case the valuation of the Company's shares in the IPO achieves a certain threshold (market performance condition). The same plan has an equity settlement clause where the executives will be entitled to receive Company's shares based on the value of the shares in the IPO (20% of the share-based payment award for each year starting from 18 months after the IPO for the next 3 years). Shares are delivered to executives in the condition that they continue working for the Company in the respective payment dates (service condition). Remaining 20% of the share-based payment plan will be delivered on the above same dates to executives in terms of Company's shares based on Company's meeting at least 90% of its business plans as of respective years (non-market performance condition) and depending on their performance in the relevant period as determined by the Board of Directors.

With the closing of the IPO in July 2021 and because certain thresholds for the valuation of the Company's shares in the IPO were achieved, the necessary conditions were met for the cash settlement clause and the Company paid the cash settled part of the plan in 2022 amounting to TRY 121.2 million and recognised in payroll and outsource staff expenses.

The equity settled payments are triggered upon meeting certain "vesting" and "performance target" conditions which are evaluated separately. Service-based awards will vest in three tranches until 31 January 2025. The cost of equity settled plans granted on grant date is allocated over the expected vesting period against equity on a pro rata basis. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Fair value calculation prior to the realization of IPO was performed using a combination of income approach and market approach. For equity-settled plans granted after the realization of IPO, fair value of shares traded in NASDAQ at grant date was used.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 16 – EMPLOYEE BENEFITS (Continued)

Performance targets for the year ended 2022 have been set on Board of Directors meeting dated 24 May 2022 and performance stock units were granted. Share based payment provision has been recognized for performance target-based awards over the expected vesting period against equity on a pro rata basis using the fair value of shares traded in NASDAQ at grant date.

The following table summarizes the Group's granted share units:

	Number of units	Weighted average grant date fair value
Outstanding as of 31 December 2021	**1,680,121**	**114.66**
Units granted	1,949,947	16,86
Units vested	(1,863,833)	69,74
Outstanding as of 31 December 2022	**1,766,235**	**85,40**

	Number of units	Weighted average grant date fair value
31 December 2020	-	-
Units granted	2,741,112	114,66
Units vested	(743,681)	114,66
Forfeited (not yet vested) (*)	(317,310)	114,66
31 December 2021	**1,680,121**	**114,66**

(*) Forfeited but not yet vested units consist of granted units on 25 March 2021 and forfeited before vesting period.

During 2022, the fair value of granted share units that vested is TRY129,975 thousand included in "other capital reserves" in the statement of changes in equity and in payroll and outsource staff expenses in the statement of comprehensive loss. Scheduled vesting of outstanding restricted stock units as of 31 December 2022 is as follows:

2023	1,194,159
2024	536,525
2025	35,551
Total	**1,766,235**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 17 - OTHER ASSETS AND LIABILITIES

Other current assets

	31 December 2022	31 December 2021
Value added tax ("VAT") receivables	337,530	124,004
Other	2,953	4,917
	340,483	**128,921**

Other non-current assets

	31 December 2022	31 December 2021
VAT receivables (*)	36,940	292,147
Other	454	313
	37,394	**292,460**

(*) VAT receivables that are expected to be offset against VAT payables in more than one year have been classified as other non-current assets..

Other current liabilities

	31 December 2022	31 December 2021
Expense accruals	60,069	27,118
Refund liabilities	15,126	8,505
Other (*)	47,401	13,012
	122,596	**48,635**

(*) Other liabilities mainly consist of withholding tax refunds which will be paid to our digital advertising suppliers.

NOT 18 – EQUITY

Share capital

As of 31 December 2022, the Group's authorised and paid-in share capital consists of 325,998,290 (2021: 325,998,290) shares with TRY0.2 (2021: TRY0.2) nominal value each. As of 31 December 2021, 40,000,000 of the shares consist of A group shares (owned by Hanzade Vasfiye Doğan Boyner) and the remaining 285,998,290 shares are B group shares (owned by other shareholders).

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

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOT 18 – EQUITY (Continued)

Share capital as of 31 December 2022 and 2021 is as follows:

	2022	Share (%)	2021	Share (%)
Turk Commerce B.V.	9,500	15%	9,500	15%
Hanzade Vasfiye Doğan Boyner	13,973	21%	13,973	21%
Vuslat Doğan Sabancı	9,708	15%	9,708	15%
Yaşar Begümhan Doğan Faralyalı	9,708	15%	9,708	15%
Arzuhan Doğan Yalçındağ	8,854	14%	8,854	14%
Işıl Doğan	407	<1	407	<1
Public shares	13,050	20%	13,050	20%
	65,200	**100**	**65,200**	**100**

Share premium

	2022	2021
Share premium	4,260,737	4,260,737
	4,260,737	**4,260,737**

Increase in share capital and share premium

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

On Board of Directors meeting dated 5 July 2021, the shareholders have decided to increase the share capital of the Company by amounting to TRY 8,334 thousand reaching to TRY 65,200 thousand through injection of additional capital. In addition to the capital increase, it has been decided to undertake a share premium of TRY 4,107,870 thousand and to issue 41,670,000 class B shares with premium.

Shareholders have assigned new issued class B ordinary shares to underwriters amounting to TRY8,334 thousand for 41,670,000 shares with TRY0.2 nominal value each for IPO of American Depositary Shares.

On 6 July 2021, the Group received TRY4,116,204 thousand proceeds from the IPO in Nasdaq and TRY8,334 thousand was accounted as a capital increase since the IPO completed through capital increase and TRY4,073,272 thousand was accounted as a share premium, after deducting transaction costs. The Group incurred TRY54,178 thousand of transaction costs directly related to the offering and TRY34,598 thousand of transaction costs netted off from share premium.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOT 18 – EQUITY (Continued)

Restricted reserves

	2022	2021
Restricted reserves	1,586	1,586
	1,586	**1,586**

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.

NOTE 19 – REVENUE AND COST OF SALES

Revenue

	1 January - 31 December 2022	1 January - 31 December 2021
Sales of goods	10,974,778	6,134,367
Marketplace revenues (*)	1,495,318	601,322
Delivery service revenues	1,306,660	740,179
Other (**)	265,453	82,153
	14,042,209	**7,558,021**

(*) Marketplace revenues mainly consists of marketplace commission, transaction fees and other contractual charges to the merchants.
(**) Other revenue mainly includes advertising revenues, fulfilment revenues and other commissions.

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.

Cost of sales

	1 January - 31 December 2022	1 January - 31 December 2021
Cost of merchandise sales	(9,779,890)	(5,709,482)
Shipping and packaging expenses	(1,499,365)	(952,565)
	(11,279,255)	**(6,662,047)**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 20 – MARKETING, SELLING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

Marketing, selling and distribution expenses

	1 January - 31 December 2022	1 January - 31 December 2021
Advertising expenses	(1,515,659)	(1,498,240)
Personnel expenses	(632,690)	(380,300)
Depreciation and amortization	(76,728)	(44,576)
Consultancy expenses	(2,105)	(1,633)
Technology expenses	(585)	(280)
Other	(127,155)	(38,256)
	(2,354,922)	**(1,963,285)**

General administrative expenses

	1 January - 31 December 2022	1 January - 31 December 2021
Personnel expenses	(813,587)	(425,763)
Depreciation and amortization	(206,998)	(96,349)
Technology expenses	(147,340)	(60,770)
Consultancy expenses	(120,568)	(58,305)
Other	(108,022)	(44,623)
	(1,396,515)	**(685,810)**

NOTE 21 – EXPENSES BY NATURE

	1 January - 31 December 2022	1 January - 31 December 2021
Cost of merchandise sales	(9,779,890)	(5,709,482)
Advertising expenses	(1,515,659)	(1,498,240)
Shipping and packaging expenses	(1,499,365)	(952,565)
Personnel expenses	(1,446,277)	(806,063)
Depreciation and amortization (Note 12, 13, 14)	(283,727)	(140,925)
Technology expenses	(147,925)	(61,050)
Consultancy expenses	(122,673)	(59,938)
Other	(235,177)	(82,879)
	(15,030,693)	**(9,311,142)**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 22 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities

	1 January - 31 December 2022	1 January - 31 December 2021
Interest income on credit sales	111,650	33,381
Depository income	17.617	8,747
Rediscount interest income	13,687	11,646
Service income	8,548	2,447
Withholding tax return income (*)	8,500	49,945
Foreign currency exchange gains	7,152	-
Bank promotion income	4,015	2,702
Grant income	1,558	2,300
Other	19,080	13,253
	191,807	**124,421**

(*) As explained in note 15, withholding tax return income consists of collections of previously paid withholding tax amounts in connection with the advertising services received from digital advertising platforms.

Other expense from operating activities

	1 January - 31 December 2022	1 January - 31 December 2021
Foreign currency exchange losses	(381,692)	(341,453)
Legal provisions	(295,556)	-
Interest expenses on purchases	(198,274)	(83,710)
Credit card processing	(32,571)	(23,718)
Provision for doubtful receivables	(16,445)	(3,293)
Credit card chargebacks	(3,219)	(4,546)
Provision for Competition Authority investigation	-	(127,525)
Other	(19,692)	(10,069)
	(947,449)	**(594,314)**

NOTE 23 – INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investment activities	1 January- 31 December 2022	1 January- 31 December 2021
Foreign currency exchange gains	379,063	315,770
Fair value gains (Note 5)	46,051	-
Interest income	208	325
	425,322	**316,095**

Expenses from investment activities	1 January- 31 December 2022	1 January- 31 December 2021
Fair value losses (Note 5)	(76,454)	(40,250)
	(76,454)	**(40,250)**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 24 - FINANCIAL INCOME AND EXPENSES

Financial income	1 January- 31 December 2022	1 January- 31 December 2021
Foreign currency exchange gains	790,216	1,756,144
Interest income	202,069	42,203
	992,285	**1,798,347**

Financial expenses	1 January- 31 December 2022	1 January- 31 December 2021
Commission expenses due to early collection of credit card receivables	(701,146)	(461,270)
Interest expenses	(116,677)	(87,584)
Foreign currency exchange losses	(2,640)	(1,997)
Other	(1,157)	(405)
	(821,620)	**(551,256)**

NOTE 25 - TAXATION ON INCOME (INCULDING DEFERRED TAX ASSET AND LIABILITIES)

The reconciliation of the taxation on income are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Loss before income taxes	**(1,224,592)**	**(700,078)**
Calculated tax	244,918	175,020
Effect of disallowable expenses	(16,190)	(37,552)
Deferred income tax assets not recognized	(228,728)	(137,468)
Income tax expense	-	-

Current income tax assets

	31 December 2022	31 December 2021
Prepaid taxes and funds	16,225	4,702
	16,225	**4,702**

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.

NOTE 25 - TAXATION ON INCOME (INCULDING DEFERRED TAX ASSET AND LIABILITIES) (Continued)

The Company and its subsidiaries located in Turkey are subject to taxation in accordance with the tax regulations and the legislation effective in Turkey where the Group companies operate. Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in one instalment by the end of the fourth month. In Turkey, corporate tax rate is 23% as of 31 December 2022. However, the corporate tax rate will be applied as 25% for the corporate income for the 2021 taxation period and 23% for the corporate income for the 2022 taxation period in accordance with the article 11 of the Law No. 7316 on the Procedure for Collection of Public Claims and the Law Amending Some Other Laws and included to the temporary article 13 of Law No. 5520 Corporate Tax Law which are published in the Official Gazette numbered 31462 on 22 April 2021. As of the twelve months period ended 31 December 2022, corporate tax provisions have been calculated and accrued at 23%.

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.

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated on December 31, 2023.

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 23% 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.

Deferred income taxes

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under TFRS and their tax records. These differences usually result in the recognition of income and expenses in different reporting periods for TFRS and tax purposes.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - TAXATION ON INCOME (INCULDING DEFERRED TAX ASSET AND LIABILITIES) (Continued)

Deferred tax assets resulting from deductible temporary differences, tax losses and tax incentives are recognized to the extent that it is probable that future taxable profit or taxable temporary differences will be available against which the deductible temporary difference can be utilized. As of 31 December 2022 and 2021, the Group has not accounted for the remaining deferred tax assets due to uncertainties as to the generation of future taxable profits for the realization of such deferred tax assets in the foreseeable future, as described below:

	Total temporary differences		Deferred income tax assets/(liabilities)	
	2022	2021	2022	2021
Deferred income tax assets:				
Carry forward tax losses	1,499,943	1,129,197	299,989	259,715
Tax incentives	911,095	241,206	182,219	55,477
Right of use assets and related lease liabilities	36,187	28,816	7,237	6,628
Provision for impairment of trade goods	27,981	10,151	5,596	2,335
Accrued expenses, contract liabilities and merchant advances	691,223	3,195	138,245	717
Property and equipment and intangible assets	143,735	55,357	28,747	11,071
Other	66,409	13,553	13,282	3,154
Total	**3,376,573**	**1,481,475**	**675,315**	**339,097**
Deferred income tax liabilities:				
Prepaid expenses	(7,886)	(3,404)	(1,577)	(783)
Trade payables and payables to merchants	3,312	(11,461)	662	(2,636)
Total	**(4,574)**	**(14,865)**	**(915)**	**(3,419)**
Non recoverable deferred tax assets		1,466,610		335,678
Deferred income tax assets, net		-		-

The expiration dates of tax losses which the Group has not recognised any deferred income tax asset are as follows:

	2022	2021
2022	-	53,838
2023	65,639	65,639
2024	48,495	48,458
2025	414,762	413,723
2026	549,877	547,539
2027	421,170	-
Total	**1,499,943**	**1,129,197**

Within the scope of "Law regarding the Restructuring of Certain Receivables" ("Tax Amnesty Law") numbered 7326 that has been launched in Turkey in June 2021, D-Market voluntarily increased its corporate income tax ("CIT") base for the years ended 2018 and 2019, D-Ödeme and D-Fast for the years ended 2018, 2019 and 2020 and half of previous years' losses related to the fiscal years in which tax bases have been increased cannot be benefitted in the following years. The Group paid TRY 146 thousand to increase its CIT base voluntarily and the Group will not be subjected to any tax investigation related to the CIT taxes for related years within the scope of tax amnesty. In addition, the ongoing tax audit is closed in terms of corporate income tax by increasing the CIT base.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 26 - BALANCES AND TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES

Remuneration of key management personnel

The remuneration of key management personnel (directors and members of executive management) for the years ended 31 December 2022 and 2021 are as follows;

	2022	2021
Salaries and other short-term employee benefits	430,234	310,105

In 2022, short-term benefits provided to key management includes equity-settled share-based payments amounting to TL 130.0 million (2021: includes cash-settled share-based payments amounting to TL 121.2 million and equity-settled share-based payments amounting to TL 85.3 million).

Balances with related parties at 31 December 2022 and 2021:

All related parties listed below are controlled by the Doğan Family members.

Due from related parties

	31 December 2022	31 December 2021
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	1,351	1,822
D Elektronik Şans Oyunları ve Yayıncılık A.Ş. (Nesine)	136	178
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	134	120
Other	97	64
	1,718	**2,184**

Amounts due from other related parties mainly resulted from sale of trade goods.

Due to related parties

	31 December 2022	31 December 2021
Doğan Yayınları Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Yayıncılık")	1,716	1.728
Doğan Şirketler Grubu Holding A.Ş.	1,533	-
Aytemiz Akaryakıt Dağıtım A.Ş.	659	-
Doğan Portal ve Elektronik Ticaret A.Ş.	516	343
D Gayrimenkul Yatırımları ve Ticaret A.Ş.	425	154
Doğan Müzik Yapım ve Ticaret A.Ş.	299	119
Doruk Faktoring A.Ş.	-	4,469
Other	431	2,234
	5,579	**9,047**

Amounts due to related parties mainly resulted from purchase of inventories, advertising services, head quarter rentals, payables due to merchant financing and business combination arrangements

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 26 - BALANCES AND TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES (Continued)

Service and product sales to related parties

All related parties listed below are controlled by the Doğan Family members.

	1 January- 31 December 2022	1 January- 31 December 2021
Nesine	4,886	1,774
Doğan Yayıncılık	1,869	1,288
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	1,591	764
Doğan Portal ve Elektronik Ticaret A.Ş. ("Doğan Portal")	1,574	1,229
Doğan Trend Otomotiv Tic. Hiz. Ve Tek. A.Ş.	1,085	340
Doğan Dış Ticaret	1,082	271
Glokal Dijital Hizmetler ve Pazarlama A.Ş.	664	740
Değer Merkezi Hizmetler ve Yönetim A.Ş.	1,045	606
Other	2,463	1,555
Total	**16,259**	**8,567**

Service and product purchases from related parties

	1 January- 31 December 2022	1 January- 31 December 2021
Doğan Dış Ticaret	81,375	55,881
D Gayrimenkul Yatırımları ve Ticaret A.Ş.	20,272	12,741
Doğan Yayıncılık	9,435	5,953
Doğan Trend Otomotiv Tic. Hiz. Ve Tek. A.Ş.	2,922	2,587
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş.	997	681
Nesine	652	3
Doğan Portal	648	447
Other	1,043	641
Total	**117,344**	**78,934**

Business Combinations

Doruk Finansman, acquired from Doğan Holding, is separately disclosed in Note 3 and is not included in the above table of goods and service purchases from related parties.

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Financial risk management

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

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated assets and liabilities to local currency. These risks are monitored and limited by analysing foreign currency position through obtaining positions within the approved limits.

The table below summarizes the Group's exposure to foreign exchange rate risk at 31 December 2022 and 2021 in terms of TRY equivalents of foreign currency denominated assets and liabilities.

	31 December 2022				
	US Dollar	**Euro**	**GBP**	**CHF**	**Total**
Assets:					
Cash and cash equivalents	2,843,108	299	2	24	2,843,433
Trade receivables and due from related parties	15,674	1,373	-	152	17,199
Other current assets	1,277	-	-	-	1,277
Total assets	**2,860,059**	**1,672**	**2**	**176**	**2,861,909**
Liabilities:					
Trade payables and due to related parties	(850,352)	(13,054)	(133)	(9)	(863,548)
Short-term provisions	(260,375)	-	-	-	(260,375)
Total liabilities	**(1,110,727)**	**(13,054)**	**(133)**	**(9)**	**(1,123,923)**
Net foreign currency	**1,749,332**	**(11,382)**	**(131)**	**167**	**1,737,986**

	31 December 2021				
	US Dollar	**Euro**	**GBP**	**CHF**	**Total**
Assets:					
Cash and cash equivalents	3,749,790	76	3	5	3,749,874
Financial investments	1,158,052	-	-	-	1,158,052
Trade receivables and due from related parties	2,990	811	-	-	3,801
Other current assets	910	-	-	-	910
Total assets	**4,911,742**	**887**	**3**	**5**	**4,912,637**
Liabilities:					
Trade payables and due to related parties	(649,680)	(4,926)	(174)	(51)	(654,831)
Total liabilities	**(649,680)**	**(4,926)**	**(174)**	**(51)**	**(654,831)**
Net foreign currency	**4,262,062**	**(4,039)**	**(171)**	**(46)**	**4,257,806**

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk

Credit risk consists of cash and cash equivalents, deposits held with banks and customers exposed to credit risk including uncollected receivables. Ownership of financial assets entails the risk that the other party will not be able to fulfill the contract. However, due to the nature of the operations used to generate revenue, the substantial portion of sales is through the customers' credit cards, so that the companies affiliated to the Group are not exposed to significant credit risk and there are no doubtful receivables at significant levels in the group companies.

Funding risk

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

Foreign currency risk sensitivity

The Group is exposed to foreign exchange risk arising primarily from the USD and EUR. The table below shows, the foreign currency sensitivity of the Company arising from 10% change in US dollar and Euro, GBP and CHF rates. The rate used as 10% is a fair benchmark for the Group as it is used in reporting of foreign currency risk and it is the anticipated rate change of the Company's senior management. Sensitivity analysis includes only the monetary items in foreign currency at year end and shows the effect of 10% increase in foreign currency rates. Positive value implies the increase in net profit before income tax.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk sensitivity (Continued)

31 December 2022	Income/(Loss)		Equity	
	Foreign currency appreciates	Foreign currency depreciates	Foreign currency appreciate	Foreign currency depreciates
In case of 10% appreciation of US Dollar against TRY				
US Dollar net asset / (liability)	174,933	(174,933)	-	-
US Dollar net -income/(loss)	**174,933**	**(174,933)**	**-**	**-**
In case of 10% appreciation of Euro against TRY				
Euro net asset / (liability)	1,138	(1,138)	-	-
Euro net -income/(loss)	**1,138**	**(1,138)**	**-**	**-**
In case of 10% appreciation of GBP against TRY				
GBP net asset / (liability)	13	(13)	-	-
GBP net -income/(loss)	**13**	**(13)**	**-**	**-**
In case of 10% appreciation of CHF against TRY				
CHF net asset / (liability)	17	(17)	-	-
CHF net -income/(loss)	**17**	**(17)**	**-**	**-**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk sensitivity (Continued)

31 December 2021	Income/(Loss)		Equity	
	Foreign currency appreciates	Foreign currency depreciates	Foreign currency appreciate	Foreign currency depreciates
In case of 10% appreciation of US Dollar against TRY				
US Dollar net asset / (liability)	426,206	(426,206)	-	-
US Dollar net -income/(loss)	**426,206**	**(426,206)**	**-**	**-**
In case of 10% appreciation of Euro against TRY				
Euro net asset / (liability)	404	(404)	-	-
Euro net -income/(loss)	**404**	**(404)**	**-**	**-**
In case of 10% appreciation of GBP against TRY				
GBP net asset / (liability)	17	(17)	-	-
GBP net -income/(loss)	**17**	**(17)**	**-**	**-**
In case of 10% appreciation of CHF against TRY				
CHF net asset / (liability)	5	(5)	-	-
CHF net -income/(loss)	**5**	**(5)**	**-**	**-**

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Conservative liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The funding risk of the current and prospective debt demands is managed by maintaining the availability of lenders with high quality and in sufficient number. The following table presents financial liabilities according to remaining maturities. The amounts shown in the table are the contractual undiscounted cash flows and the Group's liquidity management takes into account the expected undiscounted cash flows.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

31 December 2022	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 due to third parties	5,886,538	5,928,371	5,928,371	-	-	-
Bank borrowings	23,973	29,029	5,691	10,934	12,404	-
Lease liabilities	262,367	326,914	47,772	131,435	147,707	-
Due to related parties	5,579	5,579	5,579	-	-	-
	6,178,457	**6,289,893**	**5,987,413**	**142,369**	**160,111**	

31 December 2021	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 due to third parties	4,062,149	4,090,295	4,090,295	-	-	-
Bank borrowings	193,184	199,832	198,372	1,460	-	-
Lease liabilities	211,250	261,177	31,377	89,877	139,923	
Due to related parties	9,047	9,047	9,047	-	-	-
	4,475,630	**4,560,351**	**4,329,091**	**91,337**	**139,923**	

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue its operations in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents. Net debt to equity ratios at 31 December 2022 and 2021 were as follows:

	31 December 2022	31 December 2021
Net debt/(cash) (Note 28)	(4,979,668)	(3,409,035)
Total equity/(deficit)	1,569,955	2,676,176
Net debt to equity ratio	**(317%)**	**(127%)**

Fair value of the financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

The fair values of certain financial assets and liabilities carried at amortised 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.

Fair value hierarchy

The fair values of financial assets and financial liabilities are determined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is as prices) or indirectly (that is derived from prices).
- Level 3: Inputs for the asset or liability that is not based on observable market data (that is unobservable inputs).

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Fair value of the financial instruments (Continued)

Based on the fair value hierarchy, the Group's financial assets and liabilities are categorized as follows:

	As of 31 December 2022			
Financial assets	**Total**	**Level 1**	**Level 2**	**Level 3**
Investment funds at fair value (Note 5)	17,557	17,557	-	-
	17,557	**17,557**	**-**	**-**

	As of 31 December 2021			
Financial assets	**Total**	**Level 1**	**Level 2**	**Level 3**
Investment funds at fair value (Note 5)	1,024,437	1,024,437	-	-
	1,024,437	**1,024,437**	**-**	**-**

NOTE 28 - CASH FLOW INFORMATION

Movement in net debt for the year ended 31 December 2022 and 2021 is as follows;

2022	**Lease liabilities**	**Bank borrowings**	**Total**
1 January	**211,250**	**193,184**	**404,434**
Increase in lease liabilities	162,825	-	162,825
Cash inflows	-	797,877	797,877
Cash outflows	(169,635)	(986,758)	(1,156,393)
Other non-cash movements (*)	57,927	19,670	77,597
31 December	**262,367**	**23,973**	**286,340**
Less: cash and cash equivalents			(5,266,008)
Net debt/(cash)			**(4,979,668)**

2021	**Lease liabilities**	**Bank borrowings**	**Total**
1 January	**144,056**	**347,436**	**491,492**
Increase in lease liabilities	140,367	-	140,367
Cash inflows	-	1,750,046	1,750,046
Cash outflows	(104,829)	(1,912,509)	(2,017,338)
Other non-cash movements (*)	31,656	8,211	39,867
31 December	**211,250**	**193,184**	**404,434**
Less: cash and cash equivalents			(3,813,469)
Net debt/(cash)			**(3,409,035)**

(*) Other non-cash movements consist of interest accrual, disposals and remeasurement of contractual lease liabilities and bank borrowings.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 29 – LOSS PER SHARE

Loss per share is disclosed below:

	2022	2021
Loss for the period attributable to equity holders of the Parent Company	(1,224,592)	(700,078)
Weighted average number of shares with face value of TRY0.20 each	304,764	304,764
Basic and diluted loss per share	**(4.06)**	**(2.30)**

As further disclosed in Note 15, the number of shares issued has increased from 56,866 thousand to 284,328 thousand via decreasing nominal value of each share from TRY 1 to TRY0.20 at the Extraordinary General Assembly meeting dated 25 May 2021. As a result, the loss per share calculation for the periods presented have been performed based on the recent number and nominal value of shares issued.

At the Extraordinary General Assembly meeting dated 5 July 2021, the number of shares issued has increased from 284,328 thousand to 325,998 thousand due to capital increase.

NOTE 30 – AUDITOR FEES

The fees related to the services received by the Group from the independent auditor/independent audit firm are presented below:

	2022	2021
Fees for Independent audit the reporting period	16,962	8,586
Fees for other assurance services	-	1,040
	16,962	**9,626**

NOTE 31 - SUBSEQUENT EVENTS

On 6 February 2023, two high-magnitude earthquakes, with their epicenter in Kahramanmaraş impacted 11 cities across Southeastern Türkiye, directly affecting the lives of around 14 million people. The Group's physical headquarters and offices, and its Gebze fulfillment center - where most of the Group's employees are based, apart from those working remotely - are located beyond the earthquake zone and hence were unaffected. Eight cross-dock points (i.e., parcel transfer centers) of HepsiJet out of a network of 192, were directly impacted and will have to be renovated to restore their operations. The Group's total Active Merchant number on the Marketplace with a registered address in the affected region is approximately 6,500 out of over 99,700. The stores of close to 1,950 merchants on the Group's platform are temporarily suspended at their own request. The Group observed a temporary decline in overall customer demand on platform and in the number of orders received, particularly during the week of February 6, compared to the previous week and the same week of the prior year. This decline was likely caused by the loss of traffic and demand from the affected region, and the Group's decision to put major marketing campaigns, events and media advertising on hold for two weeks to honor the nation's mourning. As the overall situation stabilized by mid-March, traffic to platform recovered to almost pre-earthquake levels. The order trend during this period was relatively volatile which had also recovered to almost pre-earthquake levels by mid-March 2023.

NOTE 31 - SUBSEQUENT EVENTS (Continued)

On 6 February 2023, two high-magnitude earthquakes, with their epicenter in Kahramanmaraş impacted 11 cities across Southeastern Türkiye, directly affecting the lives of around 14 million people. The Group's physical headquarters and offices, and its Gebze fulfillment center - where most of the Group's employees are based, apart from those working remotely - are located beyond the earthquake zone and hence were unaffected. Eight cross-dock points (i.e., parcel transfer centers) of HepsiJet out of a network of 192, were directly impacted and will have to be renovated to restore their operations. The Group's total Active Merchant number on the Marketplace with a registered address in the affected region is approximately 6,500 out of over 99,700. The stores of close to 1,950 merchants on the Group's platform are temporarily suspended at their own request. The Group observed a temporary decline in overall customer demand on platform and in the number of orders received, particularly during the week of February 6, compared to the previous week and the same week of the prior year. This decline was likely caused by the loss of traffic and demand from the affected region, and the Group's decision to put major marketing campaigns, events and media advertising on hold for two weeks to honor the nation's mourning. As the overall situation stabilized by mid-March, traffic to platform recovered to almost pre-earthquake levels. The order trend during this period was relatively volatile which had also recovered to almost pre-earthquake levels by mid-March 2023.

The First Period of the share-based payment plan which was defined as the end of 18 (eighteen) months after the date of the IPO, of the vesting schedule set forth by the Company's Board of Directors decision dated on 24 March 2021, has been concluded at the date of 31 January 2023. Accordingly, the Board of Directors has decided that within the scope of the First Period of the share-based payment plan, a gross total of 1,662,592 Class B ordinary shares of the Company (which may be represented by ADSs) have been vested to some of its key management personnel who became entitled, as defined under their individual contracts, to receive Restricted Stock Units (RSUs); and a gross total of 533,030 Class B ordinary shares of the Company (which may be represented by ADSs) have been vested to some of its key management personnel who have been determined, as having successfully met the year-end targets for the purposes of the calculation of the PSUs. The gross total amount of said shares (which may be represented by ADSs) will be given to the said executives by the Company, once these shares are first issued by or become available to the Company.

On 24 April 2023, the Board of Directors adopted revisions to Group's share based payment plan dated 24 March 2021 for key executives, directors, managers, officers, employees and consultants who contribute to the Group's performance. The revisions made to the share based payment plan consisted of allocating the unused portion of the share amount of the First Period into two newly created periods, namely, the Fourth Period and the Fifth Period, without changing the eligibility criteria of the share based payment plan and without affecting the vested rights of the individuals that have been covered under the First, Second and Third Period based on their individual agreement signed prior to the date of the revision. As the participants of the Fourth and Fifth Period have not been defined, at present it is not possible to determine the fair value of the revised plan.

On 28 April 2023, the Central Bank notified the Company that it had identified seven instances of non-compliance by the Company under the (Repealed) Communique on the Management and Supervision of IT Systems of Payment Institutions and Electronic Money Institutions relating to data security and authorization, ID verification and the creation of an audit trail. The Central Bank requested that the Company provide a written response, including an action plan to remedy the identified instances of non-compliance within one month. The Central Bank may in its discretion impose administrative fines on the Company ranging from TRY129 thousand to TRY2,913 thousand for each breach. If an administrative fine is imposed by the Central Bank, the Company has a right to appeal the decision to the Turkish Criminal Court of Peace. The Company's management determined that due to the uncertainty with respect to the outcome and since a reliable estimate cannot be made for the amount of the obligation, no provision is recognized in the consolidated financial statements with respect to the identified non-compliance.

NOTE 31 - SUBSEQUENT EVENTS (Continued)

The Group's Chief Commercial Officer ("CCO") will take a break from the Company from May 2 to September 21, 2023. On September 21, 2023, he will return to the Company as Chief Commercial Officer responsible for Investments. The responsibilities of the Chief Commercial Officer will be carried out by Ender Özgün, Chief Marketing Officer, in addition to his current position.

In January 2023, the company name of Doruk Finansman was changed to Hepsi Finansman A.Ş..